

**MINUTES OF SPECIAL MEETING**

**August 21, 2018**

**MONTGOMERY CITY COUNCIL**

**CALL TO ORDER**

Mayor Sara Countryman declared a quorum was present, and called the meeting to order at 6:02 p.m.

Present: Sara Countryman Mayor  
Jon Bickford City Council Place # 1  
John Champagne, Jr. City Council Place # 2  
Rebecca Huss City Council Place # 4  
Dave McCorquodale City Council Place # 5

Absent: T.J. Wilkerson City Council Place # 3

Also Present: Jack Yates City Administrator  
Larry Foerster City Attorney  
Susan Hensley City Secretary  
Chris Roznovsky City Engineer

**INVOCATION**

John Champagne gave the invocation.

**PLEDGE OF ALLEGIANCE TO FLAGS**

**VISITOR/CITIZENS FORUM:**

Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must be recognized by the Mayor. Council may not discuss or take any action on an item, but may place the issue on a future agenda. The number of speakers along with the time allowed per speaker may be limited.

There were no comments made by the public.

## CONSENT AGENDA:

1. Matters related to the approval of minutes for the Public Hearings and Regular Meeting held on July 24, 2018.
2. Consideration and possible action to authorize street closures for the Wine and Music Festival beginning on Friday, September 14, 2018 at 5 p.m. and running through the entire Festival on Saturday, September 15, 2018 for East College, McCown, Maiden, Caroline, and John A. Butler Streets, as requested by the Montgomery Area Chamber of Commerce.
3. Consideration and possible action regarding street closure of East College Street, the north half of McCown Street between Caroline Street and College Street beginning at 8:00 a.m. Saturday, October 6 until 5:00 p.m. the same date, as requested by Kati Krouse, Bears, Etc.
4. Consideration and possible action regarding adoption of an Escrow Agreement by and between the City of Montgomery and Christian C. and Mary Cheatham regarding Emma's Way Development.
5. Consideration and possible action regarding adoption of an Escrow Agreement by and between the City of Montgomery and NH Heritage LP regarding Heritage Seniors Tract Development.
6. Consideration and possible action regarding Certificate of Acceptance for public water, sanitary sewer, drainage and paving improvements to serve Villas of Mia Lago, Section 2.
7. Consider and possible action regarding voting on the Montgomery County Emergency Communications District Board Member Election.

Rebecca Huss advised that she had three questions, two regarding the minutes and one about the Wine Festival. Rebecca Huss said the questions about the minutes are follow up questions. The first question is regarding the TORC Committee issues that were raised regarding the transfer of information between the City, Engineers and the TORC Committee had all been settled. Mr. Yates said yes, but it stated that it was not completely settled because they have not worked out the last of the numbers, but the Engineer is working on those and they have reached a tentative agreement based upon the final set of figures. Rebecca Huss asked if that would be a report that would come to City Council. Mr. Yates said yes it would be part of the TWDD and part of the Impact Fee discussion. Rebecca Huss said her second question was regarding an update on the timing of staffing of the Assistant to the City Administrator position. Mr. Yates said that they have advertised and interviewed two people, and the first person that was interviewed backed out of the application and the second person is still being reviewed with references. Mr. Yates said he is trying his best to get a good person, because he knows how much City Council wants a good person. John Champagne asked how long the notice for the position has been open. Mr. Yates said it has been roughly 3-4 weeks. Mr. Yates said they had received about 16 applications and they are going to be advertising in some more locations. Rebecca Huss said the market signal would be that they are

not getting satisfactory applicants, it would either be the job itself or the salary is not interesting to the candidates and asked if Mr. Yates felt that was worth discussion or revisiting. Mr. Yates said that he felt that City Council had given him enough latitude on both of those items to where if they got a good person he could negotiate. Rebecca Huss said that it would be embarrassing if they got to Item 7 and they did not have someone in that position.

Rebecca Huss said her third question was regarding the Wine Festival, starting the street closure map is a square and in the past that has caused problems for specific businesses, particularly the Montgomery Steakhouse. Rebecca Huss said she thought that the Antiques Festival has worked that out in a satisfactory way for everyone, which apparently does not seem to be replicated by the Wine Festival. Rebecca Huss said they were able to keep Caroline Street open at Prairie, in fact it is closed after the entrance to that parking lot and also at the exit of the parking lot of the Montgomery Steakhouse. Mr. Yates said he believed that issue had been talked about by The Chamber and the Montgomery Steakhouse. Rebecca Huss said that is not what the map represents, and said she would hate to approve something and then have them come back and say City Council approved the closure and since the City owns the streets, that is what would happen. Mr. Yates said he thought it had been worked out with the Montgomery Steakhouse, but said he would make sure in the morning. Rebecca Huss asked if "worked out" meant that the Montgomery Steakhouse agrees that their access to the parking lot is cut off. Mr. Yates said "yes." Rebecca Huss said she would be shocked. Mr. Yates said this is the same information that was used last year. Rebecca Huss asked how they resolve this matter, because if they approve this square and it is not the case, then the street will be closed. Mr. Yates said what they could do is advise him to make sure that it is alright with the Montgomery Steakhouse, and if it is not, then the south half of McCown cannot be closed. Jon Bickford asked whether there has been any direct feedback from the Montgomery Steakhouse to the City, or any letters written. Mr. Yates said he understood there were letters written to every downtown business owner. Jon Bickford asked whether someone from Montgomery Steakhouse has said anything to the City like "please don't do this again" or complained. Mr. Yates said they have not done either. John Champagne asked if Rebecca Huss had heard anything. Rebecca Huss said no, but that has been a consistent problem where it sounds like everything is fine and then the feedback is that it was not fine. Jon Bickford said wouldn't it make sense for the Montgomery Steakhouse to come and tell somebody at the City. Rebecca Huss said the Montgomery Steakhouse usually does not know until the road has been closed and they are told that is what the City has decided. John Champagne asked that the City contact the Montgomery Steakhouse. Jon Bickford said he also feels there is a Wine Festival every year, and has been one for every year that he can remember with the streets being closed the same way every

year since he has been here and asked if the Montgomery Steakhouse has ever complained or written a letter to the City to complain, because his point is they should write a note to complain. Rebecca Huss said that they do, which is why the Antique Festival does it differently. Mr. Yates said that during this first two years he heard from the Montgomery Steakhouse, but after that he did not hear from them last year or this year. Mr. Yates said he was told that the MACC has written a letter and obtained approval from everyone in the downtown area. Jon Bickford said that the City could ask the Montgomery Steakhouse, but he also felt if they were frustrated they would send a note.

Rebecca Huss moved to approve the Consent Agenda Items 1, 3, 4, 5, 6 and 7 completely as presented, and Item 2, as presented pending direct confirmation from the owners of Montgomery Steakhouse that they are okay with the barricades being at Prairie, otherwise move the barricades west to accommodate their parking lot entrance and exit. Mr. Yates said he understood. Jon Bickford seconded the motion,

Discussion: John Champagne asked about Consent Agenda Item 7, asking if that was related to the 9-1-1 Board Election. Mr. Yates said that was correct. John Champagne asked what this vote means. Mr. Yates said it was the City's ballot to vote for Jack Yates to be on the Montgomery County 9-1-1 Board. John Champagne said he is assuming this Council is satisfied with Mr. Yates' time management and his ability to do this with no interruption to his day-to-day duties. Jon Bickford said that is under the assumption that Mr. Yates gets his Assistant, which is what the original agreement was. John Champagne said "okay, then he is done." Rebecca Huss said Mr. Yates is a man of his word and he said he would hire somebody before he took his position.

The motion carried unanimously. (4-0)

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

8. Consideration and possible action regarding a Utility and Economic Feasibility Study for the Louisa Street Development.

Mr. Roznovsky presented the information to City Council regarding the Louisa Lane Development. Mr. Roznovsky said at the end of the existing Louisa Street they are looking to develop the 14 acre large lot single family resulting in 18 ½ acre lots. Mr. Roznovsky said the property is currently zoned R1 Residential and will remain R1, with no annexation required. Mr. Roznovsky said there

is a potential for a land swap, which is still on the table and they are working with the developer on potential options out by the Hills of Town Creek and expanding that plant site in exchange for part of Water Plant 2 site and some other alternatives. Mr. Roznovsky advised the water production capacity as of today, shows the updated numbers by the TORC that have been agreed upon, with all the current platted developments the City is projected to have 687,000 gallons a day in flow, which is 115% of existing capacity. Mr. Roznovsky said when they include the Water Plant 3 Improvements Project that is ongoing it will increase the City's capacity 735,000 gallons a day so they will have sufficient capacity to cover what is here today, but does not include new development that is not platted, approved and ready to go today.

Rebecca Huss said theoretically they are talking about 18 homes on large lots and they will need a detention pond. Rebecca Huss said they have a lot of different commercial properties with no detention required, and she was curious why. Mr. Roznovsky said it was all based on location. Mr. Roznovsky said most of the commercial locations were either next to the creek and they were either doing improvements to the creek or their impact was minimal. Mr. Roznovsky said this development has the drainage going to the pond and then cross country south and heads back to Town Creek. Mr. Roznovsky said that waterline will be proposed through Water Plant 2 and will allow for an additional waterline loop.

Mr. Roznovsky said on the sanitary sewer side the City has more capacity committed than is available currently, but based on the build out projections, the City will not hit that capacity until beyond 2022. Mr. Roznovsky said as of today, the City does have capacity to serve this development. Mr. Roznovsky said the way they will get sewer service is through a sanitary sewer line across the tract onto Pond Street, which will then head back down to Lift Station 3. Mr. Roznovsky said there will be a line that will need to be relocated because of its depth and it runs right behind the existing house.

Mr. Roznovsky said they have talked about the drainage side, stating what was originally proposed was a public street extension of Louisa Lane, now the current proposed development is for a private gated subdivision, with a gate at the end of existing Louisa Lane and then build a private street with a gated neighborhood that would not be maintained by the City. Mr. Roznovsky said the reason is they are trying to sell \$400,000 to \$600,000 homes and they believe that by providing a gated neighborhood that will help support the increased home value on the half acre lots. Mr. Roznovsky said the developer will also be requesting a variance for open ditch streets instead of curb and gutter, which would be consistent with the homes adjacent to these homes. Mr. Roznovsky said

the Code of Ordinances also provides a rule that allows an open ditch when lots are greater than 100 foot width, which most of the lots in this development are, but not all of them, as provided on the preliminary land plan. Mr. Roznovsky said that after the land swaps there might not be the need for a variance but they wanted to go ahead and request the variance for the open ditches. Jon Bickford asked if it made sense to make this a gated community to make the values worth more and then put ditches in so they are like the other homes in the area that are not the same value. Rebecca Huss said that was a marketing thing that was not really our responsibility. Jon Bickford said if they ask for a variance, that is our responsibility. Mr. Roznovsky said, in his opinion, this development is more along the line with half acre lots, it is large estate type lot homes they are going for.

Mr. Roznovsky said the other part of this is the streets, and per the City's Thoroughfare Plan they have a collector street that runs east, west and north of the school on the Mabry property. Mr. Roznovsky said that original thought with the development was the right of ways would be extended all the way to the property boundary so it could be extended out in the future and connect to the collector street to allow the residents to have access to FM 149 or on SH 105. Mr. Roznovsky said that if this would remain a public street, that instead of just putting a cul-de-sac at the end of the street, still put the cul-de-sac but then extend the right-of-way all the way to the boundary, so if in the future a road is connected the right-of-way would be there and the cul-de-sac can be removed. Jon Bickford said the proposal now is this would not be a public street. Mr. Roznovsky said when this report was written the street was public, since then it has been changed to private streets. Mr. Roznovsky said that was City Council's decision on whether to allow private streets. Mr. Roznovsky said the developer is also proposing asphalt streets instead of concrete, and then the road side ditches instead of curb and gutter. Mr. Roznovsky said the question is whether the City sees it as advantageous to have this through street to get to the collector street. Mr. Roznovsky said if the collector street goes all the way through from Old Plantersville Road to FM 149, the desire to cut through that street might be diminished because you are still not going to a light to get to FM 149 to Flagship and bypass the light completely, but that does not mean people would not use that as a cut though. Mr. Yates said while it sounds good it is not part of the 2016 Thoroughfare Plan to cut through Louisa Lane. Mr. Roznovsky said it is not, but there is a Code that says the City can require an extension of streets or stub out streets for future connections. Mr. Roznovsky said they are not requiring that they dedicate and develop the street all the way to the collector because a) it is not their property and b) it is not on the Thoroughfare Plan. Mr. Roznovsky said it will look the same as a public street with a right-of-way.

John Champagne asked where the gate would be located. Mr. Roznovsky said the gate would be right at the end of the existing Louisa Lane. Mr. Roznovsky said if they allow the private street the cut through option would be out of the picture. John Champagne asked if having the private street would require a variance. Mr. Roznovsky said it is allowed to do private streets and the ordinance requires that it is constructed to public standards, which is why they are asking for a variance for the asphalt because the standard is concrete. Rebecca Huss asked what the existing Louisa Street was regarding curb and gutter, width, etc. Mr. Roznovsky said it is probably 16-18 feet wide asphalt roadway with roadside ditches, so there is no existing curb and gutter.

Dave McCorquodale said two data points to consider when thinking about private streets are examples that are here in town, which was from a different era. Dave McCorquodale said the Stewart's place on College came to the City years ago wanting the City to pave the streets, and they were all taken aback that the street were private. Dave McCorquodale said how that works is through a process so the homeowner's know that they are on the hook for asphalt, drainage, etc. Dave McCorquodale said he did not want the process to turn into something where they come back to the City years from now. Jon Bickford said the action that they are doing is just to accept the report. Mr. Roznovsky said that was correct, but said he would advise that they be considering whether they are going to allow the private street option. Mr. Roznovsky said the other private streets in Lake Creek Village and Buffalo Springs, and so is Waterstone private streets. Jon Bickford said they have heard that Lake Creek Village is having problems. Rebecca Huss said Lake Creek Village is a private street with no gate, which is the most confusing of all with no restricted access. John Champagne said once again this is all in the deeds and if people would read the deeds they would understand. Mr. Yates said they could have a page notifying the property owner of the information. John Champagne said whatever the law requires is what should be done and he did not want to get involved in anything that does not concern us personally. Jon Bickford said if the homeowner's want to accept responsibility for private streets and a gated community they should do it. Mr. Jonathan White, Engineer for the project, stated it has already been discussed that the HOA fees are going to be larger because there is going to be an expectation they will have to fund any improvements, so it is already understood what is involved. Dave McCorquodale said he did not have an issue with asphalt versus concrete, he really did not because the durability of asphalt is perfectly suitable and they see it on Old Plantersville Road, with regard to the open ditches, he is a fan of open ditches anytime and feels that they are going counter to the trends when they are piping and concreting and not opening the drainage ways up. Jon Bickford said he had a question about the impact that the lots have on Louisa Lane. Mr. Roznovsky said it will be more homes but it is single family homes and the street is not a cut through. Jon Bickford said that those

people will be going to work every day and then coming home, and said that takes Louisa Lane from a small road that does not require that much maintenance to maybe one that requires a lot of maintenance, and how does the City get reimbursed for that and is there some way to assess the impact to them. Mr. Roznovsky said 18 homes is not a lot of trip travel and is not a drastic increase as it would be with a much larger development. Mr. Roznovsky said that information was not included in the Study. Mr. Roznovsky said they did determine that improving Louisa Lane all the way to SH 105 was not going to be a requirement for the project. Jon Bickford said they might choose to do that if they want the entrance to the housing development to look nicer. Jon Bickford said he trusted Mr. Roznovsky's expertise and if he thinks it is going to be okay. Jon Bickford said the last thing was he wanted to confirm that there would be no access to Worsham Street from the development. Mr. Roznovsky said that was correct, it goes all the way to Worsham Street, but there is a lot there. Rebecca Huss said in terms of traffic on Louisa Lane, if it is public and the City requires them to stub out and provide a thoroughfare to an eventual Mabry development, then traffic on Louisa will be significantly higher, she can't imagine how the people that live on Louisa will feel about that. Mr. Roznovsky said when they get to that point of making Louisa a connection through, the requirements to upgrade Louisa will be up to the developer of the new section. Rebecca Huss said they have to choose one thing or another and this is a small private street with a gated community or the street becomes a thoroughfare, which is really a large either or. Mr. Roznovsky said the City does not have to allow the connection through even if the road was public. Mr. Roznovsky said there are pros and cons either way you choose. Rebecca Huss said she felt like they were opening up a can of worms with this decision, and the engineering is driving everything as opposed to in some ways where they determine how things should look and work, and how they live.

Mr. Roznovsky review the development costs, stating that the estimated cost for the sewer line and water line construction is \$147,000, which would be constructed and designed as part of the development as a whole by the developer. Mr. Roznovsky said the estimated home price would be \$400,000 - \$600,000 and of that amount the estimated tax value, based on the current tax rate is about \$35,000 year for a total of \$9 million valuation, with impact fees totally \$65,000 for the 18 homes.

Mr. Roznovsky said that this development is the second one that has come into play with the Mobility Study that the City adopted, and it gives the City the option of saying how this development interacts with the future mobility. Rebecca Huss said these studies provide factual information that City Council can base their decisions.



John Champagne moved to approve the Utility and Economic Feasibility Study for the Louisa Street Development as presented. Dave McCorquodale seconded the motion, the motion carried unanimously. (4-0)

9. Consideration and possible action regarding presentation of the Annual Update to the Service and Assessment Plan for City of Montgomery PID No. 1 by Mallory J. Craig, Attorney for Coats and Rose Law Firm.

Mallory J. Craig, Attorney for Coats and Rose who provides the representation for this PID, made the presentation to City Council. Ms. Craig advised that per the Local Government Code the Service and Assessment Plan shall be considered annually to make sure that the Assessment Fee levied is appropriate for the property, the tax roll that it covers and to regain the City's administrative costs. Ms. Craig said that right now no new properties have been added for the Assessment Plan so it will remain the same as last year. Ms. Craig advised this is 6.1 acres that have been triggered and she is asking that City Council adopt the Assessment Plan that levies the same Assessment as last year, which is \$35,778, with \$400 going to cover City administration fees.

Mr. Yates said that virtually most of the assessment is to Mr. Ogorchock. Ms. Craig said of the \$35,778, this is a pass through of \$35,375 to go to reimburse Mr. Ogorchock for the development of the business park and providing the tax value that he brought to the City. Ms. Craig said after last year's assessment they have prepared a disbursement tracking so that the City is able to track what is left to be disbursed to pay off what the City approved per the Development Agreement and the Services and Assessment Plan. Rebecca Huss said that Mr. Yates point was that Mr. Ogorchock himself is the primary tax payer and he is reimbursing himself. Ms. Craig said yes and no, some of the units are rented and some are owned, but at this time the majority is a pass through to Mr. Ogorchock.

Rebecca Huss moved to accept the presentation of the Annual Update to the Service and Assessment Plan for City of Montgomery PID No. 1 by Mallory J. Craig, Attorney for Coats and Rose Law Firm. Dave Mc McCorquodale seconded the motion, the motion carried unanimously. (4-0)

10. Consideration and possible action regarding adoption of the following Ordinance:  
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY ACCEPTING AND APPROVING AN ANNUAL UPDATE TO THE SERVICE AND ASSESSMENT PLAN

AND ASSESSMENT ROLL FOR CITY OF MONTGOMERY PUBLIC IMPROVEMENT DISTRICT NO. 1; PROVIDING FOR PAYMENT OF THE ANNUAL INSTALLMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED; AND PROVIDING FOR SEVERABILITY, AND PROVIDING AN EFFECTIVE DATE.

Rebecca Huss moved to adopt the Ordinance as read. Dave McCorquodale seconded the motion, the motion carried unanimously. (4-0)

11. Consideration and possible action regarding adoption of an Encroachment and Maintenance Agreement with ProCore Developments 105, L.L.C. for sign placement and a light pole.

Mr. Roznovsky advised this was a standard agreement and they have reviewed the plans, and what the agreement states is that if the City has to make any repairs and the light pole or sign is damaged it is the responsibility of the owner to replace or repair.

John Champagne moved to approve the Encroachment and Maintenance Agreement with ProCore Developments 105, L.L.C. for sign placement and a light pole as presented. Rebecca Huss seconded the motion, the motion carried unanimously. (4-0)

12. Consideration and possible action regarding adopting of an Encroachment and Maintenance Agreement with Spirit of Texas Bank, SSB for a Gateway Monument, dumpster and storage area and light poles.

Mr. Roznovsky said this was the same information as the last item, with the main difference with this one is the City does not have utilities within the easement. Mr. Roznovsky said this will include the gateway sign that Spirit of Texas is installing that will encroach within the City's easement, and per the 380 Agreement with the City the Spirit of Texas Bank will maintain the site. Mr. Roznovsky said their dumpster storage is also included in this document and it will be located on Lone Star Parkway toward the back of the property and with a brick wall surrounding the dumpster. Rebecca Huss said that since this is the Spirit of Texas, everything that they do is larger and more expensive than everything everyone else does, so there is no chance that the City is going to be digging up and damaging our monument or anything else. Mr. Roznovsky said this will be the same as the previous item, anything that is damaged from work by the City within the easement is the responsibility of them to repair. Mr. Roznovsky said the only spot that there are public utilities is

the very front corner of the property, which the plans have not yet been completed so that will be taken into consideration to adjust them as far away as they can, but along each side there are no utilities located. Mr. Yates asked about the sign plans. Mr. Roznovsky said that they have not yet approved the plans for the light pole and said that their plan approval is contingent upon the encroachment agreement and approval of the sign placement plans.

Jon Bickford moved to adopt an Encroachment and Maintenance Agreement with Spirit of Texas Bank, SSB for a Gateway Monument, dumpster and storage area and light poles. Rebecca Huss seconded the motion.

Discussion: Mr. Foerster stated as a point of information, he has been in contact with the Spirit of Texas Bank owner, Dean Bass and his attorney, Michael L. Durham. Mr. Foerster said he suggested to them since Montgomery was the home of John M. Wade who was one of the men who fought the Battle of San Jacinto shooting the twin sisters cannon and the Spirit of Texas Bank has had a plan of putting a nice statue in front of their bank, and said that it would be nice to have the twin sisters cannon statue in front of the bank to commemorate the fact that one of Montgomery's own fought the Battle of San Jacinto. Mr. Foerster said he did not know if Spirit of Texas Bank would follow through with that, but they felt it was worth looking at. Jon Bickford said that was a good suggestion by Mr. Foerster. John Champagne said Mr. Foerster was the City's resident historian.

The motion carried unanimously. (4-0)

13. Consideration and possible action regarding nomination to the Montgomery Central Appraisal District Board.

Mr. Yates said that there was one opening on the Board. Jon Bickford asked if the City has had somebody on this Board in the past. Mr. Yates said last year City Council nominated Greg Parker who was running for County Commissioner. Jon Bickford said he did not know who we would get to nominate.

Jon Bickford moved to not nominate anyone at this time to the Montgomery Central Appraisal District Board. John Champagne seconded the motion.

Discussion: Rebecca Huss asked why they wanted to not nominate someone and not wait until September. Jon Bickford asked who has asked or presented that they want to be nominated. Rebecca Huss said that she thought Dave McCorquodale has a thought. Mr. Foerster said City Council has until September 11, 2018 to make a nomination, so there is still one other meeting if they wanted to. Rebecca Huss said she did not want this to go away forever, so this is tabled for another meeting. Jon Bickford said that they could make a motion next time so he was clarifying his original motion.

The motion carried unanimously. (4-0)

14. Consideration and possible action regarding adoption of the following Ordinance:

AN ORDINANCE ANNEXING INTO THE CITY OF MONTGOMERY, TEXAS, THE HEREINAFTER DESCRIBED TERRITORY OF 1.799 ACRES OF LAND, MORE OR LESS, IN THE PUBLIC ROAD RIGHT-OF WAY OF STATE HIGHWAY 105 EAST WHICH RUNS ADJACENT AND PARALLEL TO THE BOUNDARIES OF THE CITY, AND LOCATED IN THE JOHN CORNER SURVEY, ABSTRACT 8, MONTGOMERY COUNTY, TEXAS; AND EXTENDING THE BOUNDARY LIMITS OF SAID CITY SO AS TO INCLUDE SAID HEREINAFTER DESCRIBED PROPERTY WITHIN SAID CITY LIMITS; PROVIDING A SEVERABILITY CLAUSE AND A TEXAS OPEN MEETINGS ACT CLAUSE; AND PROVIDING THE EFFECTIVE DATE UPON PASSAGE OF THE ORDINANCE.

Mr. Yates advised that the required two public hearings were held regarding the annexation of the property and there were no public comments made regarding the subject. Mr. Yates said the property that is being annexed is the highway itself.

Jon Bickford moved to adopt the aforementioned ordinance. Dave McCorquodale seconded the motion, the motion carried unanimously. (4-0)

15. Consideration and possible action regarding adoption of the following Ordinance:

AN ORDINANCE BY THE CITY OF MONTGOMERY, TEXAS ("CITY") DENYING THE RATE INCREASE REQUEST OF ENTERGY TEXAS, INC. FILED ON MAY 15, 2018; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

John Champagne moved to adopt the ordinance as presented. Dave McCorquodale seconded the motion, the motion carried unanimously. (4-0)

16. Consideration and possible action regarding calling a Public Hearing regarding the City of Montgomery 2018-2019 Proposed Operating Budget to be held on August 28, 2018 at 6 p.m. at City Hall.

Mr. Yates advised the public hearing needed to be scheduled for September 11, 2018 rather than the August 28, 2018 date.

Rebecca Huss moved to set the Public Hearing for the City of Montgomery 2018-2019 Proposed Operating Budget to be held Tuesday, September 11, 2018 at 6 p.m. at City Hall. Dave McCorquodale seconded the motion, the motion carried unanimously. (4-0)

17. Consideration and possible action to Accept the 2018 Effective and Rollback Tax Rates.

Mr. Yates advised this was the formal acceptance of the 2018 Effective and Rollback Tax Rates as presented by the Country Treasurer. Mr. Yates explained the Effective Tax Rate is what the tax rate would be to collect the same amount of taxes as in 2017-2018. Mr. Yates said with the increase of approximately \$54,000,000 of taxable value, the Effective Tax Rate would be \$.3660.

Mr. Yates stated that the Rollover Tax Rate is the available tax rate that the City could collect legally based on the percentage of increase allowed each year in the law and that rate is \$.4860. Rebecca Huss asked to confirm that was what the State Legislature allows the City to charge. Mr. Yates said that was correct. Jon Bickford said they have the right as a City Council to enact \$.4860/per \$100 valuation. Mr. Yates said that was correct.

Mr. Yates advised City Council has discussed during the budget meetings so far is to have a \$.4055 tax rate, which is in the middle of those two rates. Mr. Yates said since that is more than the Effective Tax Rate it is required that City Council conduct two public hearings, which is listed as another item on the Agenda. Rebecca Huss said the reason they would have to have more taxes in terms of dollar value is because of the City's growth we need to provide more services. Mr. Yates said that was correct.

Jon Bickford asked whether the proposed tax rate of \$.4055 based on a \$3.5 million dollar budget. Mr. Yates said it was based on the budget that we been looking at so far. Jon Bickford said that

rate could conceivably go down before it is over. Mr. Yates said the rate could go down. Jon Bickford said if there are thoughts that there is more money in the budget than there needs to be, as has been presented so far, and those dollars come out, then this rate could go down. Mr. Yates said that was correct and noted one of the next items on the Agenda is to designate a proposed tax rate, but it is not a decision on the rate, it is for the advertisement to be published in the paper. Mr. Yates said this item is just acknowledging receipt of the figures that you are receiving from the County Treasurer.

Jon Bickford said last year the City had a tax rate of \$.4155 and this year the City is proposing \$.4055 and dropping the tax rate one cent. Mr. Yates said that was correct. Rebecca Huss said either way, for this item on the Agenda they need to specifically acknowledge what is being received from the County Treasurer.

Rebecca Huss moved to acknowledge and accept the Effective Tax Rate and Roll Back Rate calculations as presented in the City of Montgomery Worksheet from the County Treasurer. Jon Bickford seconded the motion, the motion carried unanimously. (4-0)

18. Consider and Discuss the Tax Rates Needed to Fund the 2018/2019 Budget for Maintenance and Operations and Debt Service.

Mr. Yates advised this is to establish the Proposed Tax Rate in order for the two public hearings to have a basis for discussion. Mr. Yates said the total property taxes at the \$.4055 tax rate would bring in a total of \$1,024, 755. Mr. Yates advised the proposed split of the tax rate is \$.2113 for maintenance and operations in the general fund and \$.1942 for debt service. Mr. Yates said this is a reduction of the total tax rate of \$.4155 to \$.4055. Mr. Yates said that increased amount from last year to this year in the maintenance and operations fund is \$131,514 and the increase in the debt service fund is \$74,707. Mr. Yates said City Council during budget discussions felt this would allow growth in each of these funds enough to allow for the related expense of services due to the growth of the City. Mr. Yates advised that from the maintenance and operations property taxes received and the increase in sales tax collection meets the general fund budget. Mr. Yates said the debt service increase allows the opportunity to set aside funds enough to borrow for long term needs should that need arise.

Jon Bickford said that question now is really determining what the final budget is going to be. Mr. Yates said he suspect that they would be able to go down to \$.3955 if they want to. Mr. Yates said

the final tax rate will not be adopted until September 11, 2018. Jon Bickford said they will have the latitude to change the tax rate. Mr. Yates said that was correct. Jon Bickford said he was very happy and need no further discussion. Rebecca Huss asked if they would have further meetings to discuss the actual figures. Mr. Yates said they would have an extended budget meeting either at the August 28, 2018 or September 4, 2018 Meeting, and said he thought that it would probably be on the September 4, 2018 Meeting Agenda. Mr. Yates said he hoped to have the Proposed Budget updated by the end of next week. Rebecca Huss said in the past City Council has been nervous about taking a giant step on cutting the taxes because the future has been so difficult to predict and the City is growing so quickly, asking what makes Mr. Yates feel that they could take two cents off of the tax rate. John Champagne said he thinks the increased ad valorem tax and increased sales activity, and more of what the City did not have in the past and don't need as large of a tax. Jon Bickford said he would offer that there is money in the proposed budget that may not be there tomorrow in non-trivial amount, which that by itself could also cause a change.

Mr. Yates said there is a line item for the half cent that was voted by people to reduce the property tax, and that figure this year is going to be around \$740,000 and next year it could easily be \$830,000. Mr. Yates said if that figure is meant to come off of the property tax, then that could be the basis. Mr. Yates said he would say the growth of the half cent should be the basis for how you effect your property tax. Rebecca Huss said they have always talked about it in terms of that is what the half cent is for, but she has never actually seen it in the budget. Jon Bickford said he would like to see the math to be able to understand fully how it would work. Rebecca Huss asked Mr. Yates to bring a handout at the meeting on the budget so they can have that information on paper. Mr. Yates said City Council could use that information now if they wanted to. Mr. Yates said he would go back several years to find out the percentage would be, which he thought would be about \$50,000 per year. Mr. Yates said he was not sure about this year yet. John Champagne said the more efficient a private enterprise gets the more money they make, but with a City we force ourselves to become more efficient by watching the tax rate. John Champagne said it is real easy to raise taxes, there is nothing hard you just keep doing what you are doing, but this takes effort. Rebecca Huss said when they reduce the tax rate to her that is a permanent commitment. Jon Bickford said it is a commitment for the time that you can make it permanent, and said he thinks the most thoughtful thing that City Council can do is not collect money we do not need. Jon Bickford said if something comes in the future and they need more money, then they will have to ask for more money. Rebecca Huss said she thought that they all agree there is no thinking that they are going to raise taxes for new carpet at City Hall, but if they need a new water well that is a completely different story. Rebecca Huss said in the past when some of City Council came on

board there was no accounting for pensions. Jon Bickford said they fixed that right after they got on board. Rebecca Huss said when she got on City Council they did not have anything accounting for depreciation, so between all of us accounted for the real cost of this government and hopefully at this point there are no more false accounting or surprises. Rebecca Huss asked Mr. Yates if he thought there were any holes where the City is spending money or accruing liabilities that they have not budgeted for or not aware of. Mr. Yates said he would say they are not cutting back on the insurance or at risk for any big loss.

19. Consider and Vote on a Proposed Tax Rate for 2018.

Mr. Yates said this is not to adopt the Tax Rate but to establish a Proposed Tax Rate. Mr. Yates suggested the Proposed Tax Rate of \$.4055.

Jon Bickford moved to proposed in the 2018-2019 budget a property tax rate of \$.4055. Rebecca Huss seconded the motion, the motion carried unanimously. (4-0)

20. If the Tax Rate needed to fund the budget exceeds the lower of the 2018 Effective or Rollback Tax Rate Presented, Consider and approve two (2) Public Hearing dates.

John Champagne moved to set August 31, 2018 and September 4, 2018 at 6:00 p.m. at City Hall, 101 Old Plantersville Road, Montgomery, Texas for the two public hearings regarding exceeding the Effective Tax Rate for the 2018-2019 Budget. Dave McCorquodale seconded the motion, the motion carried unanimously. (4-0)

21. Buffalo Springs Bridge Report by the City Engineer.

Mr. Roznovsky advised all the rip rap is in place, the wall is complete, storm sewer on the south side of the bridge is complete and now they working on the storm sewer on the north side of the bridge. Mr. Roznovsky said today they have filled in on the side and reshaped on the south side of the bridge, and on the north side of the bridge they have one more section of the storm sewer box to be built up to be able to put in the piping.

Mr. Roznovsky reviewed the schedule and advised the last schedule that had been presented to City Council had a completion date of August 30, 2018, but the schedule they received today has a completion date of September 18, 2018, so they have lost another 20 days on the schedule. Mr.



Roznovsky said of those 20 days, they can only account for the number of days that it rained, which was seven to eight days. Mr. Roznovsky said that is about two weeks of slow production by the contractor, with labor issues and he is down half of his crew at the moment. Mr. Roznovsky said apparently from what they heard today is half of the contractor's crew that were working on the bridge quit because they found an oil and gas job and they walked off the job. Mr. Roznovsky said there are liquidated damages provide in the contract, but as far as rain, there are not enough to account for the 20 days.

Mr. Roznovsky said over the next few days they will see the storm sewer being completed on the north side. Mr. Roznovsky said they met with Mr. Shannon Salsbury with State Farm about speeding up that corner of the work so he can complete his site grading and continue to get his building going. Mr. Roznovsky said the bridge work is not affecting him with his shell building construction, but it looks like in another week to week and a half everything will be out of his way so he can complete his work. Mr. Roznovsky said the actual slope paving should start at the end of next week, so they are doing all the buildup of the soil right now. Mr. Roznovsky said the good news is everything down in the channel is now complete so they are not having to work below lake level.

Rebecca Huss thanked Mr. Roznovsky for answering the questions regarding the engineering part of the bridge project so clearly and said she would be curious how that works out. Mr. Roznovsky said we are all wanting the same thing, it is just what the City can and can't do, especially since we are dealing with FEMA. Mr. Roznovsky said that they can't do drainage work where it floods, where they are trying to improve drainage.

#### **EXECUTIVE SESSION:**

The City Council reserves the right to discuss any of the items listed specifically under this heading or for any items listed above in executive closed session as permitted by law including if they meet the qualifications in Sections 551.071(consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel matters), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Government Code of the State of Texas.

22. Adjourn into Closed Executive Session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, in accordance with the authority contained in the following:
  - a. 551.071 (confidential consultation with the City Attorney); and

- b. 551.072 (deliberation regarding real property) related to the purchase of property for a road right-of-way.

Mayor Countryman adjourned into Closed Executive Session at 7:22 p.m.

23. Reconvene into Open Session.

Mayor Countryman reconvened into Open Session at 7:51 p.m.

**POSSIBLE ACTION FROM EXECUTIVE SESSION:**

24. Consideration and possible action, if necessary, on a Resolution approving the purchase of real property for a road right-of-way as discussed in Closed Executive Session.

Jon Bickford moved to adopt, by resolution, approving the purchase of 2,160 square feet of property at 21049 Eva Street in Montgomery for a right-turn lane on State FM 149 and authorizing the execution by the City Administrator or City Mayor of all documents for the City's purchase of property. Rebecca Huss seconded the motion, the motion carried unanimously. (4-0)

**COUNCIL INQUIRY:**

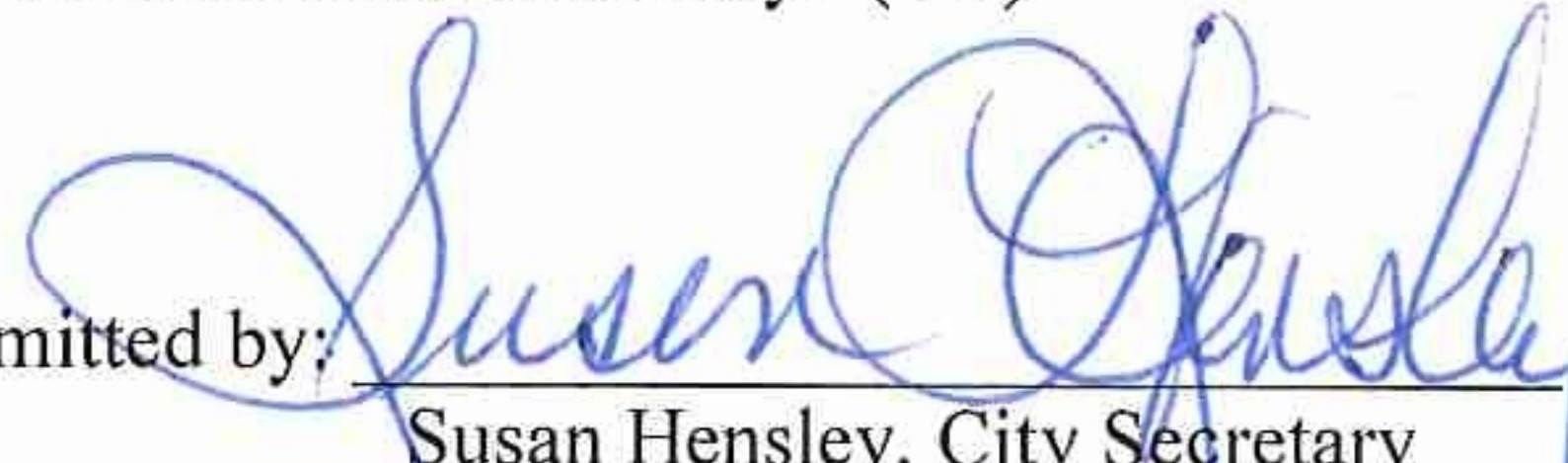
Pursuant to Texas Government Code Sect. 551.042 the Mayor and Council Members may inquire about a subject not specifically listed on this Agenda. Responses are limited to recitation of existing policy or a statement of specific factual information given in response to the inquiry. Any deliberation or decision shall be limited to a proposal to place on the agenda of a future meeting.

There were no comments.

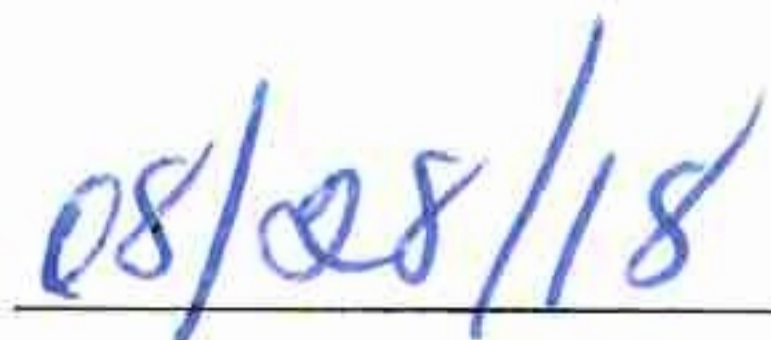
**ADJOURNMENT**

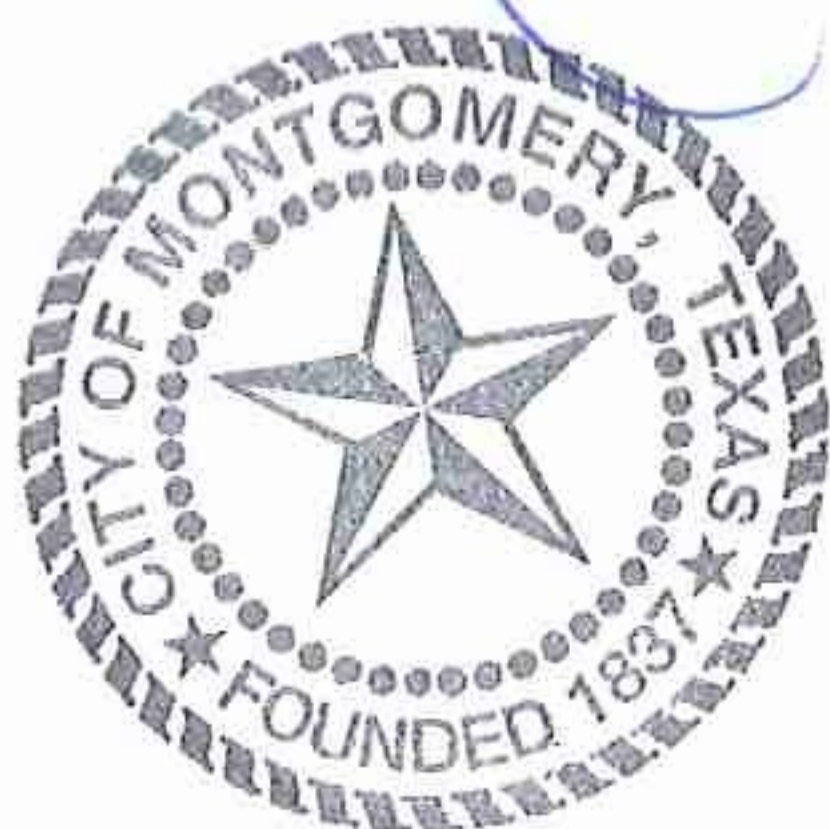
Jon Bickford moved to adjourn the meeting at 7:55 p.m. Rebecca Huss seconded the motion, the motion carried unanimously. (4-0)

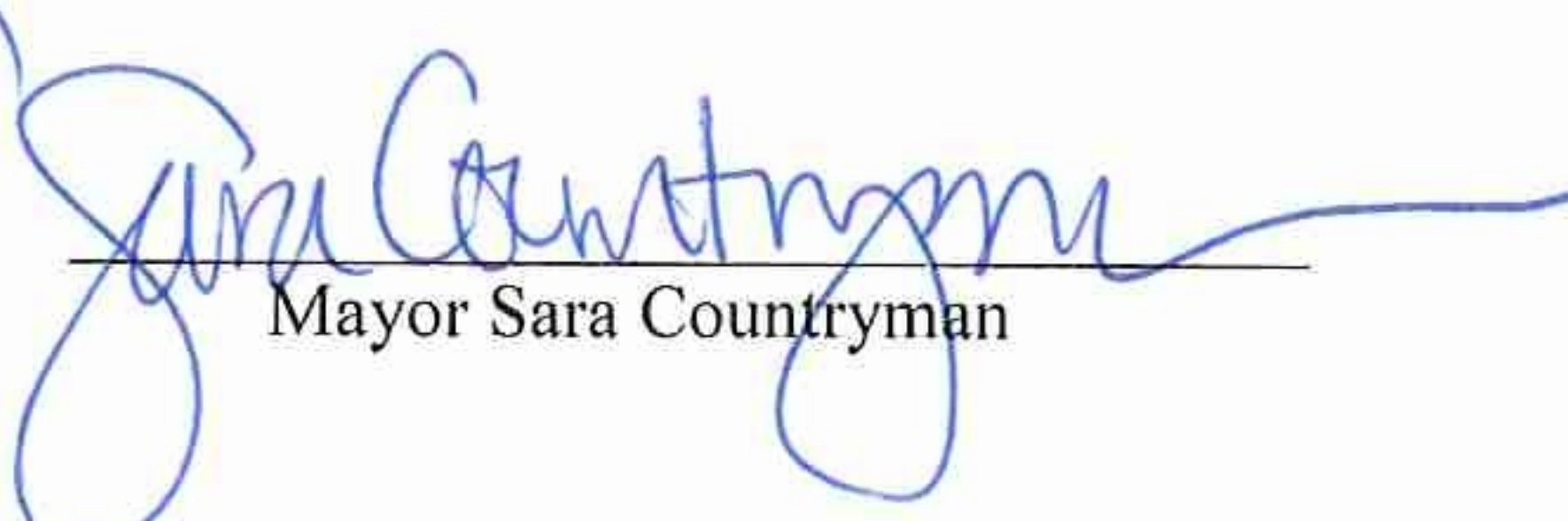
Submitted by:

  
Susan Hensley, City Secretary

Date Approved:





  
Mayor Sara Countryman