

**City Council Regular Meeting  
MINUTES  
June 25, 2024 at 6:00 PM**

**CALL TO ORDER:**

Mayor Sara Countryman called the meeting to order at 6:01 p.m.

Present:	Sara Countryman	Mayor
	Casey Olson	Mayor Pro Tem
	Carol Langley	City Council Place #1
	Cheryl Fox	City Council Place #4
	Stan Donaldson	City Council Place #5

Also Present:	Gary Palmer	City Administrator
	Dave McCorquodale	Director of Planning & Development
	Maryann Carl	Finance Director
	James Greene	City Secretary
	Alan Petrov	City Attorney
	Anthony Solomon	Chief of Police
	Kimberly Duckett	Court Administrator
	Mike Muckleroy	Director of Public Works
	Chris Roznovsky	WGA Consulting Engineers
	Katherine Vu	WGA Consulting Engineers
	Rick Hanna	Building Code Compliance Inspections
	Daniel Gilliam	Tri-Point Homes Developer
	Jonathan White	L2 Engineering
	Tiana Smith	Waste Management
	Jeff Warner	Enterprise Fleet Management
	Phillip Wright	Hays Utility

**INVOCATION:**

CM Donaldson gave the invocation.

**PLEDGE OF ALLEGIANCE TO FLAGS:**

Pledges to the American and Texas Flag were conducted.

**VISITOR/CITIZENS FORUM:**

No Speakers.

**CONSENT AGENDA:**

1. City Council Workshop Minutes – 6/10/24
2. First Regular City Council Meeting Minutes – 6/11/24

3. Consideration and possible action regarding an Escrow Agreement by and between the City of Montgomery, Texas and Dave Carter – NDC Holdings, LP, for a proposed Firestone Complete Auto Care on Restricted Reserve B of McCoy's Montgomery Plat (Dev. No. 2410).

Mayor Countryman: Okay, all right then. We'll move on to the consent agenda. Item number one on your agenda city council Workshop minutes 6/10/24. Item number two first regular city council meeting minutes 6/11/24. Item number three consideration and possible action regarding an escrow agreement by and between the City of Montgomery, Texas and Dave Carter - NDC Holdings, LP for proposed Firestone Complete auto care on restricted Reserve B of McCoy's Montgomery plat, development number 2410. Council, would you like to take these individually or cumulatively?

CM Donaldson: All together.

CM Fox: I agree.

Mayor Countryman: All right, I would entertain a motion then.

CM Donaldson made a motion to accept consent agenda items 1 through 3 and the motion was seconded by CM Fox with all CM's voting AYE, motion Carried.

#### **CONSIDERATION AND POSSIBLE ACTION:**

4. Preliminary review and discussion of a proposed 75-acre single family residential development along Lone Star Bend.

Mayor Countryman: Consideration and possible action. Item number four. Preliminary review and discussion of a proposed 75-acre single-family residential development along Lone Star Bend.

Roznovsky: Everyone, if you look in your packet page 49, you'll see a location map. So this is at the end of the Mia Lago subdivision. Access is proposed off of Lonestar bend so its not part of Mia Lago Subdivision. If you look at the other items in your packet you will see a letter from the engineer that's working on the project as well as a preliminary site plan going on page one of your packet. The purpose of this is they were gauging feedback from the engineers. Here tonight you have any specific questions for him but the main thing they're considering is where and how to water sewer service. So currently the property is not in the City of Montgomery ETJ, it is in City of Conro ETJ. In the last legislative sessions the legislature pass a process for a developer land owner to request an expedited release from an ETJ that meet certain criteria. So, the developer is contemplating doing that. Going to city of Conroe and requesting release and annex from the City of Montgomery to provide service, or remaining in the Conroe ETJ and look at a neighboring MUD or doing their own MUD in which case the City would not be involved. Again purpose tonight is to provide additional feedback so what they're showing um starting on page 50 of their memo. They have about uh where did they go 75 uh Acres about 55 Lots being larger 3/4 AC Lots the estimated value per home of 550 to 750 bringing a total valuation of about 36 million if the city was to provide service. And then you can see on the map um on page 51 the preliminary layout the access to Lonestar Bend, and that all these Lots back up to the existing kind of drainage canal now that's backed up to Conroe. based preliminary discussions with the developer they have talked to the river authority and they will be able to directly hop on to the

canal. The river authority considers that part of Lake so they wouldn't be contingent on their cycle so that's why you don't see any detention ponds. So the process with me is one, ask questions of the developer decide if you're interested or not action item is discussion to give some guidance so they know they should go and pursue which route and then it would go through the normal City process. They'll have to do escrow agreement, feasibility study, development agreement for the annexation, and connections and their capacities Etc.

CM Langley: It's all outside the city limits?

Roznovsky: There is a small sliver right where it connects at Lonestar Bend and part of that first lot is the City Limits.

White: The developer couldn't be here tonight, I apologize. It was a last minute family matter. I'm here to answer questions if you have any engineering or development questions. The developer is his own builder. DH homes. They have done some homes in the area some in the city as well. Chris mentioned there a higher price point. They are 3/4 acre lots. I know Chris mentioned sewer service. It's likely we would just do water. Sewer would be on the table they would just kind of figure out onsite septic, or gravity collection sewer facility would be better for them. Either way they're going to stick the 3/4 acre lots. They are going, I know there is a floodplain on here, there is a lot of drainage improvements have been made over the years in the flood plain that might be worth fully studying and updated. They are proceeding for us to go ahead and delineate flood plain boundaries. Happy to answer any questions.

Mayor Countryman: The Ingress and egress is one spot? They're not going to be able to go in and out of Mia Lago Drive? Is that right?

Gilliam: Correct. Mia Lago is a private development and they them no connection. Regarding the access we have, we have coordinated with the Fire Marshall, who said if you have anything over 30 Lots requires two means of ingress and egress, but of course we only have one, and its kind of our only option. We coordinated with the Fire Marshalls office, they are allowing us to do this Boulevard entry which is on the bottom right hand instead of the site plan that's in front of you. They just require two 20-foot lanes with that median and then as long as all the internal streets are 28-foot road already then they would have no problem.

Mayor Pro Tem Olson: Just to be clear, if we were to bring them into City Limits they would fall under all of our codes right? For inspection by our Engineers, for water, sewer, everything, right? Not that they're aware? Okay.

Gilliam: And there's nothing here that we're seeking any variances for. The only thing I could think to double check is maybe the radius on our roadway.

CM Donaldson: So, the canal what's, does it have a name? Who built that Canal, what's it for?

Gilliam: I believe it was the original developer of Mia Lago, their intent ultimately was probably to do some type of Lake access to do some kind of boat ramp or dock on the very east side. But does considered this to be part of the lakes the canal was dug, dredged to go directly in closer to the Walden bridge, but this is considered to be a part of the lake.

CM Donaldson: Does it have any erosion problems? This canal?

Gilliam: Not that I know of but SJRA is very particular on that, so I had a conversation with him earlier this week. During construction they would focus on it a lot they had very little enforcement, part of their governmental authority, but they're pretty quick to call TCEQ on you if you they are telling you that you're not don't have property and are control devices in place and then you're not you know trying to fix any issues they bring out um they just told them any type of construction preconstruction meeting make sure that we understand what their expectation expectations are requirements are, and then we have to submit our outfall details to SJRA and any of our BBs and Rion control devices we and those are them as well so they would actually have the opportunity to review and improve our connections to their Lake.

CM Donaldson: So, you're not planning to use this canal as a access to the lake?

Gilliam: They would eventually. I think there's going to be, not for individual lot owners. There would be like a community ramp.

Mayor Countryman: It says a property, yeah boat ramp on the bottom left-hand corner.

Mayor Prot Tem Olson: right hand quarter.

Mayor Countryman: Yeah.

Gilliam: The preference is, the City of Montgomery, the alternatives, Chris may have mentioned, you know potentially going to the east, um both require the processes for feasibility studies definitely prefer to do one rather than the other.

Mayor Pro Tem: The preliminary plan looks good to me.

Mayor Countryman: Um I see ISD has got 87 Acres south of there and that's not, is that in Conroe's ETJ as well?

Gilliam: That's the school.

Mayor Pro Tem Olson: Stuart Creek.

Mayor Countryman: No, it's the Junior High.

Mayor Pro Tem Olson: They are right next to each other.

Mayor Countryman: Yeah, they are right next to each other

Roznovsky: Okay, no action, but I think I got it, but to gauge the interest. No major objections and as far as you all see at this point, to go through the normal process and reevaluate.

Mayor Pro Tem Olson: Yeah.

Roznovsky: Okay

## 5. Discussion regarding Development Agreement with Tri Pointe Homes

Mayor Countryman: Item number five on your agenda, discussion regarding development agreement with TriPoint homes.

Roznovsky: All right so last this a discussion item so you remember back in April/May we presented the feasibility study for the which is the tracks middle City in front of you have a we want the developer requested a development agreement and forward with that uh so we want to talk about just the general terms of development get your thoughts any major objections to that first that comes out is generally in line with what the city is thinking so in your memo on page 52 kind of Hit the main eight points of the agreement most are relatively straightforward with just a couple variations as we go down so uh one is you know as we talked about the feasibility study they would extend a 12in water line of along Lonestar Parkway uh to past their electric boundary in order to connect uh to service so this agreement would have in there that they would put that in at their cost and that that would be subject to credit for their request for that item two on here is oversizing of the water line through the development so one thing that has changed since the feasibility study was really related to the roadway as well so when you look at the exhibit the second one in front of the proposed right of way collector through the street after couple discuss so main concerns obviously from the development standpoint is having a collector Road through the development and having on it is so what they have proposed on this land plan is that there's no front on the collector so they would essentially dedicate the Right of Way and construct half of it from 105 to the Carlyle property and then you see the dash line for the future extension of that row.

Mayor Pro Tem Olson: So that's right by Napa?

Roznovsky: Correct. So, this would rebuild the road next to Napa make it a full 36 foot wide Concrete Street realign it within their property and the existing right of way that makes more sense and then extend that northwards um through the development and then at this time they would stub it out at that Northern boundary and then the future r Contin that dash line.

Mayor Pro Tem Olson: That Creek that runs through there, what is that? Which Creek is that?

Roznovsky: That is a tributary.

Mayor Countryman: So, I'm confused. Real quick so last time we were at Council all of us that major thoroughfare plan there's no date and time for that to ever be addressed and so we all were kind of like we're not going to pay attention much to that and move forward. So are these dots up here on page two is that the major thoroughfare plans we're still putting it in...

Roznovsky: This is. So, the packet I gave you there's the first page of that is going to tie in the water between Lonestar parkway, this property, the tri point agreement and the Stowe tract, how all those tie together based on their current land. So, the third page in your packet is a revised Land from the Stowe property which dedicates (inaudible) which leads to a couple of the shops to continue (inaudible).

CM Donaldson: This little street right here, is that going to tie into Lonestar?

Roznovsky: so that will be their access for the regular homes in the neighborhood is that and Lonestar Parkway and then they would come off of the future West Way Drive on the southern portion.

CM Donaldson: So, they'll have two entrances?

Roznovsky: Correct they would have an entrance off of 105 and Lonestar parkway.

Mayor Pro Tem: There's the lot sizes.

Roznovsky: The lot sizes?

Mayor Pro Tem Olson: 65 by 110 and 120s?

Roznovsky: On this on this project is 90 by 125, so these are the larger Lots on the Stowe property.

Mayor Countryman: Do they plan on having a gate?

Roznovsky: No.

Mayor Countryman: I thought originally there was going to be Gates. Okay.

Mayor Countryman: So, it's not going to be gated?

Roznovsky: No.

Mayor Countryman: So, is it odd that we do the thoroughfare plan on the North side but not the south side, and it's having them do it instead of the county?

Roznovsky: What do you mean?

Mayor Countryman: So, the thoroughfare plan that's doesn't have a date like we would use their Road the county would use their road if it if that ever came to fruition 50 years from now

Roznovsky: Yeah, I mean it's a you know the thoroughfare plan was put in conjunction so the city had the plans we did a couple years ago with the precincts uh the County's update that was done back in 21, I believe it was that took into consideration that thoroughfare plan plus the communication between the two as we I so yes you know those connectors further south 105 onto the Stowe Tract.

Mayor Countryman: But there's no date. I guess I'm just confused why we're still talking about it because we all were like oh, we don't need to worry about it um because it's not ever on it's not on any road map at all at the county.

Roznovsky: I mean it's on the county's map, and...

Mayor Countryman: Without a date.

Roznovsky: But trying to get you know established the way, in the chunks as we can, to be able to connect that in the future um versus you know and having partnering developers to do that and putting in these sections of road so it makes sense versus one kind of County City going in

trying to acquire all the right of way and build the road at one spot versus it's more manageable chunks who breaking down to half mile chunk is a much more manageable full couple mile length or couple mile route.

Mayor Pro Tem Olson: So, would that be coming from the county then to build that bigger road?

Mayor Countryman: So, this the county is the one that's responsible for this but now the developer going to be responsible for it?

Mayor Pro Tem Olson: Well, that's what I'm trying to understand. Are you going to get any kind of reimbursement from the county for that wider Road?

Roznovsky: Hasn't been discussed at this point.

White: At this point in the annex, it would be the city.

Roznovsky: If its in the city, without part of this agreement it would be a city road. That's part of the agreement is the county's involvement, their discussion on this road. That's part of the wishes of the city to get County to take this this road.

Mayor Countryman: we can't get Lonestar Parkway out of it. I don't want to have to get in another match with them on that. I'd like it to be determined up front, because trying to give something.

Roznovsky: Oh yeah no I'm not saying after fact I'm saying part of this is that discussion is part of it with this development.

Mayor Countryman: Yeah. I know commissioner Walker said he doesn't care don't take it into consideration is what he told me. Y'all do what you need to do, so.

CM Donaldson: are these streets going to be curbed and guttered?

Roznovsky: Yes.

CM Donaldson: They will?

Roznovsky: Yes.

CM Donaldson: Where's the major runoff going to be? Towards town creek?

Roznovsky: Yeah. So, all has to be designed the extreme event would run toward Town Creek through their detention Pond on the east side of their property.

CM Donaldson: I know you think it's a silly question, but you know where I live the water builds up like 40 ft from where it's supposed to go in the sewer. I don't want to see that happen again so, you know.

Roznovsky: So again, if the council's wish is to ignore the thoroughfare plan, and we could that can be revised um and they would likely go back to more of their original rain plan which is in

your packet on page 64, this is their original land plan they had it as a slightly larger right of way West but more front that it wouldn't be...

CM Langley: What page are you on?

Roznovsky: I am on page 64 I believe, is their original...

Mayor Countryman: Yeah.

CM Donaldson: It's a project.

Mayor Countryman: I just don't want to have to try to go negotiate with the county and who's going to own what after cuz it's not worked out and may have the developer pay for something that they think they might want at some point.

Roznovsky: If that is the Council wish then we can take that out.

Mayor Pro Tem Olson: Well, it wouldn't hurt to ask the county what they want to do.

Mayor Countryman: He didn't talk to he didn't care he's like we don't we're not doing that anytime soon okay he's like I don't really care what you do with it.

Mayor Pro Tem Olson: All right.

Mayor Countryman: Well, and he doesn't have this on any road map and then TxDOT doesn't have it on any road map for them to even come in so, I don't know what year of Our Lord any of that would take place.

Roznovsky: Uh, one, to go back to the list of other items. So oversizing the waterline through the development so we have a 12 in that connects to close that waterline Loop uh it would be worded a little bit differently than item number two here uh this would be the full length uh and there would be an oversight in the chair for your that you have um item three is the lift station in gravity sewer regravels force main that was discussed in the feasibility study uh what the developer's request there is on a cost sharing of that as you remind they're only using 30% of that capacity but we all relocating at end uh that Lo station is in need shape so they've requested kind of two potential options that I want to get feedback on. You know obviously not a decision but at least the first draft is a 50/50 cost split up front so well they'll put up 50% City puts up 50% of the cost up-front cost of the project uh they would also entertain a kind of a long-term payback at a higher percent so say using numbers 70% payback over a 5-year period versus a 50/50.

Mayor Pro Tem Olson: What's the estimated cost of it?

Roznovsky: About 1.2 million I believe? So it's not a cheap project. It's a significant lift station reroute lines and all that so it's not so there's definitely and it serves a lot of the city outside of this develop so I think that some type of cost sharing would be beneficial I think that a larger payback...

Mayor Pro Tem Olson: Which lift station is that again?



Roznovsky: Lift station number five. So, this is currently the one that if you go at Napa it's down in the bottom so this would relocate that lift station to on Westway Drive go further north uh to get it out of the creek out of a way from the Right of Way reroute the lines to it and then have a accessible right now access to that Lift station.

Mayor Countryman: So, we would need to pay 70% back of 1.2 million in 5 years? Is that what you're saying?

Roznovsky: That's the cost sharing.

Mayor Countryman: That's what we're saying.

Roznovsky: We'll put together kind of the cash flow I think that makes sense attorney a in front all developer but the general concept.

Mayor Countryman: Okay. And these roads what are how wide are these roads are they...

Roznovsky: 28 feet.

Mayor Countryman: Okay. There's been big discussions about...

Roznovsky: We are proposing asphalt open ditch.

Mayor Pro Tem Olson: No sidewalks?

Gilliam: We're still considering the two we could probably afford asphalt based off the larger lot go to 90 we see benefits also of going curb and gutter.

Mayor Countryman: There's just been big discussions about emergency vehicles making that turn we've got new neighborhoods in here and um it's been...

Mayor Pro Tem Olson: Well, that's a large neighborhood. It takes over a large chunk of area with no sidewalks.

Roznovsky: and then the last couple items are straightforward. One, the city will Annex the rest of the property there is a sliver that's out um impact fees would be paid at the time of platting which is what we all the development agreements City consent, so they are still evaluating the option of do an existing in City mud between River or to Creek or the other muds the city or creating their own that hasn't been decided but just the general concept of consenting to that creation are and at this point I don't make just more of a not there are no requested variances this time

Mayor Countryman: Got a question Chris. On number one the 12 in waterline uh developer deposit funds into the city to design and construct um and then City provide impact fee credit do we know what that Delta would be roughly? I mean, are we given a \$2 million credit or we are we giving a \$200,000 credit?

Roznovsky: So, the at the time of this study their impact fees were assumed at 153,000 uh that offsite water line was estimated 400,000 so they would be capped at the maximum amount of the

so you're not if you collect 153-175 depending on the timing that they would get up to that amount back.

Mayor Countryman: Okay.

White: Just water or?

Roznovsky: That's just water. So let me kind of just from the discussion we had just kind of clarify a few items. So, one sounds like more in favor of the or at least the payback over time at a higher percentage exploring that option versus the cash up front.

Mayor Pro Tem Olson: I'd just like to see them both. To see what our actual cost output would be.

Roznovsky: We can do that. And then ignore the major thoroughfare plan. So, let them go back to their original concept that had the street through no thoroughfare through the property?

Mayor Pro Tem Olson: It appears if we ignore it, it can actually, they would actually have more Lots is that correct?

Mayor Countryman: Yes.

Mayor Pro Tem Olson: so that would actually work out in our benefit. I don't mind doing that.

Mayor Countryman: Yeah. I don't mind ignoring it either.

Roznovsky: Adds 6 lots.

Mayor Countryman: Yeah, that's good. Adds six lots.

Roznovsky: And then, just to circle back, to the sidewalks. That's something you want to see in the agreement or least say consideration of Trails sidewalks Etc.?

Mayor Countryman: Sure.

Mayor Pro Tem Olson: Like one sided sidewalks? One side of the street type sidewalks at least? So, there's access for people, some options?

Roznovsky: So, this is similar to what did Rayburn, is part of their development agreement when they created at the trails and the share use path along Old Road we can work with the developer and their engineer to kind of come up a couple scenarios to put some type of Trail Greenway.

Mayor Pro Tem Olson: I just don't want to see people walking around on the streets cars all over it's like I said it's a big neighborhood so it's not like. They're going to walk in the neighborhood.

White: We will consider. You're right you would. We like to do sidewalks when it's not required. With larger lots it's challenging to do consistent parallel so a lot of times our architects will come up with a sidewalk plan. We'll have interconnection, we will have walk along our detention area prebuild, so we'll have an overall comprehensive one we take sidewalk through certain lots to add that connectivity.

Mayor Pro Tem Olson: Absolutely right.

Mayor Countryman: I think you got it. All right thank you.

CM Langley: How many Lots was it again?

Roznovsky: 136

Mayor Countryman: Six more if you take out the thoroughfare plan. Can you stand up just for the audience, to the podium?

Gilliam: We have 175 without the thoroughfare plan.

Mayor Pro Tem Olson: What was the price point of these homes?

Gilliam: probably average around 700.

6. Consideration and possible action regarding award and execution of construction contract for the Water Plant No. 2 Improvements project.

Mayor Countryman: All right. Item number six on your agenda consideration of possible action regarding an award and execution of Construction contract for the water plant 2 improvements project Catherine evening so talking about the water plant number two improvements project. Katherine?

Vu: We receive bids for this project on May 16th uh the results of the bids are enclosed in packet so we are looking at page 79 of your packet or the results bids the low base bidder came in was sheer Construction Company Incorporated with their total base bid plus supplemental in the amount of 2,990,950.00 with 300 calendar days for completion. a couple things to note on this the supplemental BD item uh this is for the evaluation of the GST the ground storage tank Foundation whenever we demolish the ground storage tank we are going to evaluate the foundation and check the condition to see if it needs to be replaced at that time there's an amount in the bid that allows for that replacement if it's needed if the tank comes down and reevaluate the foundation and it is not needed the item will not be paid so this is kind of a worst case scenario.

Mayor Countryman: How much is backed out? Curious?

Vu: About 100,000. for the foundation if it's needed. uh so these bids came in higher than expected just to be perfectly plain they did come in higher than expected we evaluated the bids and the main driver of why they were high was the well that was the largest difference from our initial estimate um couple of things about our estimate we estimated that a the type of well that went in would be the same as what was existing at Water Well number two it was a submersible one piece well um and whenever we got into design let we the decision was made of going with a two-piece well with a vertical turbine motor which means the motor is up on top it's a lot easier to access you don't have to pull it all the way up from the ground to work on it you can maintain it right there and see it from the ground this is similar to what's at water plant three for those of who have been there and then the one piece versus two piece well the main difference is uh in how it's constructed so one piece well is constructed as it sounds all in one piece a two-piece

well is constructed as two separate pieces with an outer casing some gravel and then an inner casing is the construction method the advantage of doing a two-piece well is maintenance long term so a one piece well really cannot easily be reworked if you start to need kind of a rehab of your well so it shortens your lifespan since you can't go in and do that thorough rehab that you can do with a two-piece well you can rework a two-piece well and really extend that lifespan so that's a huge advantage of there is a cost difference it's a couple hundred thousand more to do a two-piece well but we see the advantage of doing that just because of the longevity and being able to do a rework on instead of having to abandon and drill an entirely new well again with one piece because the bids came in high um normally we are not waiting five to six weeks before we bring the bids to you but in the in that amount of time we have been hard work to try to get this price down for you so we called sheer about the low bid um as some others to see why did they bid or why didn't they bid what were the main drivers in their cost being higher than what we expected and trying to problem solve and how can we reduce that cost while still bringing a good product to the city uh like I mentioned the a couple of the reasons that the cost was higher was the well the motor type being vertical turbine versus submersible in one versus two piece another reason that came up that sheer brought up was the type of casing the type that we originally spec was a little bit harder to find it not readily available right off the shelf and if we went with a different type of casing it would be easier for them to get quicker and it's a little bit easier to install so that's uh that is one modification it does not it's not going to impact performance of The Well it's not going to be as an inferior quality well by any means it wouldn't it wouldn't jeopardize the quality of the well.

Mayor Pro Tem Olson: What was the price difference on the piping?

Mayor Countryman: Couple hundred?

Vu: On the casing itself?

Mayor Countryman: Yeah.

Vu: A couple hundred thousand.

Mayor Pro Tem Olson: Just for materials? I meant um Trace material Trace material so just because we changed the type of the casing not the design what was the cost difference between what you designed and what they quoted us.

Vu: So whenever we reached out for them to them for a revised price we didn't get like kind of a breakdown here's what it is for the casing here's what it is for a one piece versus two piece it was presented it as one scope change to well and then they gave us the price that is listed in the change order which is your next counsel item.

Mayor Pro Tem Olson: Right. So, I guess my question lies in if we were to procure the other type of tubing and casing what would be the savings.

Vu: Like if the city were to procure the casing?

Mayor Pro Tem Olson: Anybody, if they were to be able to find it.

Roznovsky: So, what the change order is question the original bid included the was the threaded the flanged versus threaded so the thread which they're going to that's included in the contract

deduction so your next item is the change order the contract reduction 46,000 so that includes the casing or the different type of material as well as a couple other things.

Mayor Pro Tem Olson: So that's probably where your significant difference in budget is yes? Is in materials? So that's why I look at it and say why would I say a change order when we we designed it a certain way and we just have to ask them to get it.

Vu: it was it was materials was part of it was the casing also the method of construction that the flange installation versus a thread installation we were originally proposing flanged and they came back and suggest the threaded

Mayor Pro Tem Olson: And there's a based on the piping it's not completely broken out but half a million-dollar difference?

Vu: Correct 456,000.

Mayor Pro Tem Olson: that's significant when we could just ask them to go get what we want, right? That's a lot of money. Not saying that's what we have to do but it's just a question I want to I'm asking like why wouldn't we just ask them to get what we want?

Vu: To get what we had originally proposed

Mayor Pro Tem Olson: Yeah, it's a half million-dollar question.

Vu: Right, they were going to be able to do it just not for half million less they were going to be able to get the material uh it was just for a price.

Mayor Pro Tem Olson: But you said the two the threaded was more expensive than the material that you that you if they would go get.

Vu: Other way around other way around. The threaded is the is the less expensive option in the flange installation doesn't make any sense for your explanation then.

Roznovsky: So, we the bids on the flange, they bid on the flange, uh talking going through where do we have cost savings we talked to them about construction time that was one of the issues and working hours as well as material switching to thread versus the flange. So, the change order is a deduction for them to go from the flange to the threaded is a reduction of 456.

Mayor Pro Tem Olson: Okay. I was a little confused because I was asking what the difference was in the materials to go up down. Okay. I'm with you sorry. Understood.

Vu: So a couple of options that you'll have at this point is the first option and what we are recommending is to award the contract to Shear Construction um for their base Fit Plus supplemental as well as awarding the um the change order in your next item to reduce to change the scope of the project and reduce that contract amount the reason for this is It's a known contractor Shear is a known contract that they're subbing well to alce Incorporated which is a one of the big names in water well public water well drilling um wga necessarily has not worked with Shear but Chris and I have previously worked with Shear we had no objections um it's a known price so we know what the price is going to be we have it in a contract change order ready to sign um the second option that you have would be to rebid the project with this revised

scope doing the same changes that we just discussed um but going out for bids again this is a little bit riskier of an option um the risk being that prices could come in higher we don't have control over that we did talk to one other contractor that did not originally bid about this project to get their ideas on how could we maybe uh make some scope changes they are they would be interested in bidding if we did Reid but a guarantee that they'll bid and not a guarantee that their price will be better um with the price that you have uh thinking about funding and how this is going to be paid for you have room in the co alone for this project even with the with the revised price including engineering so there is sufficient room there we also part of this project is eligible to be paid for with impact fees so we have a balance of impact fees that is available as well as additional impact fees that we're expecting to come in this year.

Mayor Pro Tem Olson: All right we're using most those impact fees to redo that sewer location, aren't we?

Vu: Not necessarily.

Roznovsky: So, sewer relocation wouldn't be eligible because it's not upsizing.

Mayor Pro Tem Olson: Gotcha. So, the difference in cost is about \$25,000 increase over the planned budget right?

Vu: Where are you seeing that?

Mayor Pro Tem Olson: I'm just looking at your revised amount versus a budgeted amount.

CM Fox: What page are you on Casey?

Mayor Pro Tem Olson: So, if you look at page 80 is the original estimated budget a million 7 and then the change order with the project which is the next item down I'm skipping ahead is a million 7 225 so after all the adding them subtracted we're just asking for \$25,000 increase in the project?

Vu: No. I'm not sure where that number is. The estimated cost including engineering is that uh 2,679 450 that's according to the change order.

Mayor Countryman: You're looking at something different than I am.

Mayor Pro Tem Olson: That's because I'm putting both of those together so you can actually make sense of what they're trying to do.

Roznovsky: So, the on the change order if you're looking at page 83 the revised contract amount after the change 2 million 534 550

Vu: I see where you're seeing the 1 million 725 now that's just for that bid item see the only the way this chamber is is kind of walking you through it we're only looking at item number five from the bid form is the only item that's being modified with this change order the original price for that was 2 181 and with this change order it's being revised down to 1 million 725

Mayor Pro Tem Olson: so the bid the bided price was 2 million but your original estimated project cost was a million 7 I'm looking.

Vu: All in or for the whole project?

Mayor Pro Tem Olson: No not the whole project for that line item for water well number two.

Vu: For the well itself our estimate was a million dollars.

Mayor Pro Tem Olson: The water well number two plant improvements and then you put on your other project which is the same line-item number two plant improvements.

Vu: Water plant Number two improvements as project includes more than just the well it includes replacement of the GST.

Mayor Pro Tem Olson: I know the one-line item that includes the well is one it's fine just move on it's your map I'm just reading it it's right there line one number two water well improvements 1.7 budget go down to the change order water well number two 1.725. I understand that all, not all the changes are in that lineup item but I'm trying to understand the difference in the well itself right now.

Roznovsky: So, all the co projects so that first is that full plant project also the well those additional items underneath water number four are separate projects.

Mayor Pro Tem Olson: Right exactly. That's why I'm looking at one line item.

Roznovsky: So that one-line water plant number two improvements the original was 1.7 the revised project total cost was 2.6.

Mayor Pro Tem Olson: Revised project after when? After we got the bid?

Roznovsky: Correct.

Mayor Pro Tem Olson: Yeah so, our original budget was \$1.7 Million.

Roznovsky: Correct.

Mayor Pro Tem Olson: Our projected now after deductions and everything is 1.725.

Roznovsky: 2.67

Vu: The 1725 is only for the well which is a part of the entire project.

Mayor Countryman: This piece, this is everything, all encompassing.

CM Donaldson: That's it's \$2.5 million basically what the bid is.

Mayor Pro Tem Olson: Yes. Right.

CM Donaldson: That takes a big chunk out of our money that we had planned for two projects.

Mayor Countryman: I don't see the line items and how the other costs aren't in here, so I don't see the whole picture.

Mayor Countryman: No, I know. I saw that. That's, I've been looking too. And it stretches against two different agenda items so, get to go back and forth.

Vu: Casey, I'm very happy to talk with you.

Mayor Pro Tem Olson: Well, I don't need to talk about it I just want to see the line items broke out everywhere that we budgeted a certain amount I want to see what the increase was.

Mayor Countryman: where the details are.

Vu: I'm happy to send you our original cost estimate so you can see...

Roznovsky: And the detail so we only have the summary here, the tank foundation, site work, everything else.

Mayor Countryman: It's just, that \$1.7 million jump almost 2.7 million dollar jump right is a big it's a big dollar.

Vu: It is. It is. And we were we were shocked too yeah, we were just a surprised which is why we went through so much effort to try to reach out to the to the contractors who did bid as well as others to try to bring the cost down

CM Donaldson: Are we getting a bleach well?

Vu: This project does not include bleach, no.

Mayor Pro Tem Olson: Yeah, it's just it's uh it's rough to be off by over 30%.

CM Langley: Tell me the address of this water plant.

Vu: 905 Stewart Street.

CM Langley: Thank you.

CM Donaldson: You know the bond money was originally for the well and to start on um the uh wastewater treatment plant. Where we sit now we don't have any money much money left to do anything for the wastewater treatment plant so you're asking us to decide whether we need to go ahead with this well and I know we need to and we have the money in the bond of 3.4 million but what are we going to do with the other projects um I didn't know that we could um take that whole money and just spend it any way we wanted. Maryann?

Carl: It has to be used for projects similar in nature to what was proposed when that that issuance occurred it has to be similar in nature believe this is similar in.

Mayor Pro Tem Olson: Absolutely.



CM Donaldson: Right. No, I understand that. But the original bid was so when we got the money you didn't necessarily split it up and say this part of the pot is going to go for will number two and this part is going to go for, it's still right now just one pot right?

Carl: Right. We did we did give a projection of what we anticipated spending that for but and we talked about that before that there might be places that are over and places that are under and we'll have to look at that as a whole when we get to that point.

CM Donaldson: Well, you know I'm just trying to determine where we're going to get the rest of the money to finish the wastewater treatment plant that needs to come online pretty soon.

Carl: So when we put these projects into the loan and budgeted out the loan we intentionally did not take into account impact fees to be conservative when we were trying to figure out how much of how much of the loan we wanted to go after the reality is that we do have impact fees that we that can pay for both the waste water treatment plant engineering and the in hearing so it was conservatively put into the loan and when that loan was issued we didn't have to provide a list this is going to be used for these exact projects with this exact scope it was put in there water and sewer improvements we were able to keep it more General to give us a little bit more flexibility because we didn't know exactly how prices were going to come in when the loan sold when the Lo and we were a little bit rushed when we did that a lot of times when you do the debt issuance you have more time and so you can estimates ahead of time we got some kind of ballpark figures and went with that because we were kind of rushed on time to be able to get that issue in place so it is different than what you might be accustomed to see because there are times where you would have more firm numbers.

Mayor Countryman: So, are you anticipating this not to be a big pinch on any of our finances at all?

Mayor Pro Tem Olson: No, it's going to pinch.

Mayor Countryman: Oh, I know.

Carl: I can't say that it's not going to be a pinch. To Catherine's point, yes are impact fees we anticipate more impact fees coming we also anticipate having a workshop with Council about um Capital needs and how those are going to be addressed.

Mayor Countryman: It's hard to know where to pick if we're going to be in a pinch, it's hard to know where we're going to like to say yes to this and what if we need...

Mayor Pro Tem Olson: We kind of don't have much of a choice. We're going to step going to rocking hard spot but my question lies with the impact fees in the future we need to have a list of all Impact fees due and upcoming due so we know what we're not just oh we have impact fees and writing blank checks okay

Vu: Right and I have that put together so what is listed on this page on page 80 is expected additional impact fee payments 2024 in the amount of \$990,390 that are expected to come in this year with the developments that we have agreements with.

CM Fox: I'm not see repeat that please

Vu: Expected additional impact payments for 2024 is \$990,390 for this year now what that includes is Section 1 2 and 3 and Montgomery bend section three and four Redbird Meadows we're expecting their final plats to come in really any day um Montgomery bend the timing is a little bit more fluid.

Roznovsky: Currently we have an impact fee balance around 726,000.

Mayor Pro Tem Olson: Right. So, I guess we throw that word around a lot or that phrase oh use impact fees, so we need to account for every time we say we're going to use impact fees and keep track of it.

Mayor Pro Tem Olson: Yeah. So, what we're preparing for the CIP Workshop was talking about is full list of projects the full kind of projected impact fees out of these developments in their timelines you know there's a lot of developments that we didn't include in here because they're in the initial stages but we're putting that list together so you all can see here's the actual true tie to the developments impact here list of projects.

Mayor Countryman: I'm with you. We hear that a lot and it's like are we at the end are we at the end of our checking account?

Mayor Pro Tem Olson: Well, I guess my biggest fear is that we overextend ourselves and we're counting on incoming impact fees to pay for projects that are already here from and impact fees should be there for the impact of the new development not trying to pay for somebody else's development.

Roznovsky: Right and these impact so you're limited to so when you look at that last call what we have contracts out for you're using about \$300,000 so you didn't collect any more still 400,000 go that those fees can still only be used for upsizing. So we couldn't go and say so for example on the water plant project we're replacing the ground storage tank with the same size we cannot use impact that doesn't increase our capacity the well we're increasing it from a 300 to a 500 GPM so we can pay for that Pro of the well you're required by WW to only use it on the expansion so we're still any projects that we're gaining capacity expanding our system are the only things that impact these.

Vu: You do have options tonight our recommendation would be to award the contract to Shear construction and then in your next agenda item approve the change order.

Mayor Pro Tem Olson: any thoughts Carol?

CM Langley: No, I'm okay.

Mayor Pro Tem Olson made a motion to accept item six as presented and the motion was seconded by CM Langley with all Councilmembers voting AYE, motion carried.

7. Consideration and possible action regarding Change Order No. 1 for the Water Plant No. 2 Improvements Project.

Mayor Countryman: Item number seven on your agenda consideration possible action regarding change order number one for the way water plant number two improvements project.

Vu: Happy to answer any questions?

Mayor Pro Tem Olson made a motion to accept the item as presented and the motion was seconded by CM Donaldson with all Councilmembers voting AYE, motion carried.

8. Consideration and possible action regarding ending the one-year warranty period and release of the maintenance bond for the Downtown Sanitary Sewer Rehabilitation project.

Mayor Countryman: item number eight on your agenda, consideration of possible action regarding ending the one-year warranty period and release of the maintenance bond for the downtown sanitary sewer Rehabilitation project.

Vu: Also me uh so we performed a one-year warranty inspection for the downtown sanitary sewer Rehabilitation project this was completed a year ago in the downtown area and included manhole Rehabilitation and CIP of uh some of the sanitary lines in that downtown area in and around Steak house and in that area there were no punch items identified after a warranty inspection everything looked great and so we do recommend release ending the one-year warranty period and releasing the maintenance bond with contractor. Contractor who is also doing one throughout the rest of the city.

Mayor Countryman: Council what is your pleasure?

Mayor Pro Tem Olson made a motion to approve the item as presented and the motion was seconded by CM Donaldson with all Councilmembers voting AYE, motion carried.

9. Consideration and possible action regarding to accept the resignation of temporary Director Casey Olson from the Montgomery Crime Control and Prevention District.

Mayor Countryman: Item number nine on your agenda. Consideration possible action to accept the resignation of temporary director Casey Olson from the Montgomery crime control and prevention District.

CM Fox made a motion to accept the resignation of Temporary Director Casey Olson from the Montgomery Crime Control and Prevention District and the motion was seconded by CM Langley with all Councilmembers voting AYE, motion carried.

10. Consideration and possible action on the appointment of Michael Ghutzman to serve as a temporary director for the Montgomery Crime Control and Prevention District.

Mayor Pro Tem Olson made a motion to appoint Michael Ghutzman to serve as temporary director for the Montgomery Crime Control and prevention District and the motion was seconded by CM Fox with all Councilmembers voting AYE, motion carried.

57:52

11. Consideration and possible action on a request by the Montgomery Crime Control and Prevention District to schedule a special city council meeting for Monday, July 1, 2024 @ 6:00 p.m. to adopt the two-year budget plan and two-year crime control plan proposed by the District, if approved during the MCCPD meeting.

Mayor Countryman: Item number 11 on your agenda consideration of possible action on request by the Montgomery Crime Control and prevention District to schedule a special city council meeting for Monday July 1st, 2024, at 6: pm to adopt the two-year budget plan and two-year Crime Control plan proposed by the district if approved during the ccpd meeting of which it was

Solomon: Mayor and Council. Uh, the reason why we're asking for first because we're within the 10-day period there, we're coming up with holidays, and the next council meeting will put us too far out, so that's why we're asking.

Mayor Countryman: All right.

Mayor Pro Tem Olson made a motion to set a special council meeting for Monday July 1st 2024 at 6: P.M to adopt the budget for the ccpd and the motion was seconded by CM Donaldson.

Mayor Countryman: I do have a question that's going to be here at City Hall?

Solomon: Yes Ma'am.

All Councilmembers voted AYE, motion carried.

### **Departmental Reports:**

#### **12. Tax Collection Report by Leslie Schkade our Tax Collections Consulting Attorney with Purdue Brandon Fielder Collins & Mott, LLP.**

Mayor Countryman: Departmental reports, Item number 12 on your agenda tax collection report by Leslie Schkade our Tax Consulting Attorney with Purdue Brandon Fielder Collins & Mott, LLP.

Schkade: Hi, good evening. Thank you so much for having me. Mayor Countryman and council members I appreciate the opportunity to come tonight and talk about Delinquent Tax collections as well as fine and fee collections. You should have in your board packet, uh, a colorful collection report. So, note as we go through this, these are delinquent taxes only. The County tax office does a really great job of collecting the city's taxes your taxpayers do a great job of paying their taxes so for example to put this all in perspective uh the tax office is collecting around 97% of the tax dollars your base Levy and what gets turned over to me every July a delinquent turnover is around 3% so your folks are paying the city doesn't have a delinquent tax tax collection problem so I'm getting very little meat on the bone and this report the tax part represents that 3% that gets turned over yearly this goes through the 2022 tax year we get to start collecting on 2023 taxes on July 1 those get turned over to us by law and we cost the city 0 what we get paid is a contingency fee and by Under the tax code of that fee when you uh contract delinquent tax attorney that fee is an add-on and that is passed to the tax payer so the taxes generally go delinquent on February 1st the taxpayer gets a notice in May called a 3307 notice that notifies the taxpayer that if there's still delinquent on July 1 not in a payment agreement still delinquent July 1 that 20% collection penalty attaches and that fee is completely passed on to the taxpayer they are informed that it will attach still delinquent on July one it attaches it becomes part of the tax penalty and interest um and lean on their property and so it's a very incentivizing process so we only get paid if we actually collect the dollars and we only get that that 20% contingency so I like to get started with that so that's the good news so first up we have in your packet is an account breakdown chart and these are accounts by status this tell me gives me a

snapshot of your entire delinquent role and it tells me where the accounts are by category so you'll notice the largest section is the action pending section at 30% these are accounts where we still actively trying to collect the dollars we have a group of collection Specialists and they write letters make phone calls they try to make meaningful contact with a taxpayer let them know of the situation offer them a payment agreement offer them you know time to make a commitment to pay the taxes so we work very hard and diligently with the taxpayers if we are unable to get into an agreement we do title work research if it's real property find out if there's a lean holder there's a lean holder we contact that lean holder because if we file a delink with tax suits and head to the courthouse that's for foreclosure they would lose their interest in the property as well we would also foreclose their interest so we try to leave no Rock unturned and letting everybody know that delinquent tax suit is coming should the tax payer or lean holder not take care of the delinquency which kind of Segways me into the next section which is the suit litigation section uh 22% of your Delinquent Tax role is in litigation so once those efforts to contact the tax payer on the phone send a letter talk to their link holder send their link holder a letter if those efforts fail sometimes it's necessary for us to file a delinquent tax suit around 70% of people when they're Served with that delinquent tax suit contact us get a payment agreement handle the delinquency situations Rectify we very seldomly ever get to the courthouse steps to foreclose on the property we work with the taxpayer all along the way they call us up they want to pay we work something out. Next largest section is the deferral section this represents taxpayers that are 65 or older or have a disability and have elected to defer payment of their taxes on their resident Homestead so this is only available on their resident Homestead said they can only have one resident's Homestead in the state at a time and they elect for this deferment with the county Appraisal District so they file they have to have homestead exemption first to jump through hoop and then they have to file that election to defer the payment of the taxes and so this 18% of your actual is in that deferment status we don't make phone calls on those we don't file suits on those we leave those folks alone if they want to pay the taxes during their deferment they can certainly make partial payments they can paid in full all of the above and once they no longer use that property as their resident's Homestead then the taxes typically get paid at that time or they sell the property they get paid in closing with the title company Next largest section is the bad address section this simply just represents taxpayers that have not maintained a current address with the county Appraisal District so the appraisal district does their assessment of the property and then the tax office gets that data from the appraisal district is the same address that the appraisal district maintains on the account so they come to us when our mailings come back we code the account bad address we work year round to get a good address find the taxpayer get a good address on the account in our internal system um and if we so having to talk to the taxpayer try to influence them to go to the appraisal district to correct it on that level as well so it simply just represents that segment where we're getting return. Um, collectible at 9% um is accounts that we have deemed uncollectible internally for personal property there's the four-year statute of limitation from the delinquency of the property so sometimes we're beyond that limit or we see that it is a business personal property account and the business is gone um the LLC or corporation that was running that business is defunct that would be a situation where we might encode an account uncollectable because seeking a judgment simply is not going to lead to dollars because the assets are gone so we also like to code those and not spend our time on the fruitful accounts rather than the accounts where the assets are gone could be a dead end situation so I'm going to move along from that chart and move on to the dollar range chart and this just tells me where the dollars are owed breaks down the accounts into the dollar ranges um our system when we get the tax office information data and put it into our proprietary system it will group together taxpayers that have accounts that have similar ownership so that when we make a phone call and an individual owns more than one account we can talk about all those accounts in that one phone call rather than contacting them at several different occasions asking about

different accounts so that we can be as efficiently as possible um we work through a top down so that we can collect and we can maximize our efforts and so this chart just simply just shows you where the dollars are owed and puts it into a category next chart we have is the tax year chart and it tells you what percentages of the liquid tax are attributable to each delinquent tax year you'll notice the largest section is the 2022 tax year that's what was turned over to us last July and so we're still collecting on those um some of those we have in payment agreement and we are monitoring those payment agreements monthly and then after 2022 you'll see the percentages fall pretty drastically um which is great you want your newer delinquencies to be the bulk of your delinquencies because they are going to be the accounts that are more readily collectible um 15 and prior at 16% some of those older tax years are attributable to accounts that have the over 65 or Homestead deferments um that we can't we can't work on them but if the taxpayer chooses to pay they may sometimes those deference last several years after that I have historical collection data for tax years 18 through 2022 so this just kind of lets you know where we are through the years on our collection stats for example on the 18 chart you'll see that we are almost 99% collected of what was turned over to us to collect um back in in July of 2019 and so I have similar charts through the 2022 tax year you'll see people are paying their taxes they want to they want to keep their piece of city of Montgomery on hand and I don't P them so last up I just wanted to point out that the 2022 percentage uh collection we're almost 69% collected of what was turned over to a little under a year ago so we're in a great position going into 2023 collections with that new year will be added on we start campaigning on that and working hard to get those folks attention after that I shift years I have some collection stats for the fines and fees and I just want to direct your attention to the bottom chart it gives you a nice little snapshot of where everything is um you'll see that that most things are getting resolved we've resolved about 30% of the accounts in payments um the court has resolved 48% our main goal is to get in touch with the violators and I should have set this up a little bit better so with the fines and fees collections by law there's also it's also a contingent fee Arrangement where once those accounts are turned over to us by law 30% um fee is added to those and so we don't get paid on those either unless we actually do the work and get the accounts collected so we make phone calls we send letters we try to fix addresses on accounts because people move around Believe It or Not people drive through your town and move on along um so our main goal is to get in touch get their attention bring them to the court to have a meaningful resolution so about 22% of what's been turned over to us is still outstanding so many things are getting resolved um you can also see um the number of addresses that we've corrected on accounts the amount of letters we phone number changes and phone number contacts and then after that I have some fun charts that I include just because it's a it's a fun demonstration so first up you have the top 10 accounts by ZIP code so you can kind of see where the top violators are where they where they we have tracked them down and then after that you have the top 10 address accounts by ZIP code and my favorite last but not least is where all of them have gone you see they've just kind of gone all over the nation and we're trying to track them down to the four corners of the um to wrap up just letting you know we have a tax sale scheduled for July for the Delinquent Tax um stuff and if you're interested you can sign up on our website [pbfcm.com](http://pbfcm.com) it's on the front of the report tax Sals are now conducted online so we also have information on how to register for those online tax Sale on our on our website as well.

Mayor Countryman: All right. Very in depth.

Schkade: I threw a lot information.

Mayor Countryman: Good.

CM Langley: It's good, it's good.

Schkade: Thank you. Absolutely my pleasure. Thank you for having me this evening.

CM Langley: Does Montgomery have property in the tax sale?

Schkade: There actually is yes there is.

CM Langley: Like three? Is there five?

Schkade: I think it is two. Yes, it is two for the same lawsuit. Um, no sorry. I am misleading you that's set for trial I have one account that is set for the July tax sale um and we're talking to that individually so I'm hoping that we'll get okay tax sale.

CM Langley: So, if you go and sign up for it can you see the ones that are coming up for the sale?

Schkade: So you don't actually have to sign up you can go to the website there is a tax sale tab at the top of the page and then it'll direct you to all of the counties we have tax sales posted select Montgomery and it'll take you to the list of what's on the July tax sale um if you're interested in the signing up if you're interested in receiving a weekly notification you'll get an email every Friday because everybody wants more emails right but if you're interested in following and also you get on in view you can also see where we posted instructions and a link to the company online tax sales all right that's great good stuff.

Mayor Countryman: Thank you.

Schkade: Thank you for having me.

### 13. May 2024 Financial Report

13 May 2024 financial report May

Carl: Mayor and council. Um one of the things I would like to point out to the report we're at the 8 month point so 23 of a year so you would expect to see um like our revenues be at 67 to 77% realized page 105 of your packet you will see that we only have just less than 133% in general collected so ahead. We are doing great on the expense side um we spent about 50% of what was budgeted.

Mayor Countryman: Sorry, Maryann. Where did you say we're at 13 but what was what was the right number to be at you said like 67?

Maryann: You would expect to have 33% we only have just under 13 great, and you would expect to have um about that same amount left uh for expenses but we're at 50%. If you look at page 116 I had pointed this out to you before but um you can see the pay account for last month we had 235 payables and 107 payments on page 122 City this is where you'll see those capitals uh or the excuse me the impact fees so you can see last month we actually had an impact fee deposit of \$320,232 and so far this year we've taken in 612,540 any questions on that part of the report other thing I would point out is on the sales tax report back on page 129 that we currently are trending almost 20 higher than sales tax last year good

CM Langley: Is this with the new company?

Carl: That report that you see in this report is the report from HDL yeah that's the report that we get from them um they have not they're still in the process of identifying and Gathering all of the information to reach out to the comptroller I do not see any new um recoveries in there based on information that we had from the previous sales tax folks um I know that there had been some question about whether or not they had contacted the comer we're not seeing anything new um at this point but we anticipate for the next few months

Mayor Countryman: So, we still haven't found all of our uh like Airbnb dollars or hot taxes uh

Carl: So, on the Airbnb um I was able to pull information from the state controller site and the Airbnb's that are in our jurisdiction uh have been pay with the exception of one that we sent a letter to.

Mayor Countryman: And we have 17? I heard 17 or 20.

Carl: That number is incorrect that was the number that is the folks that worked with us to collect that was the number that they initially had IP so that's why I went out to the com controller site and pulled the information um and worked to identify the addresses of whether or not they were really within our jurisdiction and what they were pulling you have to remember they're out of state what they're pulling it's not in our jurisdiction it's outside of our our Zone

Mayor Countryman: Yeah, and I recently learned too that we have there's a um expiration to go back and retro collect these Airbnb's and um we can go back, right it's three years. okay yeah again I know we we've got several of them and I know that we have never seen money from them so getting on that

Carl: we're able to do on that is we're able to go back and see what they reported to um because they have to pay their state tax as well um for hotel occupancy and so we're able to see what they report as Revenue now not all of those things um are subject to the local hot tax but most of them are um so that we are looking at that okay

Mayor Countryman: We've been looking at it for a couple years I just I think I just see money going out that we are owed um so it's top of mine for sure.

Mayor Pro Tem Olson: Maryann, last uh last report you talked about some investigating some sales tax that we may have to pay back because it was paid to us incorrectly is that this or is this something else um

Carl: So that's a part of the service that HDL offers is identifying the tax that is rightfully ours and that that may not be right ours right now there's not been anything identified.

Mayor Countryman: See like for instance we said that uh our fees the hotel the hot taxes Hotel occupancy I mean we thought we were going to get 5,000 and we're negative we're way under that



Carl: So one of the things that happens 2300 hot tax is we had um an entity pay hot tax um in January uh it was a pretty large chunk and it was not it's not ours they're not in our jurisdiction so that was one of the things that we identified we worked with as to get them the refund got them the refund well then in April we received a tax payment from another entity that's not in our jurisdiction so we had to refund that as well.

Mayor Countryman: Is it where they get their or they're registered where they get their mail or where the bed the head is the bed

Carl: So, what happens is I think sometimes when people get a Montgomery zip code, they think oh I'm in the city

Mayor Countryman: Yeah, and so that created that's created a problem in two places I know for a fact I know two of them we've never received money from, and it would be a nice big check if we had been collecting those another talk to about.

Carl: Absolutely. Any other questions? Thank you.

Mayor Countryman: Thank you.

#### 14. Public Works May 2024 Report

Mayor Countryman: All right, number 14. Mike with Public Works May 2024 report May.

Muckleroy: Mayor and Council, you have my report in front of you. Happy to answer any questions you might have.

Mayor Countryman: are utility girls looking at the uh utility bills still when they go out kind of doing what Randy used to do

Muckleroy: Yeah.

Mayor Countryman: They okay so uh we had someone with a really high \$3,300 bill that usually has like a \$70 bill I think, and I don't know about that one specific but.

Muckleroy: uh yeah so Nicole is so our admin assisted for Public Works is still doing the audits that Randy taught her how to do and now Kristen is doing them also so now looking them at them as more of a backup to what uh Kristen is looking at just to make sure we catch any billing errors I I can't speak of what Utility Billing is looking at before it goes out

Mayor Countryman: Maybe something we can look at because it's a significant jump and when talking to Kristen, well I guess Carol you spoke to Kristen so won't speak for you, but there was there was a couple of leaks and because of all the rain they thought that the leak the water was being held because of the water or the rain right not cuz there were leaks and um when

Muckleroy:33,000?

Mayor Countryman: 3,300 yeah \$3,300 Bill and so like she the water's been shut off and she's had to leave and go live with somebody till this all gets rectified and um we just want to thought it was going to should have gotten caught that's the only thing because it's it was shocking you

can imagine okay we'll work with you on it yeah okay. I just want to make sure that practice was still taking place.

Muckleroy: Absolutely

Mayor Pro Tem Olson: the backhoe is in working order now?

Muckleroy: It is. It is fixed and we are waiting on it to be shipped back got email on it earlier should be getting it back in the next couple days. Thank you.

#### 15. Utility Operations May 2024 Report

Mayor Countryman: All right number 15 utility operations made 2024 Hays.

Wright: Hello Council report in front of you consumption this last month of 11 million4 gallons there so you can see that plant published 12.06 million and so water accountability 94.55% doing a lot of our flushing this was during the time period when we had all the rain so the water usage pretty low so flushing is critical you've got a lot of less rain have less water usage um you can see the split between the two Wells and plant and then the next page is the wastewater treatment plant I'm very happy to your report that we're still in compliance plants running good and that all of the efforts that we put towards it is paying off so we're in compliance so good place to be um next page is just kind of the status of where we are we're about 40 something through the year as far as our pumpage permit and we pumped about 47% of our permit on our capital and 15% of our Jasper so be watching that very closely as we get the year we've had a lot of growth so it may be that we need to do a permanent we'll be paying close attention as we get further through the year I don't have anything else for y'all tonight you have any questions

Mayor Countryman: do you feel like you have unwounded enough of what you walked into you feel like you're on Solid Ground

Wright: I feel like we're getting on more solid ground working really well with Mike you guys well aware the station issues and Sewer issues those kinds of things but as far as the plant's concerned yeah, I feel like we're definitely unwinding and finally on some kind of Lev so to just keep on doing what we did.

Mayor Countryman: thank you for your efforts that's awesome.

Wright: thank you very much.

#### 16. May 2024 Court Report

Mayor Countryman: Number 16 May 2024 court report. Kimberly.

Duckett: Good evening mayor council members um citations for May 2024 174 citations and the collections for May was \$ 34,976.71. Any questions on the court report?

Mayor Countryman: You have a new employee?

Duckett: I do have a new employee I can't pronounce it just yet we're working on that, and she start on Monday. I'd like to add for the court report that our very own judge Chad piece will be

um next month with the US Supreme Court The Institute for court management he is the only Texan that's there and he wrote a program for municipal courts because he's part of so they um inducted his portion that he actually wrote and that he'll be presenting that with the US Supreme Court next month.

Mayor Countryman: Awesome, congratulations!

Duckett: Thank you

#### 17. May 2024 PD&CE Reports

Mayor Countryman: All right, next up uh number 17 May 2024 PD and CE reports.

Solomon: Good evening, Mayor and Council. Uh you have my report, happy to answer any of your questions.

Mayor Countryman: When is your next red class?

Solomon: My next red class probably be around January.

CM Donaldson: What's a terroristic threat retaliation?

Solomon: Uh we had a terroristic threat retaliation from another reported incident and the person tried to call retaliate they were arrested for retaliation

Mayor Countryman: Chief, I got the pleasure to write out with two of your officers and um you're you've gotten some good talent um and they are very excited to be here and you I don't know what your secret sauce is but they even different they're they love this place and they're committed and I think a lot of you so good job on that that's a good culture to have.

Solomon: Thank you.

Mayor Countryman: And they say they like the culture.

Solomon: Thank you.

#### 18. Engineer's Report

Mayor Countryman: Last but not least, item number 18, Engineer's Report.

Vu: All right I will the highlights of my report uh going to number two on the first page the lone star groundwater Conservation District permit Amendment we did receive approval for both permit amendments on June 11th at lar board meeting uh this is to increase the allocation for Jasper aquifer Wells and your wells uh going to item number four is your fm 1097 sanitary sewer rehab so the rain event on May 16th caused that sanitary sewer line to fail the stabilized sand well on top of it broke it we are now running bypass pumping to uh to pump the sewer the uh as far as the design we're expecting that to be complete uh on here we have by the end of the month subject to obtaining the required easements that is probably going to delay us end of the month being is the end of this week we don't have those easement yet so it will not be the end of this

month but as soon as we have those easements we'll be ready to start U doing some emergency bidding so because of the emergency situation we're able to bypass the um the bidding laws and we can solicit to contractors because of the because of the nature of the damages going to page two of my report stand we have phase two we are contractor to mobilize in early July so just a reminder this is PIP bursting the sanitary sewer line going under 105 right outside of City hall so they're expecting to get started next month lift station 10 improvements we did receive a pay estimate for them and then we completed the final inspection on June 18th and issued a punch list at that time to very small items site restoration and change got a couple of uh covers for the valves and they are working to address the items they've already addressed a couple of them project is being funded by and homes item number eight is the old forced main extension we had a pay estimate for them as well uh the big item on this one is that they are expecting to do the bore underneath the railroad on July 8th so that's their last big piece that they need to do all the rest of the construction has been completed is in the ground during site restoration along the rest of the way and then we've got the rail report which is an exciting piece going to the next page I'm going to jump down to item number 15 uh the Buffalo Springs Road reconstruction so we did receive our first pay estimate for that for uh for side uh we also have a change order number one this is a decrease in the contract amount by a -\$12,685 this uh includes some adjustment to stabilization quantities and striping just adjustments because of conditions once they got out there and uh Geotech came out we were able to adjust the quantities of so because it's a negative change order that can be approved at the staff level just wanted to make you guys aware that that's happening they are expecting the road to be complete by the end of August so the signs out on 105 say September it's still accurate and August going to the next page is the signal at Buffalo Springs and 105 so the contractors order the equipment they're expecting it to be delivered next month as of right now working through getting some power to Signal or so working with Entergy to try to get power to both signal and Home Depot so signal doesn't have power doesn't have power and so that it's helping because they're able to apply pressure as we get that's our current challenge there if all goes well with interview I still expect time uh we were able to issue plan approval for the red lip station and going also on river bend uh it is our understanding they're planning to have their Flats taken to the July Planning and Zoning commission meeting I as a reminder on this one the impact these are due at the time of flying for all three of their sections going down to the next section ongoing construction uh the update for all three of these really were waiting on Entergy to bring power to the L station which is expected by the end of this week hopefully uh they've been delayed a few times by once the once it has power and they're able to energize the lift station we will inspect that as well as all of the utilities in sections one and two at that time going to the next page going back to R meows we had a pre-construction meeting with them on June 5th and they are beginning work out there a couple of one-year warranty Inspections just kind of standing items as they are getting addressed and then on TxDOT we have productive meeting with them last week Sarah and Stan were in attendance of this is a biannual meeting that we're having with them so uh June and December are the meeting date the meeting months just going over all the projects that are currently going on what's coming and some issues that we're having we are also meeting on site with them on Thursday Atkins Creek to discuss the drainage issues and immediate repairs and what needs to be done from TxDOT perspective to protect to 7 we're also working with them on their access management plan from Shephard Street out to the gr County Line they're currently in a 90% phase of those plans we're working with them on utility complex and from the city's perspective that is not scheduled to let until 2026 and they're working from east or from excuse me from west to east in phasing and MCG in phase three so we won't see Construction in the city for quite any more years and then are continuing to have our bi-weekly operations calls with staff and the city operator and that's all.

Mayor Countryman: Question for you um Lake Creek Village I know they sent submitted the televising I think y'all are looking at it have y'all where is that I'm being asked where this is

Vu: we reviewed the videos and we're preparing a summary of our findings that we're going to discuss with okay.

Mayor Pro Tem Olson: And then uh one question I didn't see anything on here I think it's called is it Haven Shire have they contacted they give you any information?

Vu: They have not reached out to us at all.

Mayor Pro Tem Olson: Nothing at all? Everything we requested from them they just blew out the door?

Mayor Countryman: No, I think that they're trying to get their 100%. They got they got to before they go and gather a whole bunch of stuff and give it to us, we want to make sure they need to make sure that everybody's on board got a yeah and they got that's with 100% alignment right so and if I'm reading the room correctly there was at least one outlier here so.

CM Langley made a motion to approve items 12-18 and the motion was seconded by Mayor Pro Tem Olson with all Councilmembers voting AYE, motion carried.

### **Executive Session:**

19. 551.071: (Consultation with Attorney) Potential Litigation: Town Hydrology Update and Next Steps.
20. 551.074 (Personnel Matters) Discussion with City Attorney regarding legal aspects of the organizational structure.

Council adjourned into Executive Session at 7:37 p.m.

Council reconvened into Open Session at 9:14 p.m.

### **Possible Action From Executive Session:**

No action was taken on items from Executive Session.

### **Council Inquiry:**

Mayor Pro Tem Olson: So uh I have an inquiry about um before budget, before you get tied up into that Gary because that's our next our budget meeting is when?

Palmer: We have uh we have a workshop scheduled for the 8<sup>th</sup>.

CM Fox: Which is a Monday.

Palmer: Yes.

Mayor Pro Tem Olson: Oh, it's a Monday? I should make that one.

CM Langley: But Sarah, you'll be gone?

Mayor Countryman: I'll be gone.

Mayor Pro Tem Olson: Before we really get tied up in our budget workshops and stuff we are looking for a um employee hierarchy

Palmer: Okay.

Mayor Pro Tem Olson: And also, a position...

Palmer: You want a flowchart?

Mayor Pro Tem Olson: Just the hierarchy of who answers and because you're the administrator everyone should flow from you.

Mayor Countryman: And then we go through you. So it's us and then you and then everybody behind that right?

Mayor Pro Tem Olson: And then if it um we also would like to see a positional job description for each position of the hierarchy that the job duties. Yeah, no names just that to those positions based on that hierarch and pay range. So, we can look at the we can use it for budgeting and see what we need to do to structure.

Palmer: Okay so employe hierarchy flow chart, positional job description, pay range. Got it

Mayor Pro Tem Olson: Yes sir. And that's what two weeks 3 weeks from now that's two little over two weeks yeah

Palmer: Yeah, I'll you got something by next week

Mayor Pro Tem Olson: Well Monday. With that that budget meeting is fine. I mean even if we don't go if we don't we might not even get into that deep into the budget at that point this is just something we want for Budget season.

Palmer: Gotcha.

Mayor Pro Tem Olson: And that's all I have.

CM Donaldson: I have something. I want to know if we can fine somebody for going through town that didn't tell us they were coming through town.

CM Fox: Do what?

CM Donaldson: Last Monday when we had a control meeting a big old tanker thing or whatever oh yeah came through town picking up our stop lights and stuff, they didn't tell they were coming through and they never said.

Mayor Countryman: Chief was supposed to talk too cuz we were in that meeting you were here, and he said he was going to call TxDOT and find out they failed to tell us because it's it they're supposed to tell us I do they have to tell Us yeah what did they.

Palmer: What did they bring through?

Mayor Countryman: A huge tanker and locked up the gridlock the city so they want up having to drop a bunch of lives they had people up lift up every light and both ways. What day was

Muckleroy: I could have swore that y'all did an ordinance on this several years we did correct and PD supposed to give them an escort yeah and they had other they had they had sheriff or Constable.

Mayor Countryman: We did. I think they had Constable um that was escorting them and because I was here for a meeting and I had to go back through Plantersville and he said they didn't tell us anything and they're supposed to. But what do you do whenever they don't tell us? There isn't any recourse.

**Adjournment:**

Mayor Pro Tem Olson made a motion to adjourn, and the motion was seconded by CM Fox with all Councilmembers voting AYE, motion carried.

Meeting adjourned at 9:20 p.m.

Submitted by: James Greene  
James Greene, City Secretary

Date Approved: 07/09/2024

Casey Olson  
Casey Olson (Jul 10, 2024 17:38 CDT)  
Casey Olson, Mayor Pro Tem









# Approved Minutes 6/25/2024

Final Audit Report

2024-07-10

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