

A regular meeting of the Groves City Council was held on January 12, 2026, at 5:00 p.m. in the Groves City Council Chamber with Mayor Chris Borne, Mayor Pro Tem Rae Shauna Gay, Councilmember Mark McAdams, Councilmember Brandon Holmes, and Councilmember Charles Chelette in attendance. Mayor Borne called the meeting to order, and Councilmember Brandon Holmes led the prayer and the Pledge of Allegiance.

Mayor Borne asked for reports, and there were none.

Mayor Borne then asked for citizen comments, and there were none.

Mayor Borne then paused the Council Meeting and opened up the Public Hearing portion at 5:06 p.m.

DELIBERATE ON JOINT PUBLIC HEARING WITH THE PLANNING AND ZONING COMMISSION FOR A REZONE OF 3910 DUNN STREET (JCAD PARCEL ID 2794) FROM AN R-1 SINGLE FAMILY RESIDENCE ZONE TO A C-1 RETAIL BUSINESS DISTRICT ZONE: Mayor Borne then read the Notice of the public hearing as follows: "The City of Groves, TX City Council members, and the Planning and Zoning Commissioners will hold a Joint Public Hearing @ 3947 Lincoln Avenue, Groves, Texas on Monday, January 12, 2026, beginning at 5:00 p.m. to hear a rezoning request from MAGNA Properties LTD, to rezone 3910 Dunn Avenue from a R-1 SINGLE FAMILY DISTRICT to a C-1 RETAIL BUSINESS DISTRICT; Legal description ATLANTIC HTS NO 1 LT 4 S11.5 & LT 5 BLK 2."

Mayor Borne asked the individual making the request to address the Council. Mr. Imad Sarkis stated that he represents Tricon doing business as Express Mart. Tricon Inc. has been proudly serving Southeast Texas for 55 years. The proposed project is an existing Express Mart operational location in the City of Groves, originally constructed in 1993. The site is outdated, no longer meets current environmental standards, and does not align with today's customer expectations. Their proposal is to rebuild the existing facility to meet current and future demand.

Mayor Borne then asked for questions from the City Council. Councilmember Holmes asked whether they plan to add more pumps, and Mr. Sarkis stated that they do plan to add one more. Councilmember Holmes then asked whether the station would be shut down during the process, and Mr. Sarkis stated that the plan is to completely demolish the site and start from the ground up, including replacing the tanks. Councilmember Holmes then asked what the timeline looks like from start to finish, and Mr. Sarkis stated it is about 9 months. Councilmember Chelette asked if the

plans are to push the store back to where they want the zone change, and Mr. Sarkis stated that they are doing so to improve the site's maneuverability. Mr. Elias Sarkis then addressed the Council regarding the layout, stating that only about 20% of the building would be on the lot in question, with the remainder allocated to staff parking. The Council was then shown an updated layout for the proposed site and pictures of another site that is very similar in size and layout to the one they are proposing to build in Groves. Councilmember Holmes then asked whether any equipment would make more noise than is currently present, and Mr. Sarkis stated that the AC units would be larger but located behind masonry walls. Councilmember Holmes then asked about a privacy fence and was assured that one would be installed.

Mayor Borne then invited questions from the Planning and Zoning Commission. Mr. Pacetti asked about the house on the site, which would be demolished, and about the tanks, which would also be replaced. Mr. Sarkis stated that this is correct. It was also stated that the general layout would be similar; they just need more space for the bigger store and to add employee parking in the back. Mr. Pacetti asked about the dumpster's location, and it was confirmed that it will remain at its current location on the east side. Mr. Sarkis also stated that the current location has five driveways and will be reduced to two, with no access from Dunn except for employee parking, which will be in the back and not connected to the front. Mayor Borne asked Building Official Don Pedraza for the dimensions of the property located in the R-1 zone, and Mr. Pedraza stated it is 75 ft. X 140 ft. Councilmember Chelette then asked the Planning and Zoning Commission whether there were any drainage issues, and Mr. Pedraza stated he was not aware of any. Councilmember Chelette stated that most of the new area will be hard surface, and the project engineer, Daniel Dotson, noted that they anticipate a reduction in the area because most of the site is already paved. Councilmember Chelette stated that the current facility already has in-ground drainage. Will the employee parking lot have a similar setup? Mr. Dotson stated that they anticipate reducing runoff by reducing the number of other driveways. Mr. Dotson then stated that, as long as we are at what's there or less than DD7, the detention pond will not be required.

Mayor Borne then asked for property owners within 200 feet who wished to speak in support of the request, but none spoke.

Mayor Borne then asked for property owners within 200 feet who wish to speak against the request, and Kirk Mahaney of 3848 Dunn Street addressed the Council. Mr. Mahaney stated that he would now be right next to the new expansion, and has

been at that location for 56 years. Mr. Mahaney is concerned about the impact on his property values, noise, bright lights, drainage and trash issues, increased crime, and road conditions. Mr. Mahaney then presented a letter to the Council opposing this rezoning request.

Ms. Kristy Fugett of 3901 Dunn Street then addressed the Council, stating that she lives directly across the street from the proposed employee parking. Ms. Fugett also stated that the noise from the dumpsters at 7:00 a.m. is a problem, and the lighting shining into the surrounding homes. Ms. Fugett is also concerned about the drainage and stormwater management. The increased traffic, littering, and noise are also concerning, since the store will be open 24-hours a day. Ms. Fugett went to the Police Station and received a printout of 911 calls from the last five years, including 128 calls and 11 arrests. Ms. Fugett respectfully requested that the Commission deny the rezoning request in its current form, as it conflicts with the fundamental land-use principles designed to protect residential communities.

Ms. Jaylen LaBarge of 3849 Dunn Street then addressed the Council and stated that she is also concerned about the effects on nearby property values. She believes that making this lot commercial will reduce the desirability of the area's homes and thus decrease their values. Ms. LaBarge asked where the trucks would be unloaded, and Mr. Sarkis stated they would be unloaded in front of the building, and also, the delivery of fuel would not come from Dunn since there would not be a driveway there.

Mayor Borne then asked for citizens of Groves who wish to speak in support of the request, and Beth Mull of 7244 Terrell Street addressed the Council, stating that she lives next door to Larry and Rita's and understands what it's like to live next to loud properties. Ms. Mull then stated that she is proud to live in Groves and is also a local business owner. Ms. Mull has worked with these gentlemen from Tricon before and knows they want to do what is right for the community. She also stated that the noise from the convenience store will not be any worse than that from the train track. Ms. Mull stated that there is always a strong police presence at this store because it's also their corner store. We can't fault people who want to better our community. We need to embrace it and figure out how to work together as a neighborhood. Ms. Mull stated that she supports this item and hopes the Council will approve the land for commercial use. She noted that the store will pay dearly for it in taxes, and the City needs the revenue from both the retail and land sides.

Paul Vera of 3701 Russell stated that he supports this item because it will help with the city's tax revenue needs.

Mayor Borne then called for citizens of Groves who wished to speak against the request, and Steve Parker of 3801 Dunn then addressed the Council. Mr. Parker stated that when it rains, water drains into his yard from the end of the street by the store. Mr. Parker stated that he is not in favor of this item.

Barbara Edington of 3800 Russell stated that she opposes the rezoning of 3910 Dunn. Ms. Edington stated that this would increase traffic on Dunn further, and they already speed on Dunn and do not stop at the stop signs. Ms. Edington stated that the surrounding streets are already in poor repair, and increased traffic to this store would only worsen them. Ms. Edington then informed the Council that most of the homes on Dunn Street and Leonard Street are owned, not rentals, and that all of the homes on Russell Street are owned, not rentals. Ms. Edington also stated that one driveway on 39<sup>th</sup> Street and one on Highway 366 will not be sufficient to accommodate traffic. Ms. Edington supports removing the driveway on Dunn but feels there should be more on the other two streets. Ms. Edington stated that drainage needs to be addressed and that she opposes the rezone.

Mayor Borne stated that no action would be taken at this meeting and adjourned this public hearing at 6:02 p.m.

Council reconvened into the regular City Council Meeting at 6:02 p.m.

**DELIBERATE AND ACT TO APPROVE THE MINUTES OF THE DECEMBER 22, 2025, CITY COUNCIL MEETING:** Councilmember Chelette made a motion to deliberate and act to approve the minutes of the December 22, 2025, City Council Meeting, and Councilmember McAdams seconded. There were no questions, and the motion passed unanimously.

**HEAR THE INTRODUCTION AND SWEARING-IN OF THE NEW POLICE OFFICERS:** City Marshal Christopher Robin then addressed the Council, introducing the new police officers. Deputy Kevin White, Deputy Gianni Mejia, Deputy Brayden Simmons, and Deputy Zachary Graff. Marshal Robin also gave a brief bio and a personal statement for each new officer. Marshal Robin then swore in the new officers. All in attendance then welcomed the new officers.

DELIBERATE AND ACT TO APPROVE RESOLUTION 2026-01, AUTHORIZING THE PUBLICATION OF NOTICE OF INTENTION TO ISSUE CITY OF GROVES, TEXAS, CERTIFICATES OF OBLIGATION IN A PRINCIPAL AMOUNT NOT TO EXCEED \$26,000,000 FOR THE CONSTRUCTION OF PUBLIC WORKS AND ACQUISITION OF EQUIPMENT AND ANY ITEMS RELATED THERETO FOR THE PAYMENT OF CONTRACTUAL OBLIGATIONS FOR PROFESSIONAL SERVICES; AUTHORIZING THE DISTRIBUTION OF NOTICE OF SALES AND PRELIMINARY OFFICIAL STATEMENT RELATING TO SUCH CERTIFICATES; AND CONTAINING OTHER PROVISIONS RELATING THERETO: Mayor Pro Tem Gay made a motion to deliberate and act to approve Resolution 2026-01, and Councilmember McAdams seconded. City Manager Kevin Carruth then introduced the City's financial advisor, Bob Henderson from RBC Capital Markets, and Lance Fox, who is the City's bond counsel. Mr. Carruth stated that three main issues are under consideration for the CO issue: The Wastewater Treatment Plant improvements, the 25<sup>th</sup> Street sewer bottleneck, and the water meter AMI project. These are all projects we have been discussing, in some cases for well over a year, and the AMI project has already been approved. The Wastewater Treatment Plant is in the investment-grade audit phase with Schneider Electric, and the 25<sup>th</sup> Street sewer project has already completed engineering. The five-year rate plan for utilities anticipated this debt issuance, and we have been planning for it for some time. Mr. Henderson stated that he had read the memo presented to the Council by Mr. Carruth, which he found very well written and hit all the highlights. Mr. Henderson stated that he wanted to reemphasize that the security pledge for this does include predominantly from the credit perspective of the taxing authority of the City, this is a combination tax and revenue certificate of obligation and when it comes to the actual cash flow for the repayment of the debt service on these certificates it would come from those two sources, both the utility system revenues and the property taxes. Mr. Henderson stated that the number will ultimately be between \$21,000,000 and \$26,000,000, and that \$26,000,000 is the not-to-exceed amount. We still need to finalize cost estimates with the engineers and work with the developers to determine their cash contribution, so these factors will affect the final number. When we return in March, we can provide the exact number and the debt service.

Mr. Henderson then stated that, to summarize the rate structure the City is already implementing, it will be able to service approximately \$1,700,000 in debt service through the utility system over the life of the issue, which would be sufficient for a 21-22-million dollar transaction. In the long term, we will not necessarily need any INS Tax Rates to do it. As we approach that period, we will need to balance the impact of

the INS tax rate with utility system revenues. Mr. Henderson then stated that, after meeting with Finance Director Lamar Ozley, they anticipate an INS tax rate impact of as much as 7 cents for an issuance of \$21,000,000. Mr. Henderson stated that they will return to the Council before taking official action, with more precise information. Councilmember Holmes asked about the term for the Certificates of Obligation, and Mr. Henderson stated it would be 20 years. Mr. Henderson then stated that the Federal Reserve lowered interest rates in December and that there is about a 40% chance they will do so again in January, but he expects they will. Mr. Henderson stated that he calculated these numbers for the notice at 5%, but current market rates are slightly lower. Mr. Henderson then explained the interest and sinking fund tax monies for debt services and related costs.

The City's bond attorney, Mr. Lance Fox, then addressed the Council, stating, for transparency purposes, that the funds from these proceeds can only be used for these public works projects and cannot go into the general operating fund. Mr. Fox then stated that, when these certificates are issued, they must be approved by the Attorney General's Office before certification. Mr. Fox informed the Council that it could not issue Certificates of Obligation to finance environmental remediation expenses because those expenses are not considered a Public Works project. City Manager Kevin Carruth stated that they included parks and streets on the table shown on the screen, so that if we have money left over after we address the three primary projects, the bond covenants would allow us to do those additional projects. Mr. Fox stated that the next steps would be publication in the newspaper and posting on the City website, both of which are required by Texas law. This gives citizens an opportunity to petition before it is issued, which is the purpose of the notice. Mayor Borne asked Mr. Carruth whether we would have the final numbers for the wastewater plant by March. Mr. Carruth stated that we will have more refined numbers, but the actual bid numbers will not be available until much later. There were no further questions, and the motion passed unanimously.

**DELIBERATE AND ACT TO APPROVE REIMBURSEMENT RESOLUTION 2026-02, EXPRESSING OFFICIAL INTENT TO REIMBURSE THE CITY WITH PROCEEDS OF TAX-EXEMPT CERTIFICATES OF OBLIGATIONS FOR COSTS ASSOCIATED WITH CONTRACTUAL OBLIGATIONS TO FINANCE CONSTRUCTION OF PUBLIC WORKS AND PUBLIC IMPROVEMENTS:** Mayor Pro Tem Gay made a motion to deliberate and act to approve Reimbursement Resolution 2026-02, and Councilmember Holmes seconded. Mr. Fox stated that this is to comply with the tax law and will allow the City to start spending out of the general fund towards the

projects, and then when the Certificates of Obligation are actually issued, you can use those proceeds to reimburse the City for those expenditures. There were no further questions, and the motion passed unanimously.

**DELIBERATE ON POSSIBLE AMENDMENTS TO SEC. 9-1300 OF THE CODE OF ORDINANCES TO ALLOW BUSINESS SIGNS FOR HOME OCCUPATIONS IN R-1 AND R-2 SINGLE-FAMILY RESIDENTIAL ZONING DISTRICTS:** Councilmember Holmes made a motion to deliberate on possible amendments to Sec. 9-1300 of the Code of Ordinances to allow business signs for home occupations in R-1 and R-2 Single-Family Residential Zoning Districts. Councilmember McAdams seconded. City Manager Kevin Carruth provided a brief background, noting that two years ago a resident at 5001 Bellaire needed a letter from the City confirming that he could conduct his business under his R-1 zoning classification and obtain federal licenses to work on firearms. Building Official Don Pedraza inspected his premises and confirmed that his processes would not impact the neighborhood. The resident assured Mr. Carruth that there would be no customer traffic and that all activity would be conducted via mail. Mr. Carruth then stated that a few weeks ago, a different individual who was looking to operate a retail firearm business out of his home made a comment about business signage and was told he could not do that. This individual then asked why the 5001 Bellaire location had a business sign, which led the city to investigate the sign on Bellaire. It turns out there is a 4'X8' vinyl sign on his fence, which violates the ordinance. That is when the Mayor asked that this be placed on the agenda for discussion. Mr. Carruth then stated that this is for discussion only and there will be no action tonight. The purpose of the current ordinance is to preserve the integrity of R-1 and R-2 single-family residential neighborhoods. Mr. Eric Gallier of 5001 Bellaire then asked to speak on the issue, as it concerns his property. Mr. Gallier stated that the banner in question has been displayed for the past 4 years. Mr. Gallier stated that he is very considerate of his neighbors and only has customers at his location by appointment. Mayor Borne asked about the purpose of the sign, and Mr. Gallier stated that he uses it to direct customers to the appropriate location when making appointments. Mayor Borne then asked whether there were other ways to reach the same point without a large sign. Ms. Gallier stated that it helps keep confusion down and prevents customers from ending up at their neighbors' houses.

City Manager Kevin Carruth stated that the City has not received complaints about traffic from this residence. City Attorney Brandon P. Monk stated that there is an off-site sign ordinance, but it is not part of the possible amendment we are discussing. Off-site signs are restricted; in other words, there are limited signs you

can be placed at locations to advertise, such as real estate and political signs, but business signs are not allowed in R-1 and R-2 districts. Councilmember Holmes asked whether there is a limit in the ordinances on the size of home address signage, and Building Official Don Pedraza stated there is only a minimum size limit. Mayor Borne stated that the purpose of placing this item on the agenda was to discuss it and gauge the council's opinion on whether it should be revised or enforced. Councilmember McAdams stated that he believes we need to change the ordinance because many citizens operate businesses out of their homes, and that he doesn't see a problem with business signs. Mr. Carruth then stated that the issue is the impact on the neighborhood when traffic is generated to a house. Councilmember Chelette believes having a side business is great, but does not support displaying business signs to advertise it. Mayor Borne then asked Mr. Monk about the definition of home-based business sign in the ordinance, and if a QR Code under this definition would be considered a home-based business sign since it requires an action, and Mr. Monk stated that he still thinks it is providing information about the business on that lot, therefore would be a business sign by definition. Mr. Monk also stated that the Council could, if it chose, allow those types of business signs in R-1 and R-2.

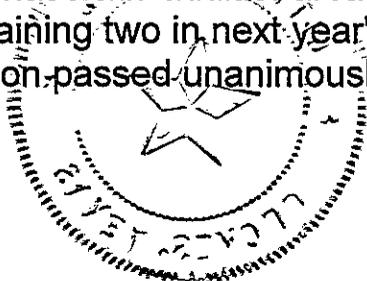
Councilmember Holmes stated he would like the Council to consider allowing some signage in residential zones to identify where to go for goods or services. Councilmember Holmes then stated that he believes the signs should be no more than 8 square feet and require a sign permit, which provides an interface between City staff and our citizens doing business in the community. Councilmember Holmes then stated that he does not want to discourage citizens from generating additional revenue in their homes. Mayor Borne then stated that, since this is a discussion item, if any councilmembers have further recommendations or concerns, please send them to City Manager Kevin Carruth for another draft resolution at a future meeting. Mayor Borne then asked Mr. Gallier whether the sign is still up, and Mr. Gallier confirmed it is. Mayor Borne asked Mr. Gallier to please remove the sign until the Council decides what to do, and Mr. Gallier agreed. There was no further discussion on this item.

DELIBERATE AND ACT ON THE JANUARY 12, 2026, INVOICE LIST: Mayor Pro Tem Gay made a motion to deliberate and act on the January 12, 2026, invoice list, and Councilmember Chelette seconded.

INVOICES: City Manager Kevin Carruth presented invoices for payment totaling \$86,497.43 as follows:

1. Brenntag Southwest, INC	Sodium hydroxide for Water Plant.	\$5,100.64
2. Enterprise	Lease for new vehicles.	\$12,316.07
3. Houston Poly Bag	Trash bags.	\$7,920.00
4. PVS DX, INC	Chlorine for Water Plant.	\$6,861.60
5. SHI Government Solutions	Cloudflare for 1 year.	\$6,194.38
6. Standard Life Insurance Company	Standard life for October 2025 and November 2025.	\$7,342.38
7. Standard Life Insurance Company	Standard life for December 2025 and January 2026.	\$7,930.14
8. United Communications INC	Six radios and nine spare batteries for the Fire Department.	\$20,357.70
9. Wex Bank	Fuel for all vehicles for December 2025.	\$12,474.52

Mayor Borne asked for questions. Mayor Borne asked whether the Fire Department's radios were included in the budget. Fire Chief Lance Billeaud stated that \$17,000 was budgeted, but the Department received a Motiva grant that covered the remaining balance. City Manager Kevin Carruth then asked where that leaves us on the number of radios still needed, and Chief Billeaud stated that four additional radios still need to be purchased. Chief Billeaud stated that he would like to purchase two additional radios from the Texas Forestry Grant and include the remaining two in next year's budget. There were no further questions, 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 (1) (A) – CONSULTATION WITH ATTORNEY WHEN THE GOVERNMENTAL BODY SEEKS ADVICE OF ITS ATTORNEY ABOUT PENDING OR CONTEMPLATED LITIGATION
- B. RECONVENE INTO OPEN SESSION.

Council then convened into Executive Session at 6:58 p.m.

RECONVENE OPEN SESSION: Council reconvened into open session at 7:29 p.m.

DELIBERATE AND ACT TO APPROVE A WAIVER OF CONFLICTS WITH JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7 CONCERNING THE EMPLOYMENT OF BULLOCK, BENNETT, AND ASSOCIATES, LLC, AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE ALL NECESSARY DOCUMENTS: Mayor Pro Tem Gay made a motion to deliberate and act to approve a waiver of conflicts with Jefferson County Drainage District No. 7 concerning the employment of Bullock, Bennett, and Associates, LLC, and authorizing the City Manager to negotiate and execute all necessary documents. Councilmember McAdams seconded the motion. There were no questions, and the motion passed unanimously.

Mayor Borne asked for Council comments. Mayor Pro Tem Gay welcomed the new officers, and Mayor Borne wished everyone a Happy New Year. The meeting was adjourned at 7:31 p.m.

  
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Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

