

MINUTES

A regular meeting of the City Council of the City of Pinehurst was held on January 13, 2026, at 6:00pm at Pinehurst City Hall Council Room. The following council members were present: Cynthia Adams, J. Michael Shahan, Joey Vance, Greg Willis and Troy Pierce. Mayor Sarah McClendon called the meeting to order and established a quorum. Cynthia Adams gave the invocation followed by the reciting of the United States and Texas Pledges of Allegiance. The following business was transacted.

On the motion made by Councilman Greg Willis and seconded by Councilman Troy Pierce, council members unanimously voted to approve the minutes of the Regular Session held on December 9, 2025.

There were citizen comments by Laura Capehart from Republic Services. Ms. Capehart stated she wanted to introduce herself and to let the council know that Neches Management Services had been bought out by Republic Services. She also introduced the Operations manager Levi Nelson.

Presentation of Fiscal Year 2024-2025 Annual Audit Report by Keri Michutka, CPA and discussion of aforementioned audit. Mrs. Michutka thanked the council for allowing her to do the city audit and stated she would hit the highlights of the audit for them. Mrs. Michutka states that starting on page 2 is the independent auditors report and it states that we have audited the financial statements of the City of Pinehurst as of yearend September 30, 2025. Mrs. Michutka referred to page 15, this is the Balance Sheet for the General Fund as of September 30, 2025 the balance for that fund is \$2,586,306 as of that the \$60,000 restricted fund balance and the unassigned fund balance was \$2.3 million which is over 11 months of expenditures for the city and the city is in a good financial position. The Debt service end fund balance was \$7,046 and all those funds are restricted. The total governmental funds balance was \$2,609,255. Mrs. Michutka stated a couple pages over on page 17 we are going to look at the change for the year and the general fund had an increase in funds of \$9,238 and the debt service had an increase of \$6,381. Mrs. Michutka stated on page 20 Proprietary Funds our Water and Sewer funds had a net change increase of \$1.1 million. The operating profit of the Water and Sewer Fund was \$97,000 and from there we had CDBG grants that come in as income was \$910,000. The extraordinary item was the Arpa money that this year the US Treasury made a change and allowed us to bring that in as revenue. The sanitation fund had an increase of \$62,000 with an ending total net position of \$ 704,243. The next is page 31 this is our capital asset activity as of September 30, 2025, the city had ending governmental activity with fixed assets and depreciation of \$1.4 million. The city had additions of \$42,00 and that was the sign at City Hall and the security system. On page 32 from the water and sewer fund fixed assets total with depreciation was \$3,529,864 and the additions there were construction in progress and a Polaris. On the debt on page 36 for the long-term liabilities for the general fund the ending balance was \$1.8 million, and the water and sewer fund was \$549,246. Mrs. Michutka stated there is another opinion letter at the back of the report on page 58 stating this is required for governmental audits it is a report on internal control over financial reporting and it states that the audit did not identify any deficiencies on internal control and no intentions for noncompliance. Mrs. Michutka stated overall it was a good clean audit and there were no issues.

On consideration of accepting the Annual Audit as presented by Keri Michutka, CPA for fiscal year ending September 30, 2025, councilman Troy Pierce made a motion to approve the Audit and councilwoman Cynthia Adams seconded the motion and the motion unanimously carried.

The City Administrator Robbie Hood stated the mayor and staff met with Justin Meyers from Traylor and Associates and the General Land Office (GLO) for a Kickoff Meeting for the Grants that have been awarded. These grants have a 2-year window to get the project done. The citizens are going to see great improvements with these grants. One is the fire hydrant grant that will replace 90 fire hydrants with cut off valves which will improve our ISO rating. The next grant is the drainage infrastructure behind Harding.

City Attorney, Tommy Gunn read the Oath of Office to Chief of Police Jason Hollyfield.

City Attorney, Tommy Gunn read the Oath of Office to the Pinehurst Volunteer Fire Department members.

The Department Heads gave their reports.

Chief of Police Jason Hollyfield stated that 2025-year end had 2068 citations, 2024-year end had 1400 citations, and 4,760 calls in 2025. Lt. Willis has been to the LIDAR school and has all the officers certified. Southeast Texas Regional Planning Commission has a grant from Homeland Security for portable radios, and it would be no cost to the city.

Public Works Greg May stated that all the water leaks have been taken care of and have been replaced with sewer leaks. The Grant for pipe bursting will take care of all the sewer problems from 40th to Hwy. 90. Greg stated that street signs have been replaced. Greg also stated that there has been some brown water but the water department has started flushing hydrants twice a month to help with the brown water. The street department will start digging ditches since the purchase of the dump truck.

Fire Department Fire Chief Steven Peais stated that there are 4 members and 2 on probation. The New fire truck should be ready between August and December.

The presentation of the Racial Profiling Report was given by Chief of Police Jason Hollyfield. There were 2068 stops, 1787 on city streets, 140 on I10 and 4 on private property. There were 16 native american, 29 Asian, 649 African/American, 922 Caucasian, and 452 Hispanic stops.

On consideration to approve a replat for 1600 Strickland (O'Reilly Auto Parts) Mayor Pro-Tem J. Michael Shahan made a motion to approve the replat and Councilman Joey Vance seconded the motion and the motion unanimously carried.

On consideration of revising and/or adopting the City of Pinehurst Investment Policy and approval of the corresponding Resolution. Tommy Gunn read the Resolution. Councilman Joey Vance made a motion to adopt the City of Pinehurst Investment Policy and councilman Troy Pierce seconded the motion and the motion unanimously carried.

On consideration of ordering a Municipal Election to be held on May 2, 2026 for the purpose of electing one (1) Mayor and two (2) Alderpersons – At- Large – full terms. Councilwoman Cynthia Adams made a

motion to order a Municipal Election and councilman Troy Pierce seconded the motion and the motion unanimously carried.

On discussion and possible action on entering into a Joint Election Agreement Services Contract between the Orange County Elections Administrator (Administrator) and the select political subdivisions of the State of Texas (Entities) for the purpose of authorizing the Administrator to conduct and supervise the City of Pinehurst General Election to be held May 2, 2026. Councilman Joey Vance made a motion to enter the Joint Election Agreement and councilman Troy Pierce seconded the motion and the motion unanimously carried.

On approving budget amendments for FY2025-2026, Mrs. Andreu stated that this was to amend the budget for the purchase of the Dump Truck. Councilman J. Michael Shahan made a motion to approve the budget amendments and councilman Greg Willis seconded the motion and the motion unanimously carried.

On discussion and possible action to amend Chapter 58, Section 21 of the Code of Ordinances for City Administrator Robbie Hood suggested that the council form a committee to revise the Manufactured Home Ordinance. Councilman Joey Vance and Councilman Troy Pierce were appointed to this committee.

On discussion and possible action to waive permit fees for West Orange Stark Early Learning Center City Administrator Robbie Hood explained the waiver of fees would be only for the plan review and permit fees. The Inspection fees would not be waived.

On discussion and possible action to create the position of Human Resource/Special Projects, City Administrator Robbie Hood explained this position would be for Human Resources and Grants. Councilman Joey Vance made a motion to create the position of Human Resource/Special Projects and councilman Troy Pierce seconded the motion and the motion unanimously carried.

At 6:45 p.m., council members convened in a closed session pursuant to the Texas Local Government Code, Section 551.074, Personnel Matters to conduct

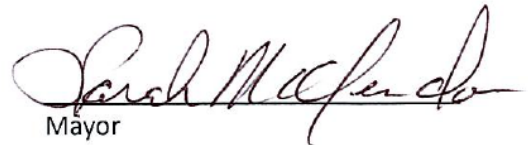
- a. Performance Evaluation of City Attorney Tommy Gunn
- b. Performance Evaluation of City Secretary Michele Andreu

At 7:20 p.m., council members reconvened in an open session.

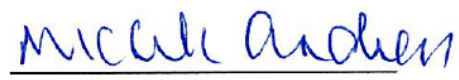
Regarding the Performance Evaluation of City Attorney Tommy Gunn, Councilman Troy Pierce made a motion to accept the evaluation. Councilman Joey Vance seconded the motion, and the motion unanimously passed.

Regarding the Performance Evaluation of City Secretary Michele Andreu, Councilwoman Cynthia Adams made a motion to accept the evaluation. Councilman Troy Pierce seconded the motion, and the motion unanimously passed.

There being no further business to transact, Councilwoman Cynthia Adams made a motion to adjourn, and Councilman Joey Vance seconded the motion and the unanimously carried. Mayor Sarah McClendon adjourned the meeting at 7:22 p.m.



Mayor



City Secretary