

**REGULAR MEETING AND WORK SESSION
OF THE CANTON CITY COUNCIL
6:00 P.M, JULY 20, 2021**

Canton City Hall
201 N. Buffalo, Canton, Texas 75103

MINUTES

The Canton City Council met at the above-named date and time in the Canton City Hall. Members present were Mayor Lou Ann Everett and Councilmembers Blake Fowler, Jim Fuller, Chase Melton, and Nathan Moore. Councilmember Randon Sumner was absent.

Also present were City Manager Lonny Cluck, City Secretary Debra Johnson, Finance Director Teri Pruitt, Police Chief Brad Allison, Director of Operations Peter Lamont, and City Attorney David Ritter.

1. CALL MEETING TO ORDER AND DECLARE A QUORUM PRESENT – Mayor Everett called the meeting to order and declared a quorum present at 6:00 p.m.
2. INVOCATION was led by Mayor Everett.
3. PLEDGE OF ALLEGIANCE was led by Mayor Everett.
4. MAYOR'S WELCOME
5. DECLARATIONS REGARDING CONFLICTS OF INTEREST - None
6. PROCLAMATIONS AND ANNOUNCEMENTS - None

CITIZENS FORUM

7. CITIZENS FORUM – CITIZENS ARE INVITED TO SPEAK ON MATTERS RELATING TO CITY GOVERNMENT

CONSENT AGENDA

8. CONSIDER APPROVAL OF MINUTES FOR JUNE 15, 2021, CITY COUNCIL MEETING

Councilmember Moore made a motion to approve the minutes of the June 15, 2021, City Council meeting. Councilmember Fowler seconded.

Council Member - Nathan Moore: Approve
Mayor Pro Tem - Randon Sumner: Absent
Council Member - Chase Melton: Approve
Council Member - Blake Fowler: Approve
Council Member - Jim Fuller: Approve

INDIVIDUAL CONSIDERATION

9. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2021-13 FOR A CHANGE OF ZONING FROM RURAL AGRICULTURAL (RA) TO GENERAL BUSINESS DISTRICT (B-2) ON THAT APPROXIMATELY .660 ACRE TRACT OF LAND LOCATED IN THE J. STOCKWELL SURVEY, A-760, AT 215 E. HIGHWAY 243 IN THE CITY OF CANTON, TEXAS, CURRENTLY OWNED BY GARY AND MARCELYN NORRELL REVOCABLE TRUST – This matter was not considered at this meeting.
10. PUBLIC HEARING AND ADOPTION OF ORDINANCE NO. 2021-14 FOR A CHANGE OF ZONING FROM GENERAL RURAL AGRICULTURAL (RA) TO GENERAL BUSINESS DISTRICT (B-2) ON THAT APPROXIMATELY 9.53 ACRES OF LAND LOCATED AT 221 E. HIGHWAY 243 (R525) IN THE CITY OF CANTON, TEXAS, AND CURRENTLY OWNED BY GARY AND MARCELYN NORRELL REVOCABLE TRUST – This matter was not considered at this meeting.
11. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2021-15 FOR A CHANGE OF ZONING FROM GENERAL BUSINESS DISTRICT (B-2) TO SINGLE FAMILY DETACHED RESIDENTIAL (R-1) ON THAT APPROXIMATELY .570 ACRE TRACT OF LAND LOCATED IN THE J. STOCKWELL SURVEY, A-760, AT 1165 S. BUFFALO IN THE CITY OF CANTON, TEXAS, CURRENTLY OWNED BY CHHOURNGLY CHENG AND ENG SARAN – This matter was not considered at this meeting.
12. CONSIDER APPROVAL OF UNDERGROUND FIBER OPTICS LINE WITHIN PUBLIC RIGHT-OF-WAY INSIDE THE CITY LIMITS – Council requested staff to amend the ordinance allowing underground fiber optics lines within public rights-of-way inside the city limits as permitted by the City. Councilmember Moore made a motion to grant the request of Peoples to install an underground fiber optics line at a depth of no less than six feet and requested they work with City staff to determine the proper depth. Councilmember Melton seconded.

Council Member - Nathan Moore: Approve
Mayor Pro Tem - Randon Sumner: Absent
Council Member - Chase Melton: Approve
Council Member - Blake Fowler: Approve
Council Member - Jim Fuller: Approve

13. PUBLIC HEARING AND CONSIDER APPROVAL OF RESOLUTION NO. 2021-18 APPROVING A CONTRACT FOR FINES AND FEES COLLECTION SERVICES WITH LINEBARGER GOGGAN BLAIR & SAMPSON, LLP – Mayor Everett opened a public hearing at 6:24 p.m. There being no comments, the public hearing was closed at 6:24 p.m.

Councilmember Melton made a motion to approve Resolution No. 2021-18 and the contract with Linebarger, Goggan, Blair & Sampson LLP. Councilmember Fuller seconded.

Council Member - Nathan Moore: Approve
Mayor Pro Tem - Randon Sumner: Absent
Council Member - Chase Melton: Approve
Council Member - Blake Fowler: Approve
Council Member - Jim Fuller: Approve

14. DISCUSS AND CONSIDER PRICING CHANGES TO LOT RENTAL CHARGED FOR FIRST MONDAY SCOOTER VENDORS ON CITY-OWNED LOTS – Councilmember Fowler made a motion to approve the price change for First Monday scooter vendors on city-owned lots to \$200 for the first lot and the regular base lot rent for all other lots plus a fee of \$5 per scooter. Councilmember Moore seconded.

Council Member - Nathan Moore: Approve
Mayor Pro Tem - Randon Sumner: Absent
Council Member - Chase Melton: Approve
Council Member - Blake Fowler: Approve
Council Member - Jim Fuller: Approve

15. DISCUSS APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH BLUEBERRY HILL ASSISTED LIVING CENTER FOR SENIOR CITIZENS BUILDING - Mr. Cluck indicated that he was not in support of this Memorandum of Understanding because it did not present the arrangement the way it was explained to him. Mr. Ritter also expressed concerns about the terms of the Memorandum. Council did not vote on this matter.
16. DISCUSS AND CONSIDER ADOPTION OF ORDINANCE NO. 2021-11 ADOPTING A NEW COMPREHENSIVE SUBDIVISION ORDINANCE FOR THE CITY OF CANTON - Mr. Ritter explained this matter was going to be presented to the Planning & Zoning Commission prior to a vote by Council. It would be brought back next month.
17. PUBLIC HEARING AND CONSIDER ADOPTION OF ORDINANCE NO. 2021-16 AMENDING THE EXISTING MOBILE FOOD TRUCK ORDINANCE – This matter was postponed to the next regular meeting.
18. CITY MANAGEMENT REPORTS
- A. FIRST MONDAY - Mr. Cluck reported the First Monday market was down about \$25,000 from last month. The decrease in revenue was mainly due to the RV's. The East Texas Baptist Camp Meeting was scheduled for July.
 - B. MARKETING – Austin Melton reported 467,000 were reached on FaceBook. The Balloon Fest was a great success. Had anywhere from 7500-10,000 attendees. He thanked all City departments who helped with the event.
 - C. CITY LAKE / KID FISH – Chief Allison reported we held one of the best Kid Fishes ever in April. The State had donated fish to us since they had a surplus due to COVID. He also recommended the freestanding dock be demolished for safety reasons.
 - D. HEALTH INSPECTIONS – Mr. Cluck said we included a list of health inspections in the Council packet due to an inquiry from a Councilmember.
 - E. OTHER ITEMS - None

EXECUTIVE SESSION

In accordance with the authority contained in the Texas Government Code, Chapter 551, including but not limited to, Sections 551.071, 551.072, 551.074 and 551.087. Council will convene in closed or executive session to discuss the following matters.

19. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS (Section 551.087) REGARDING THE FOLLOWING:

Section 551.087 – to deliberate commercial or financial information the CEDC has received from a business prospect, and to deliberate the offer of a financial or other incentive for Project Bluegreen Development, and other business prospects, including but not limited to, a mixed-use development project, a local business retention and expansion project, a local capital investment project, a downtown retail rent subsidy prospect, and recruitment of new commercial, industrial, retail, restaurant, hospitality, and family entertainment prospects.

20. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING EXISTING OR POTENTIAL LITIGATION (Section 551.071) - DUSTIN REYNOLDS VS. MICHAEL KING ET AL, CAUSE NO. 20-CV-575 IN THE U.S. DISTRICT COURT FOR THE EASTERN DISTRICT OF TEXAS)

21. EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY RE ENCROACHMENT ON CITY PROPERTY AT FIRST MONDAY GROUNDS (Section 551.071)

22. EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072)

Council convened into Executive Session at 6:49 p.m.

RETURN TO OPEN SESSION

Council reconvened into Open Session at 7:26 p.m. with no action taken.

23. ITEMS FOR FUTURE AGENDAS

WORK SESSION

24. WORK SESSION ON PROPOSED BUDGET FOR FISCAL YEAR 2021-2022

- A. WATER / WASTEWATER RATES
- B. GARBAGE RATES
- C. FEE SCHEDULE
- D. PAYROLL
- E. TAX RATE
- F. FIRST MONDAY
- G. QUESTIONS / CHANGES
- H. OTHER

Mr. Ritter left the meeting at 7:27 p.m.

Mr. Cluck explained about the fund balance and the requirements of the City to maintain six months of operating expenses in the fund balance. Mr. Cluck said he intended to give a 3% salary increase to most employees. He had set aside additional funds to make market adjustments.

Mr. Cluck said the City would receive \$850,000-900,000 from the Federal government which he intended to use to raise the water tower on Highway 243. The cost of a new tower would be \$2.1 million.

Mr. Cluck said the City borrowed \$5 million to expand the wastewater treatment plant. He is unsure if that amount will be sufficient. He planned on using money from the fund balance to start the project and then use what he needed from the \$5 million to complete it.

Mr. Cluck said the City needed to keep moving forward on the reuse permit and the water rights. He worried about the existing water wells because new wells were taking water from our aquifer. The three options available were (1) to drill a new water well; (2) to do the reuse; and (3) to build a new lake. Production was coming down on the existing wells and would only get worse.

Mr. Cluck said he would also like to finish the east and west outfalls; to work on the water line down Highway 198; and to get the engineering and reuse line done from the plant to the lake. Mr. Cluck said there also were water issues on Cypress which needed to be addressed. He also wanted to have the old water downtown water tower inspected.

Mr. Cluck said he would like to leave water and wastewater rates as they were. The garbage rates would be going up 3% and that would be passed on to the customer.

Ms. Johnson explained the changes to the fee schedule.

Mr. Cluck said they needed to hire two new firefighters, which was indicated in the budget. The fire chief would apply for a grant again to help offset the cost of the new hires. He also wanted to hire a new building inspector/code enforcement/city facilities inspector.

Mr. Cluck said he wanted to try a tram system at First Monday. It would pick up people on FM 859 and go by the Civic Center then to the main gate. He also wanted to improve Boothtracker to allow customers to renew lots online. He had included money in the budget to improve the existing RV park in front of the Log Cabin.

Mr. Cluck said we paid \$2,000 a year in taxes and \$600 monthly in rent on the Pohl property across from City Hall. The lease ended in five years. Main Street wanted to install shade covers on the lot for the Farmers Market. That money would be lost if we did not keep the lease.

Mr. Cluck said the Veterans Memorial was paid \$500 a month by the City. The City has given them over \$50,000 since that started. Councilmember Moore said he wanted Council to discuss that issue.

Mr. Cluck said Meals on Wheels was allowed use of the Senior Citizens Building to operate. The City also paid them \$50 a month.

The City owned the Senior Citizens Building and furnished a group the use of the building on Tuesdays and paid them an additional \$200 a month.

Councilmember Moore requested a list of the items being discussed and where the City was making contributions to various entities.

Mr. Cluck said the City had agreed to help the CYRA because they had no one to maintain the fields. That was when the games were only for six weeks out the year. Now, select teams were holding tournaments on the grounds and city employees were having to spend more and more time on maintenance.

Mr. Cluck said the City was doing the maintenance on the soccer fields and related buildings as well.

Mr. Cluck said First Monday labor took care of maintenance at the airport, the water tower sites, the Senior Citizens Building, the Pohl property, and the signs on I-20. They also maintained the walking trail and the First Monday grounds. He wanted to split the First Monday and Parks Departments. The parks would be overseen by Peter Lamont and Brent Stewart would continue to oversee First Monday. The departments would share equipment.

Mr. Cluck said \$140,000 was included in the budget last year to improve roads. One of them would be Pecan. We received a grant for the infrastructure and would go ahead and do the road at the same time. Councilmember Moore said he would like some roads worked on throughout the town.

Mr. Cluck said we had not received the numbers for the tax rate. He thought we might be able to go from \$0.54 to \$0.55.

Ms. Johnson said there would be a Council budget meeting on Thursday, July 29, at noon.

Councilmember Moore said he would like more information on the monies the City contributed to other organizations.

Mr. Cluck said the budget included three new employees. The budget presented to Council was a balanced budget.

25. ADJOURN - There being no further business to discuss, the meeting was adjourned at 8:34 p.m.