



CITY COUNCIL SPECIAL/WORKSHOP MEETING

Monday, June 27, 2022 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 27th day of June, 2022, the City Council of the City of Port Lavaca, Texas, convened in a special and workshop session 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

*Councilman Smith arrived at 5:49 p.m. during agenda item #3 (Review Bids & no action taken).
(Mayor Whitlow took agenda in this order: #7, #3, #4, #5, #1, #2 and #6).

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 5:34 P.M. and presided with the following announcement:

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 Pro Tem 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 Resolution No. R-062722-1 authorizing the hiring of Bickerstaff Heath Delgado Acosta LLC (BHDA) of Austin, Texas as Bond Counsel on a Contingency Fee basis. Presenter is Susan Lang**

Motion made by Councilman District 2 Dent

WHEREAS, the City of Port Lavaca, Texas (the “City”) has a substantial need for legal services in connection with the issuance of public securities or the administration of its affairs that pertain to the issuance of public securities as contemplated by Tex. Govt. Code Section 1201.027 (the “obligations”); and

WHEREAS, the legal services cannot be adequately performed by the attorneys and supporting personnel of the City because the issuance of obligations by the City requires specialized skills and experience and the services of a firm that is nationally recognized as bond counsel who can opine on the validity and appropriateness of the obligations, when issued; and

WHEREAS, the services required are not typically available and cannot reasonably be obtained from attorneys in private practice under a contract providing only for the payment of hourly fees, without regard to the outcome of the matter, because such a contract would require the City to incur costs and expenses which would need to be borne even if the City ultimately determined not to issue obligations. The nature of the bond counsel engagement with Bickerstaff Heath Delgado Acosta LLP of Austin, Texas (“BHDA”), is feasible only because BHDA is agreeing to provide the services on a contingent fee basis and thus bears the risk if the City ultimately determined that it was not practical or feasible to issue the obligations; and

WHEREAS, absent the issuance of obligations, the City does not have funds to pay the estimated amounts required under a contract providing only for the payment of hourly fees; and

WHEREAS, the City, by and through its City Council (the “Council”) and pursuant to all relevant authority, desires to retain and acquire legal counsel and the professional legal services of BHDA regarding the legal matter (“Legal Matter”) of the City’s sale and issuance of public securities as contemplated by the requirements of Subchapter C of Chapter 2254 of the Texas Government Code, which is further described in the attached Exhibit 1; and

WHEREAS, the Council has duly posted written notice of its consideration of the decision to hire BHDA in accordance with Section 2254.2036 of the Texas Government Code.

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

THAT the City Council, for and on behalf of the City and in the public interest, hereby makes the following findings, which incorporate each of the preceding recitals as if fully stated below, and orders and approves the following:

- (1) It is necessary, proper, and advisable for the City and its City Council to be represented by BHDA regarding the Legal Matter due to the legitimate and principal interests of the City and the public as herein described.
- (2) BHDA is hereby retained by the City Council on behalf of the City and is formally engaged and hired for the Legal Matter, to provide legal counsel and related professional and personal services pursuant to and described in the contract for legal services ("Engagement Agreement"), said agreement being approved in substantially the form attached hereto as Exhibit 1.
- (3) The Mayor of the City is authorized and directed to execute the Engagement Agreement on behalf of the City.
- (4) Unless otherwise designated, the past, present, or future tense shall each include the other, the masculine, feminine, or neuter gender shall each include the other, and the singular and plural number shall each include the other where necessary for a correct meaning in this resolution.
- (5) This resolution shall take effect immediately from and after its passage and enactment.
- (6) All preliminary recitals of this resolution and all attached documents are incorporated by reference as findings of the Council.
- (7) This resolution was considered and approved at a meeting held in compliance with the Open Meetings Act, Chapter 551, Texas Government Code.

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

2. Consider Resolution No. R-062722-2 authorizing publication of Notice of Intention to issue Combination Tax and Revenue Certificates of Obligation for various Capital Improvement Projects: Construction of Streets and Drainage, including Utility Relocation; Water and Sewer System Improvements; and Construction of Shoreline Protection/Remediation. Presenter is Susan Lang

Motion made by Councilman District 6 Barr

WHEREAS, the City Council of the City of Port Lavaca, Texas (the "City Council") deems it advisable to give notice of intention to issue combination tax and revenue certificates of obligation of said City, as hereinafter provided; and

WHEREAS, it is officially found and determined that the meeting at which this Resolution has been considered and acted upon was open to the public and public notice of the time, place, and subject of said meeting was given, all as required by Chapter 551, Texas Government Code, as amended;

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

Section 1. FORM OF NOTICE. Attached hereto and marked Exhibit “A” is a form of Notice of Intention to Issue Combination Tax and Revenue Certificates of Obligation, the form and substance of which are hereby adopted and approved.

Section 2. PUBLICATION OF NOTICE. Said Notice shall be published, in substantially the form attached hereto, in a newspaper, as defined in Subchapter C of Chapter 2051, Texas Government Code, of general circulation in said City once a week for two consecutive weeks, the date of the first publication thereof to be at least forty-five (45) days prior to the date tentatively set for passage of the ordinance authorizing the issuance of such certificates.

Section 3. POSTING OF NOTICE ON WEBSITE. Further, said Notice shall be posted in substantially the form attached hereto continuously on the City’s website for at least forty-five (45) days prior to the date tentatively set for passage of the ordinance authorizing the issuance of such certificates.

A copy of Exhibit “A” in its entirety is in the office of the City Secretary.

Seconded by Councilman District 5 Ward

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

3. Review Bids for the construction contract of the Street and Drainage Improvement Project Phase No. 2, Community Development Block Grant - Disaster Recovery (CDBG-DR) GLO Contract No. 20-065-071-C198. Presenter is Jody Weaver

Interim City Manager Weaver advised Council the construction bids received by staff are as follows:

Contractor:	<u>Base Bid</u>	<u>Owner’s Option</u>	<u>Deduct</u>
Brannon	\$ 4,713,459.31	\$ 102,558.45	\$ 660,224.87
Lester	\$ 4,485,844.15	\$ 48,915.00	\$ 688,740.85
K C Lease	\$ 5,687,151.00	\$ 48,915.00	\$ 654,152.00

No action necessary and none taken.

4. Consider Resolution No. R-062722-3 committing up to \$1,352,289.15 in City Funds towards the construction cost of the Street and Drainage Improvement Project Phase No. 2, Community Development Block Grant - Disaster Recovery (CDBG-DR) GLO Contract No. 20-065-071-C198. Presenter is Susan Lang

Motion made by Councilman District 1 Smith

WHEREAS, the City Council of the City of Port Lavaca desires to develop a viable community, including descent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-to-moderate income; and

WHEREAS, certain conditions exist related to the damages to the City's street and drainage systems that occurred during Hurricane Harvey, which represent a threat to public health and safety; and

WHEREAS, it is necessary to include local funds in order to complete the scope of work for the street and drainage improvements in the project area – Phase No 2.

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

1. That the City commits up to \$1,352,289.15 from its General Fund towards the construction cost of the street and drainage improvement project – Phase No. 2 for the Community Development Block Grant - Disaster Recovery (CDBG-DR) GLO Contract No. 20-065-071-C198.
2. That the local funds committed to the CDBG-DR grant will be used in accordance with all applicable federal, state, local and programmatic requirements, including but not limited to procurement, environmental review, labor standards, real property acquisition, and civil rights requirements.

Seconded by Councilman District 5 Ward

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 award for the construction contract of the Street and Drainage Improvement Project Phase No. 2, Community Development Block Grant - Disaster Recovery (CDBG-DR) GLO Contract No. 20-065-071-C198, to Lester Contracting LLC. Presenter is Jody Weaver

Interim City Manager Weaver advised Council that staff received bids for the Street and Drainage Improvement Project Phase No. 2, Community Development Block Grant - Disaster Recovery (CDBG-DR) GLO Contract No. 20-065-071-C198 project on June 2. The scope of the Phase 2 project consists of:

- New and additional storm sewer piping to drain to Lavaca Bay the area of the Original Townsite generally from Trinity to Virginia St. and Center to South Street
- New Storm Inlets and manholes;
- Complete rebuild of the following streets:
 - Alice Wilkins and South Street from San Antonio to Benavides
 - Chestnut Street from San Antonio to Guadalupe
- All new curb and gutter, sealcoat and Onyx coating on the streets highlighted on the attached exhibit. The streets being rebuilt will have HMAC. The Onyx coating provides a black color to the seal-coated streets and reduces the occurrence of loose rock. The City of Victoria has been using this and is happy with the results.

The construction bids received by staff are as follows:

Contractor:	<u>Base Bid</u>	<u>Owner's Option</u>	<u>Deduct</u>
Brannon	\$ 4,713,459.31	\$ 102,558.45	\$ 660,224.87
Lester	\$ 4,485,844.15	\$ 48,915.00	\$ 688,740.85
K C Lease	\$ 5,687,151.00	\$ 48,915.00	\$ 654,152.00

The Apparent Low Bidder is Lester Contracting with a Base Bid of \$4,485,844.15 and Additive Alternate No. I (Onyx) of \$48,915.00, which totals \$4,534,759.15. There is an Alternate Deduct to remove the orange highlighted streets from the project. This deductive bid amount was \$688,740.85.

The available GLO funds for this Phase 2 construction totals \$3,182,470.00. To award the complete scope, the City would need to commit to contribute \$1,352,289.15 of city funds. To award the project accepting the deductive alternate the City would need to commit to contribute \$663,548.30 of city funds.

Staff recommends award of the full project in the amount of \$4,534,759.15 to Lester Contracting and committing to \$1,352,289.15 of City funds towards the construction cost which was done this date via Resolution No. R-062711-3.

Note: Understand that most of these streets are of a good shell base and are not being totally reconstructed. The City Street Department will perform select point repairs that may be warranted prior to the final seal coat and onyx coating. San Antonio Street next to the cemetery is not included because the existing pavement is not fully in the right-of-way.

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 award for the construction contract of the Street and Drainage Improvement Project Phase No. 2, Community Development Block Grant - Disaster Recovery (CDBG-DR) GLO Contract No. 20-065-071-C198, to Lester Contracting LLC, in the amount of \$4,534,759.15 for the Base Bid plus Owner's Option and does not accept the Alternate Deduct.

BE IT FURTHER RESOLVED 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

6. **Consider Resolution No. R-062722-4 expressing intent to Finance Expenditures to be incurred by the City of Port Lavaca, Texas for various Capital Improvement Projects: Construction of Streets and Drainage, including Utility Relocation; Water and Sewer System Improvements; and Construction of Shoreline Protection/Remediation; reimbursing itself from the proceeds of tax-exempt Certificates of Obligations. Presenter is Susan Lang**

Motion made by Councilman District 5 Ward

WHEREAS, the City of Port Lavaca, Texas (the “Issuer”) is a home rule municipality and political subdivision of the State of Texas authorized to issue obligations to finance its activities pursuant to SUBCHAPTER C OF CHAPTER 271, TEXAS LOCAL GOVERNMENT CODE, and other provisions, the interest on which is excludable from gross income for federal income tax purposes (“tax-exempt obligations”) pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, the Issuer will make, or has made not more than 60 days prior to the date hereof, payments with respect to construction and improvements for the projects listed on Exhibit “A” attached hereto; and

WHEREAS, the Issuer desires to reimburse itself for the costs associated with the projects listed on Exhibit “A” attached hereto from the proceeds of tax-exempt obligations to be issued subsequent to the date hereof; and,

WHEREAS, the Issuer reasonably expects to issue tax-exempt obligations to reimburse itself for the costs associated with the projects listed on Exhibit “A” attached hereto.

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

Section 1. The Issuer reasonably expects to reimburse itself for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof and that are to be paid in connection with the construction and improvements for the projects listed on Exhibit “A” attached hereto from the proceeds of tax-exempt obligations to be issued subsequent to the date hereof.

Section 2. This Resolution is also made to evidence the intent of the Issuer to make such reimbursements under Treas. Reg. Section 1.150-2 and Section 1201.042, Texas Government Code.

Section 3. The Issuer reasonably expects that the maximum principal amount of tax-exempt obligations issued to reimburse the Issuer for the costs associated with the projects listed on Exhibit “A” attached hereto will not exceed \$7,500,000.

Section 4. The Issuer intends to reimburse the expenditures hereunder not later than 18 months after the later of the date the original expenditure is paid or the date the projects are placed in service or abandoned, but in no event more than three years after the original expenditure is paid unless the projects are a construction project for which the Issuer and a licensed architect or engineer have certified on Exhibit “A” that at least five years are necessary to complete the project in which event the maximum reimbursement period is five years after the date of the original expenditure.

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 approval of New Plan Options for the 2022-2023 Fiscal Year, with Texas Municipal League (TML) Multi-State Intergovernmental Employee Benefits Pool, related to the City's group health insurance coverage. Presenter is Jody Weaver

Interim City Manager Weaver advised Council that staff had received and reviewed the Medical, Dental and Vision Insurance Plan options available to the City for the 2022-2023 Fiscal Year (FY) beginning October 01, 2022, as offered by Blue Cross-Blue Shield of Texas (BCBSTX) through the Texas Municipal League Multi-State Intergovernmental Employee Benefits Pool (TML-IEBP).

The 2022-2023 FY Renewal Rate for the same coverage currently offered will increase by 15%, or \$154,920.00. After reviewing the options offered, staff is recommending a plan change that will reduce the increase to 7.64% or \$78,863.00.

Changes to the plan coverage are highlighted below:

- The Individual Deductible will increase from \$500.00 to \$750.00. The City is still far below the State-wide average of other Pool participants whose individual deductibles range from \$1,000.00 to \$1,500.00.
- The Out-of-Pocket (OOP) Maximum from increase from \$3,000.00 to \$4,000.00.

Even with these changes, the City is projecting an increase to the annual budget of approximately \$78,863.00 for the 2022-2023 FY. The City has been absorbing all increases over the past several years, rather than passing on to employees to share. Staff is recommending the same for this coming fiscal year because individual deductibles have increased by 50% and the OOP maximum by 33%.

Overall, the trend for the City's health insurance costs of risen from \$728,040.00 in 2020 FY to a projected \$941,024.00 for 2023 FY. Staff will continue to monitor changes in plan design in order to minimize rising costs to the City. There were no changes or price increase to the Dental or Vision plans offered to employees for the 2022-2023 FY.

Last year's renewal credit amounted to \$2,411.00 per month or \$28,932.00 annually. TML has not made a final decision on this year's credit, but we are hopeful that this will help to offset the increased premiums for the 2022-2023 FY.

Staff recommends the approval of Blue Cross-Blue Shield of Texas (BCBSTX) Option Number 3, as offered by Texas Municipal League Multi-State Intergovernmental Employee Benefits Pool (TML-IEBP), with continued coverage of the same plans for Dental and Vision for the 2022-2023 Fiscal Year (October 01, 2022 thru September 30, 2023).

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 new plan of Blue Cross-Blue Shield of Texas (BCBSTX) Option Number 3, as offered by Texas Municipal League Multi-State Intergovernmental Employee Benefits Pool (TML-IEBP), with continued coverage of the same plans for Dental and Vision for the 2022-2023 Fiscal Year (October 01, 2022 thru September 30, 2023).

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

Seconded by Councilman District 6 Barr

Voting Yea:

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

Absent: Councilman District 1 Smith

V. ADJOURN SPECIAL MEETING

Mayor Whitlow asked for motion to adjourn.

Motion made by Councilman District 2 Dent

Seconded by Councilman District 6 Barr

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 6:23 P.M.

WORKSHOP SESSION

VI. CALL TO ORDER

- Mayor Whitlow called the meeting to order at 6:23 P.M. and presided with the following announcement:

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

- No Comments from the Public.

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

1. **Discuss options on disposition of the Fire Department's 2002 Ford F-550 Rescue Truck.**
Presenter is Joe Reyes

Council discussed this agenda item.

No action necessary and none taken.

IX. ADJOURN WORKSHOP

Mayor Whitlow asked for motion to adjourn.

Motion made by Councilman District 2 Dent

Seconded by Councilman District 5 Ward

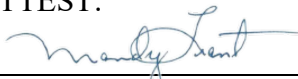
Voting Yea:

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

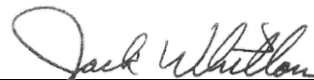
Workshop adjourned at 6:31 P.M.

These minutes were approved on July 11, 2022.

ATTEST:



Mandy Grant, City Secretary



Jack Whitlow, Mayor