

STATE OF TEXAS
COUNTY OF DENTON
TOWN OF DOUBLE OAK

CORRECTED

The Double Oak Town Council met in regular session at 7:00 p.m. July 5, 2022, at the Double Oak Town Hall, located at 320 Waketon Road with the following members present to-wit:

Von Beougher	Mayor
Patrick Johnson	Mayor Pro-Tem
Connie Schoenrade	Deputy Mayor Pro-Tem
Scott Whisenhunt	Council Member
Casey Parsons	Council Member
Jean Hillyer	Council Member

Also in attendance were Town Secretary Eileen Kennedy, Police Chief Ruben Rivas, Public Services Randall Anglin, and Town Attorney David Berman.

Mayor Beougher called the meeting to order at 7:01 p.m.

Council Member Whisenhunt gave the invocation and Mayor Pro-Tem Johnson lead the pledge of allegiance to the American and Texas flags.

Mayor Beougher recognized Administrative/IT Brian Shults for receiving his Master Peace Officer Certification.

II. Citizen Comments

David Graham, 411 Simmons Road, asked how long before Public Service Randall Anglin receives his certifications. Mr. Graham also voiced his disapproval of the Town's use of the State & Local Fiscal Recovery Funds (SLFRF) funds for Premium Pay to essential workers during the pandemic.

Karen Smith, 168 Meadow Knoll, asked if the council meetings could be live streamed.

Jerome Hanna, 250 Ridgebriar Lane, also voiced his disapproval of the use of the SLFRF funds for Premium Pay.

III. Consent Agenda - All consent agenda items listed are considered to be routine by the Town Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning consent agenda items is available for public review.

1. Consideration, and action on minutes of June 20, 2022.

Deputy Mayor Pro-Tem Schoenrade as for the following to be added to item 11:

Mayor Pro-Tem Patrick Johnson had asked how and when expenditures of the SLFRF were determined because there was no reference to any agenda minutes since the funding was announced by the federal government. Mayor Von told the attendees at the meeting that he made that decision after consult with town attorney.

Mayor Pro-Tem Johnson wants an audit of the SLFRF expenditures and the towns attorney review. Deputy Mayor Pro-Tem Schoenrade would like to have CARES report.

Motion Schoenrade, second Johnson to approve the minutes of June 20, 2022, as amended.

AYE: Hillyer, Johnson, Schoenrade, Parsons, Whisenhunt
NAY: None
ABSTAIN: None

Motion Carried

IV. Mayor, Council Members and Staff reports:

2. Mayor and Council-Mayor Beougher congratulated the DOVFD on the well-attended 4th of July parade and picnic. Deputy Mayor Pro-Tem Schoenrade asked for live streaming council meetings be on the next council agenda.

3. Public Works - Code Enforcement – Animal Control-None

4. Administration – None

5. Public Safety – Chief Rivas asked if there were any questions regarding the monthly activity report included in the agenda packet. Fire Chief Whisenhunt said the annual Fourth of July parade and picnic was a big success.

6. Road and Drainage Committee – Mayor Beougher reported that Waketon Road has concrete and may see pours at night or when concrete and drivers are available. The Mayor also reported that he and Mr. Anglin will be meeting with Midway Cracksealing to go over areas needing crack sealing. Dr. Gary Goodman, Roads & Drainage Chair, asked for current road repair suggestions and a look ahead to next year on the next council agenda.

V. New business agenda (consideration and action):

7. Discussion on Traffic Control Devices.

Ginger Brittain, 35 Kings Road, voiced her concerns of increased traffic on Kings Road/Shiloh/ McMakin with the proposed construction of 200+ homes on Shiloh in Flower Mound. Ms. Brittain is concerned with the running of stop signs at McMakin and Hawk going east. Ms. Brittain asked the council to consider any of the traffic control devices that will be in the presentation from Randall Anglin.

Randall Anglin, Building Inspections/Public Services, gave a PowerPoint presentation on traffic control devices that was included in the agenda packet.

Deputy Mayor Pro-Tem Schoenrade asked for maybe a partnership with Flower Mound on this issue since it is a safety issue.

Police Chief Rivas said he did not feel that a traffic control device, i.e., flashing lights on stop signs, would be justified, and deter drivers from stopping at stop signs.

It was also noted that Double Oak only has control of the stop sign on Kings and not the two on Shiloh/McMakin.

8. Discussion and review of SLFRF funds.

Lewis Lowe, 225 Double Oaks Dr., commented he would like to see these funds be used for road repairs.

David Graham, 411 Simmons Road, again voiced his objections on how these funds are being used.

Jill Glover, 170 Double Oaks Dr., also made her concerns known on how the funds are being used.

Mayor Pro-Tem Johnson had a PowerPoint presentation on what SLFRF is, eligibility guidelines and use of funds.*

Mike Donnelly, 302 E. Carruth, former Mayor clarified that Town Hall may have been closed for a period of time, town staff and police were still on the job, servicing the citizens and needs of the town.

Mayor Pro-Tem Johnson informed the council that investigations and an audit of the use of funds will be conducted to ensure the expenditures were done legally. The general consensus of the council was to proceed with the audit. Mayor Pro-Tem Johnson also noted that the findings will be reported to the council on a future agenda. Council Members Whisenhunt, Parsons and then council member Garrett said they had no knowledge of the decision to issue premium pay to essential workers.

9. Discussion, consideration, and action on ratifying Town Treasurer and appointing a Deputy Town Treasurer.

Motion Johnson, seconded by Schoenrade to not ratify the current Town Treasurer or appoint a Deputy Town Treasurer.

AYE: Johnson, Schoenrade
NAY: Parsons, Hillyer, Whisenhunt
ABSTAIN: None

Motion failed 3-2

Motion Parsons, seconded by Whisenhunt to appoint Billie Garrett as Town Treasurer and Mike Donnelly as Deputy Town Treasurer.

AYE: Whisenhunt, Hillyer, Parsons
NAY: Johnson, Schoenrade
ABSTAIN: None

Motion passed 3-2

Mike Donnelly, 302 E. Carruth, declined the position of Deputy Town Treasurer.

10. Discussion on forming a committee to work on Double Oak's 50th birthday in 2024.

Deputy Mayor Pro-Tem Schoenrade said there is a lot of interest in working on this committee and asked that if interested submit an application from the website.

11. Discussion on 2022-2023 fiscal year budget and tax rate.

Ed Mehlhaff, 201 Colonial Court, asked that employees receive 0% pay increase and employees pay 80% of their insurance cost and 80% of their dependent's insurance cost.

Town Treasurer Garrett projected the Town's expense accounts and went line by line with discussion on each item.

Mayor Beougher recessed the meeting at 9:42.

Mayor Beougher reconvened the meeting at 9:54.

12. Council – staff announcements and comments: None

13. Adjournment

With no further business to come before the Council, motion Hillyer, second Parsons, the meeting was adjourned at 10:47 p.m.

APPROVED this the 18th day of July 2022.



Attest:

Eileen Kennedy

Eileen Kennedy, Town Secretary

Approved:

Von Beougher

Von Beougher, Mayor



Coronavirus State & Local Fiscal Recovery Funds SLFRF

Presentation

By

Patrick Johnson-Mayor Pro-Tem

&

Connie Schoenrade Deputy Mayor Pro-Tem

Double Oak Town Council

7/5/2022

Double Oak Town Council

What is SLFRF



**Designed to address an economic harm resulting from
or exacerbated by the public health emergency of
Coronavirus Pandemic**

Eligibility Guidelines for Use of SLFRF Funding



Four Uses: on May 17th, 2021 per the (Interim Final Rule-IFR)

1. To respond to the public health emergency or its negative economic impacts
2. To respond to workers performing essential work during the covid-19 health emergency by providing premium pay to eligible workers
3. For the provision of government services to the extent of the reduction in revenue due to the Covid-19 Public Health Emergency relative to revenues collected in the most recent full fiscal year prior to the emergency
4. To make necessary investments in water, sewer or broadband infrastructure

Eligibility Guidelines for Use of SLFRF Funding



- The (IFR) went immediately into effect in May 2021, and since then some governments did use SLFRF funds to meet their immediate pandemic response needs and began to build a strong recovery for their towns.
- Feedback provided during this period caused the Treasury to carefully consider other uses for the SLFRF funds in a future and final rule.
- The Treasury did expand the uses with the final ruling.

Eligibility Guidelines for Use of SLFRF Funding



Four Uses: on January 6th, 2022, per the (Final Rule-FR)

1. Replacing lost Public Sector Revenue
2. Public Health and Economic Impacts
3. Premium Pay
4. Water, sewer & broadband infrastructure

**Final Rule takes effect on April 1st, 2022, funds to be disbursed by
December 31st, 2026.**

1. Replacing Lost Public Sector Revenue



- Replace lost public sector revenue;
 - Recipients may determine their revenue loss by choosing between two options:
 - A standard allowance of up to \$10 million in aggregate, not to exceed their award amount, during the program;
 - Recipients may use funds up to the amount of revenue loss for government services; generally, services traditionally provided by recipient governments are government services, unless Treasury has stated otherwise.

(Double Oak did not have lost revenues during this period and did not qualify per this criteria -- reference budgets and town P&L)

2. Public Health and Economic Impacts



- Addressing COVID-19 and its impact on public health as well as addressing economic harms to households, small businesses, nonprofits, impacted industries, and the public sector:
 - Public health, assistance to households
 - Assistance to small businesses
 - Assistance to nonprofits
 - Aid to impacted industries, and public sector capacity

(There is no evidence of consideration for using funds for this criteria by Double Oak)

3. Premium Pay



- Provide premium pay for eligible workers performing **essential work**, offering additional support to those who have and will bear the greatest health risks because of their service in critical sectors.
- Recipients may provide premium pay to eligible workers – generally those working in-person in key economic sectors – who are below a wage threshold or non-exempt from the Fair Labor Standards Act overtime provisions, or if the recipient submits justification that the premium pay is responsive to workers performing essential work
- Employees must be present in the office and **cannot work from home**. Those who work from home during this period are not eligible for Premium Pay.
- Due diligence was done on other municipalities similar in size to Double Oak with disbursements averaging between \$500 and \$5,000.

(Double Oak disbursed funds in this category)

4. Water, Sewer & Broadband Infrastructure



- Invest in water, sewer, and broadband infrastructure – (*Double Oak has none of these needs*).
- Make necessary investments to support vital wastewater and stormwater infrastructure.
- Recipients may fund a broad range of water and sewer projects, certain additional projects, including a wide set of lead remediation, stormwater infrastructure, and aid for private wells and septic units.

(Double Oak has drainage issues that need to be addressed and these funds can be used for these issues)

Double Oak Town - Timeline



- 3/19/2020 Denton County Emergency stay at home orders per Andy Eads (AE-20-03-18). (these did not apply to government buildings or essential services).
- 3/25/2020 Mayor Donnelly issued Emergency Declaration for Double Oak.
- 4/13/2020 Notice was posted that Town Hall was closed to the public until further notice
- 6/25/2020 Town Hall Reopens.
- 5/17/2021 Interim Final Rule for the eligible use of SLFRF Funds is published.
- 7/6/2021 Double Oak was informed of receiving SLFRF funds from the government.
- 8/23/2021 1st installment of \$380K is received by Double Oak (Total amount of \$760K).
- 1/6/2022 Overview of Final Rule published (expanding eligibility for uses of funds).
- 4/30/2022 First report for Non-Entitlement Units of Local Government (NEU).
(decision to keep and plan to use the funding and begin quarterly reporting)
- 5/13/2022 **Premium Pay distribution of funds.**
- 5/16/2022 **Swearing in ceremony of 2022 New Double Oak Town Council Members.**
- 6/20/2022 SLFRF fund distribution disclosure by Mayor at DOTC meeting.

Double Oak Town Council

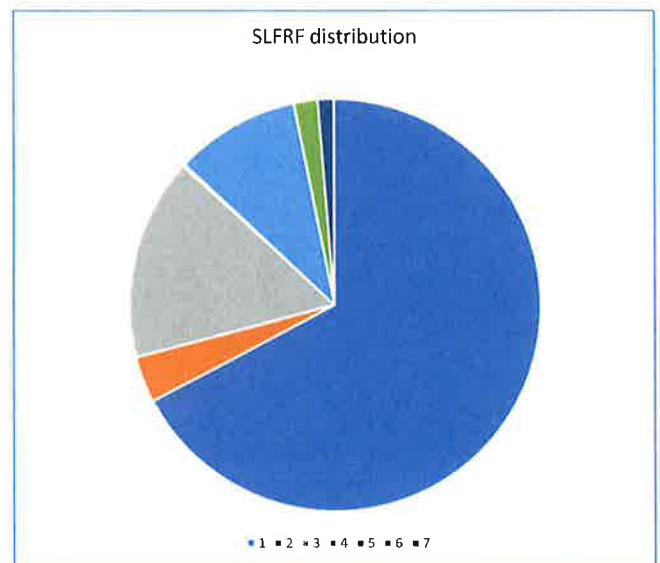
Double Oak SLFRS Funds Distribution-Current



1st Distribution

\$380,103.65

1 Employee Premium Pay/Benefits	\$ 258,412.50
2 Computer Related	\$ 13,861.81
3 Roads/Culverts	\$ 60,875.00
4 PPE/cleaning	\$ 682.00
5 Police Car	\$ 37,859.00
6 Improvement for park	\$ 7,313.00
7 Covid Payroll	\$ 4,934.00



Double Oak Town Concerns



- Budget meetings took place during July-October 2021; acknowledgement of \$650K was made but no discussions on how to disburse funds.
- Double Oak Town Council minutes are not reflective of any discussion, consideration or action on the part of the Previous Town Council and Mayor regarding SLFRF funds or plans on how to use to disburse the funds.
- A decision on how to spend the funds on "*Premium Pay*" was done in haste the week prior to the seating of new Town Council. Sixty-Seven percent (**67%**) of initial SLFRF funds were then disbursed to Premium Pay on 5/13/2022. Why then?
- Mayor informs Double Oak Citizens and Town Council attendees during 6/20/2022 meeting that he made the decisions on the use of the distribution of the funds and appears to be unilaterally decision made by the mayor, since there is no record of discussion with town council.

Meeting with Town Attorney



Johnson, Schoenrade and Berman – 6/24/2022, 10:00am

1. Concerns over the loose interpretation of eligibility guidelines.
 1. Town Attorney suggested the expenditures “*may*” fit squarely within the rules of the SLFRS guidelines.
 2. Upon review of the SLFRF handbooks (5/17/2021, January 2022 and June 2022), there is still concern that fund distribution may not fit the definition of the guidelines squarely.
 3. Attorney concurred that hiring an outside firm to review these expenditures, advise on compliance, suggest corrective actions, and provide guidance to Double Oak Town Council for future distributions.

Reference to Employee Handbook



- **6.1.9 – Ethics Self Check**

- Employees should be mindful that perception can supersede reality and they should avoid anything that gives the appearance of improper conduct. Below are questions which can provide guidance to individuals confronted with an ethical dilemma.
 - A. Would I be embarrassed if my family or friends learned of my actions?
 - B. Would I be embarrassed to have the public hear about my actions through news reports?
 - C. How would the situation look for me and the Town?
 - D. If asked why I acted in a certain way, would I have to pause to think of justification for my actions? How would I feel about myself?

2022 Handbook for Mayors & Town Councils



Chapter #2 – Roles and Responsibilities of Officers in General Law Cities

- Double Oak is a Type A General Law form of government.
- Limitations on the Mayor's Powers:
 - *The broad powers of the Mayor can be offset by several methods including ordinance requirements and that the town council ratify mayoral appointments and other key actions*
 - ***The ordinances of most council-manager cities also makes it clear that the decision-making is to be shared by the full council and that the Mayor is to be considered the same as any other member of the governing body for policy purposes***

Texas Constitutions and Statutes



LOCAL GOVERNMENT CODE

TITLE 2. ORGANIZATION OF MUNICIPAL GOVERNMENT

SUBTITLE B. MUNICIPAL FORM OF GOVERNMENT

CHAPTER 22. ALDERMANIC FORM OF GOVERNMENT IN TYPE A GENERAL-LAW MUNICIPALITY

SUBCHAPTER A. GENERAL PROVISIONS

SUBCHAPTER B. GOVERNING BODY

Sec. 22.031. COMPOSITION OF GOVERNING BODY; WARD SYSTEM OPTIONAL.

(a) If the municipality is divided into wards, the governing body of the municipality consists of a mayor who is elected by the qualified voters of the municipality and of two aldermen from each ward who are elected by the qualified voters of the ward.

(b) If the municipality is not divided into wards, the governing body consists of a mayor and five aldermen who are elected by the qualified voters of the municipality, and the provisions of this subchapter relating to proceedings in a ward apply to the whole municipality.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Double Oak Town Council

Texas Constitutions and Statutes



LOCAL GOVERNMENT CODE

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CHAPTER 22. ALDERMANIC FORM OF GOVERNMENT IN TYPE A GENERAL-LAW MUNICIPALITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 22.042. POWERS AND DUTIES OF MAYOR.

(a) The mayor is the chief executive officer of the municipality. The mayor shall at all times actively ensure that the laws and ordinances of the municipality are properly carried out. The mayor shall perform the duties and exercise the powers prescribed by the governing body of the municipality.

(b) The mayor shall inspect the conduct of each subordinate municipal officer and shall cause any negligence, carelessness, or other violation of duty to be prosecuted and punished.

(c) The mayor shall give to the **governing body** any information, and **shall recommend to the governing body** any measure, that relates to improving the finances, police, health, security, cleanliness, comfort, ornament, or good government of the municipality.

(d) The mayor may administer oaths of office.

(e) In the event of a riot or unlawful assembly or to preserve the peace and good order in the municipality, the mayor may order and enforce the closing of a theater, ballroom, or other place of recreation or entertainment, or a public room or building and may order the arrest of a person who violates a state law or a municipal ordinance in the presence of the mayor.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987.

Double Oak Town Council

Audit of SLFRS Funds Disbursement



AUDIT PROCEDURES ENGAGEMENT LETTER – (DRAFT ONLY)

Pending Outcome of 7/5/2022 Town Council Meeting

Procedures to be Performed by HANKINS, EASTUP, DEATON, TONN & SEAY - CPA

1. Examine the backup documentation for the disbursements charged to the Town's SLFRF funds to determine that sufficient and appropriate documentation exists.
2. Compare the disbursements charged to the Town's SLFRF funds and incurred prior to April 1, 2022, to the statutory guidance published in the Treasury's interim final rule (IFR) to determine whether or not the disbursements were eligible uses of the funds.
3. Compare the disbursements charged to the Town's SLFRF funds and incurred subsequent to March 31, 2022, to the statutory guidance published in the Treasury's final rule (FR) to determine whether or not the disbursements were eligible uses of the funds.
4. Obtain and examine the reports filed by the Town related to its use of the SLFRF funds to determine if the reports were timely filed and accurately reflect the Town's use of funds.
5. There will be a cost to the town for this "Procedure Agreement" between \$2K and \$5K.

The Town Citizens Need Answers on Record



The Mayors actions of unilaterally making the decisions on SLFRF funds disbursement removed what was to be a public process by the previous Town Council and the Citizens of Double Oak.

Questions for the Double Oak Town Citizens

1. Scott Whisenhunt,

- Did the Mayor have any discussions with you regarding the disbursement of Premium Pay in the amount of \$25,000 to each town employee?
- Did the Mayor have any discussions with you regarding the disbursement of the other items
- And if so, was the previous Town Council in agreement with the Mayor on how the funds would be disbursed?

2. Casey Parsons,

- Did the Mayor have any discussions with you regarding the disbursement of Premium Pay in the amount of \$25,000 to each town employee?
- Did the Mayor have any discussions with you regarding the disbursement of the other items?
- And if so, was the previous Town Council in agreement with the Mayor on how the funds would be disbursed?

The Town Citizens Need Answers on Record



3. Billie Garrett,

- As Town Treasurer and Mayor Pro-Tem, did the Mayor have any discussions with you regarding the disbursement of Premium Pay in the amount of \$25,000 to each town employee?
- Did the Mayor have any discussions with you regarding the disbursement of the other items?
- And if so, was the previous Town Council in agreement with the Mayor on how the funds would be disbursed?

4. Did the Mayor have any discussions about the disbursement of Premium Pay in the amount of \$25,000 to each town employee with former **Town Council Members Anita Nelson and Joe Dent**?

- Did the Mayor have any discussions with you regarding the disbursement of the other items?

Double Oak Town Citizens Questions



5. How much latitude and spending authorization does the Mayor of Double Oak have? There is a known precedence of \$1K spending limit by Mayor that is common knowledge.
6. Mayor, what justifications/considerations were used in order to distribute the funds?
7. And if so, was the previous Town Council in agreement with the Mayor on how the funds would be disbursed?
8. Who signed each Premium Pay disbursement?
9. Did the Town Employees not consider that these disbursements were excessive?

Town Council Next Steps



1. Does an independent source need to determine if disciplinary actions needs to be taken with the Mayor, Town Treasurer or Town Administrator?
 1. ***Create an ordinance that clearly states the financial limits of the Town Mayor and others who are authorized to disburse town funds.***
 2. ***Relieve the current Town Treasurer of their position due to lack of confidence and nominate and appoint new Town Treasurer***
 3. ***Any Possible Disciplinary Actions on other Town employees***
2. Double Oak Citizens need to hold the Mayor and Previous Town Council accountable
 1. ***Upon conclusion of the Audit by the CPA the Town Council may take more actions or investigate further up to and including involving the:***
 1. ***Seek outside council for independent consultation***
 2. ***Possible contact with Texas Attorney Generals Office***
 3. ***Possible contact with Denton County Authorities***
 4. ***Possible contact with Texas Rangers Investigation***



THANK YOU FOR ATTENDING TONIGHTS MEETEING

7/5/2022

Double Oak
TEXAS

Double Oak Town Council