

City of Pilot Point, Texas

Minutes of the August 24, 2020

City Council Meeting

The City Council of the City of Pilot Point, Texas met on this date at 6:30 p.m. for a regular City Council meeting. City Council members present were Mayor Shea Dane-Patterson, Andy Singleton, Whitney Delcourt, Jim Porter, Pearlie Mae Simpson, Dean Cordell and Matt McIlravy. City Staff members present were City Manager Britt Lusk, Police Chief Tim Conner, Financial Manager Lana Ensminger, Development Services Director John Taylor, Fire Chief Heath Hudson, Main Street Director Lenette Cox, Capital Projects Manager Matt Kaminski, Economic Development Corporation Director Denise Morris, City Attorney Emily Bowlin and Acting City Secretary JoAnn Wright.

AGENDA

A. ROLL CALL/CALL TO ORDER

Mayor Dane-Patterson announced a quorum and called the meeting to order at 6:32 p.m.

B. PLEDGE TO FLAGS

1. United States of America
2. Texas Flag

*Honor the Texas Flag, I pledge allegiance to thee,
Texas, one state under God, one and indivisible*

Mayor Dane-Patterson led the pledge to the flags.

D. INVOCATION

Invocation was led by former Pilot Point ISD Superintendent and member of the First United Methodist Cloyce Purcell.

E. ITEMS OF COMMUNITY INTEREST

Mayor Dane-Patterson announced the following items of interest:

1. Pray of the Square will be held on August 29th.
2. Farmers Market will be on the square August 29th.
3. Grace Point Nazarene Church will be hosting their Car Show on the square September 5th.
4. City Hall will be closed September 7th in observance of Labor Day.

F. PUBLIC FORUM, PRESENTATIONS AND RECOGNITION:

Public Forum:*(Citizens are allowed 3 minutes to speak. If the issue is on the agenda, the City Council may choose to discuss and consider the item. If the issue is not on the agenda, the Council is not permitted by state law to respond to or discuss the item other than to make statements of specific factual information in response to a citizen's inquiry or to recite existing policy in response to the inquiry. The Council may request the issue to be placed on a future agenda for action in accordance with state law. This forum is not the appropriate place to address complaints against Public Officials and/or Staff. Complaints of this nature should be made in writing and filed with the City Manager.)*

1. Memorial Proclamation for Robert Heuman

Mayor Dane-Patterson read a proclamation honoring the late City Councilmember Robert Heuman.

Councilmember Porter stated that Robert Heuman was a respected leader in the community.

The following citizens spoke:

Nick Cane of Pilot Point stated he was speaking on behalf of himself and his family and thinks that the tax increase is uncalled for and should not go up, especially during the COVID-19 pandemic.

Todd Witte of Pilot Point stated that no organization or municipality can sustain without financing. Mr. Witte praised City Manager Lusk and stated concerns for what has happened

to City Council in the past five years. Mr. Witte called for the Council to be held responsible.

Curtis Redfearn of Pilot Point stated at this time when people are just now going back to work it is not a good to be raising the taxes.

Shaun Hopkins of Pilot Point stated that if the city is in this much trouble the city needs to file bankruptcy if they are in financial trouble. Ms. Hopkins stated that higher tax rates will run people off.

Cathy Stamm of Pilot Point stated she has lived in Pilot Point only two months and the tax rate is one reason she moved here. Ms. Stamm asked the Council to spread out the increases over time and not burden the citizens with higher taxes.

Stephanie Schaffer of Pilot Point stated she and her husband moved to town three years ago. Ms. Schaffer stated that she got sick and her husband was laid off and can't afford to live in Pilot Point if the taxes go up and doesn't understand how Council can ask for the rate increases.

G. CONSENT AGENDA

- 1. Recurring Resolution providing for the approval of the agreement between the State of Texas and the City of Pilot Point for the temporary closure of Liberty St. between Business Loop 377 and South Jefferson St.**

Mayor Dane-Patterson stated this is for the closure of Liberty Street from Jefferson Street to Business Loop 377 for Grace Point Nazarene Church's Annual Car Show. Councilmember Delcourt moved to accept the consent agenda. Councilmember Cordell seconded the motion. The motion passed unanimously.

H. REGULAR AGENDA

- 1. Discuss, consider and possible action on approving Cole Lane Addition of the Yarbrough Farms.**

Capital Projects Manager Kaminski stated that this item had been tabled at the City Council of August 10, 2020 to allow for more items to be completed on the check list. Since then everything has been completed with the exception of one signature on the maintenance bond.

Councilmember McIlravy moved to approve Cole Lane of the Yarbrough Farms with the City Attorney's approval and the signature needed on the maintenance bond. Councilmember Singleton seconded the motion. The motion passed unanimously.

- 2. Discuss, consider and possible action on ways to encourage the use of face masks to counter the spread of COVIC-19.**

Mayor Dane-Patterson stated that Councilmember Porter asked for this item be placed on this agenda.

Councilmember Porter made the following statement;

As the Pilot Point City Council, we formally indorse the Governor's mandate to wear face mask in Pilot Point in our activities as a community and in our stores for the safety of our community.

As of today, there have been 80 cases reported in Pilot Point. The CDC has said in the next three months we can save over 30,000 lives by wearing face mask. It is our responsibility to protect ourselves and others.

Mayor Dane-Patterson stated that it is not required that the city adopt its own mandate. The City has chosen to follow the Governor's mandate.

Councilmember Singleton moved to support the mandate of the governor of the State of Texas concerning the wearing of face mask. Councilmember Delcourt seconded the motion. The motion passed unanimously.

3. Public hearing regarding the proposed budget for the Fiscal year beginning October 1, 2020 ending September 30, 2021.

Mayor Dane-Patterson stated that this item is being pulled to go onto the September 9th meeting.

4. Discussion on the proposed FY 2021 recommended Operating and Capital Improvement Budget.

Mayor Dane-Patterson stated that this item is being pulled to go onto the September 9th meeting.

5. Public hearing on the proposed tax rate for the City of Pilot Point for tax year 2020 and announce the meeting date and time of adoption.

Mayor Dane-Patterson called the public hearing at 8.29pm for the 80-cent increase. There is a new public hearing is scheduled for 9/14/2020 for the new proposed tax rate of 0.641128.

Female citizen asked if the City is going to help the citizens why is the city doing a budget? Mayor Dane-Paterson stated that by law a municipality must set a budget and it must be done at this time of the year. Staff has done a great job of cutting expenses. Police are putting their lives on the line to protect us.

City Manager Lusk stated we have to pay our bills and make tough decisions. We are trying to hire a financial director so we can cut the consultant and in turn save money.

Female Citizen asked about what happened to the streets? Capital Projects Manager Kaminski stated the City has done eight streets and saved a lot of money.

Mayor Dane-Patterson explained that the city rebuilt streets in phase one and came in under by \$192,000. The city is starting on phase two. The \$192,000 is still there in the bond to go onto new streets. We now have a checks and balance in place.

Steve Keith asked if the storm alarms are in the budget? Mayor Dane-Patterson answered no.

City Manager stated the advantages of having a Certified Finance Officer is to provide the oversight to make sure the City of not overspending.

Gary Speers stated that it sounds like the City is doing what we need so that we don't have the same problem in the future.

Mayor Dane-Patterson stated the Tax Increment Reinvestment Zone was created five years ago, with the projection that 90 houses would be built every year until done. When the houses are built, the taxes go to pay back the TIRZ. The first year the land only is taxed. The second year the land and improvements are taxed. The builder has not built 90 houses a year, but the City has held up it's part of the agreement and built the roads. The City is working diligently to make sure the builder is putting the houses up. The City has a Capital Projects Manager to make sure the projects are being done right. There are some of the things that the Capital Projects Manager has been finding. That's why it's important to have a Finance Officer to make sure we are paying back the TIRZ in a timely manner. The City now has a City Manager that is making sure we are doing things right. One of the biggest things that we have learned is that Council needs the transparency so they can make informed decisions.

Gary Speer asked if the impact fee study has to be done every two years? Mayor Dane-Patterson replied that an impact fee study does have to be done every two years in order to charge builders the impact fees.

Planning Development Director Taylor stated that on land that has already been platted, the builder has one year to build without being charged an impact fee. After that year impact fees can be charged.

Mayor Dane-Patterson made note that Councilmember Cordell had to leave the meeting.

Male citizen asked if similar size cities around have CFO? Mayor Dane-Patterson stated yes.

Councilmember Singleton stated if the City has someone with a big project, the City needs a CFO to overlook the finances. Now we have a Capital Projects Manager and he has paid for himself tenfold.

Mayor Dane-Patterson closed the public hearing at 8:58 pm.

6. Discuss, consider, and possible action on an ordinance of the City Council of the City of Pilot Point, Texas, adopting the tax rate and levying ad valorem taxes for the Fiscal Year 2020-2021 to provide revenue for the payment of current expenditures; providing a severability clause; and providing for an effective date.

City Manager Lusk stated that the tax office said the tax has not been reported correctly in the last four years. There are three parts of the property tax. The County Taxes, the School taxes and the City taxes. The City has heard from the people about the proposed tax rate. That is why we are now proposing a new and lower tax rate of 64 cents per \$100 valuation. The City has been operating in a deficit for the last four years. This happened because the City has been paying for everything out of the utility fund. We are going to see 1100 new home coming due to the new development. This will put a strain on the water wells and the wastewater treatment plant.

Mayor Dane-Patterson asked City Manager Lusk to explain what they had learned from the tax meeting with the tax assessors office.

City Manager Lusk stated the debt services should be paid out of the general fund. Over the last several years the debit service has not been reported correctly. The debt services have been paid for out of the utility fund. If you look at the 2019-2020 total, you see \$269,000 was reported and was all paid by the utility funds. If you go down to the 2020 total, you will see \$926,000 which is approximately \$600,000 which was paid for by utility funds and that is why we are in the situation we are in. Our utility fund has been operating in a deficit for several years now. Our utility funds pay for infrastructure for the water and wastewater that we desperately need. We should be using that utility money for building up the reserves and let the money in reserves make money for the City. The City has had to move money out of reserves to pay for general fund debts, and now we are trying to build up the reserves. Mr. Lusk stated the new proposed increase is below the de minimis rate and slightly above the breakeven rate. Mr. Lusk stated that the City is seeing growth, but the houses being sold now could take as much as two years to show up on the tax rolls.

Citizen Steve Keith asked where the building fees are going? City Manager Lusk stated that some of the building fees are restricted funds and some are inspection fees passed along to the inspector. After January 1, 2021, when the impact fee study is completed, the City will be able to charge impact fees. Staff will be meeting to talk about the wastewater treatment plant and restructure the plans.

Citizen Gary Speer asked why the impact fees that were approved in the 90's are not being collected? Mayor Dane-Patterson stated the fees were never followed up on and therefor were never collected.

City Manager stated we are having an impact study done that will be completed in late December and fees will be in effect in January 2021. We are unfreezing the positions that were vacated this past year and filling positions from 2019-2020 budget in this last budget year and giving a 3% raise.

Councilmember Singleton moved to approve the tax rate of 0.641128. Councilmember McIlravy seconded the motion. The motion passed unanimously.

I. STAFF REPORT

1. July Municipal Court Report
2. July Library Report
3. July 2020 Code Enforcement Report
4. July 2020 Main Street Report

Mayor said court fees need to be collected.

J. FUTURE AGENDA ITEMS/REQUESTS BY COUNCILMEMBERS TO BE ON NEXT AGENDA

Councilmembers shall not comment upon, deliberate, or discuss any item that is not on the agenda. Councilmembers shall not make routine inquiries about operations or project status on an item that is not posted. Any Councilmember may, however, state an issue and a request that this issue be placed on a future agenda.

K. ADJOURN

Mayor Dane-Patterson moved to adjourn at 8:59 p.m. Councilmember McIlravy seconded the motion. The motion passed unanimously.



Shea Dane-Patterson, Mayor

ATTEST:



Lenette Cox, Acting City Secretary