



CITY COUNCIL SPECIAL/WORKSHOP MEETING

Monday, August 19, 2024 at 9:00 AM

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 19th day of August, 2024, the City Council of the City of Port Lavaca, Texas, convened in a special and workshop session at 9:00 a.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

Constituting a quorum for the transaction of business, at which time the following business was transacted:

CITY COUNCIL SPECIAL MEETING

II. CALL TO ORDER

- Mayor Whitlow called the meeting to order at 9:21 a.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 there were none.

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

1. **Consider award of a Pre-Disaster Debris Removal Services Contract. Presenter is Jody Weaver**

Interim City Manager Weaver reminded Council that last July they authorized contracting with Tetra Tech for a Pre-disaster contract for Debris Management Services, in the event of a significant storm event. We recently solicited cost proposals for a pre-disaster contract for debris removal and disposal in the event of a significant storm. The solicitation process is documented and meets the Federal procurement requirements.

We received seven (7) proposals and they are as follows:

- Arbor Masters (Kansas)
- Crowder Gulf (Alabama)
- Looks Great Service (Mississippi)
- Ceres Environmental (Florida)
- DRC Emergency Service (Galveston, TX)
- CTC Disaster Response (Kansas)
- TFR Enterprises (Leander, TX)

A Bid Tabulation and a Spreadsheet of the scoring done by the committee comprised of myself, Wayne Shaffer (Director of Public Works), Brittney Hogan (Interim Finance Director), and Kateryna Thomas (Grants and Capital Improvement Projects Coordinator).

As a monitoring company, Tetra Tech closely worked with Crowder Gulf and DRC Emergency Service and stated that they are both reliable. Tetra Tech has also worked with Ceres Environmental and TFR Enterprises however, less often. Tetra Tech did not have any experience working with Arbor Masters, Looks Great Services, or CTC Disaster Response.

Under FEMA requirements, Kateryna Thomas notified various MWDBE, HUB, and Small Businesses about the RFP and has fully documented it for submittal to FEMA should we get hit with a windstorm and need to enact the contract.

There is no financial commitment until we issue a Notice-to-proceed on the contract, which would happen only if another hurricane/ tropical storm comes our way in the next 3 years. The contract is for 2 years and automatically renews monthly up until a maximum of 3 years term.

With a Pre-Disaster contract, we can pick up debris within days of a hurricane instead of weeks.

The Selections Committee recommends authorizing the Interim City Manager to negotiate a Pre-Disaster Contract for Debris Removal and Disposal with **DRC Emergency Services** based upon their submitted Proposal dated July 25th, 2024, and authorize the Mayor to sign once the language has been approved by the City Attorney.

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 the recommendation of staff, Council hereby authorizes the Interim City Manager to negotiate a Pre-Disaster Contract for Debris Removal and Disposal with DRC Emergency Services based upon their submitted Proposal dated July 25th, 2024.

BE IT FURTHER RESOLVED, THAT the Mayor is authorized to sign once the language has been approved by the City Attorney.

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

2. Receive Budget Report from Undine, LLC for the Port Lavaca Water Treatment Plant for the 2024-2025 Fiscal Year pursuant to the Water Treatment Contract. Presenter is Joey Weaver

Interim City Manager Weaver advised Council that in accordance with the Water Supply Contract with Undine, no later than July 30 each year they are to prepare a preliminary annual budget with estimated costs of operation, maintenance and repair of the Plant for the next Fiscal Year.

The annual revenue requirement is projected to increase by \$395,638 or \$32,970 per month. \$266,250 of this increase (or \$22,187.50/month) is due to our increased share of the Corporate Administration and General expense, which is based upon our Equivalent Residential Connections (ERC's) compared to the Corporate total ERC's. This number has essentially doubled so I have questions about how our allotted amount was calculated and am waiting on information/clarification from Undine so I can fully explain this increase and make sure there are no mistakes in the calculations. Because our actual ERC is greater than the assumed 5,000 used when we entered into a contract, I understand our share will increase, but I don't have all the information yet to understand why it doubled.

For perspective, this \$22,187.50/month equates to an additional \$4.90/month for each of our 4530 customers. As soon as I have this information, I will pass this along to Council prior to Monday's meeting.

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 the recommendation of staff, Council hereby accepts Budget Report from Undine, LLC for the Port Lavaca Water Treatment Plant for the 2024-2025 Fiscal Year pursuant to the Water Treatment Contract.

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

3. Consider Ratifying action taken by Administration to authorize demolition of the structure at 1406 SH 35 South that was declared substandard on May 13, 2024 and place a lien on the property for such cost. Presenter is Derrick Smith

Development Services Director Smith and Interim City Manager Weaver advised Council that it was staff’s intention to have Council go ahead and include in the motion to declare substandard the authorization to demolish this property following whatever time frame council provided to the property owner to bring the property into compliance. While preparing for the list of substandard buildings for the August 12, 2024 meeting, we realized that the approved minutes for this May 13 list only reflected the 30 days and did not include the authorization to demolish. I went back and listened to the recording and although getting authorization to get bids to demolish was mentioned during the discussion, with all the back-and-forth discussion with the other properties on the list, authorization to demolish was not included in the motion.

Not realizing that the authorization to actually demolish had not been included in the Council’s motion and the continued health and safety concerns posed by the condition of the property, once the 30 days was up, Code Enforcement got 3 bids and the demolition was awarded to Axis Demolition for \$15,000, which is within the limit of expenditure I can authorize without Council approval.

We are asking Council to “Ratify action taken by administration to authorize demolition of the structure at 1406 SH 35 South that was declared substandard on May 13, 2024 and place a lien on the property for such cost.”

Moving forward it is our intention to have individual motions for any properties submitted as substandard so as to not experience such an oversight again.

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 the recommendation of staff, Council hereby approves Ratifying action taken by Administration to authorize demolition of the structure at 1406 SH 35 South that was declared substandard on May 13, 2024 and place a lien on the property for such cost.

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 a proposed tax rate for the 2024-2025 fiscal year and take a record vote. Presenter is Brittney Hogan

Interim Finance Director Hogan advised Council that in accordance with the State of Texas Property Tax Code, the Comptroller of Texas' Truth-in-Taxation rules, the City must calculate the "No New Revenue" (NNR) and "Voter Approval Rate".

The CCAD Tax Assessor/Collector is required to calculate the NNR and VAR rates and publish a Notice in the newspaper and on the City's website.

We have prepared the proposed budget based upon a tax rate of \$0.8000 per \$100 value of property on the tax roll, however, City Council could propose a tax rate up to \$0.8563 without risking a mandatory vote for approval by the citizens.

Debt service requirements for the City of Port Lavaca are currently \$0.1257 of the current proposed property tax rate of \$0.8000. The City has four outstanding debt issues. For Fiscal Year 2025 the total required debt service payment is \$1,829,279 of which \$799,119 is secured by property taxes.

The City issued an additional \$14,000,000 in certificates of obligation in Fiscal Year 2024 which increased the debt service tax rate from \$.0821 to \$0.1257 which is a 53% increase and shifts funds collected and available for Maintenance & Operations to Debt repayment. While the City remains below the voter-approval tax rate the increase in the tax rate effectively provides the same funds for Maintenance & Operations that were collected from last fiscal year's tax rate.

A comparison of the required calculation is as follows:

Property Tax Rate Comparison

	2024-2025	2023-2024
Property Tax Rate:	\$0.8000/100	\$0.7807/100
No-New-Revenue Tax Rate:	\$0.7689/100	\$0.6895/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.6897/100	\$0.6387/100
Voter-Approval Tax Rate:	\$0.8564/100	\$0.7808/100
Debt Rate:	\$0.1257/100	\$0.0821/100

The calculation of each of the rates are set by the State Tax Code and must be published in order to provide transparency to the property taxpayers of the City.

The NNR establishes the threshold in which the city can adopt a property tax rate that does not provide additional revenue. If the City chooses to set its tax rate greater then the NNR, it must hold a Public Hearing and advertise that the city is increasing its tax revenue.

The VAR establishes the threshold that, if exceeded, the City must first hold an election and seek the approval of the citizens before it can set the property tax rate at or above the VAR.

The City can increase the tax rate up to \$0.8563 without holding an election if it so chooses.

Currently, the proposed tax rate, which is \$0.0193 more than last year, will generate \$300,615, or 5.81% more revenue for the proposed FY 2025 budget. If Council wishes to propose a tax of \$0.8563, which is .0756 more than last year, it will generate approximately \$685,603 or 13.26% more revenue.

Once City Council votes on the proposed rate, it must publish notices and cannot exceed that rate, however it can lower the rate at any time prior to adoption.

The vote must be a record vote of each member of the governing body by name.

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 the recommendation of staff, Council hereby proposes a tax rate of \$0.800 per \$100 value for the 2024-2025 fiscal year budget and publishing notice thereof.

Seconded by Councilman District 6 Burke

Voting Yea and Record Vote by Name:

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

Voting Nay: None

5. Consider setting a public hearing on the proposed 2024-2025 fiscal year Budget for Monday, September 09, 2024. Presenter is Brittney Hogan

Interim Finance Director Hogan 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 2024-2025 Fiscal Year (FY) Budget.

The City Council must set the date and time for a Public Hearing on the proposed 2024-2025 Fiscal Year budget. According to our budget calendar, we have scheduled the Public Hearing on the Budget to be held at a regular council meeting on September 09, 2024, at which time we may also have the First reading of the ordinance to adopt the 2024-2025 FY budget.

Because the proposed tax rate exceeded the No-New-Revenue rate, legislation considers it a tax increase, and requires special language to accompany the Notice of Public Hearing on the budget as follows:

For a tax rate of \$0.8000

"This budget will raise more total property taxes than last year's budget by \$300,615 or 5.81%, and of that amount \$101,676 is tax revenue to be raised from new property added to the tax roll this year."

For a tax rate of \$0.8563

"This budget will raise more total property taxes than last year's budget by \$685,603 or 13.26%, and of that amount \$108,832 is tax revenue to be raised from new property added to the tax roll this year."

Only one Public Hearing is required and satisfies the requirements for a later vote on the Ordinance adopting the annual budget.

Staff recommends the Public Hearing be set for Monday, September 09, 2024 at 6:30 p.m.

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 the recommendation of staff, Council hereby approves a Meetings for setting a Public Hearing on the proposed 2024-2025 Fiscal Year Budget, for Monday, September 09, 2024 at 6:30 p.m.

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

6. Consider setting a public hearing on proposed 2024 tax rate for Monday, September 09, 2024. Presenter is Brittney Hogan

Interim Finance Director Hogan advised Council that in accordance with the State of Texas Property Tax Code, the Comptroller of Texas' Truth-in-Taxation rules, should the City Council choose to propose a tax rate that exceeds the No-New-Revenue (NNR) rate, it is considered a tax increase and a public hearing on the tax rate is required.

City Council must set a date and time for the public hearing after they vote to propose a tax rate greater than the NNR. A Notice of Public Hearing on Tax Increase must be published in the newspaper and prominently displayed on the city's website.

According to our budget calendar, we have scheduled the Public Hearing on the Tax Rate to be held at a regular council meeting on September 09, 2024, at which time we may also have the First reading of the Tax Rate Ordinance, where a record vote must be taken.

The proposed tax rate provided in the budget is \$0.8000, which is more than last year but exceeds the NNR rate of \$0.7689 and will generate \$300,615 or 5.81% more revenue. If the Council wishes to propose a tax rate of \$0.8563, which is \$0.0756 more than last year, it will generate approximately \$685,603 or 13.26% more revenue.

Staff recommends the Public Hearing be set for September 09, 2024, at 6:30PM (Regular Meeting) and authorize the publication of the Notice of Public Hearing on Tax Increase to describe the date, time and place for the hearing along with the required language as set forth by Property Tax Code.

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 the recommendation of staff, Council hereby approves a meeting for setting a Public Hearing on the proposed 2024 tax rate, for Monday, September 09, 2024 at 6:30 p.m. and authorize the publication of the Notice of Public Hearing on Tax Increase to describe the date, time and place for the hearing along with the required language as set forth by Property Tax Code.

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 Resolution No. R-081924-1 to adopt a five-year plan (2024-2029) for the Capital Improvement Program (CIP) in compliance with article 7.02(15) of the city’s home rule charter. Presenter is Jody Weaver**

Motion made by Councilman District 2 Dent

WHEREAS the City Charter requires the City Manager to submit a plan for capital improvement covering the succeeding five years and proposed method of financing to the City Council prior to the beginning of each budget year; and,

WHEREAS the City Manager submitted a Five-Year Capital Program to the City Council on July 29, 2024 in compliance with the City Charter and,

WHEREAS the City Council has reviewed the Five-Year Capital Program, found it to be in compliance with all City Charter and believes its approval by resolution is in the best interest of Port Lavaca residents.

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

THAT the Five-Year Capital Program (October 1, 2024 – September 30, 2029), a copy of which is attached hereto and incorporated in the Fiscal Year Budget 2024-2025, is hereby adopted in compliance with the City Charter.

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

V. ADJOURN SPECIAL MEETING

Mayor Whitlow asked for motion to adjourn Special Meeting.

Motion made by Councilman District 2 Dent

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

Special Meeting adjourned at 10:30 a.m.

RECESS

- Mayor Whitlow announced Council would take a brief recess at 10:30 a.m.
- Mayor Whitlow announced Council was back from recess at 10:47 a.m.

WORKSHOP SESSION

VI. CALL TO ORDER

- Mayor Whitlow called the workshop meeting to order at 10:47 a.m. and presided with the following announcement:

VII. 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 there were none.

VIII. ITEMS FOR DISCUSSION - *Council will discuss the following items*

1. Conduct Cyber Security Training for Council. Presenter is Jody Weaver

City Council Members who were in attendance completed this Cyber Security Training.

No action necessary and none taken.

LUNCH

- Mayor Whitlow announced Council would break for Lunch at 11:45 a.m.
- Mayor Whitlow announced Council was back from Lunch at 1:03 p.m.

2. Discuss proposed City Budget for 2024-2025 fiscal year. Presenter is Jody Weaver

Council discussed this agenda item.

No action necessary and none taken.

RECESS

- Mayor Whitlow announced Council would take a brief recess at 2:20 p.m.
- Mayor Whitlow announced Council was back from recess at 2:37 p.m.

IX. ADJOURN WORKSHOP

Mayor Whitlow asked for motion to adjourn Workshop.

Motion made by Councilman District 2 Dent

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

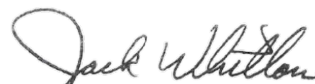
Workshop adjourned at 4:50 p.m.

These minutes were approved on September 09, 2024.

ATTEST:



Mandy Grant, City Secretary



Jack Whitlow, Mayor