

A regular meeting of the Groves City Council was held on April 14, 2025, in the Groves City Council Chamber. Mayor Chris Borne, Councilmember Mark McAdams, and Councilmember Brandon Holmes were in attendance. Mayor Pro Tem Pete Konidis and Councilmember Rae Shauna Gay were absent. Mayor Borne called the meeting to order and welcomed the attendees. The local VFW then held a prayer and the Pledge of Allegiance.

Mayor Borne then asked for reports, and City Manager Kevin Carruth informed the Council that the concrete pad for the World's Largest Pecan will start tomorrow and take two days to complete.

Mr. Lofton then reported on VFW 4820 and some of the things they do here locally. The VFW provides scholarships every year, and Post 4820 is offering a \$1,000 scholarship this year for the Voice of Democracy. The Patriot's Pen offers \$5,000 for the national prize, and Post 4820 offers \$200. The national award for the Voice of Democracy is \$35,000, and Post 4820 offers \$1,000. There will also be a Spring Market on April 26th at the old National Guard Armory in Port Neches. On May 10th, a purse and pistol bingo will be at Max Bowl in Port Arthur. There were no further reports.

Mayor Borne then called for citizen comments, but there were none.

DELIBERATE AND ACT TO APPROVE THE MINUTES OF THE MARCH 24, 2025, CITY COUNCIL MEETING: Councilmember Holmes made a motion to deliberate and act to approve the minutes of the March 24, 2025, City Council Meeting, and Councilmember McAdams seconded. There were no questions, and the motion passed unanimously.

DELIBERATE AND ACT TO APPROVE THE MINUTES OF THE MARCH 25, 2025, C.O.D.E.S. HEARING: Councilmember McAdams made a motion to deliberate and act to approve the minutes of the March 25, 2025, C.O.D.E.S. Hearing, and Councilmember Holmes seconded. There were no questions, and the motion passed unanimously.

RECEIVE FYE 2024 ANNUAL FINANCIAL REPORT FROM THE CITY AUDITOR: Finance Director Lamar Ozley introduced Pat O'Neill from the City Auditor of Wathen, DeShong, & Juncker, L.L.P. Mr. O'Neill then passed out what he called the Cliff Notes version of the audit. The first page is the independent Auditor's Report, and it states that they have audited the financial statements of the City as of September 30, 2024, and in their opinion, the accompanying financial statements present fairly the financial position of the City and the respective changes in financial position in cash

flows for the year that ended. Mr. O'Neill then explained that "presents fairly" is what they call a "clean opinion". There are two sets of financial statements for a governmental entity: a full accrual basis, which includes your long-term property, equipment, and long-term debt, and fund accounting, which is how you operate on a month-to-month basis. Mr. O'Neill then reviewed the City of Grove's Full Accrual and Fund Accounting. The net position for the City is 38 million compared to 34.4 million last year, so the City was able to add about 3.5 million to equity on the full accrual basis for the year. Mr. O'Neill then informed the Council that they suggested that entities have between 3 and 6 months in the fund balance to operate until the payments for property taxes come in. The City has over 3 months' worth of expenses in the fund balance. Mr. O'Neill then discussed the reconciliation of the governmental funds statement of revenues, expenditures, and changes in fund balances to the statement of activities. The City had a positive change in net position this year of \$2.1 million. Next was page 7, which listed the proprietary funds, which include water, sewer, and solid waste funds. Total Enterprise Funds' operating income was a positive \$892,757, which last year was a negative \$107,659, with a positive \$1.4 million added to the equity of the enterprise funds. Mr. O'Neill then discussed on page 9 the budget for the actual general fund, with property tax, sales tax, licensing and permits significantly above what was budgeted. The total expenditures were \$11.197 million, \$541,458 under budget. The City ended up with a \$1.139 million income compared to a break-even \$2,500 fund balance on the budget side. The next page Mr. O'Neill discussed was the last 10 years of changes in net pension liability and related ratios.

City Manager Kevin Carruth asked how much the City increased their fund balance by, and Mr. O'Neill stated it was over a 50% increase of \$3.4 million. Mayor Borne asked about the only recommendation, and Mr. O'Neill noted that payroll would speed up if a time clock were utilized. Mayor Borne wondered if there were any other questions; it would be okay to email Mr. O'Neill, and he stated that would be fine. There were no further questions.

DELIBERATE AND ACT ON UTILITY ASSISTANCE AGREEMENT WITH JEFFERSON COUNTY PONY BASEBALL AND AUTHORIZE THE CITY MANAGER TO NEGOTIATE AND EXECUTE ALL NECESSARY DOCUMENTS:

Councilmember Holmes made a motion to deliberate and act on Utility Assistance Agreement with Jefferson County Pony Baseball and authorize the City Manager to negotiate and execute all necessary documents and Councilmember McAdams seconded. City Manager Kevin Carruth stated that both this item and the following item are the same, and over the past 3 or 4 years, the City has supported both of

these organizations with \$2,000 each year to go towards their utilities. What has been informal over the years, they would show and present receipts for their utilities, and the City would write them a check. What we are attempting to do by presenting these basic agreements is to simplify the process, put expectations in writing, and formalize the process. The amount will be the same as in previous years. Mayor Borne asked what type of expectations for reporting would be required, and Mr. Carruth stated that we would expect them to report the number of participants and how many of those are Groves residents. Councilmember McAdams asked if we need to raise this amount, and Mr. Carruth stated that nobody has asked about increasing it. Councilmember Holmes noted this is an excellent opportunity to build relationships with these organizations. There were no further questions, and the motion passed unanimously.

DELIBERATE AND ACT ON UTILITY ASSISTANCE AGREEMENT WITH GROVES NATIONAL LITTLE LEAGUE AND AUTHORIZE THE CITY MANAGER TO NEGOTIATE AND EXECUTE ALL NECESSARY DOCUMENTS: Councilmember McAdams made a motion to deliberate and act on Utility Assistance Agreement with Groves National Little League and authorize the City Manager to negotiate and execute all necessary documents. Councilmember Holmes seconded. City Manager Kevin Carruth stated this concept is the same as the previous item. There were no questions, and the motion passed unanimously.

DELIBERATE AND ACT ON THE APPOINTMENTS FOR THE GROVES ECONOMIC DEVELOPMENT CORPORATION, PLANNING AND ZONING COMMISSION, AND ZONING BOARD OF ADJUSTMENT: Councilmember Holmes made a motion to deliberate and act on the appointments for the Groves Economic Development Corporation, Planning and Zoning Commission, and Zoning Board of Adjustment. Councilmember McAdams seconded. Mayor Borne stated that since we only have 3 of the 5 Councilmembers present, he motioned to table this item until the other Councilmembers can discuss and vote. Councilmember Holmes suggested extending the application process another week, and City Manager Kevin Carruth stated he has no issues with that. Councilmember McAdams seconded. There were no further questions, and the motion passed unanimously.

DELIBERATE AND ACT TO AWARD A BID FOR MOBILE SLUDGE DEWATERING AT THE WASTEWATER PLANT AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE ALL NECESSARY DOCUMENTS: Councilmember Holmes made a motion to deliberate and act to award a bid for mobile sludge

dewatering at the wastewater plant and authorizing the City Manager to negotiate and execute all necessary documents. Councilmember McAdams seconded. Public Works Director Troy Foxworth informed the Council that they usually run the sewer plant with the centrifuge, which takes care of the solids, but has built up over time. This process was done about five years ago, and Mr. Foxworth stated that they are looking into ways to avoid doing this every five years. Mr. Foxworth then said that what is happening right now is that the solids are being recirculated through the plant and are just full. Councilmember Holmes asked if we do this process and if it would take the plant offline, and Mr. Foxworth stated it would not, since the digester is a separate unit. Councilmember Holmes then asked about the demurrage and if we are in charge of monitoring the 30-minute increments. Mr. Foxworth stated that they will be monitoring that. Councilmember Holmes then asked if this is a thing where we have to worry about a chain of custody, and Mr. Foxworth stated that if the Council selects the bids from GFL or WWTS, they would handle the manifest themselves. Mayor Borne asked if this is something we were planning on this year, and Mr. Foxworth stated we were planning on doing it next year, but it needs to happen now. Mayor Borne asked how long it would take to complete, and Mr. Foxworth stated it would take two weeks from the start date. Councilmember Holmes amended his previous motion to include awarding the bid to GFL not to exceed \$113,000, and Councilmember McAdams seconded. There were no further questions, and the motion passed unanimously.

INVOICES: City Manager Kevin Carruth presented invoices for payment totaling \$122,896.79 as follows:

1. Chemtex Environmental	Lab charges for February 2025.	\$5,546.00
2. City of Port Arthur	Landfill sludge disposal for February 2025.	\$5,460.00
3. City of Port Arthur	Landfill fees for 1-27-25 through 2-25-25.	\$18,180.00
4. Enterprise Fleet Management	March fleet management.	\$26,113.74
5. Lower Neches Valley Authority	Water purchase for March 2025.	\$27,235.00

6. Newtron Electrical Services	Dispatch a Generac Technician for further diagnostics.	\$5,612.95
7. Republic Services	Dumpster service for March 2025.	\$10,266.16
8. Republic Services	Dumpster service for January and February 2025.	\$19,242.94
9. U.S. Underwater and Consor Company	Annual inspection per TCEQ regulations.	\$5,240.00

Councilmember McAdams made a motion to deliberate and act on the April 14, 2025, invoice list for a total amount of \$122,896.79, and Councilmember Holmes seconded. Mayor Borne asked for questions. Councilmember Holmes asked about the Newtron Electrical services generator technician and if this is the generator we had repairs on recently, and Mr. Foxworth stated it is, but we received word today that we can get a different company to do it for \$1,200. Councilmember Holmes then asked about the inspections on the water towers, and Mr. Foxworth stated that they inspect the towers and the tanks and then give us a report on what they recommend needs to be fixed. There was no further discussion, and the motion passed unanimously.

CITY COUNCIL WILL HOLD AN EXECUTIVE SESSION PURSUANT TO THE PROVISIONS OF CHAPTER 551 OF THE TEXAS GOVERNMENT CODE, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN:


- A. SECTION 551.071 (A) – CONSULTATION WITH ATTORNEY WHEN THE GOVERNMENTAL BODY SEEKS THE ADVICE OF ITS ATTORNEY ABOUT PENDING OR CONTEMPLATED LITIGATION.

The Council went into Executive Session at 5:42 p.m.

The Council reconvened in an Open Session at 6:26 p.m.

Mayor Borne asked for Councilmember comments, and there were none.

There was no further business, and Mayor Borne adjourned the meeting at 6:26 p.m.



Mayor

ATTEST:



City Clerk

