

January 14, 2025

NO. 1543

## MINUTES

A regular meeting of the City Council of the City of Pinehurst was held on January 14, 2025, at 6:00pm at Pinehurst City Hall Council Room. The following council members were present: Cynthia Adams, J. Michael Shahan, and Troy Pierce. Mayor Pro-Tem J. Michael Shahan 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 Troy Pierce and seconded by Councilwoman Cynthia Adams, council members unanimously voted to approve the minutes of the Regular Session held on December 10, 2024.

There were citizen comments by Kendall Pierce. Mr. Pierce stated he would like to discuss the drainage on Sparrow Street by his house and his rent house. There are 2 culverts that are filled with dirt and there is no water flow. Mr. Pierce also wanted to address that the corner of Sparrow and 41<sup>st</sup> Street that it looks like a junk yard, and he would like to see it cleaned up.

Presentation of Fiscal Year 2023-2024 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, 2024. Mrs. Michutka referred to page 15, this is the Balance Sheet for the General Fund as of September 30, 2024 the balance for that fund is \$2,379,770 as of that the \$60,000 restricted fund balance and the unassigned fund balance was \$2.3 million which is over 12 months of expenditures for the city and the city is in a good financial position. The Debt service end fund balance was \$665 and all of those funds are restricted. The total governmental funds balance was \$2,380,435. 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 \$185,000 and the debt service had a small decrease of \$186. Mrs. Michutka stated on page 20 Proprietary Funds our Water and Sewer funds had a net change of a decrease of \$19,858 and most of that can be contributed to depreciation expense of \$212,216 so our total net position ending September 30, 2024 is \$3,901,909. The sanitation fund had an increase of \$57,426 with an ending total net position of \$ 641,735. Mrs. Michutka stated there are a couple of notes she would like to look over. This is our capital asset activity as of September 30, 2024 the city had ending governmental activity fixed assets and depreciation of \$1,555,445. The city had additions of \$131,069 and that was 3 vehicles, 2 silverados and 1 ford explorer for the Police department. On page 32 from the water and sewer fund fixed assets total with depreciation was \$2,699,927 and the additions there were a couple of silverados, Polaris and a carport. On the debt on page 36 for the long term liabilities for the general fund the ending balance was \$2,323,798 and the water and sewer fund was \$717,340. There were additions there with a couple new loans from First Financial and that was to pay for those 4 new vehicles. Mrs. Michutka stated there is other 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, 2024 councilwoman Cynthia Adams made a motion to approve the Audit and councilman Troy Pierce seconded the motion and the motion carried.

The City Administrator Jerry Hood stated he had a few highlights to go over. As of today, he has submitted 3<sup>rd</sup> Round of Community Wildfire Grant and it seems like the grants are focusing on plans versus equipment. This round we are going to submit we have a community wildfire plan which is like a hazard mitigation plan where it must be on the plan before you get the money. The street department was out doing road repairs and are filling all potholes as needed. The generator at the well yard is up and running and has passed all the quality tests. Mr. Hood stated that next month Sonny from Pineywoods will come and present a price adjustment because of the landfill cost to dump sludge from the drying beds. This increase will be about \$12,000 a year. Mr. Hood stated that Chief Stroud was in attendance and that the Police Department now has full staff.

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 Troy Pierce made a motion to adopt the City of Pinehurst Investment Policy and councilwoman Cynthia Adams seconded the motion and the motion carried.

On consideration of ordering a Municipal Election to be held on May 3, 2025 for the purpose of electing three (3) 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 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 3, 2025. Councilwoman Cynthia Adams made a motion to enter the Joint Election Agreement and councilman Troy Pierce seconded the motion and the motion carried.

On discussion and possible action approving an Ordinance authorizing participation with other Entergy Service Area Cities (Coalition of Cities) and representation by the Lawton Law Firm P.C. in matters concerning Entergy, Texas Inc. at the Public Utility Commission of Texas in 2025. Tommy Gunn read the Ordinance. Councilman Troy Pierce made a motion to accept the Ordinance authorizing participation with other Entergy Service Area Cities (Coalition of Cities) and representation by the Lawton Law Firm P.C. in matters concerning Entergy, Texas Inc. at the Public Utility Commission of Texas in 2025 and councilwoman Cynthia Adams seconded the motion and the motion carried.

On discussion and possible action on adopting the Drought Contingency Plan for the City of Pinehurst and the approval of the corresponding Resolution and Ordinance. Mr. Gunn stated this plan must be readopted every five years. Mr. Gunn read the resolution. Councilwoman Cynthia Adams made a motion to readopt the Drought Contingency Plan and councilman Troy Pierce seconded the motion and the motion carried.

Under announcements, comments and request from the council, Chief Stroud wanted to announce the officers for the Police Department Josh Nash, C. J. Forsythe, Brandon Gilley, Justin Brown and Adam Good. Chief Stroud wanted to say how much he appreciates and is blessed to have them all working



with them. The Police Department has adopted an officer of the month program and December 2024 officer of the month is Justin Brown. The Police Department is also doing an officer of the year and that also goes to Justin Brown. Chief Stroud also gave an update on the end of the month totals. In 2022 they wrote 10 citations, 3 warnings and collected \$5,000. In 2023 they wrote 15 citations, 16 warnings and collected \$7,000. In 2024 they wrote 115 citations, 50 warnings and collected \$19,361.70. Chief Stroud states that they have activated the body cameras and are working with a grant to purchase in-car cameras. Chief Stroud stated that we are trying to purchase ticket writers which will help with the entering of tickets and the paper that is used. Chief Stroud stated January 26, 2025, he will be in Waco, TX to complete his Chief School. Chief Stroud completed a LESO class that will allow the city to get items that are available for them.

There being no further business to discuss, Mayor Pro-Tem J. Michael Shahan adjourned the meeting at 6:33 p.m.

  
Mayor

  
City Secretary