



CITY COUNCIL REGULAR MEETING MINUTES

October 10, 2023

BE IT REMEMBERED THAT the City Council of the City of Leonard, Fannin County, Texas, held a Special Meeting in the Council Chambers of City Hall at 111 W Collin Street, Leonard, Texas, on October 10, 2023, at 6:30 P.M.

The meeting was broadcast live on the city's Facebook page. A video recording of the meeting is available to members of the public at <https://www.facebook.com/CityofLeonard>.

Members Present: Mayor Michael Pye, Mayor Pro Tem Noel Nixon, Councilmembers Billy Wayne Martin, Leonard Phillips, Al Stephens, and Peyton Webster.

Staff present: City Administrator George Evanko, City Secretary Melissa Verde, Court Clerk Kim Davis, Public Works Director Woody Patrick, and Police Chief Brian Meserole. Also present were Mike Ward, Auditor with Ward Financial Services; Patty Parks, CPA with Parks Reconciliation Services, and David Perkins, civil engineer with Kimley Horn, Inc.

Registered Guests: Ryan James, Sheryl Stanley.

1. Call Meeting to Order, Verification of Quorum

Mayor Pye called the meeting to order at 6:30 PM after confirming a quorum was present.

2. Invocation, Pledges of Allegiance to the United States and Texas Flags

After the invocation led by Woody Patrick, the group recited the pledges of allegiance to the US and Texas flags.

3. Open Forum – Mayor Pye called for any speakers; no one spoke in the open forum.

4. Department Reports

Mayor Pye called for the department reports.

- a. Police Chief Brian Meserole presented the police department report, mentioning that they have two officers in training this month. No news to report on the new car; just waiting for Motorola.
- b. Public Works Director Woody Patrick presented the department report and spoke of having a productive month, completing several road repairs and water leaks. Discussed the water boil notice issued that day due to the repair of an eight-inch main, complicated repair. Also, reported that weekend, the team had repaired a collapsed six-inch sewer line. Mayor Pro Tem Nixon thanked Public Works for their hard work and asked if the six-inch main that still needs work has isolation valves. Woody said it may not, but we are studying it with a plan to possibly repair it without interrupting service.

c. Mayor Pye called for the administrative report.

- i. City Administrator George Evanko presented the report and apologized for having to issue the water boil notice; and anticipates lifting the notice on Thursday. Today's repair took approximately 2.5 hours, and the priority being to get the school and businesses back online.
- ii. The emergency communication repeater project is waiting for "Wes" with Motorola to schedule the equipment installation. The City sent invoices to the four other taxing entities/partners for their share in the project, and we have received payments for two of the four.
- iii. Interlocal agreement with Fannin County is still under review. The county will make any desired changes. We are waiting for their redline agreement.
- iv. Regarding the new school, David Perkins is reviewing the project with the school development team regarding a sewer line project that could be expensive, working on a pro-rata agreement.
- v. The Leonard Crossing development is currently pouring the streets. After the streets are poured and inspected, will finalize the final plat for presentation to P&Z and council.
- vi. CDBG grant project bids are lower than the project allowance between \$17,000 to \$22,000. David Perkins with Kimley Horn reviewed some options to best utilize the most funds, including rebidding the project or adding change orders to add back in some of the work we struck from the scope, especially with the school coming online soon, or a small purchase. David reported that the contractor should be mobilizing soon.
- vii. Texas Water Development Board "TWDB" loan reported potential funding in January.
- viii. The American Rescue Plan Act "ARPA" grant is with engineering for posting the RFP.

d. Mayor Pye called for the financial report.

- i. City Secretary Melissa Verde reported reconciling through the end of July. Still closing fiscal report ending 9/30/23. Introduced Mike Ward and Patty Parks to speak about the closing of the fiscal audit of year ending September 30, 2022, and the closing entries.

5. Consent Agenda

- a. Approval – City Council Regular Meeting Minutes- September 12, 2023
- b. Approval – City Council Special Meeting Minutes- September 19, 2023
- c. Approval – City Council Special Meeting Minutes- September 21, 2023
- d. Approval – Auditor Engagement Letter for the audit of financial statements for the fiscal year ending September 30, 2023
- i. Upon a motion from Mayor Pro Tem Nixon to approve the consent items a, b, c, and d; seconded by Councilmember Webster; the mayor called for a vote. All approved and the motion passed unanimously.

6. Presentation, discussion, and possible action on the Auditor's Final Report of Financial Statements for the Fiscal Year ending September 30, 2022. (Mike Ward, CPA)

- a. Mayor called Mike Ward to speak on the financial audit. Mike Ward updated the council on the finalization of the financial audit for the period ending September 30, 2022; specifically, regarding what he had previously referred to as a "prior period adjustment" in the draft audit,

and that it was resolved by Patty Parks doing a reconciliation of the 2022 Accounts Payable activity from the year and posted the large debit balance to the expenses category for the audit, closing the year at approximately \$396K of expenses.

- b. Patty Parks presented that the issue arose with information that came forward from the old software being summarized, and more payments recorded than payments recorded. e.g., more cash paid out than invoices recorded. All records from conversion forward look good.
- c. Upon a motion from Councilmember Stephens to approve the auditor's report, and a second from Councilmember Webster, the mayor called for a vote. All voted in favor and the motion passed unanimously. The council set no later than February 1, 2024, as the audit report date for the 2023 report.

7. Presentation, discussion, and possible action on event permit #2023-138 for Leonard Chamber of Commerce Christmas Parade & Festival (Sheryl Stanley)

- a. Mayor Pye called for the presentation of the event permit. Sheryl Stanley, Leonard Chamber Vice President presented the request for Leonard Chamber's Christmas event on December 2nd with a parade and a tree lighting at 6:30 PM. Councilmember Nixon mentioned that the unsafe building on the west side of the square needs to be secured before any public events, with temporary construction safety measures. Sheryl also asked if they need approval to put up the community Christmas tree on the square on November 19th.
- b. Upon a motion from Councilmember Billy Wayne Martin to approve event permit 2023-138, with a second from Councilmember Peyton Webster, all voted in favor and the motion passed unanimously.

8. Presentation, discussion, and possible action on the appointment/ reappointment of members to the Leonard Community Development Corporation. The terms for four seats expired 9/30/23 and are seeking a reappointment. (Rex Womack)

- a. Debra Wilcox (2nd term)
- b. Andy McAngus (2nd term)
- c. Charlotte Garner (2nd term)
- d. Doug Morfeld (3rd term)
- i. Mayor Pye called for the presentation. Rex Womack, President of the Leonard Community Development Corporation, addressed the council, seeking the reappointment for all four individuals, noting that they are very motivated, engaged, and with excellent attendance, and supported their reappointment. One other vacancy to open at the end of the month, LCDC is reviewing received applications, to present to the council once the LCDC Board has reviewed and made a recommendation.
- ii. Upon a motion from Councilmember Billy Wayne Martin and seconded by Mayor Pro Tem Noel Nixon, all voted in favor and the motion passed unanimously.

9. Discussion and possible action on Greater Texoma Utility Authority nomination for city representative during the 2024-2025 term.

- a. Upon a motion from Councilmember Billy Wayne Martin to nominate Scott Blackerby to continue serving on the GTUA; and a second from Councilmember Stephens; the mayor called for a vote. All voted in favor and the motion carried unanimously.

10. Discussion and possible action on Resolution 231010-1 regarding Fannin Central Appraisal District Board of Directors nominations for the 2024-2025 term.

- a. Upon a motion from Councilmember Webster and a second from Councilmember Stephens, and all members voting in favor, the motion was tabled for later discussion.
11. Discussion and possible action on the possible sale of public property located at 215 E Hunt and advertising for sealed bids.
 - a. There was some discussion and background regarding the history of the property. Upon a motion from Councilmember Peyton Webster to post the property at 215 E Hunt St for sealed bids, and with a second from Councilmember Leonard Phillips, the council voted in favor and the motion passed unanimously.
12. Discussion and possible action on an interlocal agreement between the City of Leonard and Arledge Ridge Water Supply Corporation.
 - a. Mayor Pye called for discussion on the interlocal agreement. George shared the background on the interlocal agreement, especially the need to have an agreement and reasonable price for water in emergency situations. Upon a motion by Mayor Pro Tem Nixon to approve the interlocal agreement between the City of Leonard and Arledge Ridge Water Supply Corporation as presented, and a second from Councilmember Stephens, all voted in favor and the motion was approved unanimously.
13. Discussion and possible action on renewing or revising the lease agreement between the City of Leonard and JGCG Investment Corporation for the property at 308 N. US Hwy 69 to house the emergency services.
 - a. After some discussion about the timing of building housing for emergency services, and how to bridge the two to three years of construction; and upon a motion from Peyton Webster and a second from Mayor Pro Tem Nixon, the council voted to table the agreement between JGCG Investment Corporation for the property at 308 N. US Hwy 69, until we can investigate the possibility of the county partnering to fund the emergency center, and further negotiation with the lessor. Comments included that whatever agreement is made; the City should utilize the whole property; and that the City should seek a partnership from Fannin County to continue the service.
14. Discussion and possible action on Ordinance No.231010-2 to increase the sewer and trash rates and set the rates for the year.
 - a. Mayor Pye called for discussion on Ordinance No. 231010-2. George presented his research on what municipalities are charging in the surrounding areas for water and sewer services, specifically sewer services.
 - b. Councilmember Webster pointed out that we should continue to work to capture any lost revenue, capture any dead/missing meter activity, and optimize the billing. That said, Councilmember Webster made a motion to approve Ordinance No. 231010-2 to increase the sewer and trash rates and set the rates for the year, trash effective immediately and sewer rates to be implemented with the next averaging cycle in March 2024. After a second from Councilmember Stephens, the mayor called for a vote. The motion passed with four in favor and Councilmember Martin opposing.
15. Picking up tabled item #10, Mayor Pro Tem made a motion to nominate Leonard Phillips for the Fannin Central Appraisal District 24-25 term, approving Resolution No.231010-1, and granting him all sixty votes. With a second from Councilmember Webster, Mayor called for a vote. Four voted in favor, Mr. Phillips abstaining.

16. Announcements & Proclamations- The first week of November is the designated municipal courts week in Texas.
- a. Mayor Pye read a proclamation declaring the first week of November the municipal courts week. Upon a motion from Mayor Pro Tem Nixon, and seconded by Councilmember Webster, the Mayor called for a vote. All voting in favor, the motion carried unanimously.

17. Adjournment

Upon a motion from Councilmember Peyton Webster, seconded by Councilmember Phillips, the meeting adjourned at 7:57 PM.

CITY OF LEONARD, TEXAS

APPROVED:


Mayor Michael Pye

ATTEST:


Melissa Verde, City Secretary