

**CALLED MEETING OF THE CANTON CITY COUNCIL**  
**6:00 P.M., TUESDAY, AUGUST 4, 2015**  
City Hall Municipal Courtroom  
24980 Hwy. 64 East, Canton, Texas 75103

The Canton City Council met at the above-named date and time in the City Municipal Courtroom. Members present were Mayor Lou Ann Everett and Councilmembers Shawn Stewart, Nathan Moore, Cindy Malouf, Connie Odic and Scott Perkins. Also present were City Manager Lonny Cluck, City Secretary Debra Johnson, and Finance Director Kimberly Kroha.

1. CALL TO ORDER - The meeting was called to order and a quorum was declared by Mayor Lou Ann Everett at 5:59 p.m.

**INDIVIDUAL CONSIDERATION**

2. CONSIDER DESIGN, CONSTRUCTION AND FINANCING OF PROJECTS INCLUDING, BUT NOT LIMITED TO, STREETS AND UTILITIES, IMPROVEMENTS TO FIRST MONDAY GROUNDS, CONSTRUCTION OF NEW CELL TOWER, RELOCATION OF ANTENNAS FROM HISTORIC WATER TOWER, REPAINTING OF HISTORIC WATER TOWER, AND NEW CITY HALL
3. CITY MANAGEMENT REPORTS
  - A. CHIEF OF POLICE POSITION – Mr. Cluck introduced Brad Allison and announced he had been hired as the Police Chief upon the retirement of Chief Echols.
  - B. OTHER ITEMS – Mr. Cluck said work on the new city hall had been slow. The dirt work was done and they started laying out plumbing and electrical. We were still awaiting the final archaeological report on the site for the cell tower. The sidewalk project was completed. The City's portion would be \$7,500. They were about to put a fog seal at the airport and then restripe it. The City would not be receiving any state or federal money for the airport because the airport in Wills Point was so close. Having an airport was an asset when trying to bring businesses into the area. The fire truck had been sold for \$227,500. After paying a broker, the City netted \$216,000. ETCOG has given the City a service incentive enhancement through 9-1-1 for a new generator. He planned on moving the current Police generator to the Fire Department and keep the new one at the Police Department. Mr. Cluck said he originally budgeted \$10,000 or \$12,000 for a new generator at the Fire Department.

**WORK SESSION**

4. WORK SESSION ON PROPOSED BUDGET FOR FISCAL YEAR 2015-2016
  - A. *Fund Balance review*
  - B. *Property tax rate*
  - C. *Water and wastewater rates*
  - D. *Debt Service*
  - E. *Employment Benefits*
  - F. *Projects / Tradeoffs*
  - G. *CEDC/Main Street/CVB Budgets*
  - H. *Changes / questions*

Mr. Cluck said they were trying to find \$170,000 in the fund balance for the hotel/conference center. They hoped the building fees would go above \$30,000, which would leave \$170,000 for the City to pay out. First Monday had \$500,000 over their fund balance and they would probably take the money from there. He proposed taking \$100,000 out of the surplus to try to complete some small street projects. He had not yet

received the numbers for the fence at the cemetery. Mayor Hilliard said Mr. Hilliard would fence their part of the cemetery on the back side. They had included \$20,000 in the budget at this point. Mr. Cluck said the committee just wanted to do the side of the cemetery by First Monday at this point. Mr. Cluck said he had an estimate of \$85,000 to build a new tennis court. One concrete contractor said he would not guarantee if he poured on top of it. Another said it might work. Mayor Everett thought we might wait until we knew about the sports complex. Councilmember Moore said he thought the money should go toward fixing roads. Councilmember Stewart said they had put off roads in the last year or so because of the new water tower. Mr. Cluck felt something should be done with the streets because nothing has been worked on in three years. Councilmember Odic said she would like more information on the tennis courts.

Ms. Kroha said she had incorporated money from the General Fund balance in the budget for the cell tower and water tower. She said the current proposed budget reflected additional tax revenue and changes in salaries, but not the changes to water and sewer rates. She said \$5.5 million in new property was added to the tax roll. Councilmember Stewart pointed out the City's debt at one time was \$13-14,000,000. Mr. Cluck said they had accomplished a lot since they raised the property tax rate from 0. Mr. Cluck pointed out water revenue was \$100,000 lower than anticipated because of the heavy rains this year. After a discussion about the water and sewer rates, Council requested Ms. Kroha to analyze the numbers for the water and sewer plants to see how much off they were from supporting themselves. Ms. Johnson explained the increased cost for the health care benefit. She said they were looking into alternatives because of the 43% increase. Councilmember Stewart said to look at cafeteria plans because it reduced payroll tax liability.

5. CONSIDER PROPOSAL TO ADOPT 2015 TAX RATE AND SCHEDULE PUBLIC HEARINGS

Councilmember Malouf made a motion to place a proposal to adopt a tax rate of .42033200 on the agenda of the 6:00 p.m., September 8, 2015 City Council meeting, and to schedule two Public Hearings – one at 6:00 p.m. on Tuesday, August 25, 2015, and a second at 6:00 p.m. on Tuesday, September 1, 2015. Councilmember Perkins seconded.

Mayor Pro Tem - Shawn Stewart: Approve  
Council Member - Scott Perkins: Approve  
Council Member - Cindy Malouf: Approve  
Council Member - Connie Odic: Approve  
Council Member - Nathan Moore: Approve

6. ITEMS FOR FUTURE AGENDAS

7. ADJOURN – There being no further business to discuss, the meeting was adjourned at 7:35 p.m.