



CITY COUNCIL SPECIAL MEETING

Tuesday, September 06, 2022 at 5:30 PM

Council Chambers at City Hall, 202 North Virginia Street, Port Lavaca, Texas

MINUTES

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

On this the 6th day of September, 2022, 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
Jerry Smith	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
Ken Barr	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 5:34 p.m. and presided.

III. COMMENTS FROM THE PUBLIC – *Comments will be limited to three (3) Minutes per individual unless permission to speak longer is received in advance.*

- Mayor asked for comments from the public and there were none.

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

1. Conduct Public Hearing on the 2022-2023 fiscal year Budget. Presenter is Susan Lang

Finance Director Lang advised Council that in accordance with the State of Texas Property Tax Code, the Comptroller of Texas' Truth-in-Taxation rules, the Local Government Code and the City's Charter, the City is required to hold a public hearing on the 2022-2023 Fiscal Year Budget.

Mayor Whitlow announced that the public hearing was now open at 5:45 p.m.

Mayor Whitlow announced that the first public hearing on the proposed 2022-2023 Fiscal Year Budget was now closed at 5:48 p.m.

Mayor Whitlow announced that only one public hearing is required and satisfies the requirements for a later vote on the first reading of ordinance adopting the annual budget.

Mayor Whitlow also announced that Council will consider the second and final reading of the ordinance to adopt the 2022-2023 Fiscal Year Budget at the regular meeting scheduled for Monday, September 12, 2022, commencing at 6:30 p.m.

No action necessary and none taken.

2. Conduct Public Hearing on proposed 2022 Tax Rate. Presenter is Susan Lang

Finance Director Lang advised Council that In accordance with the State of Texas Property Tax Code, the Comptroller of Texas' Truth-in-Taxation rules, the Local Government Code and the City's Charter, the City is required to hold a public hearing on the 2022 Tax Rate.

Mayor Whitlow announced that the public hearing was now open at 5:48 p.m.

Mayor Whitlow announced that the first public hearing on the proposed 2022 Tax Rate was now closed at 5:50 p.m.

Mayor Whitlow announced that only one public hearing is required and satisfies the requirements for a later vote on the first reading of ordinance adopting the Tax Rate.

Mayor Whitlow also announced that Council will consider the second and final reading of the ordinance to adopt the 2022 Tax Rate at the regular meeting scheduled for Monday, September 12, 2022, commencing at 6:30 p.m.

No action necessary and none taken.

3. Receive Form 50-882 from Finance Director certifying that the amount of additional sales and use tax revenue that will be used to pay debt service has been deducted from the total amount described by Tax Code Section 26.04(e)(3)(C) as required by Subsection (a)(1). Presenter is Susan Lang

Finance Director Lang advised Council that In accordance with the State of Texas Property Tax Code, a governing body of a taxing unit that imposes an additional sales and use tax may not adopt the component of the tax rate of the taxing unit described by Tax Code Section 26.05 (a)(1) until the chief financial officer or the auditor for the taxing unit submits to the governing body of the taxing unit a written certification that the amount of additional sales and use tax revenue that will be used to pay debt service has been deducted from the total amount described by Tax Code Section 26.04(e)(3)(C) as required by Subsection (a)(1).

In 1989, the citizens of the City of Port Lavaca voted to adopt an additional Sales and Use Tax of \$0.005 dedicated to Property Tax Relief. The amount of additional Sales and Use Tax collected for Property Tax Relief is provided to the Tax Assessor/Collector and used to reduce the amount of the component of the tax rate when applied to the City of Port Lavaca.

The Certification, as developed by the Texas Comptroller of Public Accounts, is provided to City Council to satisfy the requirements of the Tax Code.

No action necessary and none taken.

4. Consider acceptance of Proposal for Audit Services for the City of Port Lavaca. Presenter is Susan Lang

Finance Director Lang advised Council that the City's Finance committee had discussions earlier in the year regarding a potential Request for Proposal (RFP) process for audit services. The last RFP process was conducted in 2016. Finance staff brought forth a sample RFP for the committee's review a few months ago, and the format and scope was approved by the Finance Committee to proceed with the RFP process for audit services. The City advertised the RFP beginning June 30, 2022 in the Port Lavaca Wave, the city's website, and directly solicited six (6) audit firms who were in the vicinity or were larger regional firms with governmental expertise. The City received three (3) proposals from two (2) regional firms and its existing audit firm as follows:

- Harrison Waldrop & Uherek, L.L.P. FORVIS, LLP
- Pattillo, Brown & Hill, L.L.P.

A review was performed by the Finance RFP Review Committee (city staff) on August 11th and presented to the Finance Committee on August 31, 2022. All technical proposals were shared with the Finance Committee for their review, and the committee engaged in a thorough examination and discussion of the proposals. A unanimous decision was reached to recommend Pattillo, Brown & Hill, L.L.P. for audit Services based upon the technical proposal and qualifications. The cost for services was revealed and found to be reasonable by the committee.

The proposals were submitted with a total all-inclusive maximum over a five (5) year period. The budget for Fiscal Year 2023 will require an amendment of approximately \$17,500.00. Again, the Finance Committee has found the all-inclusive not-to-exceed price to be reasonable for the qualifications of the firm. Staff and/or the Finance Committee recommends City Council award audit services proposal to Pattillo, Brown & Hill L.L.P.

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 accepts proposal and awards professional services contract to Pattillo, Brown & Hill L.L.P. for Audit Services to the City of Port Lavaca.

BE IT FURTHERRESOLVED, that the Mayor is hereby authorized to execute all instruments necessary to effect such agreement.

Seconded by Councilman District 1 Smith

Voting Yea:

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

5. Consider First reading of an Ordinance (G-7-22) amending the ordinance codified and described in the City of Port Lavaca Code of Ordinances as Part II, Appendix A – Fees, Rates and Charges, Chapter 50-67 - Utilities; and providing for an effective date. Presenter is Jody Weaver

Interim City Manager Weaver advised Council that the following is a memo from Finance Director Lang:

The City of Port Lavaca has contracted with the Guadalupe-Blanco River Authority (GBRA) to reserve its full commitment of 4,480 A/F by fiscal year 2025. Currently, the City holds 2,688 A/F, and increases its commitment each year by 448 A/F. Next year's commitment will be 3,136 A/F. The GBRA provided notice on June 27, 2022 of an increase for firm water from the current \$157.00 per acre-foot per year to \$165.00 per acre-foot per year.

As a result, in both the increased increment of total acre feet of commitment and the increase in cost per acre-foot, we find it necessary to increase the current fee for GBRA water "raw water storage" from \$7.54 per month per customer to \$9.42 per month per customer, or a 25% increase effective October 1, 2022.

Motion made by Councilman District 5 Ward

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

THAT, in accordance with recommendation of staff, Council hereby approves an Ordinance (G-7-22) amending the ordinance codified and described in the City of Port Lavaca Code of Ordinances as Part II, Appendix A – Fees, Rates and Charges, Chapter 50-67 – Utilities, on this its first reading, as presented.

Seconded by Councilman District 2 Dent

Voting Yea:

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

6. **Consider First and Final reading of an Ordinance (S-1-22) authorizing the issuance of “City of Port Lavaca, Texas Combination Tax and Revenue Certificates of Obligation, Series 2022”; Authorizing the Sale Thereof: and Enacting Provisions Incident and Related to the Issuance of Said Certificates. Presenter is Susan Lang**

The following Financial and Legal representatives were in attendance to speak on this agenda item:

- Philip B. Arnold, Attorney at Law with Bickerstaff Heath Delgado Acosta, LLP; and
- R. Dustin Traylor, Director Fixed Income Banking with RBC Capital Markets, LLC.

Motion made by Councilman District 2 Dent

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

THAT, in accordance with recommendation of staff, Council hereby approves an Ordinance (S-1-22) authorizing the issuance of “City of Port Lavaca, Texas Combination Tax and Revenue Certificates of Obligation, Series 2022”; authorizing the sale thereof: and enacting provisions incident and related to the issuance of said Certificates, on this its first and final reading, as presented.

Seconded by Councilman District 3 Tippit

Voting Yea:

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

7. **Consider First reading of an Ordinance (S-2-22) approving the annual Budget for the City of Port Lavaca, Texas and adopting the budget document for the fiscal year October 01, 2022 thru September 30, 2023. Presenter is Jody Weaver**

Interim City Manager Weaver advised Council that Finance Director Lang has the following memo:

In accordance with the State of Texas Property Tax Code, the Comptroller of Texas' Truth-in-Taxation rules, the Local Government Code and the City's Charter, we have prepared an Ordinance that, if approved, meets the requirements as established by the governing legislation.

On July 25 (CIP) and August 22, 2022, the City Council held budget workshops to review recommendations from the City Manager for the 2022-2023 Fiscal Year (FY) Budget. The proposed budget was filed with the City Secretary and published on the City's website on August 8, 2022.

On August 22, 2022, the City Council announced a Public Hearing on the 2022-2023 FY Budget to be held on September 6, 2022. Because the proposed tax rate exceeds the No-New-Revenue rate, legislation considers it a tax increase, and requires special language to be included in the Notice of Public Hearing on the Budget, the front page of the proposed budget and the front page of the adopted budget.

The City published a notice of public hearing on the budget in the newspaper of general circulation (Port Lavaca Wave) on August 24, 2022 and posted the same notice on the City's website.

The budget, as presented in the August 22, 2022 Workshop is recommended for the City Council's approval and contains Revenues of \$20,385,194 followed by combined Expenditures of \$22,988,116, leaving combined Fund Balance reserve of \$6,885,658.

The Ordinance to adopt the budget has also been modified from previous years to include authorization, as prescribed in the City Charter, Section 8.03, for the City Manager to transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department, or agency.

Motion made by Councilman District Dent

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

THAT, Council hereby adopts the 2022-2023 Fiscal Year Annual Budget, as presented by the Interim City Manager; and

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

THAT, in accordance with recommendation of staff, Council hereby adopts the 2022-2023 Fiscal Year Annual Budget Ordinance (S-2-22), as presented by the Interim City Manager, on this its first reading.

Seconded by Councilman District 5 Barr

Voting Yea and Record Vote:

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

Voting Nay and Record Vote:

None

8. Consider First reading of an Ordinance (S-3-22) fixing the Tax Rate and Tax Levy for the City of Port Lavaca, Texas for the year 2022. Presenter is Jody Weaver

Interim City Manager Weaver advised Council that Finance Director Lang has the following memo:

In accordance with the State of Texas Property Tax Code, the Comptroller of Texas' Truth-in-Taxation rules, the Local Government Code, and the City's Charter, we have prepared an Ordinance that, if approved, meets the requirements as established by the governing legislation.

On August 22, 2022, the City Council took a record vote to propose the same tax rate (\$0.7944) as levied on properties as the previous year. Because the proposed tax rate exceeded the No-New-Revenue rate, legislation considers it a tax increase, and requires a public hearing. City Council announced a date and time for a public hearing on the tax rate to be held on September 6, 2022.

The City published a notice of public hearing on the tax increase in the newspaper of general circulation (Port Lavaca Wave) on August 31, 2022 and posted the same notice on the City's website. Additionally, because the proposed tax rate exceeds the No-New-Revenue rate, additional language is required to be included in the ordinance and requires specific language in the motion to adopt the tax rate as follows:

City Council held the Public Hearing on September 6, 2022 and made the first reading to adopt the Tax Rate at the same meeting.

Motion #1:

Motion made by Councilman District 2 Dent

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

THAT, the property tax rate be increased by the adoption of a tax rate of \$0.7944, which is effectively a 2.27% increase in the tax rate; and .

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

THAT, in accordance with recommendation of staff, Council hereby approves fixing the 2022 Tax Rate and Tax Levy Ordinance (S-3-22) on this its first reading.

Seconded by Councilman District 6 Barr

Voting Yea and Record Vote:

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

Voting Nay and Record Vote:

None

Motion #2:

Motion made by Councilman District 2 Dent

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

THAT, City Council adopts a Maintenance and Operations rate of \$0.7307.

Seconded by Councilman District 3 Tippit

Voting Yea:

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

Voting Nay: None

Motion #3:

Motion made by Councilman District 2 Dent

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

THAT, City Council adopts an Interest & Sinking rate of \$0.0637.

Seconded by Councilwoman District 4 (Mayor Pro Tem) Padron

Voting Yea:

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

Voting Nay: None

9. Announcement by Mayor that City Council will retire into closed session:

- **For consultation with City Attorney on matters in which the duty of the Attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act (Title 5, Chapter 551,–Section 551.071(2) of the Texas Government Code). Presenter is Mayor Whitlow**

Mayor announced there would be no closed session.

10. Return to Open Session and take any action deemed necessary with regard to matters in closed session. Presenter is Mayor Whitlow

There was no closed session.

V. ADJOURN SPECIAL MEETING

Mayor asked for motion to adjourn.

Motion made by Councilman District 5 Ward

Seconded by Councilwoman District 4 (Mayor Pro Tem) Padron

Voting Yea:

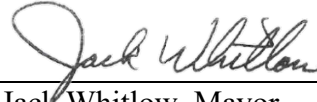
Councilman District 1 Smith, Councilman District 2 Dent, Councilman District 3 Tippit, Councilwoman District 4 (Mayor Pro Tem) Padron, Councilman District 5 Ward, Councilman District 6 Barr

Special Meeting adjourned at 6:11 p.m.

These minutes were approved on October 10, 2022.



Mandy Grant, City Secretary



Jack Whitlow, Mayor