

NOTICE AND AGENDA OF REGULAR CALLED MEETING MOUNT PLEASANT CITY COUNCIL

**Tuesday, November 4, 2025 at 6:00 P.M.
501 North Madison, Mount Pleasant, Texas**



PURSUANT TO CHAPTER 551.127, TEXAS GOVERNMENT CODE, ONE OR MORE COUNCIL MEMBERS MAY ATTEND THIS MEETING REMOTELY USING VIDEOCONFERENCING TECHNOLOGY. THE VIDEO AND AUDIO FEED OF THE VIDEOCONFERENCING EQUIPMENT CAN BE VIEWED AND HEARD BY THE PUBLIC AT THE ADDRESS POSTED ABOVE AS THE LOCATION OF THE MEETING.

Under the Americans with Disabilities Act, an individual with a disability must have equal opportunity for effective communication and participation in public meetings. Upon request, agencies must provide auxiliary aids and services, such as interpreters for the deaf and hearing impaired, readers, large print or Braille documents. In determining the type of auxiliary aid or services, agencies must give primary consideration to the individual's request. Those requesting auxiliary aids or services should notify the contact person listed on the meeting several days before the meeting by mail, telephone, or RELAY Texas. TTY: 7-1-1.

The public may participate by joining YouTube: <https://www.youtube.com/@thecityofmountpleasanttexas1157/streams>

CALL TO ORDER

Roll Call and Certification of a Quorum

Invocation

Pledge of Allegiance

OPEN SESSION

PUBLIC COMMENTS

The City Council welcomes citizen participation and comments at all Council meetings. Citizen comments are limited to three minutes out of respect for everyone's time. The Council is not permitted to respond to your comments. The Texas Open Meetings Act requires that topics of discussion/deliberation be posted on an agenda not less than 72 hours in advance of the Council meetings. If your comments relate to a topic that is on the agenda, the Council will discuss the topic on the agenda at the time that the topic is discussed and deliberated.

CONSENT AGENDA

ITEMS ON THE CONSENT AGENDA ARE APPROVED THROUGH A SINGLE COUNCIL MOTION, WHICH APPLIES TO ALL ITEMS LISTED. CONSENT AGENDA ITEMS ARE CONSIDERED ROUTINE, NOT LIKELY TO REQUIRE DISCUSSION OR DELIBERATION, AND MAY BE DISCUSSED PRIOR TO MAKING A MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COUNCIL MEMBER REQUESTS AN ITEM BE REMOVED AND CONSIDERED SEPARATELY.

1. Consider Approval of the October 21, 2025 Meeting Minutes.
2. Consider Pay request #5 for J2 Construction (Industrial Park Lift Station)
3. Consider Approval of Resolution 2025-15 Denying the Southwestern Electric Company's Proposed Rate Increase.

CONSENT AGENDA MOTION

MOTION TO APPROVE ALL CONSENT AGENDA ITEMS AS PRESENTED

REGULAR AGENDA

4. Proclamation for Spruill Honda
5. Presentation and Discussion with Perdue Brandon Fielder Collins & Mott LLP for the collection of delinquent municipal liens owed to the City of Mount Pleasant.
6. Mount Pleasant Market Summary & Housing Market Analysis Presentation by Catalyst Commercial.
7. Discuss and Consider a Performance Agreement with 206 West 2nd, LLC.
8. Discuss and Consider a Performance Agreement with Mobile Medic Automotive Conversions, LLC.
9. Consider Casting the City's Votes for the Election of the Titus County Appraisal District Board.
10. Consider Resolution 2025-16 amending the City of Mount Pleasant's Policy Manual Longevity Pay Policy previously approved in Resolution 2025-3.

11. City Manager's Report

COUNCIL COMMENTS

Council Comments limited to announcement of upcoming events, recent Council Member activities or requests to add agenda items for an upcoming meeting (2 minutes per Council Member).

EXECUTIVE SESSION

Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, The City Council will recess into executive session (closed meeting) to discuss the following:

Consultation with Attorney (Tex. Gov't Code §551.071) regarding possible adoption of rules of procedure governing city council meetings.

RECONVENE INTO THE REGULAR SESSION

In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into regular session to consider action, if any, on matters discussed in executive session.

The City Council reserves the right to adjourn into executive session at any time to discuss any of the matters listed on the agenda as authorized by the Texas Government Code §551.071, (Consultation with Attorney), §551.072, (Deliberations about Real Property), §551.074, (Personnel Matters), §551.076, (Deliberations about Security Devices), §551.087, (economic development negotiations), or any other exception authorized by Chapter 551 of the Texas Government Code.

ADJOURN

I certify the above notice of meeting is a true and correct copy of said notice and that same was posted on the bulletin board of City Hall of the City of Mount Pleasant, Texas, a place readily accessible to the general public at times, by 5:00 pm on the 29th of October 2025 and remained so posted for at least 72 hours preceding the scheduled of said meeting.

Candias Webster

Candias Webster, City Secretary



AGENDA ITEM REPORT

Meeting: City Council - Nov 04 2025

Staff Contact: Candias Webster, City Secretary

Department: Administration

Subject: Consider Approval of the October 21, 2025 Meeting Minutes.

Item Summary:

This is a typed copy of the minutes from the November 21, 2025 Meeting Minutes

Financial Impact:

N/A.

Recommendation(s):

Motion to approve the consent agenda item

Attachments:

[2025.10.21 Regular](#)

STATE OF TEXAS

COUNTY OF TITUS

CITY OF MOUNT PLEASANT

The City Council of the City of Mount Pleasant, Texas, after notice posted in the manner, form, and contents as required by law, met in Regular Session on October 21, 2025, 2025 at 6:00 PM at the Council Chambers located at 501 North Madison with the following members present:

Wesley Lyon	-	Mayor
Carl Hinton	-	Mayor Pro-Tem
Melanie Knight	-	Council Member
Kelly Redfearn	-	Council Member
Jonathan Hageman	-	Council Member
Debbie Corbell	-	Council Member
Greg Nyhoff	-	City Manager
Rob Vine	-	City Manager
Candias Webster	-	Assistant City Manager/City Secretary
Lea Ream	-	City Attorney

MEMBERS OF THE PUBLIC WERE PROVIDED THE OPPORTUNITY TO COMMENT

No action was taken by the Council

CONSENT AGENDA:

ITEMS ON THE CONSENT AGENDA ARE APPROVED THROUGH A SINGLE COUNCIL MOTION, WHICH APPLIES TO ALL ITEMS LISTED. CONSENT AGENDA ITEMS ARE CONSIDERED ROUTINE, NOT LIKELY TO REQUIRE DISCUSSION OR DELIBERATION, AND MAY BE DISCUSSED PRIOR TO MAKING A MOTION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COUNCIL MEMBER REQUESTS AN ITEM BE REMOVED AND CONSIDERED SEPARATELY.

Consider Approval of the September 16, 2025, Meeting Minutes.

Consider pay request #11 & #12 for Wicker Construction, Inc. for work performed on the West Loop Wastewater Collection Project.

Consider pay request #4 from J2 Construction Services for work performed at the Industrial Lift Station and force main.

Consider pay requests #3 and #4 for Capital Underground Utilities for work performed for the Housing Authority Water Improvements.

Consider pay request #29 from Heritage Construction LLC for work performed at the Southside Wastewater Treatment Plant.

Motion was made by Council Member Hinton and seconded by Council Member Redfearn to approve all consent agenda items as presented except for #4. Upon a vote, the motion carried unanimously.

CONSIDER PAY REQUEST #5 FOR DRAKE PAVING, LLC, FOR WORK PERFORMED AT THE MOUNT PLEASANT REGIONAL AIRPORT SOUTHWEST SITE DEVELOPMENT AND DRAINAGE IMPROVEMENTS.

Motion was made by Council Member Hageman and seconded by Council Member Hinton to approve pay request #5 for Drake Paving, LLC, for work performed at the Mount Pleasant Regional Airport Southwest Site Development and Drainage Improvements. Upon a vote, the motion carried unanimously.

CODE OFFICER TRAINING AND CERTIFICATION RECOGNITION

Lynn Barrett recognized Osiel Martinez

INTERMEDIATE FIRE INSPECTOR CERTIFICATION RECOGNITION

Larry McRae recognized Charles Evans

MONTHLY FINANCIAL REPORT FOR MONTH ENDED SEPTEMBER 30, 2025.

Gillian Gatewood, Finance Director, presented the monthly financial report

Consider Accepting the Quarterly Investment Report for Quarter Ended September 30, 2025.

Motion was made by Council Member Hinton and seconded by Council Member Corbell to approve pay request #5 for Drake Paving, LLC, for work performed at the Mount Pleasant Regional Airport Southwest Site Development and Drainage Improvements. Upon a vote, the motion carried unanimously.

CONSIDER RESOLUTION 2025-14 APPROVING THE TAX ROLL AND TAX LEVY FOR THE CITY OF MOUNT PLEASANT.

Motion was made by Council Member Hageman and seconded by Council Member Knight to approve Resolution 2025-14 Approving the Tax Roll and Tax Levy for the City of Mount Pleasant. Upon a vote, the motion carried 4 to 1, with Council Members Hageman, Knight, Corbell, and Redfearn voting for and Council Member Hinton voting against.

CONSIDER A MATTER OF RECORD ON SENATE BILL 16 PRESENTED BY THE TITUS COUNTY CLERK.

Leslie Brosnan will give a matter of record

DISCUSSION AND CONSIDER A REQUEST FROM DAKOTA FINNEY FOR APPROVAL OF A REPLAT OF CITY BLOCK 191, LOT 4 R AND A PORTION OF ADJACENT UNIMPROVED ABANDONED RED SPRINGS AVENUE AND A FORMER UTILITIES TRACT INTO THE DENOVO SUBDIVISION NUMBER 1, A .824 ACRE, FOUR-LOT RESIDENTIAL SUBDIVISION, AT THE NORTHWEST CORNER OF SOUTH FLOREY AVENUE AND EAST ARKANSAS STREET ADDRESSED AS 115 SOUTH AUSTIN AVENUE. RP-2025-10

Motion was made by Council Member Hageman and seconded by Council Member Hinton to approve a request from Dakota Finney for approval of a replat of City Block 191, Lot 4 R and a portion of adjacent unimproved abandoned Red Springs Avenue and a former utilities tract into the DeNovo Subdivision Number 1, a .824 acre, four-lot residential subdivision, at the northwest corner of South Florey Avenue and East Arkansas Street addressed as 115 South Austin Avenue. RP-2025-10. Upon a vote, the motion carried unanimously. Council Member Knight recused herself before the discussion started.

CONSIDER AN ANIMAL SERVICES AGREEMENT WITH THE CITY OF GILMER.

Motion was made by Council Member Hinton and seconded by Council Member Hageman to approve an Animal Services Agreement with the City of Gilmer. Upon a vote, the motion carried unanimously.

CONSIDER AN ANIMAL SERVICES AGREEMENT WITH THE CITY OF PITTSBURG.

Motion was made by Council Member Hinton and seconded by Council Member Knight to approve an Animal Services Agreement with the City of Pittsburg. Upon a vote, the motion carried unanimously.

DISCUSSION ON THE RAMP GRANTS RECEIVED BY THE MOUNT PLEASANT REGIONAL AIRPORT.

Paul Henderson gave a brief overview of the RAMP Grants received by the Airport

CONSIDER INCREASING THE MOUNT PLEASANT REGIONAL AIRPORT T-HANGER FEES.

Motion was made by Council Member Hageman and seconded by Council Member Corbell to approve increasing the Mount Pleasant Regional Airport T-Hanger fees. 42' Hangers - \$240/month 45' Hangers - \$260/month 48' Hangers \$260/month. Upon a vote, the motion carried unanimously.

CONSIDER CHANGE ORDER #2 AND PAY REQUEST #28 FROM HERITAGE CONSTRUCTION LLC FOR WORK PERFORMED AT THE SOUTHSIDE WASTEWATER TREATMENT PLANT.

Motion was made by Council Member Hinton and seconded by Council Member Knight to approve Change order #2 in the amount of \$352,000.00 and pay request #28 for \$217,112.04 from Heritage Construction LLC for work performed at the Southside Wastewater Treatment Plant. Upon a vote, the motion carried unanimously.

CONSIDER THE BILLBOARD LEASE RENEWAL AGREEMENT WITH LINDMARK BILLBOARDS, LLC.

Motion was made by Council Member Hageman and seconded by Council Member Redfearn to approve the Billboard Lease Renewal Agreement with Lindmark Billboards, LLC. Upon a vote, the motion carried unanimously.

CITY MANAGER'S REPORT

COUNCIL COMMENTS

Council Comments limited to announcements of upcoming events, recent Council Member activities or requests to add agenda items for an upcoming meeting (2 minutes per Council Member).

EXECUTIVE SESSION 7:01 PM

Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, The City Council will recess into executive session (closed meeting) to discuss the following:

Deliberations regarding Economic Development Negotiations Projects (Tex Gov't Code 551.087) and Consultation with Attorney (Tex. Gov't Code §551.071) regarding Projects #25-08-1, #25-09-1, #25-09-2, #25-09-5, and #25-09-6;

Consultation with Attorney (Tex. Gov't Code §551.071): regarding Social Media Policy;

Consultation with Attorney (Tex. Gov't Code §551.071): regarding a Council Travel Policy for Authorized Travel Expense Reimbursement for Distant Travel;

Consultation with Attorney (Tex. Gov't Code §551.071) and Personnel Matters (Tex. Gov't Code §551.074) to discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee--City Attorney;

Consultation with Attorney (Tex. Gov't Code §551.071) regarding potential release of confidential and/or privileged records.

RECONVENE INTO THE REGULAR SESSION 9:15 PM

In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into regular session to consider action, if any, on matters discussed in executive session.

Motion was made by Council Member Knight and seconded by Council Member Redfearn to approve the City Attorney be permitted to release the two confidential documents discussed in executive session, and no others. Upon a vote, the motion carried unanimously.

ADJOURN 9:18 PM

WESLEY LYON, MAYOR

ATTEST:

CANDIAS WEBSTER, ASSISTANT CITY MANAGER/CITY SECRETARY



AGENDA ITEM REPORT

Meeting: City Council - Nov 04 2025

Staff Contact: Erin Marshall, Utilities Director

Department: Utilities

Subject: Consider Pay request #5 for J2 Construction (Industrial Park Lift Station)

Item Summary:

The current Industrial Park Lift Station is at maximum capacity with the addition of Local Bounti to the sewer system. The Industrial Park Lift Station Project is the replacement of a 6-inch force main with an 8-inch force main. The removal of the existing wet well and the installation of a larger well for more capacity with larger pumps to handle the higher flow. Lastly, the installation of an onsite generator for backup power and a new privacy fence to enclose the larger footprint of the well. In doing this project this increases the sewer systems capacity in the area to promote future growth.

Financial Impact:

Budgeted Amount: 2,600,000

Contract Amount: 1,440,242

Contract start date: April 7, 2025

Substantial Completion: January 2, 2026

Previous Payments Total: 511,701.97

Previous Amounts Percent: 35.5%

Current Pay Request: 183,318.83

Percent Total with request: 48.2%

Percent of time: 59%

Recommendation(s):

Recommend a motion to approve the consent agenda item.

Attachments:

[Staff Memo](#)

[102055 PE No. 5](#)

[102055 PE No. 5 MOH & Invoices](#)

Memorandum

TO: Mayor, Mayor Pro Tem & City Council
FROM: Erin Marshall, Utilities Director
SUBJECT: Pay request #5 for J2 Construction (Industrial Park Lift Station)
DATE: November 4th, 2025

BACKGROUND: The current Industrial Park Lift Station is at maximum capacity with the addition of Local Bounti to the sewer system. The Industrial Park Lift Station Project is the replacement of a 6-inch force main with an 8-inch force main. The removal of the existing wet well and the installation of a larger well for more capacity with larger pumps to handle the higher flow. Lastly, the installation of an onsite generator for backup power and a new privacy fence to enclose the larger footprint of the well. In doing this project this increases the sewer systems capacity in the area to promote future growth.

STATUS OF ISSUE: The project is on schedule to be complete by the end of the year. The 8-inch force main has been installed. The old lift station has been taken out of service, the sewer system has been put on bypass pumping, and the new lift station is currently being built. This is a pay request for work performed during the month of September, it includes 756 ft of 8-inch force main (100% complete 7790 ft of new 8 inch installed), the repair of the driveways touched, the demo of the existing lift station, and a portion of the cost of the bypass pumping.

BUDGET:

Budgeted Amount: 2,600,000

Contract Amount: 1,440,242

Contract start date: April 7, 2025

Substantial Completion: January 2, 2026

Previous Payments Total: 511,701.97

Previous Amounts Percent: 35.5%

Current Pay Request: 183,318.83

Percent Total with request: 48.2%

Percent of time: 59%

RECOMMENDATION: We recommend a motion to pay, pay request #5 to J2 Construction for work performed on the Industrial Park Lift Station Project in the amount of 183,318.83



PROGRESS ESTIMATE

140 E. TYLER ST., SUITE 600
LONGVIEW, TX 75601
903.236.7700

Estimate No.: 5

Date: October 1, 2025
Project: Industrial Lift Station and Force Main
Period: From: 08/29/2025 To: 09/30/2025
Contractor: J 2 Construction Services, LLC
Address: 3603 Brent Rd., Longview TX 75604
Amount of Contract as Awarded: \$1,440,242.00

Change Orders:

# 1 \$	# 6 \$
# 2 \$	# 7 \$
# 3 \$	# 8 \$
# 4 \$	# 9 \$
# 5 \$	#10 \$

Total Change Orders: \$0.00
Total Adjusted Contract: \$1,440,242.00

Notice to Proceed Date: April 7, 2025
Contract Time: 300 Days
% Complete (Time) 59.00%
% Complete (\$) 48.22%
Project No: 102055

PREVIOUS PAYMENTS AUTHORIZED

#1	<u>242,303.68</u>	#10	
#2	<u>80,076.07</u>	#11	
#3	<u>111,110.19</u>	#12	
#4	<u>78,212.03</u>	#13	
#5		#14	
#6		#15	
#7		#16	
#8		#17	
#9		#18	

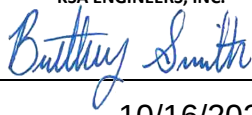
Total Payments
Previously Authorized: \$511,701.97

Item No.	Description	Unit of Meas.	Quantity Original Estimate	Previous Month's Quantity	Current Month's Quantity	Quantity Completed To Date	Unit Price (\$)	Value of Completed Work (\$)
SCHEDULE 1 - GENERAL								
1.01	Mobilization, Insurance, Bonds	LS	1	1.00		1.00	\$47,600.00	\$47,600.00
1.02	Barricades, Signs, and Traffic Handling	LS	1	0.42	0.10	0.52	\$7,950.00	\$4,166.65
1.03	Clearing and Grubbing	AC	1	1.00		1.00	\$26,700.00	\$26,700.00
1.04	Force Main Testing	LS	1	0.00	1.00	1.00	\$13,000.00	\$13,000.00
1.05	Temporary Bypass Pumping	LS	1	0.00	0.25	0.25	\$91,200.00	\$22,800.00
1.06	Care of Water During Construction	LS	1	0.00	0.25	0.25	\$2,200.00	\$550.00
1.07	Stormwater Pollution Prevention	LS	1	0.44	0.11	0.56	\$13,650.00	\$7,583.35
1.08	Excavation Safety	LS	1	0.90	0.10	1.00	\$2,200.00	\$2,200.00
1.09	Trench Safety	LF	7,790	7,034.00	756.00	7,790.00	\$0.50	\$3,895.00
1.10	Demo Existing Lift Station Site	LS	1	0.00	1.00	1.00	\$14,300.00	\$14,300.00
1.11	Foundation Material for Trench	CU	1,400	0.00		0.00	\$49.00	\$0.00
1.12	8-in SDR 21 PVC Force Main	LF	***7,075	7,034.00	41.00	7,075.00	\$38.00	\$268,850.00
1.13	8-in SDR 21 Restrained Joint PVC Force Main by Directional Drill	LF	***1,611	1,611.00		1,611.00	\$81.00	\$130,491.00
1.14	Air Release Valve	EA	6	6.00		6.00	\$1,950.00	\$11,700.00
1.15	Cut, Plug, and Abandon Existing Force Main	EA	4	0.00	4.00	4.00	\$1,324.00	\$5,296.00
1.16	8-in Plug Valve Assembly	EA	5	5.00		5.00	\$4,305.00	\$21,525.00
1.17	Open Cut and Repair Asphalt	SY	***216	0.00	261.00	261.00	\$57.00	\$14,877.00
1.18	Open Cut and Repair Concrete	SY	18	0.00	18.00	18.00	\$263.00	\$4,734.00
1.19	Open Cut and Repair Gravel	SY	***63	0.00	368.00	368.00	\$27.00	\$9,936.00
1.20	Remove and Replace Barbed Wire Fence	LF	40	0.00		0.00	\$32.00	\$0.00
1.21	Connect to Existing Force Main	EA	1	0.00	1.00	1.00	\$8,950.00	\$8,950.00
1.22	Existing Air Releases Valve Abandonment	EA	3	0.00		0.00	\$395.00	\$0.00
1.23	Sanitary Lift Station Improvements	LS	1	0.00	0.05	0.05	\$359,360.00	\$17,968.00
1.24	Lift Station Coating System	LS	1	0.00		0.00	\$44,000.00	\$0.00
1.25	2,000 LBS Capacity Electric Crane	EA	1	0.00		0.00	\$16,450.00	\$0.00
1.26	Wooden Privacy Fence with Gates	LF	105	0.00		0.00	\$74.00	\$0.00
1.27	Asphalt Driveway at Lift Station	SY	138	0.00		0.00	\$76.00	\$0.00
1.28	100-kW Generator	LS	1	0.00	0.45	0.45	\$85,155.00	\$38,319.75
1.29	Electrical Improvements	LS	1	0.00		0.00	\$84,735.00	\$0.00
1.30	Electrical Power System Studies	LS	1	0.00		0.00	\$8,925.00	\$0.00
1.31	Seed and Fertilize	AC	2	1.00	1.00	2.00	\$2,260.00	\$4,520.00
1.32	Miscellaneous Allowance	AL	1	0.00		0.00	****\$38,037.00	\$0.00
***1.33	Cost of Sleeves and Restraints	LS	1	0.00		0.00	\$6,945.00	\$0.00

Item No.	Description	Unit of Meas.	Quantity Original Estimate	Previous Month's Quantity	Current Month's Quantity	Quantity Completed To Date	Unit Price (\$)	Value of Completed Work (\$)
*FIELD WORK ORDER No. 1								
*FWO 1.1	Furnish and Install 14-in PVC Casing over Existing	LF	40	40.00		40.00	\$72.00	\$2,880.00
**FIELD WORK ORDER No. 2								
*FWO 2.1	Add 6-in Water Line Conflict Avoidance	LS	1	1.00		1.00	\$2,461.00	\$2,461.00
*FWO 2.2	Add 12-in Water Line Conflict Avoidance	LS	1	1.00		1.00	\$3,360.00	\$3,360.00
****FIELD WORK ORDER No. 4								
****FWO4.1	12-in Waterline Crossing	LF	20	20.00		20.00	\$118.00	\$2,360.00
****FWO4.2	Furnish and Install 12-in RCP Culvert	LF	26	26.00		26.00	\$68.50	\$1,781.00
****FWO4.3	Furnish and Install 12-in C900 Culvert	LF	35	35.00		35.00	\$49.00	\$1,715.00

*Per FWO No. 1; **Per FWO No. 2; *** Per FWO No. 3; ****Per FWO No. 4

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Engineer represents to the Owner that to the best of the Engineer's knowledge, information and belief, the Work (excluding trench safety) has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the **AMOUNT PAYABLE**. The Contractor is solely responsible for trench safety and as such, the Engineer makes no representation that this pay item has been performed in a manner consistent with the Contract Documents.

KSA ENGINEERS, INC.		Total Amount to Date	\$694,518.75
By		Material on Hand	\$37,081.57
Date	10/16/2025		\$731,600.32
		Less 5% Retainage	\$36,580.02
Approved:	CITY OF MOUNT PLEASANT	Net Total	\$695,020.30
By		Less Previous Payments	\$511,701.97
Date		Amount Payable to Contractor This Estimate	\$183,318.33

MATERIALS ON HAND

Estimate No.: 5

Date: September 30, 2025

Project: Industrial Lift Station and Force Main

INVOICE #:	Vendor	Unit of Meas.	ORIGINAL INVOICE AMOUNT	AMOUNT INSTALLED TO DATE	VALUE OF INVOICED MATERIAL
455481	R.K. HALL LLC	LS	\$2,397.18	-\$2,397.18	\$0.00
455482	R.K. HALL LLC	LS	\$2,329.82	-\$2,329.82	\$0.00
457026	R.K. HALL LLC	LS	\$4,403.09	-\$4,403.09	\$0.00
116284172.1	Coburn Supply Company	LS	\$2,265.56	-\$2,265.56	\$0.00
116284172.2	Coburn Supply Company	LS	\$2,351.28	-\$2,351.28	\$0.00
116284172.3	Coburn Supply Company	LS	\$8,340.19	-\$8,340.19	\$0.00
116287469.1	Coburn Supply Company	LS	\$848.19	-\$848.19	\$0.00
116287520.1-1	Coburn Supply Company	LS	\$4,023.60	-\$4,023.60	\$0.00
116287520.1	Coburn Supply Company	LS	\$66,256.10	-\$66,256.10	\$0.00
116287520.2	Coburn Supply Company	LS	\$18,498.36	-\$18,498.36	\$0.00
116287520.3	Coburn Supply Company	LS	\$22,175.00	-\$22,175.00	\$0.00
116287610.1	Coburn Supply Company	LS	\$58.38	-\$58.38	\$0.00
116288090.1-1	Coburn Supply Company	LS	\$8,950.65	-\$8,950.65	\$0.00
116288090.1	Coburn Supply Company	LS	\$292.50	-\$292.50	\$0.00
116288090	Coburn Supply Company	LS	\$5,967.10	-\$5,967.10	\$0.00
116288800.1	Coburn Supply Company	LS	\$672.80	-\$672.80	\$0.00
116289262	Coburn Supply Company	LS	\$200.00	-\$200.00	\$0.00
1162899.45	Coburn Supply Company	LS	\$1,628.56	-\$1,628.56	\$0.00
116290899	Coburn Supply Company	LS	\$1,536.54	-\$1,536.54	\$0.00
116288800	Coburn Supply Company	LS	\$262.40	-\$262.40	\$0.00
576211078	Coburn Supply Company	LS	\$3,272.40	-\$3,272.40	\$0.00
116290371	Coburn Supply Company	LS	\$27,249.96	-\$27,249.96	\$0.00
116287469.2	Coburn Supply Company	LS	\$657.15	-\$657.15	\$0.00
462539	R.K. HALL LLC	LS	\$3,492.96	-\$3,492.96	\$0.00
462540	R.K. HALL LLC	LS	\$1,159.59	-\$1,159.59	\$0.00
465838	R.K. HALL LLC	LS	\$4,665.84	-\$4,665.84	\$0.00
116303193	Coburn Supply Company	LS	\$1,605.15	-\$1,605.15	\$0.00
116299875	Coburn Supply Company	LS	\$498.39	-\$498.39	\$0.00
116287520.4	Coburn Supply Company	LS	\$12,750.36	-\$12,750.36	\$0.00
116284172	Coburn Supply Company	LS	\$7,537.70	\$0.00	\$7,537.70
116287465	Coburn Supply Company	LS	\$4,225.98	\$0.00	\$4,225.98
116287469	Coburn Supply Company	LS	\$12,238.29	\$0.00	\$12,238.29
116287532	Coburn Supply Company	LS	\$13,079.60	\$0.00	\$13,079.60

Total Material on Hand Amount \$37,081.57



PO BOX 99001
DENHAM SPRINGS, LA. 70727-9001

SOLD TO: 8173396

J2 CONSTRUCTION SERVICES
JOB: MT PLEASANT FORCE MAIN & LIFT
3603 BRENT RD
LONGVIEW TX 75604

Invoice

Invoice #		Ship Via	
116284172		CUSTOMER PICK-UP	
Inv. Date	Order Date	Ship Date	
09/05/25	02/27/25	09/05/25	
Branch Location			
COBURN'S LONGVIEW (11) 201 S SPUR 63 LONGVIEW, TX 75601 903-753-8613			

SHIP TO: 8173396

J2 CONSTRUCTION SERVICES
MT PLEASANT FORCE MAIN & LIFT
3691 FM 3417
MOUNT PLEASANT, TX 75455

Salesperson		Wrt-BY		Picked Up By	Customer PO#	Job Name		
DEVIN JACKSON		W TY PEARSON			2505-MTPLSNT	IND LIFT STATION		
Line#	Qty. Ord.	Ship	PartNumber Description	Unit Price	Per	Ext. Price		
1	0	0	683NS10818 P401 LIND DMB845	555.37	EA	0.00		
2	0	0	683NS10820 P401 LINED DMB811	534.76	EA	0.00		
3	0	0	683NS10821 P401 LINED DMB822	544.63	EA	0.00		
4	0	0	683NS10822 P401 LINED DMB890	610.90	EA	0.00		
5	0	0	683NS10823 P401 LINED DML8	614.27	EA	0.00		
6	6	6	683NS10825 P401 LINED DFB690	616.40	EA	3698.40		
7	2	2	683NS10835 P401 LINED DML6	430.10	EA	860.20		
8	1	1	683NS10838 P401 LINED DMY66	724.50	EA	724.50		
9	1	1	683NS10841 P401 LINED DMB645	412.28	EA	412.28		
10	0	0	683NS10843 P401 LINED DMR86	490.29	EA	0.00		
11	4	4	SIGDMK6 SSB 6 C153 DI MJ Cap Mechanical Joint L/Acc	52.74	EA	210.96		
12	0	0	68610005 VB262 24-36 Tall Valve Box With Cover Marked Water	97.50	EA	0.00		
13	1	1	SIGDMB690 SSB 6 C153 DI MJ X MJ 90 Elbow Mechanical Joint L/Acc	128.73	EA	128.73		
14	1	1	SIGMFB690 Bend 6 C153 DI MJ X Flanged 90 Elbow Mechanical Joint	157.65	EA	157.65		



PAGE# 2 OF 2

SOLD TO: 8173396	CUSTOMER PO#: 2505-MTPLSNT	INVOICE#: 116284172
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Line#	Qty. Ord.	Ship	PartNumber Description	Unit Price	Per	Ext. Price
15	0	0	683NS10845 TGP8S LF TRANS GASKET WITH SS BOLTS Compliant with Lead Free Regulations	55.54	EA	0.00
16	4	4	683NS10846 TGP6S LF TRANS GASKET WITH SS BOLTS Compliant with Lead Free Regulations	52.17	EA	208.68
17	10	10	SIGMGP6S MGP6S 6 Stainless MJ Bolt and Gasket Set	54.83	EA	548.30
18	0	0	TYL602010 602010 IMP GLAND TUFGRIP 8 MJ C153 FOR DW-ND	62.09	EA	0.00
19	14	14	TYL602005 602005 IMP GLAND TUFGRIP 6 MJ C153 FOR DW-ND	42.00	EA	588.00

All products listed as Lead Free are compliant to NSF/ANSI 372. Any item not specifically designated as lead free should be considered to be non-compliant with lead free regulations.

We have a new remittance address:



**PO Box 669259
Dallas, Texas 75266-9259**

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COBURN'S Standard Terms: NET 25th

**Remit To: PO Box 669259
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Subtotal	7537.70
Freight	0.00
Handling	0.00
Sales Tax	0.00
Tax Rate: 0.000	
Tax Code: EX-TX	
TOTAL	\$7,537.70



PO BOX 99001
DENHAM SPRINGS, LA. 70727-9001

SOLD TO: 8173396

J2 CONSTRUCTION SERVICES
JOB: MT PLEASANT FORCE MAIN & LIFT
3603 BRENT RD
LONGVIEW TX 75604

Invoice

Invoice #		Ship Via	
116287465		CUSTOMER PICK-UP	
Inv. Date	Order Date	Ship Date	
09/05/25	04/01/25	09/05/25	
Branch Location			
COBURN'S LONGVIEW (11) 201 S SPUR 63 LONGVIEW, TX 75601 903-753-8613			

SHIP TO: 8173396

J2 CONSTRUCTION SERVICES
MT PLEASANT FORCE MAIN & LIFT
3691 FM 3417
MOUNT PLEASANT, TX 75455

Salesperson	Wrt-BY	Picked Up By	Customer PO#	Job Name
DEVIN JACKSON	W TY PEARSON		2505-MTPLSNT	ALEX

Line#	Qty.	Ship	PartNumber Description	Unit Price	Per	Ext. Price
1	33	33	641NS14052 MT PLEASANT FORCE MAIN SIGN 18" X 18" TRAPEZOID WHITE W/ GREEN TEXT	77.45	EA	2555.85
2	33	33	641NS14054 GALVANIZED SCH 40 PIPE POST 2 3/8" X 6'4"	50.61	EA	1670.13

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Subtotal	4225.98
Freight	0.00
Handling	0.00
Sales Tax	0.00
Tax Rate: 0.000	
Tax Code: EX-TX	
TOTAL	\$4,225.98



PO BOX 99001
DENHAM SPRINGS, LA. 70727-9001

SOLD TO: 8173396

J2 CONSTRUCTION SERVICES
JOB: MT PLEASANT FORCE MAIN & LIFT
3603 BRENT RD
LONGVIEW TX 75604

Invoice

Invoice #		Ship Via	
116287469		CUSTOMER PICK-UP	
Inv. Date	Order Date	Ship Date	
09/05/25	04/01/25	09/05/25	
Branch Location			
COBURN'S LONGVIEW (11) 201 S SPUR 63 LONGVIEW, TX 75601 903-753-8613			

SHIP TO: 8173396

J2 CONSTRUCTION SERVICES
MT PLEASANT FORCE MAIN & LIFT
3691 FM 3417
MOUNT PLEASANT, TX 75455

Salesperson	Wrt-BY	Picked Up By	Customer PO#	Job Name
DEVIN JACKSON	W TY PEARSON		2505-MTPLSNT	ALEX

Line#	Qty. Ord.	Ship	PartNumber Description	Unit Price	Per	Ext. Price
1	0	0	ROM286098042 286-098042 202NS-9.80 X 1 IP OD RANGE 8.63-9.80	124.44	EA	0.00
2	0	0	FORF11004NL F1100-4-NL 1 in Keycorp/MIP/CTS PJ	69.62	EA	0.00
3	0	0	45000304 1 X 20 LF K Hard Copper Tubing	9.03	FT	0.00
4	0	0	FORC8444NL C84-44-NL 1 in Coupling MIP/CTS PJ	24.99	EA	0.00
5	3	3	640NS14059 101S LF VAL-MATIC 1" WATER AIR/VACUUM VALVE Compliant with Lead Free Regulations	414.29	EA	1242.87
6	2	2	640NS14064 7806LW VAL-MATIC 6" FLG SWING CHECK VALVE W/ L&W	2212.51	EA	4425.02
7	2	2	640NS14074 5606 / 5A08 VAL-MATIC 6" FLG PLUG VALVE PLANT SERVICE	2212.10	EA	4424.20
8	1	1	423NS14131 DFWA4WBC-24-AF1M METER BOX	496.90	EA	496.90
9	2	2	423NS14131 DFWA4WBC-24-AF1M METER BOX	496.90	EA	993.80
10	1	1	MAT530T11 530T11 Matco 4 Bronze LF Swing FIP X FIP Check Valve	655.50	EA	655.50

All products listed as Lead Free are compliant to NSF/ANSI 372. Any item not specifically designated as lead free should be considered to be non-compliant with lead free regulations.



PAGE# 2 OF 2

SOLD TO: 8173396	CUSTOMER PO#: 2505-MTPLSNT	INVOICE#: 116287469
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	Subtotal	12238.29
	Freight	0.00
	Handling	0.00
Tax Rate: 0.000	Sales Tax	0.00
Tax Code: EX-TX	TOTAL	\$12,238.29



PO BOX 99001
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SOLD TO: 8173396

J2 CONSTRUCTION SERVICES
JOB: MT PLEASANT FORCE MAIN & LIFT
3603 BRENT RD
LONGVIEW TX 75604

Invoice

Invoice #		Ship Via	
116287532		CUSTOMER PICK-UP	
Inv. Date	Order Date	Ship Date	
09/05/25	04/01/25	09/05/25	
Branch Location			
COBURN'S LONGVIEW (11) 201 S SPUR 63 LONGVIEW, TX 75601 903-753-8613			

SHIP TO: 8173396

J2 CONSTRUCTION SERVICES
MT PLEASANT FORCE MAIN & LIFT
3691 FM 3417
MOUNT PLEASANT, TX 75455

Salesperson	Wrt-BY	Picked Up By	Customer PO#	Job Name
DEVIN JACKSON	W TY PEARSON		2505-MTPLSNT	ALEX

Line#	Qty.	Ship	PartNumber Description	Unit Price	Per	Ext. Price
1	4	4	683NS14153 6" X 12' FL X PE DUCTILE SPOOL PIECE P401 LINED	1930.40	EA	7721.60
2	6	6	683NS14158 6" X 5' FL X PE DUCTILE SPOOL PIECE P401 LINED	893.00	EA	5358.00

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COBURN'S Standard Terms: NET 25th

Remit To: PO Box 669259
Dallas, TX 75266-9259

Subtotal	13079.60
Freight	0.00
Handling	0.00
Sales Tax	0.00
Tax Rate: 0.000	
Tax Code: EX-TX	
TOTAL	\$13,079.60



AGENDA ITEM REPORT

Meeting: City Council - Nov 04 2025

Staff Contact: Candias Webster, City Secretary

Department: Administration

Subject: Consider Approval of Resolution 2025-15 Denying the Southwestern Electric Company's Proposed Rate Increase.

Item Summary:

On about October 14, 2025, the Southwestern Electric Power Company ("SWEPCO") filed an application to increase its net revenues by approximately \$94.9 million, which equates to an increase of approximately 13.48%. SWEPCO filed its application with the City and with the Public Utility Commission of Texas (PUCT) on the same date.

Currently SWEPCO recovers a portion of its revenue – about \$69 million through several surcharges, also known as "riders," such as its "Transmission Cost Recovery Factor" ("TCRF"), its "Distribution Cost Recovery Factor" ("DCRF"), its surcharge to recover the costs of its Advanced Metering System. The PUCT's rules require SWEPCO to move revenue it currently recovers through its DCRF, TCRF, and AMS surcharge, to recovery through its base rates. Thus, though SWEPCO's increase in "base rates" is about \$163.9 million, that increase is offset by about \$69 million by reducing its riders and surcharges to zero, thus resulting in an increase of about \$94.9 million in revenue collected from customers.

SWEPCO's application requests an effective date of November 18, 2025, for its proposed increase in rates. Additionally, pursuant to state law, SWEPCO has requested that the final rates set in this proceeding relate back to usage occurring 155 days after the filing of the application, or March 18, 2026. This means that under SWEPCO's request, the final rates set in this case will relate back to usage occurring on and after March 18, 2026.

Financial Impact:

N/A

Recommendation(s):

Motion to approve consent agenda item

Attachments:

[Dkt58819-Resolution-Denial-CARD-AIS-FINAL-102425](#)

[Resolution 2025-15 Denial SWEPCO](#)

AGENDA INFORMATION SHEET

Resolution by the city of Resolution 2025-15 (“city”) denying southwestern electric power company’s proposed increase in rates

BACKGROUND:

On about October 14, 2025, the Southwestern Electric Power Company (“SWEPCO”) filed an application to increase its net revenues by approximately \$94.9 million, which equates to an increase of approximately 13.48%. SWEPCO filed its application with the City and with the Public Utility Commission of Texas (PUCT) on the same date.

Currently SWEPCO recovers a portion of its revenue – about \$69 million through several surcharges, also known as “riders,” such as its “Transmission Cost Recovery Factor” (“TCRF”), its “Distribution Cost Recovery Factor” (“DCRF”), its surcharge to recover the costs of its Advanced Metering System. The PUCT’s rules require SWEPCO to move revenue it currently recovers through its DCRF, TCRF, and AMS surcharge, to recovery through its base rates. Thus, though SWEPCO’s increase in “base rates” is about \$163.9 million, that increase is offset by about \$69 million by reducing its riders and surcharges to zero, thus resulting in an increase of about \$94.9 million in revenue collected from customers.

SWEPCO’s application requests an effective date of November 18, 2025, for its proposed increase in rates. Additionally, pursuant to state law, SWEPCO has requested that the final rates set in this proceeding relate back to usage occurring 155 days after the filing of the application, or March 18, 2026. This means that under SWEPCO’s request, the final rates set in this case will relate back to usage occurring on and after March 18, 2026.

KEY DRIVERS OF INCREASE:

The main drivers of SWEPCO’s proposed increase in rates are:

1. A proposed return on equity of 10.75% with a capital structure comprised of 48.02% equity and 51.98% long-term debt. Note that in SWEPCO’s 2022 rate case, the Commission awarded SWEPCO a return on equity of 9.25% and a capital structure comprised of 49.37% and 50.63% long-term debt.
2. Capital additions of about \$600 million since its last rate case.

3. An increase in its self-insurance reserve to be funded by an annual accrual of \$21.5 million.
4. Recovery of increases in purchased-power costs SWEPCO contends it is and will continue to incur.
5. Recovery of an increase of about \$5.0 million over current spend levels of about \$12 million for vegetation management.
6. Recovery of the undepreciated value of the Pirkey power plant, which SWEPCO retired early, which the PUCT concluded was imprudent for SWEPCO to have retired the plant early.

ASSIGNMENT OF INCREASE TO CUSTOMER CLASSES:

SWEPCO proposes to allocate its proposed base revenue increase, excluding the cost of fuel, among the customer classes as follows:

<u>Rate Class</u>	<u>Base Revenue Change</u>	<u>Base Percent Increase**</u>	<u>Total % Change @ Proposed Revenue††</u>
Residential	\$65,986,839	41.26%	12.90%
General Service	\$7,941,672	29.84%	4.33%
Light & Power	\$42,089,946	29.84%	7.39%
Cotton Gin	\$175,099	83.33%	17.46%
Industrial	\$41,899,554	78.73%	30.66%
Municipal	\$2,421,140	62.58%	20.06%
Municipal Lighting	\$1,689,786	62.29%	25.52%
Lighting	\$1,691,431	29.45%	7.30%

****Excludes Offset from Reductions in Riders/Surcharges**

††Includes Offset from Reductions in Riders/Surcharges

RESIDENTIAL BILL IMPACT FROM PROPOSED INCREASE:

a. Comparison of Current to Proposed Rates:

RESIDENTIAL	Current	Proposed
Cust. Charge/Mo.	\$9.42	\$13.31
Usage Charge/kWh (May-Oct)	\$0.084603	\$0.119577
kWh Charge (Nov-Apr) (<=600 kWh)	\$0.062748	\$0.088636
kWh Charge (Nov-Apr) (>600 kWh)	\$0.051277	\$0.072432
Riders (TCRF, DCRF, EECRF Rate Case Expenses)/kWh	\$0.020548	\$0.006415
AMS Surcharge/month	\$2.82	\$0.00
Fuel	\$0.031109	\$0.031109

b. The effect of SWEPCO's proposed increase on the base rate portion of a Residential customer's bill, is as shown below:

Annual Avg.	1000 kWh	1500 kWh	2000 kWh
Increase \$	\$16.43	\$23.38	\$37.32
Increase %	15.77%	15.76%	15.75%

SPECIAL COUNSEL RECOMMENDATION:

CARD's Special Counsel, the firm of Herrera Law & Associates, PLLC, recommends that the City Council:

1. Deny SWEPCO's proposed increase in revenue and changes in rates;
2. Intervene in SWEPCO's pending case at the Public Utility Commission of Texas and to fully participate in such proceedings and any proceedings arising from those proceedings;
3. Direct SWEPCO to reimburse the CARD cities' rate case expenses for review of SWEPCO's application to increase rates and to participate in the proceedings at the PUCT, and related appeals to court, if any.

4. Participation regarding SWEPCO's rates, operations, and services through the coalition of cities known as the Cities Advocating Reasonable Deregulation (CARD)

CITY ACTION REQUIRED BY NOVEMBER 18, 2025:

The City must take action by **no later than November 18, 2025**, SWEPCO's proposed effective date of SWEPCO's requested rate increase, **If the City does not take action by November 18, 2025, SWEPCO's proposed increase in rates as filed will be deemed approved by operation of law.**

RESOLUTION NO. 2025-15

RESOLUTION BY THE CITY OF MOUNT PLEASANT (“CITY”) DENYING THE APPLICATION TO INCREASE RATES FILED BY SOUTHWESTERN ELECTRIC POWER COMPANY ON ABOUT OCTOBER 14, 2025; REQUIRING THE REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; AUTHORIZING PARTICIPATION IN THE COALITION OF SIMILARLY SITUATED CITIES; AUTHORIZING INTERVENTION AND PARTICIPATION IN RELATED RATE PROCEEDINGS; AUTHORIZING THE RETENTION OF SPECIAL COUNSEL; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, Southwestern Electric Power Company (“SWEPCO” or “Company”) filed a Statement of Intent with the City on about October 14, 2025 to increase its base revenues; and

WHEREAS, the City is a regulatory authority under the Public Utility Regulatory Act (“PURA”) and under Chapter 33, §33.001 et seq. of PURA has exclusive original jurisdiction over SWEPCO’s rates, operations, and services within the municipality;

WHEREAS, SWEPCO’s proposed increase in rates would result in a net increase to its base revenues of approximately \$94.9 million, which equates to a net increase of approximately 13.48% in base revenue, not including fuel or other revenue; and

WHEREAS, for a Residential customer using 1,000 kWh per month, if SWEPCO’s proposed increase is approved, the bill impact to that Residential customer would be an annual average increase of about \$16.43 per month; and

WHEREAS, the Company seeks a Return on Equity (ROE) of 10.75%; and

WHEREAS, SWEPCO seeks to increase its depreciation expense, increase its self-insurance reserve fund, recover costs related to certain purchased power agreements, recover the undepreciated value of the Pirkey power plant resulting from the imprudent early retirement of that plant, and seeks to increase its vegetation-management costs; and

WHEREAS, SWEPCO’s rate request consists of a voluminous amount of information including SWEPCO’s rate-filing package, exhibits, schedules, and workpapers; and

WHEREAS, the City will require the assistance of specialized legal counsel and rate experts to review the merits of SWEPCO's application to increase rates; and

WHEREAS, to the extent SWEPCO seeks review at the Public Utility Commission of Texas of the City's final decision regarding SWEPCO's statement of intent to change rates, or because SWEPCO has submitted a statement of intent to the Public Utility Commission of Texas to increase rates in the environs of the City on the same date it submitted its request to the City, the decision of the Public Utility Commission of Texas will have an impact on the rates paid by the City and its citizens who are customers of SWEPCO, and in order for the City's participation to be meaningful it is important that the City promptly intervene in such proceeding at the Public Utility Commission of Texas..

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT THAT:

Section 1. The findings set out in the preamble are in all things approved and incorporated herein as if fully set forth.

Section 2. SWEPCO failed to show that its proposed rates are just and reasonable.

Section 3. The City hereby **DENIES** SWEPCO's request to increase rates and retains in place SWEPCO's rates in effect prior to the date upon which SWEPCO filed its statement of intent to change rates and finds that:

- A.** The Rate Filing Package fails to provide sufficient information to justify the requested increase in revenue or to justify the changes set forth in the attached tariffs;
- B.** The Rate Filing Package fails to provide sufficient information to justify a return on equity of 10.75%;
- C.** The Rate Filing Package fails to provide sufficient information to justify the adoption of the rate base, expenses, investment, return on equity, and other rate issues noted in the Public Utility Regulatory Act.

Section 4. The City authorizes intervention in proceedings related to SWEPCO's Statement of Intent before the Public Utility Commission of Texas and related

proceedings in courts of law and participation in the coalition of cities known as Cities Advocating Reasonable Deregulation.

Section 5. The City joins and continues its participation with other cities in a coalition of cities known as Cities Advocating Reasonable Deregulation with the understanding that the Steering Committee of CARD is to provide direction and guidance to Special Counsel representing said cities.

Section 6. The City hereby orders SWEPCO to reimburse the City's rate case expenses as provided in the Public Utility Regulatory Act and that SWEPCO shall do so on a monthly basis and within 30 days after submission of the City's invoices for the City's reasonable costs associated with the City's activities, through its participation in CARD, related to its rate review or to related proceedings involving SWEPCO before the City, the Public Utility Commission of Texas, or any court of law.

Section 7. Subject to the right to terminate employment at any time, the City retains and authorizes the law firm of Herrera Law & Associates, PLLC to act as Special Counsel with regard to rate proceedings involving SWEPCO before the City, the Public Utility Commission of Texas, or any court of law and to retain such experts as may be reasonably necessary for review of SWEPCO's rate application subject to approval by the City.

Section 8. The City, in coordination with the Steering Committee, shall review the invoices of the lawyers and rate experts for reasonableness before submitting the invoices to SWEPCO for reimbursement.

Section 9. The City Secretary or other appropriate city official shall provide a copy of this Resolution to Mr. Alfred R. Herrera, Herrera Law & Associates, PLLC, either to P.O. Box 302799, Austin, Texas 78703, or by email to aherrera@herreralawpllc.com, and as a courtesy, provide a copy to SWEPCO's local representative.

Section 10. The meeting at which this resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 11. To the extent any Resolution previously adopted by the City Council is inconsistent with this Resolution, it is hereby superseded.

Section 12. This resolution shall become effective from and after its passage.

PASSED AND APPROVED this _____ day of _____, 2025.

Wesley Lyon, II, Mayor

ATTEST:

Candias Webster, City Secretary



AGENDA ITEM REPORT

Meeting: City Council - Nov 04 2025

Department:

Subject: Proclamation for Spruill Honda



AGENDA ITEM REPORT

Meeting: City Council - Nov 04 2025

Staff Contact: Rob Vine, City Manager

Department: Administration

Subject: **Presentation and Discussion with Perdue Brandon Fielder Collins & Mott LLP for the collection of delinquent municipal liens owed to the City of Mount Pleasant.**

Recommendation(s):

NO action taken



AGENDA ITEM REPORT

Meeting: City Council - Nov 04 2025

Staff Contact: Kevin Carter, Executive Director

Department: IDC

Subject: **Mount Pleasant Market Summary & Housing Market Analysis
Presentation by Catalyst Commercial.**



AGENDA ITEM REPORT

Meeting: City Council - Nov 04 2025

Staff Contact: Kevin Carter, Executive Director

Department: IDC

Subject: Discuss and Consider a Performance Agreement with 206 West 2nd, LLC.

Attachments:

[Final Mount Pleasant EDC - Performance Agreement - 206 West Second Street LLC 10-09-25](#)

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** by and between **CITY OF MOUNT PLEASANT, TEXAS INDUSTRIAL DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as “MPEDC”), and **206 WEST SECOND STREET, LLC**, a Texas limited liability company (hereinafter referred to as the “Developer”), is made and executed on the following recitals, terms and conditions.

WHEREAS, MPEDC is a Type A economic development corporation operating pursuant to Chapter 504 of the Texas Local Government Code, as amended (also referred to as the “Act”), and the Texas Non-Profit Corporation Act, as codified in the Texas Business Organizations Code, as amended; and

WHEREAS, Section 501.101 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are: (1) for the creation or retention of primary jobs; and (2) found by the board of directors to be required or suitable for the development, retention, or expansion of: (A) manufacturing and industrial facilities; (B) research and development facilities; (C) military facilities, including closed or realigned military bases; . . . (F) recycling facilities; . . . (I) distribution centers; (J) small warehouse facilities capable of serving as decentralized storage and distribution centers; (K) primary job training facilities for use by institutions of higher education; or (L) regional or national corporate headquarters facilities”; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 501.158 of the Texas Local Government Code prohibits the provision of a direct incentive unless MPEDC enters into an Agreement with Developer providing at a minimum a schedule of additional payroll or jobs to be created or retained by MPEDC’s investment; a schedule of capital investments to be made as consideration for any direct incentives provided by MPEDC to Developer; and a provision specifying the terms and conditions upon which repayment must be made should Developer fail to meet the agreed to performance requirements specified in this Agreement; and

WHEREAS, the MPEDC’s Board of Directors have determined the financial assistance to be provided to the Developer for the Qualified Expenditures, as defined herein, to be made to the Property is consistent with and meets the definition of “project” as that term is defined in Sections 501.101 and 501.103 of the Texas Local Government Code; and the definition of “cost” as that term is defined by Section 501.152 of the Texas Local Government Code; and

WHEREAS, Developer agrees and understands that Section 501.073(a) of the Texas

Local Government Code requires the City Council of the City of Mount Pleasant, Texas, to approve all programs and expenditures of MPEDC, and accordingly this Agreement is not effective until City Council has approved this project at a City Council meeting called and held for that purpose.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MPEDC and Developer agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This Agreement shall be effective as of the Effective Date, and shall continue thereafter until **December 31, 2027**, unless terminated sooner under the provisions hereof.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- (a) **Act.** The word “Act” means Chapters 501 to 505 of the Texas Local Government Code, as amended.
- (b) **Agreement.** The word “Agreement” means this Performance Agreement, together with all exhibits and schedules attached to this Performance Agreement from time to time, if any.
- (c) **Developer.** The word “Developer” means 206 West Second Street, LLC, a Texas limited liability company, its successors and assigns, whose address for the purposes of this Agreement is 1709 W. Ferguson Road, Mount Pleasant, Texas 75455.
- (d) **Effective Date.** The words “Effective Date” mean the date of the latter to execute this Agreement by and between the Developer and MPEDC.
- (e) **Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth below in the section entitled “Events of Default.”
- (f) **Full-Time Equivalent Employment Positions.** The words “Full-Time Equivalent Employment Position” or “Full-Time Equivalent Employment Positions” mean and include a job requiring a minimum of One Thousand Eight Hundred Twenty (1,820) hours

of work averaged over a twelve (12) month period, earning a minimum of \$14 per hour.

- (g) **MPEDC.** The term “MPEDC” means the City of Mount Pleasant, Texas Industrial Development Corporation, a Texas non-profit corporation, its successors and assigns, whose corporate address for the purposes of this Agreement is 302 North Jefferson Avenue, Suite 101, Mount Pleasant, Texas 75455.
- (h) **Note.** The word “Note” means the non-interest-bearing forgivable Promissory Note of even date herewith, executed by and between the parties hereto in the principal amount of **Sixty Thousand and No/100 Dollars (\$60,000.00)**, or so much as shall be advanced, accruing no interest and due upon demand and payable on or before **March 1, 2027**, a copy of which is attached hereto as **Exhibit B** of this Agreement.
- (i) **Property.** The word “Property” means 1709 West Ferguson Road, Mount Pleasant, Titus County, Texas. Property ID # 12014.
- (j) **Qualified Expenditures.** The words “Qualified Expenditures” mean those expenditures consisting of renovations to the existing building and installation of equipment to the Property, as depicted in **Exhibit A** of this Agreement, which is attached hereto and is incorporated herein for all purposes, and those expenses which otherwise meet the definition of “project” as that term is defined by Sections 501.101 and 501.103 of the Act, and the definition of “cost” as that term is defined by Section 501.152 of the Act.
- (k) **Term.** The word “Term” means the term of this Agreement as specified in Section 2 of this Agreement.

SECTION 4. AFFIRMATIVE COVENANTS OF DEVELOPER.

Developer covenants and agrees with MPEDC that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Qualified Expenditures.** Developer covenants and agrees to submit to the MPEDC invoices, receipts, or other documentation in a form acceptable to the MPEDC for the Qualified Expenditures made to the Property in a minimum amount of **Five Hundred Thousand and No/100 Dollars (\$500,000.00)** by **May 1, 2026**.
- (b) **Operate Cheesecake Manufacturing Establishment.** Developer covenants and agrees by **December 31, 2025**, and during the Term of this Agreement to operate and keep open the cheesecake manufacturing establishment located on the Property.
- (c) **Job Creation and Retention.** Developer covenants and agrees by **May 1, 2026**, and during the Term of this Agreement to employ and maintain a minimum of **six (6)** Full-Time Equivalent Employment Positions working at the Property. Developer covenants and

agrees on the Effective Date of this Agreement the Developer shall deliver to the MPEDC the latest second quarter 2025 Texas Workforce Commission Employer Quarterly Report, and during the Term of this Agreement, Developer shall deliver to MPEDC an annual compliance verification signed by a duly authorized representative of Developer that shall certify the number of Full-Time Equivalent Employment Positions, and shall disclose and certify the average wage for all Full-Time Equivalent Employment Positions (the “Annual Compliance Verification”). The Developer covenants and agrees beginning on **November 1, 2026**, and annually thereafter during the Term of this Agreement, there will be a total of **two (2)** Annual Compliance Verifications due and submitted to the MPEDC covering the Full-Time Equivalent Employment Positions created and maintained during the Term of this Agreement. All Annual Compliance Verifications shall include quarterly IRS 941 returns, or Texas Workforce Commission Employer Quarterly Reports.

- (d) **Performance Conditions.** Developer agrees to make, execute and deliver to MPEDC such other promissory notes, instruments, documents and other agreements as MPEDC or its attorneys may reasonably request to evidence this Agreement.
- (e) **Performance.** Developer agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Developer and MPEDC.
- (f) **Site Visits.** Developer will allow MPEDC’s representatives to visit the Facility during the Term of this Agreement during regular business hours after 24-hour advance written notice for the purpose of verifying the Developer’s compliance with this Agreement and related documents.
- (g) **Record Access.** Developer will allow MPEDC reasonable access to its employment records and books (invoices, receipts, billing statements, and/or other documentation for Qualified Expenditures) that may be relevant to the economic development considerations and incentives identified in this Agreement. The confidentiality of such records and information will be strictly maintained by the Developer unless disclosure of such record and information shall be required by the law. Developer is required to allow access during the Term of this Agreement.

SECTION 5. AFFIRMATIVE COVENANTS OF MPEDC.

MPEDC covenants and agrees with the Developer that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Financial Assistance.** MPEDC covenants and agrees to provide financial assistance to the Developer in the form of a Note in the amount of **Sixty Thousand and No/100 Dollars (\$60,000.00)** for the Qualified Expenditures to be made to the Property within thirty (30) days of the Effective Date of this Agreement. In addition, if the Developer reports a

minimum of eight (8) Full-Time Equivalent Employment Positions in the second Annual Compliance Verification required by Section 4(d) of this Agreement, MPEDC will provide additional financial assistance in the amount of **Twenty Thousand and No/100 Dollars (\$20,000.00)**.

- (b) **Performance.** MPEDC agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Developer and MPEDC.

SECTION 6. CESSATION OF ADVANCES.

If MPEDC has made any commitment to make any reimbursement to Developer, whether under this Agreement or under any other agreement, MPEDC shall have no obligation to advance or disburse any financial assistance if: (i) Developer becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or (ii) an Event of Default occurs.

SECTION 7. LOAN FORGIVENESS.

Notwithstanding the provisions hereof and the obligations contained in the Note executed incident hereto, any advance hereunder shall be forgiven and not be payable to MPEDC upon verification that Section 4 of this Agreement has been satisfied. The loan shall be forgiven at the rate of Ten Thousand and No/100 Dollars (\$10,000.00) for each Full-Time Equivalent Employment Positions reported as of the second Annual Compliance Verification. **However, any advance, not previously forgiven under the foregoing, shall not be forgiven in an Event of Default under Section 8 and Section 9 herein, and shall become immediately due and payable in accordance with this Agreement and the Note.**

SECTION 8. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- (a) **General Event of Default.** Failure of Developer or MPEDC to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer or MPEDC to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Developer and MPEDC is an Event of Default.
- (b) **False Statements.** Any warranty, representation, or statement made or furnished to MPEDC by or on behalf of Developer under this Agreement that is false or misleading in any material respect, either now or at the time made or furnished is an Event of Default.
- (c) **Insolvency.** Developer's insolvency, appointment of receiver for any part of Developer's property, any assignment for the benefit of creditors of Developer, any type of creditor

workout for Developer, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Developer is an Event of Default.

- (d) **Other Defaults.** Failure of Developer to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement between MPEDC and Developer.

SECTION 9. EFFECT OF AN EVENT OF DEFAULT.

In the event of default under Section 8 of this Agreement, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured as of the last day of the applicable cure period, and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement, enforce specific performance as appropriate, or maintain a cause of action for damages caused by the event(s) of default. In the event, Developer defaults and is unable or unwilling to cure said default within the prescribed time period, the amounts provided by MPEDC to Developer pursuant to Section 5(a) of this Agreement shall become immediately due and payable by Developer to MPEDC.

SECTION 10. INDEMNIFICATION.

Developer shall indemnify, save, and hold harmless MPEDC, its directors, officers, agents, attorneys, and employees (collectively, the “Indemnitees”) from and against: (i) any and all claims, demands, actions or causes of action that are asserted against any Indemnatee if the claim, demand, action or cause of action directly or indirectly relates to tortious interference with contract or business interference, or wrongful or negligent use of MPEDC’s financial assistance by Developer or its agents and employees; (ii) any administrative or investigative proceeding by any governmental authority directly or indirectly related, to a claim, demand, action or cause of action in which MPEDC is a disinterested party; (iii) any claim, demand, action or cause of action which directly or indirectly contests or challenges the legal authority of MPEDC or Developer to enter into this Agreement; and (iv) any and all liabilities, losses, costs, or expenses (including reasonable attorneys’ fees and disbursements) that any Indemnatee suffers or incurs as a result of any of the foregoing; provided, however, that Developer shall have no obligation under this Section to MPEDC with respect to any of the foregoing arising out of the gross negligence or willful misconduct of MPEDC or the breach by MPEDC of this Agreement. If any claim, demand, action or cause of action is asserted against any Indemnatee, such Indemnatee shall promptly notify Developer, but the failure to so promptly notify Developer shall not affect Developer’s obligations under this Section unless such failure materially prejudices Developer’s right to participate in the contest of such claim, demand, action or cause of action, as hereinafter provided. If requested by Developer in writing, as so long as no Default or Event of Default shall have occurred and be continuing, such Indemnatee shall

in good faith contest the validity, applicability and amount of such claim, demand, action or cause of action and shall permit Developer to participate in such contest. Any Indemnitee that proposes to settle or compromise any claim, demand, action, cause of action or proceeding for which Developer may be liable for payment of indemnity hereunder shall give Developer written notice of the terms of such proposed settlement or compromise reasonably in advance of settling or compromising such claim or proceeding and shall obtain Developer's concurrence thereto.

SECTION 11. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- (a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- (b) **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Titus County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Titus County, Texas.
- (c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party.
- (d) **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Developer warrants and represents that the individual or individuals executing this Agreement on behalf of Developer has full authority to execute this Agreement and bind Developer to the same. MPEDC warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.
- (e) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- (f) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (g) **Notices.** Any notice or other communication required or permitted by this Agreement (hereinafter referred to as the "Notice") is effective when in writing and (i) personally delivered either by facsimile (with electronic information and a mailed copy to follow) or by hand or (ii) three (3) days after notice is deposited with the U.S. Postal Service,

postage prepaid, certified with return receipt requested, and addressed as follows:

if to the MPEDC: City of Mount Pleasant, Texas
Industrial Development Corporation
302 North Jefferson Avenue, Suite 101
Mount Pleasant, Texas 75455
Attn: Kevin Carter, Executive Director
Telephone: (903) 717-7241

if to Developer: 206 West Second Street, LLC
1709 W. Ferguson Road
Mount Pleasant, Texas 75455
Attn: Mitchell Walker
Telephone: (903) 577-8177

- (h) **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- (i) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- (j) **Undocumented Workers.** Developer certifies that the Developer does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of eight percent (8%), not later than the 120th day after the date MPEDC notifies Developer of the violation.
- (k) **Personal Guaranty.** MPEDC is unwilling to extend the financial assistance to the Developer under this Agreement unless it receives a guaranty of the undersigned covering the Agreement and Note of the MPEDC to Developer. The MPEDC may seek recourse against the individual, Mitchell Walker, in the event the Developer is unable to satisfy its obligations under this Agreement including the repayment of the Note.

[The Remainder of this Page Intentionally Left Blank]

DEVELOPER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS PERFORMANCE AGREEMENT, AND DEVELOPER AGREES TO ITS TERMS. THIS PERFORMANCE AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

MPEDC:

**CITY OF MOUNT PLEASANT,
TEXAS INDUSTRIAL DEVELOPMENT
CORPORATION,**

a Texas non-profit corporation

By: _____

Erman Hensel, President

Date Signed: _____

DEVELOPER:

206 WEST SECOND STREET, LLC,

a Texas limited liability company,

By: _____

Mitchell Walker

Title: _____

Date Signed: _____

MITCHELL WALKER (Individually)

By: _____

Date Signed: _____

Exhibit A

[Qualified Expenditures]

Exhibit B

[Note]

PROMISSORY NOTE

\$60,000.00

November 1, 2025

206 WEST SECOND STREET, LLC, a Texas limited liability company, including its successors, and assigns (hereinafter referred to as the “Maker”), For Value Received, promises and agrees to pay unto the order of **CITY OF MOUNT PLEASANT, TEXAS INDUSTRIAL DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as the “Payee”), at its corporate offices located at 302 North Jefferson Avenue, Suite 101, Mount Pleasant, Texas 75455, in lawful money of the United States of America, the principal sum of **SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00)**, or so much as shall be advanced, said sums to accrue no interest in accordance with the terms and provisions of that certain Performance Agreement executed as of even date herewith between Maker and Payee (hereinafter referred to as the “Loan Agreement”).

TERMS OF PAYMENT: The principal of this Note is due on demand, but in any event, on or before **March 1, 2027**. Notwithstanding the foregoing, any advances, and repayments or forgiveness hereunder shall be made in accordance with the terms and provisions of that certain Loan Agreement. As such, Payee shall make no demand on principal under this Note except for upon occurrence of an Event of Default as that term is defined in the Loan Agreement.

ALL PAST due principal shall bear interest until paid at a rate not to exceed prime plus 4%.

THIS LOAN is a line of credit but is not revolving. As already stated, advances made hereunder are also governed by the Loan Agreement of even date herewith.

IF DEFAULT is made in the payment of any interest or principal hereof, as and when the same is or becomes due, or if an Event of Default occurs under any instrument securing the payment hereof or executed in connection herewith, including the Loan Agreement, the owner and holder of this Note may declare all sums owing hereon due and payable within thirty (30) days of the date of notice. If default is made in the payment of this Note at maturity (regardless of how its maturity may be brought about), and the same is placed in the hands of an attorney for collection, or suit is filed hereon, or proceedings are had in bankruptcy, probate, receivership or other judicial proceedings for the establishment or collection of any amount called for hereunder, or any amount payable or to be payable hereunder is collected through any such proceedings, Maker agrees and is also to pay to the owner and holder of this Note a reasonable amount as attorneys' or collection fees.

Except as provided herein and in the Loan Agreement, upon an Event of Default only,

MAKER, co-makers, signers, permitted assigns, sureties, endorsers and guarantors, and each of them, expressly waive demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, notice of intent to accelerate the maturity hereof, notice of the acceleration of the maturity hereof, bringing of suit and diligence in taking any action to collect amounts called for hereunder and in the handling of securities at any time existing in connection herewith; and are and shall be jointly, severally, directly and primarily liable for the payment of all sums owing and to be owing hereon, regardless of and without any notice, diligence, act or omission as or with respect to the collection of any amount called for hereunder or in connection with any right, lien, interest or property at any and all times had or existing as security for any amount called for hereunder.

IT IS the intention of Maker and Payee to conform strictly to applicable usury laws. Accordingly, if the transactions contemplated hereby would be usurious under applicable law (including the laws of the State of Texas and the laws of the United States of America), then, in that event, notwithstanding anything to the contrary herein or in any agreement entered into in connection with or as security for this Note, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under applicable law that is taken, reserved, contracted for, charged or received under this Note or under any of the other aforesaid agreements or otherwise in connection with this Note shall under no circumstances exceed the maximum amount of interest allowed by applicable law, and any excess shall be canceled automatically and, if theretofore paid, shall be credited on the Note by the holder hereof (or, to the extent that this Note shall have been or would thereby be paid in full, refunded to the Maker); and (ii) in the event that maturity of this Note is accelerated by reason of an election by the holder hereof resulting from any Event of Default, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the maximum amount allowed by applicable law, and excess interest, if any, provided for in this Note or otherwise shall be canceled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited on this Note (or, to the extent that this Note shall have been or would thereby be paid in full, refunded to the Maker).

THIS NOTE has been executed and delivered in and shall be construed in accordance with and governed by the laws of the State of Texas and of the United States of America, except that V.T.C.A. Finance Code, Chapter 346, as amended (which regulates certain revolving credit loan accounts and revolving tri-party accounts) shall not apply hereto. Payee's address for notice is 302 North Jefferson Avenue, Suite 101, Mount Pleasant, Texas 75455.

[signature on next page]

In witness whereof, Maker has executed this Note to be effective as of the Effective Date.

MAKER:

206 WEST SECOND STREET, LLC,
a Texas limited liability company,

By: _____
Mitchell Walker

Title: _____

Date Signed: _____

MITCHELL WALKER (Individually)

By: _____

Date Signed: _____



AGENDA ITEM REPORT

Meeting: City Council - Nov 04 2025

Staff Contact: Kevin Carter, Executive Director

Department: IDC

Subject: Discuss and Consider a Performance Agreement with Mobile Medic Automotive Conversions, LLC.

Attachments:

[Final Mount Pleasant EDC - Performance Agreement - Mobile Medic Automotive - 100925](#)

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** by and between **CITY OF MOUNT PLEASANT, TEXAS INDUSTRIAL DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as “MPEDC”), and **MOBILE MEDIC AUTOMOTIVE CONVERSIONS, LLC**, a Texas limited liability company (hereinafter referred to as the “Developer”), is made and executed on the following recitals, terms and conditions.

WHEREAS, MPEDC is a Type A economic development corporation operating pursuant to Chapter 504 of the Texas Local Government Code, as amended (also referred to as the “Act”), and the Texas Non-Profit Corporation Act, as codified in the Texas Business Organizations Code, as amended; and

WHEREAS, Section 501.101 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are: (1) for the creation or retention of primary jobs; and (2) found by the board of directors to be required or suitable for the development, retention, or expansion of: (A) manufacturing and industrial facilities; (B) research and development facilities; (C) military facilities, including closed or realigned military bases; . . . (F) recycling facilities; . . . (I) distribution centers; (J) small warehouse facilities capable of serving as decentralized storage and distribution centers; (K) primary job training facilities for use by institutions of higher education; or (L) regional or national corporate headquarters facilities”; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 501.158 of the Texas Local Government Code prohibits the provision of a direct incentive unless MPEDC enters into an Agreement with Developer providing at a minimum a schedule of additional payroll or jobs to be created or retained by MPEDC’s investment; a schedule of capital investments to be made as consideration for any direct incentives provided by MPEDC to Developer; and a provision specifying the terms and conditions upon which repayment must be made should Developer fail to meet the agreed to performance requirements specified in this Agreement; and

WHEREAS, the MPEDC’s Board of Directors have determined the financial assistance to be provided to the Developer for the Qualified Expenditures, as defined herein, to be made to the Property is consistent with and meets the definition of “project” as that term is defined in Sections 501.101 and 501.103 of the Texas Local Government Code; and the definition of “cost” as that term is defined by Section 501.152 of the Texas Local Government Code; and

WHEREAS, Developer agrees and understands that Section 501.073(a) of the Texas

Local Government Code requires the City Council of the City of Mount Pleasant, Texas, to approve all programs and expenditures of MPEDC, and accordingly this Agreement is not effective until City Council has approved this project at a City Council meeting called and held for that purpose.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MPEDC and Developer agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This Agreement shall be effective as of the Effective Date, and shall continue thereafter until **December 31, 2030**, unless terminated sooner under the provisions hereof.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- (a) **Act.** The word “Act” means Chapters 501 to 505 of the Texas Local Government Code, as amended.
- (b) **Agreement.** The word “Agreement” means this Performance Agreement, together with all exhibits and schedules attached to this Performance Agreement from time to time, if any.
- (c) **Developer.** The word “Developer” means Mobile Medic Automotive Conversions, LLC, a Texas limited liability company, its successors and assigns, whose address for the purposes of this Agreement is 1070 CR 1135, Mount Pleasant, Texas 75455.
- (d) **Effective Date.** The words “Effective Date” mean the date of the latter to execute this Agreement by and between the Developer and MPEDC.
- (e) **Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth below in the section entitled “Events of Default.”
- (f) **Full-Time Equivalent Employment Positions.** The words “Full-Time Equivalent Employment Position” or “Full-Time Equivalent Employment Positions” mean and include a job requiring a minimum of One Thousand Eight Hundred Twenty (1,820) hours

of work averaged over a twelve (12) month period, earning a minimum annual average wage of \$40,000 per year.

- (g) **MPEDC.** The term “MPEDC” means the City of Mount Pleasant, Texas Industrial Development Corporation, a Texas non-profit corporation, its successors and assigns, whose corporate address for the purposes of this Agreement is 302 North Jefferson Avenue, Suite 101, Mount Pleasant, Texas 75455.
- (h) **Property.** The word “Property” means 1070 CR 1135, Mount Pleasant, Titus County, Texas. Property ID # 318575.
- (i) **Qualified Expenditures.** The words “Qualified Expenditures” mean those expenditures consisting of renovations to the existing 7,500 square foot building, and equipment located on the Property, which is attached hereto and is incorporated herein for all purposes, and those expenses which otherwise meet the definition of “project” as that term is defined by Sections 501.101 and 501.103 of the Act, and the definition of “cost” as that term is defined by Section 501.152 of the Act.
- (j) **Term.** The word “Term” means the term of this Agreement as specified in Section 2 of this Agreement.

SECTION 4. AFFIRMATIVE COVENANTS OF DEVELOPER.

Developer covenants and agrees with MPEDC that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Qualified Expenditures.** Developer covenants and agrees to submit to the MPEDC invoices, receipts, or other documentation in a form acceptable to the MPEDC for the Qualified Expenditures made to the Property in a minimum amount of **One Hundred Thousand and No/100 Dollars (\$100,000.00) by-November 1, 2026.**
- (b) **Operate Manufacturing Establishment.** Developer covenants and agrees by **December 31, 2025**, and during the Term of this Agreement to keep open during normal operating hours the automotive conversion facility consisting of remounting modular style ambulances onto new chassis manufacturing establishment located on the Property.
- (c) **Job Creation and Retention.** Developer covenants and agrees by **October 31, 2027**, and during the Term of this Agreement to employ and maintain a minimum of **ten (10)** Full-Time Equivalent Employment Positions working at the Property. Developer covenants and agrees the Effective Date of this Agreement the Developer shall deliver to the MPEDC the latest second quarter 2025 Texas Workforce Commission Employer Quarterly Report and during the Term of this Agreement, Developer shall deliver to MPEDC an annual compliance verification signed by a duly authorized representative of Developer that shall

certify the number of Full-Time Equivalent Employment Positions, and shall disclose and certify the average wage for all Full-Time Equivalent Employment Positions (the “Annual Compliance Verification”). The Developer covenants and agrees beginning on **November 1, 2026**, and annually thereafter during the Term of this Agreement, there will be a total of **five (5)** Annual Compliance Verifications due and submitted to the MPEDC covering the Full-Time Equivalent Employment Positions created and maintained during the Term of this Agreement. All Annual Compliance Verifications shall include quarterly IRS 941 returns, or Texas Workforce Commission Employer Quarterly Reports.

- (d) **Performance Conditions.** Developer agrees to make, execute and deliver to MPEDC such other promissory notes, instruments, documents and other agreements as MPEDC or its attorneys may reasonably request to evidence this Agreement.
- (e) **Performance.** Developer agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Developer and MPEDC.
- (f) **Site Visits.** Developer will allow MPEDC’s representatives to visit the Facility during the Term of this Agreement during regular business hours after 24-hour advance written notice for the purpose of verifying the Developer’s compliance with this Agreement and related documents.
- (g) **Record Access.** Developer will allow MPEDC reasonable access to its employment records and books (invoices, receipts, billing statements, and/or other documentation for Qualified Expenditures) that may be relevant to the economic development considerations and incentives identified in this Agreement. The confidentiality of such records and information will be strictly maintained by the Developer unless disclosure of such record and information shall be required by the law. Developer is required to allow access during the Term of this Agreement.

SECTION 5. AFFIRMATIVE COVENANTS OF MPEDC.

MPEDC covenants and agrees with the Developer that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Reimbursement for Qualified Expenditures.** MPEDC covenants and agrees to submit financial assistance to the Developer in the amount of a maximum of **Ten Thousand and No/100 Dollars (\$10,000.00)** for each Full-Time Equivalent Employment Positions reported in the Annual Compliance Verification required by Section 4(d) of this Agreement over 3 years. The maximum financial assistance provided by MPEDC to Developer pursuant to this Agreement shall not exceed **One Hundred Thousand and No/100 Dollars (\$100,000.00)**. MPEDC covenants and agrees to submit said financial assistance within thirty (30) days of receipt of said Annual Compliance Verification required by Section 4(d)

of this Agreement.

- (b) **Performance.** MPEDC agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Developer and MPEDC.

SECTION 6. CESSATION OF ADVANCES.

If MPEDC has made any commitment to make any reimbursement to Developer, whether under this Agreement or under any other agreement, MPEDC shall have no obligation to advance or disburse any financial assistance if: (i) Developer becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or (ii) an Event of Default occurs.

SECTION 7. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- (a) **General Event of Default.** Failure of Developer or MPEDC to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer or MPEDC to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Developer and MPEDC is an Event of Default.
- (b) **False Statements.** Any warranty, representation, or statement made or furnished to MPEDC by or on behalf of Developer under this Agreement that is false or misleading in any material respect, either now or at the time made or furnished is an Event of Default.
- (c) **Insolvency.** Developer's insolvency, appointment of receiver for any part of Developer's property, any assignment for the benefit of creditors of Developer, any type of creditor workout for Developer, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Developer is an Event of Default.
- (d) **Other Defaults.** Failure of Developer to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement between MPEDC and Developer.

SECTION 8. EFFECT OF AN EVENT OF DEFAULT.

In the event of default under Section 7 of this Agreement, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured as of the last day of the applicable cure period, and the non-defaulting party is not otherwise in default, the non-defaulting party shall

have the right to immediately terminate this Agreement, enforce specific performance as appropriate, or maintain a cause of action for damages caused by the event(s) of default. In the event, Developer defaults and is unable or unwilling to cure said default within the prescribed time period, the amounts provided by MPEDC to Developer pursuant to Section 5(a) of this Agreement shall become immediately due and payable by Developer to MPEDC.

SECTION 9. INDEMNIFICATION.

Developer shall indemnify, save, and hold harmless MPEDC, its directors, officers, agents, attorneys, and employees (collectively, the “Indemnitees”) from and against: (i) any and all claims, demands, actions or causes of action that are asserted against any Indemnatee if the claim, demand, action or cause of action directly or indirectly relates to tortious interference with contract or business interference, or wrongful or negligent use of MPEDC’s financial assistance by Developer or its agents and employees; (ii) any administrative or investigative proceeding by any governmental authority directly or indirectly related, to a claim, demand, action or cause of action in which MPEDC is a disinterested party; (iii) any claim, demand, action or cause of action which directly or indirectly contests or challenges the legal authority of MPEDC or Developer to enter into this Agreement; and (iv) any and all liabilities, losses, costs, or expenses (including reasonable attorneys’ fees and disbursements) that any Indemnatee suffers or incurs as a result of any of the foregoing; provided, however, that Developer shall have no obligation under this Section to MPEDC with respect to any of the foregoing arising out of the gross negligence or willful misconduct of MPEDC or the breach by MPEDC of this Agreement. If any claim, demand, action or cause of action is asserted against any Indemnatee, such Indemnatee shall promptly notify Developer, but the failure to so promptly notify Developer shall not affect Developer’s obligations under this Section unless such failure materially prejudices Developer’s right to participate in the contest of such claim, demand, action or cause of action, as hereinafter provided. If requested by Developer in writing, as so long as no Default or Event of Default shall have occurred and be continuing, such Indemnatee shall in good faith contest the validity, applicability and amount of such claim, demand, action or cause of action and shall permit Developer to participate in such contest. Any Indemnatee that proposes to settle or compromise any claim, demand, action, cause of action or proceeding for which Developer may be liable for payment of indemnity hereunder shall give Developer written notice of the terms of such proposed settlement or compromise reasonably in advance of settling or compromising such claim or proceeding and shall obtain Developer’s concurrence thereto.

SECTION 10. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- (a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this

Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

- (b) **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Titus County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Titus County, Texas.
- (c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party.
- (d) **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Developer warrants and represents that the individual or individuals executing this Agreement on behalf of Developer has full authority to execute this Agreement and bind Developer to the same. MPEDC warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.
- (e) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- (f) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (g) **Notices.** Any notice or other communication required or permitted by this Agreement (hereinafter referred to as the "Notice") is effective when in writing and (i) personally delivered either by facsimile (with electronic information and a mailed copy to follow) or by hand or (ii) three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested, and addressed as follows:

if to the MPEDC: City of Mount Pleasant, Texas
Industrial Development Corporation
302 North Jefferson Avenue, Suite 101
Mount Pleasant, Texas 75455
Attn: Kevin Carter, Executive Director
Telephone: (903) 717-7241

if to Developer: Mobile Medic Automotive Conversions, LLC
1070 CR 1135
Mount Pleasant, Texas 75455
Attn: James F. Agnew
Telephone: (430) 323-7766

- (h) **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- (i) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- (j) **Undocumented Workers.** Developer certifies that the Developer does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of eight percent (8%), not later than the 120th day after the date MPEDC notifies Developer of the violation.
- (k) **Personal Guaranty.** MPEDC is unwilling to extend the financial assistance to the Developer under this Agreement unless it receives a guarantee of the undersigned covering the Agreement between the MPEDC to Developer. The MPEDC may seek recourse against the individual, James F. Agnew, in the event the Developer is unable to satisfy its obligations under this Agreement.

[The Remainder of this Page Intentionally Left Blank]

DEVELOPER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS PERFORMANCE AGREEMENT, AND DEVELOPER AGREES TO ITS TERMS. THIS PERFORMANCE AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

MPEDC:

**CITY OF MOUNT PLEASANT,
TEXAS INDUSTRIAL DEVELOPMENT
CORPORATION,**

a Texas non-profit corporation

By: _____

Erman Hensel, President

Date Signed: _____

DEVELOPER:

**MOBILE MEDIC AUTOMOTIVE
CONVERSIONS, LLC,**

a Texas limited liability company,

By: _____

James F. Agnew

Title: _____

Date Signed: _____

JAMES F. AGNEW (Individually)

By: _____

Date Signed: _____



AGENDA ITEM REPORT

Meeting: City Council - Nov 04 2025

Staff Contact: Candias Webster, City Secretary

Department: Administration

Subject: Consider Casting the City's Votes for the Election of the Titus County Appraisal District Board.

Item Summary:

The City has 603 votes to cast in the election of the Titus County Appraisal District Board.

Recommendation(s):

Motion to cast 603 votes for the Titus County Appraisal District Board.

Attachments:

[City of Mount Pleasant](#)



TITUS COUNTY APPRAISAL DISTRICT

SHIRLEY DICKERSON, CHIEF APPRAISER

P.O BOX 528 2404 W. FERGUSON

MT. PLEASANT, TX 75456

(903) 572-7939 FAX (903) 572-5147

October 15, 2025

City of Mount Pleasant
Mr. Rob Vine
501 N. Madison St
Mt. Pleasant, Texas 75455

Dear Mr. Vine,

Please find attached an official ballot for the election of the Board of Directors for the Titus County Appraisal District.

The City of Mount Pleasant has a total of 603 votes to cast in the election of the board.

The ballot is to be submitted to my office before December 15, 2025, I will notify all parties by December 31, 2025, of the results of the election.

Thank you for your assistance and if you have any questions feel free to contact me.

Respectfully,

A handwritten signature in blue ink that reads "Shirley Dickerson".

Shirley Dickerson
Chief Appraiser

OFFICIAL BALLOT

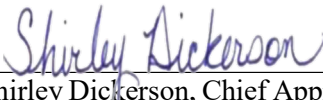
ISSUED TO THE CITY OF MOUNT PLEASANT

BOARD OF DIRECTORS FOR TITUS COUNTY APPRAISAL DISTRICT 2026-2027

(DIRECTIONS) Please enter the number of votes cast in the blank space opposite the name of the candidate. You may cast all your votes for one candidate, or you may divide your votes among any number of candidates that you desire. You have **603** total votes that you may cast.

NAME	VOTES
Mr. Billy "Buddy" Blue	
Mr. David Grider	
Mr. Gordon "Joe" Lewis	
Mr. Steve Martin	
Mr. Hulen "Mike" Reynolds	

ISSUED UNDER MY HAND AND SEAL OF OFFICE THIS 15th DAY OF OCTOBER 2025


Shirley Dickerson, Chief Appraiser, Titus
County Appraisal District

RESOLUTION OF VOTES CAST TO ELECT DIRECTORS FOR TITUS COUNTY APPRAISAL DISTRICT FOR THE YEAR 2026-2027

WHEREAS, Section 6.03(k) requires that each taxing unit entitled to vote, to cast their vote by resolution and to submit that resolution to the Chief Appraiser of the Titus County Appraisal District **before DECEMBER 15, 2025.**

THEREFORE, the Trustees of the City of Mount Pleasant submit the above official Ballot, as issued by the Chief Appraiser, stating our vote for candidates for the election of the Board of Directors for the Titus County Appraisal District for 2026-2027.

ACTION TAKEN ____ day of _____, 2025, in session of the Trustees for the City of Mount Pleasant, which is entitled under cast votes to elect the Board of Directors of the Titus County Appraisal District.

Wesley Lyon, II, Mayor

ATTEST: _____
Candias Webster, City Council Secretary



AGENDA ITEM REPORT

Meeting: City Council - Nov 04 2025

Staff Contact: Hollie Motley, Human Resources Director

Department: Administration

Subject: Consider Resolution 2025-16 amending the City of Mount Pleasant's Policy Manual Longevity Pay Policy previously approved in Resolution 2025-3.

Item Summary:

During adoption of the current fiscal year budget, the City implemented a graduated longevity payout structure to replace the previous flat-rate system. The proposed updates to the Longevity Policy align the written policy with this approved graduated payout schedule.

Financial Impact:

None. The graduated longevity payout structure was approved and funded in the current fiscal year budget.

Recommendation(s):

Motion to Approve Resolution 2025-16 Amending the City of Mount Pleasant's Policy Manual Longevity Pay Policy

Attachments:

[Resolution 2025-16 Longevity Policy update](#)

RESOLUTION 2025-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS, RECONSIDERING AND REPLACING RESOLUTION 2025-16. APPROVING AND AUTHORIZING THE ADOPTION OF THE LONGEVITY PAY POLICY TO INCLUDE ALL FULL-TIME EMPLOYEES OF THE CITY OF MOUNT PLEASANT, ALLOWING A GRADUATED PAYOUT OF LONGEVITY BASED ON GROUPINGS OF YEARS OF SERVICE, NOT TO EXCEED TWENTY-FIVE YEARS.

WHEREAS, in September, 1987, the Legislature of the State of Texas enacted a bill, **Title 5, Chapter 141; 141.032**, stating that a municipality with a population of 10,000 or more must pay each full-time member of the fire or police department “longevity pay” of four dollars per month for each year of service in the department, not to exceed twenty-five (25) years;

WHEREAS, the City of Mount Pleasant wishes to provide for compliance with the state statutes and to outline procedures regarding longevity pay, which is provided to recognize the value of long-term, loyal service to the City and its community;

WHEREAS, over the years the City of Mount Pleasant has included all full-time employees in the Longevity Pay benefit, not just fire and police;

WHEREAS, The City Council passed Resolution 2024-19 at a Special Called Meeting on November 25, 2024, approving the City of Mount Pleasant’s Longevity Pay Policy. The policy provides \$4 per month of service in calculating the benefit to employees, but allows the City Council to set an amount over \$4 per month of service;

WHEREAS, The City Council passed Resolution 2025-3 at a Special Called Meeting on March 10, 2025, approving the City of Mount Pleasant’s Policy Manual. The manual included Policy 3.16 Longevity Pay. Policy 3.16 as approved on March 10, 2025 still requires City Council to approve any accrual rate above the required \$4 per month of service up to a maximum of \$10 per month of service.

WHEREAS, the attached revised Longevity Policy was adopted by Council for Fiscal Year 2026 and provides for a graduated amount to be paid to employees per month of service;

WHEREAS, the attached graduated Longevity Policy, if adopted by Council, provides continuity recognition of employee loyalty, dedication, and longevity and alleviates the need for Council to approve Longevity Pay amounts annually; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS, AS FOLLOWS:

SECTION 1. That the findings and provisions set out in the preamble to this resolution are hereby in all things approved and adopted.

SECTION 2. The attached Longevity Pay Policy applies to all City of Mount Pleasant full-time employees meeting certain requirements as provided in the Policy. The Policy provides for a graduated monthly accrual rate based on years of service, not to exceed 25 years.

SECTION 3. The attached Policy alleviates the need for Council to approve Longevity Pay Amounts annually, but allows Council to amend the Longevity Policy as it determines appropriate in the future.

SECTION 4. The attached policy replaces the Longevity Pay Policy in the City's Personnel Policy Manual adopted by the Council pursuant to Resolution 2025-3 on March 10, 2025.

SECTION 3. That this resolution shall be effective for longevity pay for Fiscal Year 2026 and thereafter unless amended by City Council.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS, ON THIS 7TH DAY OF NOVEMBER 2025.

APPROVED:

WESLEY LYON II, MAYOR

ATTEST:

CANDIAS WEBSTER, CITY SECRETARY

3.16 Longevity Pay

All regular full-time employees are eligible to receive longevity pay after completing one (1) full year of employment. Longevity pay is accrued monthly based on the employee's total years of continuous service and the schedule below. For example, an employee with 61 months of service accrues \$6 per month of service (e.g. 61 months of service x \$6 = \$366.00).

Total Months of Service	Years of Service	Annual Payment*
0 – 11 months	Less than 1 year	\$0 × months of service
12 – 60 months	1 – 5 years	\$4 × months of service
61 – 120 months	5 – 10 years	\$6 × months of service
121 – 180 months	10 – 15 years	\$8 × months of service
181 – 300 months**	15+ years	\$10 × months of service (up to 25 years)

**Although payment is capped at 300 months (25 years) of service, employees with more than 25 years of service will receive maximum payout each year.

Annual Payment: Accrued longevity pay is issued in a single lump-sum payment each November and the annual payment will be determined based on the number of months the employee has worked as of December of said calendar year. Employees will be compensated in November for the entire calendar year, (i.e. through December.)

Separation from Employment:

When an employee leaves employment for any reason, they will receive a payout for any longevity pay they have accrued since the last annual payout.

Separation pay is calculated using the formula:

$(\text{Accrual Rate} \times \text{Months of Service}) \div 12 \times \text{Months Since Last Payout}$

For example:

An employee separates in March and has 61 months of service. Their accrual rate is \$6.

$\$6 \text{ (accrual rate)} \times 61 \text{ (months of service)} = \366

$\$366 \div 12 = \$30.50 \text{ (monthly accrual amount)}$

$\$30.50 \times 3 \text{ (months since last payout)} = \$91.50 \text{ total payout upon separation.}$

(Reference: Texas Local Government Code, Title 5, Chapter 141, Section 141.032)

(Policy amended October 2025)



AGENDA ITEM REPORT

Meeting: City Council - Nov 04 2025

Staff Contact: Rob Vine, City Manager

Department: Administration

Subject: **City Manager's Report**
