



City of Montgomery City Council Workshop Meeting Agenda

October 14, 2025 at 5:00 PM
Montgomery City Hall – Council Chambers
101 Old Plantersville Rd. Montgomery, TX 77316

NOTICE IS HEREBY GIVEN that a Workshop Meeting of the City Council will be held on **Tuesday, October 14, 2025 at 5:00 PM** at the City of Montgomery City Hall, 101 Old Plantersville Road, Montgomery, Texas.

Members of the public may view the meeting live on the City's website under Agenda/Minutes and then select **Live Stream Page (located at the top of the page)**. The Meeting Agenda Pack will be posted online at www.montgomerytexas.gov. The meeting will be recorded and uploaded to the City's website.

OPENING AGENDA

1. Call Meeting to Order.
2. Pledges of Allegiance.

PUBLIC FORUM

The City Council will receive comments from the public on any matters within the jurisdiction of the City of Montgomery, Texas. Speakers will be limited to three (3) minutes each. Persons wishing to participate (speak) during the Public Forum portion of the meeting must sign-in to participate prior to the meeting being called to order. Please note that the City Council's discussion, if any, or subjects for which public notice has not been given, are limited to statements of specific factual responses and recitation of existing policy.

WORKSHOP AGENDA

All Workshop items on the agenda are for discussion only, no action will be taken.

3. Discussion on the City's bonding capacity.
4. Discussion on the City's utility rates.

COUNCIL INQUIRY

Pursuant to Texas Government Code Sect. 551.042, the Mayor and Council Members may inquire about a subject not specifically listed on this Agenda. Responses are limited to the recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision shall be limited to a proposal to place on the agenda of a future meeting.

CLOSING AGENDA

5. Adjourn.

The City Council for the City of Montgomery reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed below, as authorized by the Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberation Regarding Prospective Gifts), 551.074 (Personnel Matters), 551.076 (Deliberations regarding Security Devices), and 551.087 (Deliberation regarding Economic Development Negotiations).

I, Ruby Beaven, certify that this notice of meeting was posted on the website and bulletin board at City Hall of the City of Montgomery, Texas, a place convenient and readily accessible to the general public at all times. This notice was posted at said locations on the following date and time: **October 08, 2025 at 5:30 PM.** and remained so posted continuously for at least three (3) business days preceding the scheduled time of said meeting.

/s/ Ruby Beaven

City Secretary

This public notice was removed from the official posting board at the Montgomery City Hall on the following:

Date: _____ Time: _____

By: _____
City Secretary's Office
City of Montgomery, Texas

This facility is wheelchair accessible and accessible parking spaces are available. Please contact the City Secretary's office at 936-597-6434 for further information or for special accommodation.

Montgomery City Council
AGENDA REPORT

Meeting Date: 10/14/2025	Budgeted Amount: NONE
Department: Administration	Prepared By: WGA

Subject

Discussion on the City's bonding capacity.

Recommendation

Discussion Only

Discussion

US Capital Advisors provided the Tax Rate Analysis to discuss the Utility System Improvement Projects - Water Plant & Wastewater Treatment Plant, Tax & Revenue Certificates of Obligation Series 2026, \$27.445 Million Project Cost, and 20- and 30-Year Amortizations.

Additional attachments will be provided at the workshop on the City's bonding capacity.

Approved By

City Staff	Ruby Beaven	Date: 10/08/2025
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City of Montgomery, Texas

City Council Budget Workshop - Tax Rate Analysis
Utility System Improvement Projects - Water Plant & Wastewater Treatment Plant

Tax & Revenue Certificates of Obligation, Series 2026

\$27.445 Million Project Cost

20 and 30 Year Amortizations

October 3, 2025

James Gilley, Jr.
Managing Director
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City of Montgomery, Texas
Capital Improvement Needs - \$27.445 Million Project Cost
Tax & Revenue Certificates of Obligation, Series 2026

Utility Assumptions ^(a)

Gross Revenues	\$	3,660,393
Gross Expenses		(3,050,359)
ADD:		
Depreciation		480,508
Net Revenues	\$	1,090,542
Est. # Connections		1,100

Financing Assumptions ^(b)

Sale Date	2/1/2026
Closing Date	3/1/2026
First Interest Payment	9/1/2026
First Principal Payment	3/1/2027
Project Funds	\$ 27,445,000
Assumed Interest Rate	4.400%
Amortization	20 Years

20 Year
Amortization

A		B		C			D			E		F		G	
				Outstanding Debt Service			Proposed Debt Service					Surplus (Shortfall)		Tap Fee	
		Tap Fees ^(a)					Series 2026 ^(b)			GRAND TOTAL		Net Revenues Over Debt Service		Fund Balance After Covering Shortfall	
FYE 9/30	Tax Year	2024 Net Revenues	Cumulative Balance	Additions	Total	LESS: Tax-Supported	Self-Supported	Principal	Interest	Total	Self-Supported				
2025	2024	\$ 1,090,542	\$ 1,318,652	\$ 489,749	\$ 1,157,401	\$ 472,502	\$ 684,899	\$ -	\$ -	\$ -	\$ 684,899	\$ 405,643	\$ -	\$ 1,318,652	
2026	2025	1,090,542	1,808,401	4,623,530	1,055,697	374,374	681,323	-	603,790	603,790	1,285,113	(194,571)		1,613,831	
2027	2026	1,090,542	6,431,931	972,188	1,053,780	373,345	680,434	875,000	1,188,330	2,063,330	2,743,764	(1,653,222)		4,584,138	
2028	2027	1,090,542	7,404,119	-	1,055,091	371,599	683,492	915,000	1,148,950	2,063,950	2,747,442	(1,656,900)		3,899,427	
2029	2028	1,090,542	7,404,119	-	1,054,505	374,010	680,494	955,000	1,107,810	2,062,810	2,743,304	(1,652,762)		2,246,665	
2030	2029	1,090,542	7,404,119	-	788,866	107,329	681,537	1,000,000	1,064,800	2,064,800	2,746,337	(1,655,795)		590,869	
2031	2030	1,090,542	7,404,119	-	739,006	92,597	646,409	1,040,000	1,019,920	2,059,920	2,706,329	(1,615,787)		(1,024,917)	
2032	2031	1,090,542	7,404,119	-	733,797	92,409	641,388	1,090,000	973,060	2,063,060	2,704,448	(1,613,906)		(2,638,823)	
2033	2032	1,090,542	7,404,119	-	747,868	95,062	652,806	1,140,000	924,000	2,064,000	2,716,806	(1,626,264)		(4,265,087)	
2034	2033	1,090,542	7,404,119	-	736,288	91,887	644,402	1,190,000	872,740	2,062,740	2,707,142	(1,616,600)		(5,881,687)	
2035	2034	1,090,542	7,404,119	-	734,205	91,611	642,594	1,245,000	819,170	2,064,170	2,706,764	(1,616,222)		(7,497,909)	
2036	2035	1,090,542	7,404,119	-	727,477	91,307	636,171	1,300,000	763,180	2,063,180	2,699,351	(1,608,809)		(9,106,718)	
2037	2036	1,090,542	7,404,119	-	592,530	50,779	541,751	1,360,000	704,660	2,064,660	2,606,411	(1,515,869)		(10,622,587)	
2038	2037	1,090,542	7,404,119	-	425,000	49,793	375,207	1,420,000	643,500	2,063,500	2,438,707	(1,348,165)		(11,970,752)	
2039	2038	1,090,542	7,404,119	-	255,300	-	255,300	1,485,000	579,590	2,064,590	2,319,890	(1,229,348)		(13,200,100)	
2040	2039	1,090,542	7,404,119	-	256,900	-	256,900	1,550,000	512,820	2,062,820	2,319,720	(1,229,178)		(14,429,278)	
2041	2040	1,090,542	7,404,119	-	253,200	-	253,200	1,620,000	443,080	2,063,080	2,316,280	(1,225,738)		(15,655,016)	
2042	2041	1,090,542	7,404,119	-	254,200	-	254,200	1,690,000	370,260	2,060,260	2,314,460	(1,223,918)		(16,878,934)	
2043	2042	1,090,542	7,404,119	-	254,800	-	254,800	1,770,000	294,140	2,064,140	2,318,940	(1,228,398)		(18,107,332)	
2044	2043	1,090,542	7,404,119	-	255,000	-	255,000	1,850,000	214,500	2,064,500	2,319,500	(1,228,958)		(19,336,290)	
2045	2044	1,090,542	7,404,119	-	-	-	-	1,930,000	131,340	2,061,340	2,061,340	(970,798)		(20,307,088)	
2046	2045	1,090,542	7,404,119	-	-	-	-	2,020,000	44,440	2,064,440	2,064,440	(973,898)		(21,280,986)	
Total					\$ 13,130,908	\$ 2,728,603	\$ 10,402,306	\$ 27,445,000	\$ 14,424,080	\$ 41,869,080	\$ 52,271,386				

(a) Source: City of Montgomery Financial Statements FYE 9/30/2024; Tap fee schedule source WGA.

(b) Preliminary, subject to change. Assumes S&P AA rated, non-BQ. 9-25-25

City of Montgomery, Texas
Capital Improvement Needs - \$27.445 Million Project Cost
Tax & Revenue Certificates of Obligation, Series 2026

Utility Assumptions (a)

Gross Revenues	\$ 3,660,393
Gross Expenses	(3,050,359)
ADD:	
Depreciation	480,508
Net Revenues	\$ 1,090,542
Est. # Connections	1,100

Financing Assumptions (b)

Sale Date	2/1/2026
Closing Date	3/1/2026
First Interest Payment	9/1/2026
First Principal Payment	3/1/2027
Project Funds	\$ 27,445,000
Assumed Interest Rate	4.800%
Amortization	30 Years

30 Year
Amortization

A		B		C			D			E		F		G	
				Outstanding Debt Service			Proposed Debt Service					Surplus (Shortfall)		Tap Fee	
		Tap Fees (a)					Series 2026 (b)			GRAND TOTAL		Net Revenues Over Debt Service		Fund Balance After Covering Shortfall	
FYE 9/30	Tax Year	2024 Net Revenues	Cumulative Balance	Additions	Total	LESS: Tax-Supported	Self-Supported	Principal	Interest	Total	Self-Supported				
2025	2024	\$ 1,090,542	\$ 1,318,652	\$ 489,749	\$ 1,157,401	\$ 472,502	\$ 684,899	\$ -	\$ -	\$ -	\$ 684,899	\$ 405,643	\$ -	\$ 1,318,652	
2026	2025	1,090,542	1,808,401	4,623,530	1,055,697	374,374	681,323	-	658,680	658,680	1,340,003	(249,461)		1,558,941	
2027	2026	1,090,542	6,431,931	972,188	1,053,780	373,345	680,434	420,000	1,307,280	1,727,280	2,407,714	(1,317,172)		4,865,298	
2028	2027	1,090,542	7,404,119	-	1,055,091	371,599	683,492	440,000	1,286,640	1,726,640	2,410,132	(1,319,590)		4,517,897	
2029	2028	1,090,542	7,404,119	-	1,054,505	374,010	680,494	460,000	1,265,040	1,725,040	2,405,534	(1,314,992)		3,202,905	
2030	2029	1,090,542	7,404,119	-	788,866	107,329	681,537	485,000	1,242,360	1,727,360	2,408,897	(1,318,355)		1,884,549	
2031	2030	1,090,542	7,404,119	-	739,006	92,597	646,409	510,000	1,218,480	1,728,480	2,374,889	(1,284,347)		600,203	
2032	2031	1,090,542	7,404,119	-	733,797	92,409	641,388	535,000	1,193,400	1,728,400	2,369,788	(1,279,246)		(679,043)	
2033	2032	1,090,542	7,404,119	-	747,868	95,062	652,806	560,000	1,167,120	1,727,120	2,379,926	(1,289,384)		(1,968,427)	
2034	2033	1,090,542	7,404,119	-	736,288	91,887	644,402	585,000	1,139,640	1,724,640	2,369,042	(1,278,500)		(3,246,927)	
2035	2034	1,090,542	7,404,119	-	734,205	91,611	642,594	615,000	1,110,840	1,725,840	2,368,434	(1,277,892)		(4,524,819)	
2036	2035	1,090,542	7,404,119	-	727,477	91,307	636,171	645,000	1,080,600	1,725,600	2,361,771	(1,271,229)		(5,796,048)	
2037	2036	1,090,542	7,404,119	-	592,530	50,779	541,751	675,000	1,048,920	1,723,920	2,265,671	(1,175,129)		(6,971,177)	
2038	2037	1,090,542	7,404,119	-	425,000	49,793	375,207	710,000	1,015,680	1,725,680	2,100,887	(1,010,345)		(7,981,522)	
2039	2038	1,090,542	7,404,119	-	255,300	-	255,300	745,000	980,760	1,725,760	1,981,060	(890,518)		(8,872,040)	
2040	2039	1,090,542	7,404,119	-	256,900	-	256,900	780,000	944,160	1,724,160	1,981,060	(890,518)		(9,762,558)	
2041	2040	1,090,542	7,404,119	-	253,200	-	253,200	820,000	905,760	1,725,760	1,978,960	(888,418)		(10,650,976)	
2042	2041	1,090,542	7,404,119	-	254,200	-	254,200	860,000	865,440	1,725,440	1,979,640	(889,098)		(11,540,074)	
2043	2042	1,090,542	7,404,119	-	254,800	-	254,800	905,000	823,080	1,728,080	1,982,880	(892,338)		(12,432,412)	
2044	2043	1,090,542	7,404,119	-	255,000	-	255,000	945,000	778,680	1,723,680	1,978,680	(888,138)		(13,320,550)	
2045	2044	1,090,542	7,404,119	-	-	-	-	995,000	732,120	1,727,120	1,727,120	(636,578)		(13,957,128)	
2046	2045	1,090,542	7,404,119	-	-	-	-	1,045,000	683,160	1,728,160	1,728,160	(637,618)		(14,594,746)	
2047	2046	1,090,542	7,404,119	-	-	-	-	1,095,000	631,800	1,726,800	1,726,800	(636,258)		(15,231,004)	
2048	2047	1,090,542	7,404,119	-	-	-	-	1,150,000	577,920	1,727,920	1,727,920	(637,378)		(15,868,382)	
2049	2048	1,090,542	7,404,119	-	-	-	-	1,205,000	521,400	1,726,400	1,726,400	(635,858)		(16,504,240)	
2050	2049	1,090,542	7,404,119	-	-	-	-	1,265,000	462,120	1,727,120	1,727,120	(636,578)		(17,140,818)	
2051	2050	1,090,542	7,404,119	-	-	-	-	1,325,000	399,960	1,724,960	1,724,960	(634,418)		(17,775,236)	
2052	2051	1,090,542	7,404,119	-	-	-	-	1,390,000	334,800	1,724,800	1,724,800	(634,258)		(18,409,494)	
2053	2052	1,090,542	7,404,119	-	-	-	-	1,460,000	266,400	1,726,400	1,726,400	(635,858)		(19,045,352)	
2054	2053	1,090,542	7,404,119	-	-	-	-	1,530,000	194,640	1,724,640	1,724,640	(634,098)		(19,679,450)	
2055	2054	1,090,542	7,404,119	-	-	-	-	1,605,000	119,400	1,724,400	1,724,400	(633,858)		(20,313,308)	
2056	2055	1,090,542	7,404,119	-	-	-	-	1,685,000	40,440	1,725,440	1,725,440	(634,898)		(20,948,206)	
Total					\$ 13,130,908	\$ 2,728,603	\$ 10,402,306	\$ 27,445,000	\$ 24,996,720	\$ 52,441,720	\$ 62,844,026				

(a) Source: City of Montgomery Financial Statements FYE 9/30/2024; Tap fee schedule source WGA.

(b) Preliminary, subject to change. Assumes S&P AA rated, non-BQ. 9-25-25

Montgomery City Council
AGENDA REPORT

Meeting Date: 10/14/2025	Budgeted Amount: NONE
Department: Administration	Prepared By: WGA

Subject

Discussion on the City's utility rates.

Recommendation

Discussion Only

Discussion

Attachments will be provided at the workshop.

Approved By

City Staff	Ruby Beaven	Date: 10/08/2025
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