



# CITY COUNCIL SPECIAL MEETING

Wednesday, November 13, 2024 at 5:30 PM

City Council Chambers | 202 N. Virginia Street, Port Lavaca TX 77979

## MINUTES

STATE OF TEXAS §  
COUNTY OF CALHOUN §  
CITY OF PORT LAVACA §

On this the 13<sup>th</sup> day of November 2024, the City Council of the City of Port Lavaca, Texas, convened in a special meeting at 5:30 p.m. at the regular meeting place in Council Chambers at City Hall, 202 North Virginia Street, Port Lavaca, Texas, with the following members in attendance:

### I. ROLL CALL

- |                 |   |
|-----------------|---|
| Jack Whitlow    | Mayor                                   |
| Daniel Aguirre  | Councilman, District 1                  |
| Tim Dent        | Councilman, District 2                  |
| Allen Tippit    | Councilman, District 3                  |
| Rosie G. Padron | Councilwoman, District 4, Mayor Pro Tem |
| Jim Ward        | Councilman, District 5                  |
| Justin Burke    | Councilman, District 6                  |

And with the following absent: None

## CITY COUNCIL SPECIAL MEETING

### II. CALL TO ORDER

- Mayor Whitlow called the meeting to order at 5:33 p.m. and presided.

### III. COMMENTS FROM THE PUBLIC

*(Limited to 3 minutes per individual unless permission to speak longer is received in advance. You may make public comments as you would at a meeting by logging on with your computer and using "Join Zoom Meeting" information on first page of this agenda).*

- Mayor Whitlow asked for comments from the public and the following citizen spoke:
  - Gary Jackson of 2205 Larry Drive, Port Lavaca, Texas 77979 about "911 Truth"
- Interim City Manager Weaver announced the following:
  - Finance Director Hogan has completed her certification courses.
  - GFOA has awarded for fiscal year ending September 31, 2023.

**IV. CONSENT AGENDATION ITEMS** - *Council will consider/discuss the following items and take any action deemed necessary.*

- A. Minutes of October 07, 2024 Special Meeting
- B. Minutes of October 14, 2024 Regular Meeting
- C. Minutes of October 28, 2024 Workshop Session
- D. Review of Credit Card Statement
- E. Receive Monthly Financial Highlight Report
- F. Receive Victoria Economic Development Corporation (VEDC) Monthly Report
- G. Ratify lease at Nautical Landings Suite 1D to Port Lavaca Plumbing, LLC
- H. Ratify lease at Nautical Landings Suite 5 to Bay Ltd
- I. Receive quarterly Financial Investment Report for July 01, 2024 to September 30, 2024

Councilman Burke requested consent agenda item “D” Review of Credit Card Statement, be pulled for discussion.

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves all consent agenda items, with the exception of “D” Review of Credit Card Statement, as listed.

Seconded by Councilwoman District 4 (Mayor Pro Tem) Padron

Voting Yea:

Councilman District 1 Aguirre, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Burke

Motion made by Councilman District 6 Burke

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves consent agenda item “D” Review of Credit Card Statement, as listed.

Seconded by Councilman District 2 Dent

Voting Yea:

Councilman District 1 Aguirre, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Burke

**V. ACTION ITEMS** - (Council will consider/discuss the following items and take any action deemed necessary)

- 1. **Consider Resolution No. R-111324-1 of the City of Port Lavaca the hiring of Bickerstaff Heath Delgado Acosta LLC (BHDA) of Austin, Texas as Bond Counsel on a Contingency Fee basis. Presenter is Jody Weaver**

Motion made by Councilman District 2 Dent

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, Council hereby removes Resolution No. R-111324-1 of the City of Port Lavaca.

Seconded by Councilman District 6 Burke

Voting Yea:

Councilman District 1 Aguirre, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Burke

- 2. **Consider Resolution No. R-111324-2 of the City of Port Lavaca authorizing publication of Notice of Intention to Issue Combination Tax and Surplus Revenue Certificates of Obligation for Capital Improvement Project: Expansion of the Lynn’s Bayou Wastewater Treatment Plan, including the Design, Engineering, Planning, Equipping, Constructing, Improving, Renovating, Updating and Expansion of the treatment plant, being identified as Texas Water Development Board Project No. 73963. Presenter is Jody Weaver**

Motion made by Councilman District 2 Dent

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, Council hereby removes Resolution No. R-111324-2 of the City of Port Lavaca.

Seconded by Councilman District 6 Burke

Voting Yea:

Councilman District 1 Aguirre, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Burke

- 3. **Consider Resolution No. R-111324-3 of the City of Port Lavaca expressing intent to Finance Expenditures to be incurred by the City of Port Lavaca’s Lynn’s Bayou Wastewater Treatment Plan, Texas Water Development Board Project No. 73963. Presenter is Jody Weaver**

Motion made by Councilman District 2 Dent

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, Council hereby removes Resolution No. R-111324-3 of the City of Port Lavaca.

Seconded by Councilman District 6 Burke

Voting Yea:

Councilman District 1 Aguirre, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Burke

**4. Consider the request of Project 15 Car Club for the use of the Bayfront Peninsula Park Pavilion for a free to the community Thanksgiving Dinner on Saturday, November 23, 2024 and waiver of any fees related to this event. Presenter is Tania French**

*Author’s Note: Corrected typographical error on name of Club to Project 51 Car Club.*

Events Coordinator Tania French advised Council that the Project 51 Car Club is requesting the use of the Bayfront Peninsula Park Pavilion for a free to the community Thanksgiving Dinner on Saturday, November 23, 2024 and also requests waiver of any fees related to this event.

Motion made by Councilman District 3 Tippit

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves the request of Project 51 Car Club for the use of the Bayfront Peninsula Park Pavilion for a free to the community Thanksgiving Dinner on Saturday, November 23, 2024 and also approves waiver of any fees related to this event.

Seconded by Councilman District 5 Ward

Voting Yea:

Councilman District 1 Aguirre, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Burke

**5. Consider an amendment to the Events Management and Communications contract with the Chamber of Commerce. Presenter is Jody Weaver**

Interim City Manager Weaver advised Council that as discussed at the October 14, 2024 regular meeting, concerning the rent amount for the Something More Media Lease, staff is proposing an Amendment to the Event Management/Marketing/Communications Services Agreement with the Chamber of Commerce to increase the compensation for these services by \$160.00 per month to cover the increased cost for rental of the office space used in part by the Chamber’s consultant (Tania French) in providing the services of the agreement.

The current contract amount is \$90,000.00; so the proposal is to amend the last sentence of Item 2 to reflect a total annual compensation of  $\$90,000.00 + 160 \times 12 = \$91,920.00$ .

Motion made by Councilman District 2 Dent

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves an amendment to the Events Management and Communications contract with the Chamber of Commerce.

BE IT FURTHER RESOLVED, THAT the Mayor is hereby authorized to execute all instruments necessary to affect such agreement.

Seconded by Councilwoman District 4 (Mayor Pro Tem) Padron

Voting Yea:

Councilman District 1 Aguirre, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Burke

**6. Consider First amendment to Services Agreement with the Chamber of Commerce for Visitor’s Center and Bauer Booking Agent services. Presenter is Jody Weaver**

Motion made by Councilman District 2 Dent

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves the First amendment to Services Agreement with the Chamber of Commerce for Visitor’s Center and Bauer Booking Agent services.

BE IT FURTHER RESOLVED, THAT the Mayor is hereby authorized to execute all instruments necessary to affect such agreement.

Seconded by Councilman District 3 Tippit

Voting Yea:

Councilman District 1 Aguirre, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Burke

**7. Consider AECOM Task Oder #8 for the Wastewater Treatment Plant (WWTP) expansion. Presenter is Wayne Shaffer**

Interim City Manager Weaver and Public Works Director Shaffer advised Council that as previously discussed, the current \$39M cost estimate for the Expansion to the Wastewater Treatment Plant is based upon a 30% Preliminary engineering design, which includes quite a lot of contingency and uncertainty in the estimated total cost amount.

To tighten up on this estimate and have more confidence in the dollar amount needed to construct this mandated project, we must complete the engineering design. AECOM has submitted the enclosed Task order #8 for Council’s consideration. The Basic and Additional services of this Task Order total to \$1.36M and include the Final Design, Geotech, Environmental Information Document, Permit renewal, and bidding and are summarized on page 110 of the packet.

We have thus far generated about \$1.1M of interest from the 2022 and 2024 series bonds and continue to gain interest. We are proposing to utilize these interest funds to pay the cost for AECOM’s Task Order # 8 until we are ready to close on the loan for the construction dollars. We will include in that single issuance of CO’s enough money to reimburse ourselves for these upfront engineering costs.

With an authorization to proceed in November, AECOM will have at least 90% engineering completed by June, at which time we will need to either make application to the Texas Water Development Board (TWDB) for an extension or begin the process to close on the loan by the August deadline.

With earnest and continued efforts on the part of the City, we can reasonably expect TWDB to approve for an extension of 6-8 months, but not one year, as the TWDB no longer approves multi-year commitments. That could reasonably put us around March 2026. We probably won’t have bids back by this time, but we would have a much better construction cost estimate based upon a 100% completed and Texas Commission on Environmental Quality (TCEQ) approved design.

Staff recommends approving AECOM Task Order #8, with the understanding that staff will bring back a reimbursement resolution within the time prescribed by law such that the TWDB loan proceeds can be used to reimburse the city for these upfront engineering costs.

NOTE: The reason we are not pursuing an initial TWDB closing specifically for the engineering fees is that we received clarification from TWDB that we could do this, however, the design funds would not be released until the Environmental Information Document was prepared and approved, which can take a year or so. By using our funds initially, the Environmental Information Document can be prepared concurrently with the engineering design. In other words, other than the \$70,000 for the EID, we would not receive any fund from this initial issuance until we would be working on the issuance for construction dollars. So it makes more sense to wait and include this \$1.36M in the one-time issuance and then reimburse ourselves back.

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves AECOM Task Oder #8, A thru F, for the Wastewater Treatment Plant (WWTP) expansion, in the amount of \$1,357,239.00.

BE IT FURTHER RESOLVED, THAT the Mayor is hereby authorized to execute all instruments necessary to affect such agreement.

Seconded by Councilman District 1 Aguirre

Voting Yea:

Councilman District 1 Aguirre, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward

Voting Nay:

Councilman District 6 Burke

**8. Consider approval of Interlocal Agreement between the City of Port Lavaca, Texas, and the City of Palacios, Texas for Code Enforcement Training and Support. Presenter is Jody Weaver**

Motion made by Councilman District 3 Tippit

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves an Interlocal Agreement between the City of Port Lavaca, Texas, and the City of Palacios, Texas for Code Enforcement Training and Support.

BE IT FURTHER RESOLVED, THAT the Mayor is hereby authorized to execute all instruments necessary to affect such agreement.

Seconded by Councilman District 5 Ward

Voting Yea:

Councilman District 1 Aguirre, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Burke

**9. Consider recommendation of the Port Commission to approve the new lease agreement to Encore, LLC for Tract 3 at Harbor of Refuge. Presenter is Jody Weaver**

Interim City Manager Weaver advised Council that Encore Dredging Partners, LLC entered into a lease agreement for Tract 3 (4.3 acres) at the Harbor of Refuge on December 1, 2022 which is scheduled to expire on November 30, 2024. The monthly rent amounts paid thru September 30, 2023 were \$3,000; thru September 30, 2024 were \$3,036.90 and beginning October 1, 2024 \$3,076.68. These annual increases were based upon the change in the Municipal Cost Index.

In October, the Port Commission authorized me to negotiate a new 3-year lease and, as has been our practice to do so, take into consideration the valuation that was provided by Valbridge Property Advisors in their Appraisal Report dated April 2023. Based upon this Appraisal report, the Value Conclusion of this tract (including the metal building) was established at \$580,000. The typical rate of return used in calculating annual rent revenue is 10%. Therefor the indicated annual rental rate per sf reported by Valbridge is \$0.31/sf which results in a monthly rental rate of \$4,833.33 (1.57 x their current rent).

Understanding that the Council has stated in the past that they prefer to make significant increases in rates in a series of step-ups instead of all at once, I initially proposed the following scenario:

Yr 1: \$3,700 (19% increase from current); Yr 2: \$4,350 (16% increase from Yr 1); Yr 3: \$5,000 (14% increase from Yr 2).

Note: I assumed a 2% MCI increase each year that would bring the \$4,833.33 in today's dollars to approximately \$5,000 in the 3rd year.

Encore countered with \$3,500.00 per month for a three-year lease with an annual MCI increase.

The Port Commission held a Special meeting on November 6 to discuss this new lease. Encore was in attendance and suggested negotiating a one-year lease instead of two, since their Tract 11 lease has just one more year on it. Adding only one year to the Tract 3 lease would then put both leases on the same cycle beginning next year.

The Port Commission voted to recommend a one-year lease at \$4,833.33/month, in line with the data provided in the 2023 Valbridge Appraisal Report. There was also discussion suggesting that they would be OK with the 3-year lease amounts that I had originally proposed, although this was not officially acted on and was not unanimous.

Encore Dredging held an internal meeting and will propose a one-year lease at \$3,500 per month.

Chipper Dowell, Encore employee, was in attendance and advised Council that he was part of the community and has been with Encore since they first leased property at Harbor of Refuge. He requested for the amount of lease to be reconsidered as he did not want to go to another location if an agreement could not be reached by both parties.

Another Encore employee, Hillary Franke, also spoke to Council via Zoom and expressed concern of the amount asked for in the new lease.

Port Commission Board Member Robert Knox was also in attendance and advised Council that the recommendation was made without any emotion involved, but rather in facts.

Motion made by Councilman District 2 Dent

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of the Port Commission and staff, Council hereby approves a one-year lease agreement to Encore, LLC for Tract 3 at Harbor of Refuge, in the amount of \$3,500.00 per month.

BE IT FURTHER RESOLVED, THAT the Mayor is hereby authorized to execute all instruments necessary to affect such agreement.

Seconded by Councilman District 6 Burke



Voting Yea:

Councilman District 1 Aguirre, Councilman District 2 Dent, Councilman District 3 Tippit, Councilman District 6 Burke

Voting Nay:

Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward

**V. ADJOURN SPECIAL MEETING**

Mayor Whitlow asked for motion to adjourn.

Motion made by Councilman District 5 Ward

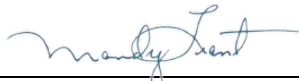
Seconded by Councilman District 3 Tippit

Voting Yea:

Councilman District 1 Aguirre, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Burke

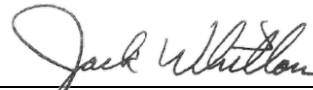
Special Meeting adjourned at 7:09 p.m.

These minutes were approved on December 09, 2024.



---

Mandy Grant, City Secretary



---

Jack Whitlow, Mayor