

**MINUTES**  
**Regular City Council Meeting**  
**June 11, 2024 – 6:00 p.m.**

**Present:** Mayor Chris Davies, Mayor Pro Tem Cody Hawkins  
Council Members: John Verity, Shawn Bentley, Lori Howell, Justin Poppelreiter  
City Attorney: Susan Thomas  
City Manager Matt McMahan  
City Secretary Becky Pattillo  
Finance Director Stacy Smith  
Building Official Josh Kinnick  
Public Works Director Paul Miller  
Assistant to the City Manager Joel Richardson  
Police Chief Kimbre Collier

**Absent:** None

**1. Call to Order:**

Mayor Chris Davies called the meeting to order at 6:00 p.m.

**2. Invocation:**

Building Official Josh Kinnick gave the invocation.

**3. Approval of Minutes from the regular meeting of May 14, 2024:**

Mayor Pro Tem John Verity made the motion to approve the minutes of the May 14, 2024, meeting as read. Council Member Justin Poppelreiter seconded the motion, resulting in a unanimous vote.

**4. Presentation to City Council by members of the Public. (To be conducted as close to 6:05 p.m. as possible with a three-minute limit per person. This period is reserved for citizens to discuss items that are not on the listed agenda. The response to Public Comments will be limited to: (1) A statement of fact or policy; (2) Direction to take up the issue with a City Staff Member; or (3) an offer to place the item on a future City Council agenda:**

Erik Heine, 5020 Fox Trot, came forward to thank the emergency services for their actions during an emergency situation at his home last week when his 2-month-old had stopped breathing. He continued that his company worked with police and fire departments to get them the essential equipment that they needed to perform their duties.

Mr. Heine stated that the fire department responded quickly but they lacked the training and the equipment that they needed for a pediatric patient. He stated that his wife was a pediatric nurse practitioner and she continued CPR until the ambulance got them to the hospital. He felt that the emergency services needed

more support. He asked that they schedule a meeting to discuss how his company could help.

Apryl Jensel, 2402 Brewster Street, came forward stating that there was a feral cat problem in that area. She stated that she had called All American Dogs and they had told her that it was not in their contract with the City to trap cats. She requested that the Council look at adding it to the contract.

**5. REPORTS:**

- a. **Financials including Accounts Payable**
- b. **Court**
- c. **Public Works/Engineering/Parks Update**
- d. **Police**
- e. **Fire**
- f. **Building Services**
- g. **Economic Development Corporation**
- h. **Charter Commission**
- i. **Airport**
- j. **City Manager**

**6. Presentation by the Caddo Mills Volunteer Fire Department:**

Volunteer Fire Chief Alex Stead Came presented the City Council with a slide show showing how a full-time department would benefit the City.

**7. Presentation of and Discussion on Home Rule Charter:**

City Attorney Susan Thomas stated that the Charter Commission had met last week and unanimously recommended a full charter to bring before them to review and approve to put before the voters. She added that they were in the process of finalizing the charter and would be sending it out so that they could look it over before acting on it at the July meeting.

She concluded by letting them know that they had done a remarkable job selecting appointments to the Charter Commission. The group had met over the previous six months and had done a very thorough, very thoughtful with their work and had worked very hard to put the document before them for action.

She asked that they all look over the charter and be prepared to go through it at the July meeting so that it could be ready to call the election in August.

**8. Discussion and Consideration of Request from the Caddo Mills Economic Development Corporation to enter into a Purchase Agreement with Simon Sanchez for approximately two acres contiguous to EDC property:**

EDC President Kevin Mosher stated that they currently had three acres on 1565 and Mr. Sanchez was selling two acres that backed up to the property they already

owned. He felt that the additional acreage would make the property more valuable for a future developer and for the price they were paying, he felt that it was a good investment. They had worked out an agreement and the total cost worked out to be approximately \$240,000. Mr. Mosher continued that the intent of the EDC was to have options available for developers as they came to our city. Having property would help bring in the right businesses.

Mayor Chris Davies asked if they had any type of appraisal done on the property. Council Member Lori Howell stated that she had comps and for residential property in the area, they would pay anywhere from \$100,000 to \$150,000, per acre. She continued that it was really hard to find comps for commercial property and being commercial would make it a lot more valuable.

Council Member Cody Hawkins made the motion to approve the land purchase request. Council Member Shawn Bentley seconded the motion, resulting in a unanimous vote.

**9. Discussion and Consideration of Request from the Caddo Mills Economic Development Corporation to allow expenditure of up to \$5,000 to convert 2404 Second Street to EDC office:**

No action taken.

**10. Discussion and Possible Action taken on Agreement with the Dallas NE Campground per recommendation letter attached:**

City Engineer Eddy Daniel stated that they had bid out a project to service the southern part of FM 36 and that included a sewer lift station and a sewer force main, and they were working with the Dallas NE Campground to provide sewer service to them.

He said that they had been working on an agreement, which included the cost of tying on to the system, and we would also need them to help pay for the cost of the lift station and force main that we need in order to provide service in that area, the sewer service rate that they would get, and a schedule by which they will pay that rate. The total was about \$350,000, which they would pay, and they would be annexing into the City, so we would get the ad valorem taxes on.

Council Member Cody Hawkins made the motion to approve the agreement with the Dallas NE Campground. Council Member Justin Poppelreiter seconded the motion, resulting in a unanimous vote.

**11. Discussion and Possible Action taken on Award of Bid for the cost of replacement of sewer line across Highway 66 and Railroad Tracks per proposal and recommendation letter attached:**

City Engineer Eddy Daniel stated that they had been trying to get the sewer main replaced under the railroad tracks and Highway 66 for a long time. He continued that it was not in good shape, and it had been declared an emergency because they

desperately needed to get the line fixed. The proposed price was \$232,000 and he wanted to recommend Mike Rogers Construction to do the job.

Council Member Justin Poppelreiter made the motion to award the bid to Mike Rogers. Council Member Shawn Bentley seconded the motion, resulting in a unanimous vote.

**12. Discussion and Possible Action taken on Request from the Caddo Mills Economic Development Corporation to enter into an agreement with Pam Bowen for upgrades to building located at 2417 Main Street:**

EDC President Kevin Mosher stated that this was the building at the end of Main Street, which used to be Payne Grocery. Pam Bowen was making renovations to the building and had reached out for financial assistance to keep the historical aspects of the building intact. She had requested \$427,000, but the board felt that they could support \$135,570. He continued that there were stipulations, such as the work had to be completed within a year, they would pay 50% after the first year and would pay the other half when she obtained a certificate of occupancy from the City.

Council Member Cody Hawkins made the motion to approve the agreement as presented. Council Member Justin Poppelreiter seconded the motion, resulting in a unanimous vote.

**13. Discussion and Possible Action taken on a Resolution authorizing membership in the Atmos Cities Steering Committee and authorizing the payment of five cents per capita to the Atmos Cities Steering Committee to fund regulatory and related activities related to Atmos Energy Corporation:**  
City Manager Matt McMahan explained that this was something that we did every year.

Mayor Pro Tem John Verity made the motion to approve the resolution with Atmos City Steering Committee and authorize the payment of five cents per capita. Council Member Shawn Bentley seconded the motion, resulting in a unanimous vote.

**14. Discussion and Possible Action taken on a Resolution approving an Interlocal Agreement with the Hunt County Memorial Hospital District for participation in a Tax Increment Reinvestment Zone Number One:**

Mary Petty, P3 Works, explained that this was the TIRZ agreement that they had been working on for several months. At the last meeting, they had entered into an agreement with Hunt County and this was to enter into an agreement with the hospital district.

Mayor Pro Tem John Verity asked what the differences were between the agreements. Ms. Petty explained that the County was participating at 70% and the hospital district at 50%; the county has one member on the board and the hospital district has two; there were also very specific limitations on the county's money so if the final plan is adjusted or changed, and a representative of the hospital

district is not on the TIRZ board, when this is voted on, the actual change has to go back before the hospital board.

Mayor Pro Tem John Verity made the motion to approve the interlocal agreement with the hospital district. Council Member Justin Poppelreiter seconded the motion, resulting in a unanimous vote.

**15. Discussion and Possible Action taken on Adoption of Ordinance providing for the sale and issuance of the City of Caddo Mills, Texas Combination Tax and Revenue Certificates of Obligation, Series 2024; and ordaining other matters relating to the subject:**

Mark McLiney, Samco Capital Markets, Financial Advisor to the City, stated that two months ago the City had authorized up to four million dollars for land purchases and today bids were received. Standard and Poors had the bond rating affirmed at A+ and our finances were stronger today than they had ever been. He fully expected to see the rating move to the AA category, but they wanted to see how we handled the growth, and it wasn't uncommon for cities our size for Standards and Poors to watch how we manage the growth. He continued that the steps we were putting in place would help get us through it.

Mr. McLiney added that we had gotten nine bids from all over the country and that was a testament that we were doing the right things financially. The best bid had come in at 3.82 percent and their recommendation was to go with Hilltop Securities.

Mayor Pro Tem John Verity made the motion to go with Hilltop Securities. Council Member Justin Poppelreiter seconded the motion, resulting in a unanimous vote.

**16. Discussion and Possible Action taken on Resolution approving the 1<sup>st</sup> Amendment to the Development Agreement with Caddo's Main, LLC (The Pit Stop):**

Building Official Josh Kinnick stated that they were asking that their development agreement be amended because of financial constraints.

Dr. Susan stated that the agreement would be brought back in July for a zoning text amendment to allow for a Special Use Permit for a liquor store and also a PD amendment. She continued that because the language needed to be finalized, she was asking that they approve the item including pending City Manager and City Attorney approval of the final language.

Mayor Pro Tem John Verity made the motion to approve the resolution pending City Manager and City Attorney approval of the final language. Council Member Justin Poppelreiter seconded the motion, resulting in a unanimous vote.

**17. Discussion and Possible Action taken on Petition from Stonecreek Business Park, LLC to release property located off County Road 2172 in Hunt County, Texas (Hunt County Property ID: 238269) from the City's extraterritorial jurisdiction (ETJ):**

City Attorney Andy Messer explained that the legislature in the 1940's gave cities extra territorial jurisdiction (ETJ), which was an area that they could annex, have development agreements, collect ad valorem taxes, etc., which was a way to control the growth. The legislature has now allowed property owners to petition to be removed from the ETJ so that they had no regulation. He added that they represented other cities concerning this and was strongly recommending that we deny these petitions because the decision-making policies were given to cities by statute and giving that authority to a single property owner was unconstitutional.

Mayor Pro Tem John Verity made the motion that Stonecreek Business Park, LLC's petition to remove property from the City's extraterritorial jurisdiction be denied because Senate Bill 2038 is an unconstitutional delegation of legislative authority, and it conflicts with the city's grant of discretionary legislative authority in Local Government Code section 42.023. The City does not consent to the reduction of its ETJ. Council Member Cody Hawkins seconded the motion, resulting in a unanimous vote.

**18. PUBLIC HEARING, Discussion and Possible Action taken on an Ordinance amending the Caddo Mills Zoning Ordinance and Map to Rezone Property ID 120444, legally described as an approximate .294-acre tract of land, BASS ADDITION BLK 3 LOT 3A & 7-8 commonly known as 2404 Second Street, from Single Family (SF-1) to Commercial (C1):**

Building Official Josh Kinnick stated that the EDC had purchased the property, and they were asking for the zoning change from residential to commercial so that they could move their office. They want to use the house for their office, but they had also talked about using the empty lot for additional parking for the downtown area.

Mayor Chris Davies opened the public hearing at 6:11 p.m.

Doug Pemberton stated that his family had three addresses: 2403, 2404, and 2405 Second Street. He told the Council that there was a no parking sign on the street, but people still parked there, and the street was so narrow that emergency vehicles could not get through if they needed to. He presented the Council with pictures that showed his concerns. Mr. Pemberton went on to ask that if the City were to rezone the property and it was sold, was there a guarantee that it wouldn't be a retail business? He was also concerned about the parking lot and that they were told that the entrance would be on 2<sup>nd</sup> Street. He requested that the City Council vote against the rezone.

Mayor Davies closed the public hearing at 6:16 pm.

EDC President Kevin Mosher stated that their concerns were valid and went on to explain that they needed a place to house the EDC, so they could have meetings as necessary and be able to operate as an entity. They hoped to help with the lack of parking in the downtown area by adding a parking lot.

Mayor Davies stated that the Planning and Zoning Commission had approved this request at their meeting.

Mayor Pro Tem John Verity asked if there had been any contingencies added to the ordinance or requests pertaining to this.

Mr. Kinnick explained that if it went to a business, they would be required to install an 8-foot screening fence. He added that they had talked about tabling the item, but since it was in the comprehensive plan, their understanding was that the area would be zoned as commercial eventually, so they passed it based on that.

Council Member Shawn Bentley asked if the 8-foot fence would be between the properties and what kind of material it would be made from. Mr. Kinnick responded that it would be an 8-foot wood fence that went between the buildings. Mr. Bentley asked Mr. Mosher how many parking spots they were planning for. Mr. Mosher responded 5 or 6. Mr. Kinnick added that he had seen a couple of different designs but that one would provide 15 to 16 parking places and the other would provide 25.

Mr. Pemberton stated that they were told at the P&Z meeting that the entrance to the parking lot would be on 2<sup>nd</sup> Street, and they disagreed with that.

Building Official Josh Kinnick stated he did not know where they got that but that nothing has been decided. Mr. Pemberton stated that they wanted it decided before it was passed.

Council Member Justin Poppelreiter stated that all they were voting on today was whether to change the zoning. He continued that the construction or what they decided to do with the property would come back to Council for a decision later.

Mayor Pro Tem John Verity stated that this would go back to what they did on First Street. Council Member Shawn Bentley added that they approved First Street because they moved the opening from First Street to 66.

Council Member Shawn Bentley stated that he understood the frustration of the residents, but the area was going to eventually be zoned commercial. He continued that he had learned during his time on Council that they needed to do what they could to control what they could and to accept the fact that things were going to change. Mr. Bentley added that he would never vote for an opening to a parking lot on 2<sup>nd</sup> Street.

Mayor Pro Tem John Verity made the motion to approve the zoning change from SF-1 to Commercial C-1. Council Member Cody Hawkins seconded the motion, resulting in a unanimous vote.

**19. Discussion regarding the City of Caddo Mills Zoning Ordinance:**

Building Official Josh Kinnick stated that they had hired someone to take a look at our zoning ordinance and bring it up to date. The entire ordinance was over 90 pages long and several changes had been made. The plan was to have a workshop before the next meeting so that the changes could be explained before it was adopted.

**20. Discussion and Possible Action taken on Fox Landing Reimbursement Resolution declaring official intent to reimburse costs of street and water and sewer system improvements:**

Mary Petty, P3 Works, stated that this was tied to all of the projects they had been working on because in the event we wanted to issue bonds to reimburse these projects within the next three years, we would need a reimbursement agreement to be able to do so. She continued that it was anticipated that the TIRZ would be the funding mechanism, but they were trying to cover everything. This was showing debt in the future to be covered in a lump sum.

Mayor Pro Tem John Verity made the motion to approve the reimbursement agreement. Council Member Justin Poppelreiter seconded the motion, resulting in a unanimous vote.

**21. Discussion and Possible Action taken on Resolution authorizing the City Manager to negotiate and execute on behalf of the City a TIRZ Reimbursement Agreement between the City of Caddo Mills, the Board of Directors of TIRZ No. 1, and Oak National Development, LLC (Fox Landing) for the reimbursement of costs related to waterline, as provided in the TIRZ Final Plan:**

Mary Petty, P3 Works, stated that they needed the agreement stating that the future dollars would be used to reimburse them. She continued that there was a draft agreement, but it was not finalized yet. They needed to make sure that all of the t's were crossed and the l's dotted before they signed the agreement.

Mayor Pro Tem John Verity made the motion to authorize the City Manager to negotiate and execute the agreement. Council Member Justin Poppelreiter seconded the motion, resulting in a unanimous vote.

**22. Executive Session: In accordance with Texas Government Code, Section 551.001, et. Seq., the City Council will recess into Executive Session (closed meeting) to discuss the following:**

- (a) Section 551.071 Consultation with Attorney on a manner in which the duty of the City Attorney to the City Council under the Texas Disciplinary



Rules of Professional Conduct of the State Bar of Texas conflicts with the Open Meetings Act, re:

- (b) Section 551.072 Real Property: Deliberate the purchase, exchange, lease, or value of real property:
- (c) Section 551.087, Discuss or deliberate regarding commercial or financial information that the City has received from a business prospect that the City seeks to have locate, stay, or expand in or near the territory of the City of Caddo Mills and with which the City is conducting economic development negotiations; and to deliberate the offer of a financial or other incentive to the business prospect:

Mayor Davies adjourned the meeting into executive session at 8:00 p.m.

- 23. **Reconvene to Open Session: In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider any action needed on matters discussed in Executive Session:**

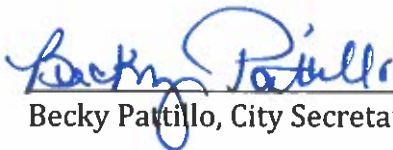
The regular meeting was reconvened at 8:35 p.m. with Mayor Davies announcing that there was no action to be taken.

- 24. **Adjourn:**

The meeting was adjourned at 8:36 p.m.



Chris Davies, Mayor



Becky Partillo, City Secretary

9-9-2024

Date