

MINUTES OF REGULAR MEETING

August 24, 2021

MONTGOMERY CITY COUNCIL

CALL TO ORDER

Mayor Pro Tem Wilkerson declared a quorum was present and called the meeting to order at 6:00 p.m.

Present: Kevin Lacy City Council Place # 2
T.J. Wilkerson City Council Place # 3
Julie Davis City Council Place # 4
Byron Sanford City Council Place # 5

Absent: Sara Countryman Mayor
Carol Langley City Council Place #1

Also Present: Richard Tramm City Administrator
Dave McCorquodale Assistant City Administrator
Susan Hensley City Secretary
Caleb Villarreal City Attorney

INVOCATION

Byron Sanford 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.

Mayor Pro Tem Wilkerson stated for the record Mayor Countryman and Councilmember Carol Langley were not present this evening, however, they do have a quorum.

Mr. Christopher Ward with the local Boy Scouts troop from Willis said he was attending the meeting to listen and receive information to obtain his merit badge with the Boy Scouts.

Mr. Kade Jenkins of 14809 Lake Mt. Pleasant Road, Montgomery, Texas said someone mentioned at a previous City Council meeting about the revitalization of Montgomery and how it is really about what they do referencing new shrubs and lighting and how that is going to bring people to the area. Mr. Jenkins said he thinks it is businesses that will bring people to the area. Mr. Jenkins said we need to see the value of the businesses and what they can bring to the City. Mr. Jenkins said every day they have people coming from out of town asking where the good restaurants and shops are and what events are taking place. Mr. Jenkins said they get to meet these people and share great things about the City.

CONSENT AGENDA:

1. Matters related to the approval of the August 10, 2021 Regular Meeting Minutes.

Julie Davis moved to accept the Consent Agenda as presented. Kevin Lacy seconded the motion, the motion carried unanimously. (4-0)

CONSIDERATION AND POSSIBLE ACTION:

2. Consideration and Acceptance of the 2021 No-New-Revenue Tax Rate and Voter-Approval Tax Rate.

Mr. Tramm said this item is to properly acknowledge the No-New-Revenue Tax Rate and Voter-Approval Tax Rate for 2021. Mr. Tramm said the No-New-Revenue Tax Rate is \$.3587/\$100 and the Voter-Approval Tax Rate is \$.5231/\$100.

Ms. Tammy McRae, Montgomery County Tax Assessor/Collector said for 2021 the average home taxable value after the 20 percent homestead that was granted is \$207,411. Ms. McRae said the total taxable value for the City this year is \$343,547,833. Ms. McRae said the City gained \$60.7 million in the improvement value this year over last year. Ms. McRae said the No-New-Revenue Tax Rate is \$.3587/\$100 and based on the No-New-Revenue Rate with this year's taxable value would generate \$1.2. Ms. McRae said it is a revenue increase of \$13,974 over 2020, which is a 1.14 percent increase. Ms. McRae said the current rate of \$0.4000 would

generate \$1.3 million in revenue which is a revenue increase of \$155,859, a 12.79 percent increase.

Ms. McRae said for reference she showed the homestead exemption that was approved from the 2021 tax year and depending on how you want to look at it, the value lost to the City or the value savings to the taxpayer within the City was \$21,618,042. Ms. McRae said if you convert that over into dollars that is a savings to the taxpayers of \$86,417.

Julie Davis said in theory they are not losing any money even though they gave a 20 percent homestead exemption because they have seen such an increase in property value or construction in the City. Ms. McRae said that is correct. Ms. McRae said just to note the City has granted the maximum homestead exemption which is the 20 percent.

Kevin Lacy moved to accept the 2021 No-New-Revenue Tax Rate and Voter-Approval Tax Rate as presented. Julie Davis seconded the motion, the motion carried unanimously. (4-0)

3. Consider and discuss the Tax Rates needed to Fund the 2021-2022 Budget for Maintenance and Operations and Debt Service.

Mr. Tramm said items 3, 4, and 5 are all interconnected. Mr. Tramm said the procedures related to the Tax Rate adoption have changed in recent years. Mr. Tramm said the City's Draft Budget has been prepared to keep the Tax Rate at \$.4000/\$100, which is the same tax rate the City has had for several years and is consistent with discussions from the past year. Mr. Tramm said this rate does cause the City to receive additional revenue related to property value increases, which is then available for the infrastructure work needed for our growing community.

Mr. Tramm said this proposed split for property taxes is \$.2588 for Maintenance and Operations (M&O) and \$.1412 for Interest and Sinking (I&S.) Mr. Tramm said this is a decrease of \$.0217 for M&O with that same amount added to I&S due to the increased need for property tax revenue to pay towards I&S costs this coming year. Mr. Tramm said last year City Council decided to use \$361,000 in surplus funds that were available in the Debt Service Fund to pay towards annual debt service. Mr. Tramm said this year's budget proposes to use

\$136,000 of the remaining \$196,000 in surplus debt service funds to help offset the need for property taxes to pay those costs this year. Mr. Tramm said this is similar to what City Council chose to do last year when it used surplus debt service to offset the I&S rate.

Kevin Lacy asked if whatever rate is decided tonight, could this change based on the Budget Workshop meeting on Thursday. Mr. Tramm said yes. Mr. Tramm said the way the tax setting and the budget creation work is they are connected although, in theory, they are different processes that work closely together. Mr. Tramm said you must, by law, adopt the budget first and then adopt the tax rate.

Julie Davis said it seems counterintuitive to her to just throw a percentage out there and then spend all of this so they can rationalize keeping the percentage. Julie Davis said she would rather set a budget first and then say they need this amount to fund that budget.

Mr. Tramm said this is a proposed amount. Mr. Tramm said whatever City Council selects for a proposed number for this item, you cannot go higher than that number, but you can go lower. Mr. Tramm said it is a working number that will be determined at the Budget Workshop as City Council works through the budget line items to determine the tax rate to set to fund those budget line items.

Byron Sanford said they already anticipate a conservative budget with the uncertainty of the times. Byron Sanford said they have plenty of wiggle room in setting a rate and can only go down from there and it is not something that is going to concern taxpayers.

4. Consider and Vote on the Proposed Tax Rate for 2021.

Kevin Lacy moved to adopt the proposed tax rate of \$.4000/\$100 with the \$.2588 for M&O and \$.1412 for I&S. Byron Sanford seconded the motion.

Discussion: Julie Davis moved to amend the motion to say this is not just proposed but that it is pending the budget reviews later this week. Mr. Tramm said it has already been determined this will come back on the September 14, 2021 Agenda for actual official action.

Mayor Pro Tem Wilkerson said the motion has been adjusted to read it is pending.

Kevin Lacy moved to adopt the proposed tax rate of \$.4000/\$100 with the \$.2588 for M&O and \$.1412 for I&S. Byron Sanford seconded the motion, the motion carried unanimously. (4-0)

Mayor Pro Tem Wilkerson called for a record vote. Kevin Lacy Aye, Julie Davis Aye, Byron Sanford Aye, and T.J. Wilkerson Aye.

5. Consideration and determine the Tax Rate needed to fund the City of Montgomery 2021-2022 FY Budget. If it exceeds the year's No-New-Revenue Tax Rate, Schedule a Public Hearing to be held on September 7, 2021 at 6:00 p.m. at City Hall.

Mr. Tramm said since the proposed tax rate approved is above the No-New-Revenue Rate there will be a Public Hearing held on September 7, 2021, at 6 p.m. at City Hall. Julie Davis asked to clarify that because the tax rate is \$.4000 which is above the \$.2588 No-New-Revenue Rate we must have a Public Hearing. Mr. Tramm said yes.

Kevin Lacy moved to schedule a Public Hearing to be held on September 7, 2021, at 6:00 p.m. at City Hall. Byron Sanford seconded the motion, the motion carried unanimously. (4-0)

6. Consideration and possible action regarding approval of Change Order No. 2 and Certificate of Acceptance for the Stewart Creek Wastewater Treatment Plant Lift Station Relocation project.

Mr. Chris Roznovsky, City Engineer said the project extension was complete in September 2020. Mr. Roznovsky said this is the project where the contract was substantially late. Mr. Roznovsky said this is to adjust the contract amount based on the settlement for damages, deductions of unused contract items, quantity adjustments, and a final accounting of the settlement for liquidated damages. Mr. Roznovsky said the total decrease in the contract amount is \$52,367.72, which takes the total contract from \$1,094,300.00 to \$1,041,932.28. Mr. Roznovsky said the timeline on this is different since the completion was in September of 2020, and typically this would come right after the completion. Mr. Roznovsky said Change

Order No. 2 and Certificate of Acceptance states you are accepting the project and restates the one you were comparing which is the completion of September 2020. Mr. Roznovsky said within the next few weeks a one-year inspection warranty will be done.

Julie Davis asked if they received the money they wanted because of the delays. Mr. Tramm said yes, it was just less than the amount they originally wanted.

Julie Davis moved to accept this agenda item as presented. Kevin Lacy seconded the motion, the motion carried unanimously. (4-0)

7. Consideration and possible action regarding an Engagement Letter from Belt Harris Pechacek for the Annual Audit for fiscal years ending September 30, 2021, and September 30, 2022.

Mr. Tramm said Belt Harris Pechacek has done the City's audits for the past four years. Mr. Tramm said Belt Harris Pechacek provided an updated Engagement Letter for the next two annual audits, and given the significant increase of costs of over 35 percent from the last audit, he recommends City Council not approve the new Engagement Letter and direct him to begin a Request for Qualifications for auditing services.

Julie Davis asked if there is a reason why they are so much higher this year. Mr. Tramm said they stated they were losing money and needed the increase based on changes. Mr. Tramm said it did not sound right to him, especially since this last audit was done almost entirely remotely with them emailing documents and records rather than them coming to City Hall to conduct the audit. Mr. Tramm said also the amount they said they needed to break even last year was a greater amount than what the Engagement Letter stated. Mr. Tramm said sometimes it is good to see what else is in the market for consultants. Mr. Tramm said given the 35 percent price increase he thinks now is the time for it.

Byron Sanford asked if now is the time with meeting deadlines to find a new auditor. Mr. Tramm said it would press them a little but there is enough time to get it done.

Julie Davis asked if Mr. Tramm will bring back one person he recommends and how long would they be going out for bids. Mr. Tramm said the process for RFQ's would be done the

same way as in the past and they will bring people back to City Council for a selection to be made.

Kevin Lacy moved to direct the City Administrator to begin the RFQ process and bring three bid proposals back to the next City Council meeting. T.J. Wilkerson seconded the motion.

Discussion: Julie Davis asked if they need to have some language in there to deny this or not because we are sending out for bids. Mr. Tramm said it can be considered denied because it has not been accepted.

The motion carried unanimously. (4-0)

8. Presentation and discussion on a development concept for Porter Farms, a 23-acre single-family residential development by Waterstone Development Group, LLC.

Mr. Tramm said Waterstone Development Group, LLC, which is not connected or related to the Waterstone subdivision in the City, is proposing a residential development on the north side of the City. Mr. Tramm said the developer has experience with both affordable and high-end housing and would like input from City Council on what they feel best serves the needs of the City.

Mr. Tramm said additionally the developer intends to create a Public Improvement District (PID) to serve as a reimbursement vehicle for infrastructure costs. Mr. Tramm said the City has one existing PID for Summit Business Park on FM 1097. Mr. Tramm said PID's are a special purpose district similar to MUD's with several notable differences. Mr. Tramm said both can sell bonds to finance infrastructure and similar improvements, PID's levy special assessments and end when the bonds are repaid, and MUD's levy property taxes and are political entities that can continue to issue bonds in the future.

Mr. Charles Von Schmidt, President of Waterstone Development Group said they build communities from as far south as Angleton up to Huntsville and from the College Station area over to Dayton and Liberty.

Mr. Von Schmidt said they have purchased a 23-acre parcel that is much smaller than what they originally wanted. Mr. Von Schmidt said there is an additional 43-acres to the north that may become available for them to purchase soon.

Mr. Von Schmidt said one of the keys to affordable housing is reducing the lot width from 70-80 feet to 50-feet. Mr. Von Schmidt said homes would range from 1,400 to 2,200 square feet and deed restrictions would allow, but not require, the City to enforce them. Mr. Von Schmidt said they would be 55x130 lots in order to provide affordable housing. Mr. Von Schmidt said the reason for a PID is because the public bond money is a lot cheaper than his interest as a developer commercially and payments can spread out over 30 years for the homeowner. Mr. Von Schmidt said a PID is for a set number of days, hours, years, and a set amount of money which is fixed as opposed to a MUD.

Mr. Von Schmidt said he is looking for feedback and direction from City Council regarding the affordable homes with the smaller size lots.

Byron Sanford said Mr. Von Schmidt has his full support and the PID makes far more sense than a MUD. Byron Sanford said the homes are very similar to those around Cedar Brake Park and are very attractive looking and maintained and that is what he is concerned with.

Julie Davis asked Mr. McCorquodale what he sees as the biggest hurdle for getting around the lot width variance because clearly they have a City Ordinance for 70-foot lot width variance and that has always been a hurdle to getting starter homes inside the City limits. Mr. McCorquodale said a variance should be a minimum set of standards but not obstacles. Mr. McCorquodale said a variance if it makes sense is not a bad thing. Mr. McCorquodale said the biggest hurdle in this layout is when you build less than a 9,000 square foot lot because our ordinance requires a one-to-one offset of compensating green space. Mr. McCorquodale said they would need to request from City Council a variance on the lot width, lot size, and compensating green space.

Julie Davis said the biggest deficit they have as a City is they do not have starter homes. Julie Davis said they pay employees left and right from every store in town and these people cannot afford to live here so they take money that is paid here and leave the City with it. Julie Davis

said they do not spend it here and they do not live here and it is a huge issue. Julie Davis said she is a huge advocate that they incorporate starter homes and do away with the big \$500,000 homes and feels there are enough of them. Julie Davis said a PID is a great idea because it does end at a point.

Byron Sanford said they have discussed this before regarding getting too many rental units stacked on top of each other which is great for the investor. Bryon Sanford said we have people we need to take care of here in the City that need to live, work, and play in the City.

Kevin Lacy said the reality is they do not have control over when investors want to come in and buy up the houses. Kevin Lacy said that is how it is in Town Creek as half the homes were bought by investors and turned into rental homes. Kevin Lacy said his concern is some investor coming in and buying up half the neighborhood and then you have renters everywhere. Kevin Lacy asked how do you control that.

Mr. Von Schmidt said they have not had the problem in the past that we are seeing in the last 12 months and in trying to resolve it they changed some of the language in their deed restrictions. Mr. Von Schmidt said they now prohibit any form of short-term rental and require a minimum of one year which gets them out from the person that wants to open an Airbnb. Mr. Von Schmidt said another thing they changed is no landowner, regardless of if they own one or ten units, can put a sign on the property. Mr. Von Schmidt said the reason that becomes effective is that a lot of landlords look at those restrictions and see the fact they cannot Airbnb it, there is a minimum of a one-year and not a six-month lease, they cannot advertise it onsite, there is a \$150 rental application, and they have to do a criminal background check to ensure the person has never had a sex offender or drug dealer charge. Mr. Von Schmidt said most of the commercial landlords do not want to go through those steps and feel that could trip them up legally. Mr. Von Schmidt said these are the items listed in their deed restrictions to discourage investors from coming in and buying the houses and they still have not accomplished anything because the person who they want to be taking care of a house is still renting, they are just renting a house instead of an apartment.

Mr. Von Schmidt said regarding the compensation space issue they had originally had the additional acreage and there was a large creek on the east side of the property. Mr. Von

Schmidt said they had always anticipated that creek would compensate them for whatever kind of space such as walking trails. Kevin Lacy said in the presentation it talks about the amenities that list walking trails which is what they want. Kevin Lacy asked if there is any room for amenities on the 23-acres. Mr. Von Schmidt said they are going to have community gardens and they will be putting in sidewalks. Mr. Von Schmidt said since they keep the cars off the streets people will also be able to walk on the streets as well. Kevin Lacy asked if as of right now the walking trails would be the sidewalks. Mr. Von Schmidt said yes. Kevin Lacy asked how can blocked sidewalks be controlled since they could be blocked with cars. Mr. Von Schmidt said they have not had that problem. Mr. Von Schmidt said generally speaking when they put in a 25-foot setback and place the garage slightly compressed in the front there is generally enough room. Mr. Von Schmidt said in the future they may need to look at additional deed restrictions.

Kevin Lacy asked if they know what the status is with the additional 40-acres. Mr. Von Schmidt said they originally did this five months ago and they were trying to sign both contracts at the same time. Mr. Von Schmidt said the broker was unable to get in touch with the owner of the property and a month and a half ago the broker said as far as he is concerned he has lost complete contact with the owner and had no idea what was wrong.

T.J. Wilkerson asked if the main entrance would be off of FM 1097. Mr. Von Schmidt said they are proposing that but have not talked with the City or TxDOT about it. Mr. Von Schmidt said if it is a problem they would certainly withdraw that. Mr. Von Schmidt said they originally wanted to go straight east to Summit Business Park but they do not have a right-of-way through there. Mr. Von Schmidt said they wanted to have multiple entrances but if it turns out to be more of a detriment than an asset they would not want to do it.

9. Presentation and discussion on relocating a historic home to The Oaks of Montgomery property located at 202 Prairie Street by Miles Marks.

Mr. Tramm said Mr. Miles Marks, owner of The Oaks of Montgomery contacted the City to discuss the relocation of a historic home to his property at 202 Prairie Street. Mr. Tramm said this is also not an action item but it is something that if City Council or staff want to look into then they will do that.

Mr. Marks said the new owner of the property the historic home is sitting on does not want the home. Mr. Marks said he has room on his property to relocate the home. Mr. Marks stated this historic home is just under 2,000 square feet and it would be a challenge for him. Mr. Marks said he thinks it would behoove the City of Montgomery to help in the effort since it is a historic home and is part of the history of Montgomery.

Mr. Tramm said one of the issues is that Mr. Marks currently has a Planned Development (PD) District with the City which only allows the current structure to be there. Mr. Tramm said the Development Agreement would need to be amended to move the historic home onto his property.

Kevin Lacy asked what proof is there this was the original house. Mr. Marks said it was registered with the historic site based on the registration and the history from the family who owns it.

Kevin Lacy asked how much it would cost to move the house. Mr. Marks said first he would need to get City Council's permission and he is anticipating the cost being between \$20,000 and \$50,000. Kevin Lacy said that was a lot of money. Mr. Marks said they would probably need to remove some trees to accommodate relocating the home to his property.

Mr. Tramm said this is just a gauge of whether City Council would be interested in looking further into this. Mr. Tramm said this would need to go through the Planning and Zoning Commission for their approval and they would also have to modify the Planned Development District.

Julie Davis said personally she would be opposed to spending the money because there are so many infrastructure needs right now, but as far as history goes she feels this is outside of her pay grade.

Mr. Tramm said as Mr. Marks finds out more about costs, he can come back to City Council with more information.

10. Consideration and possible action regarding purchase of three (3) mobile traffic control and messaging signs from All Traffic Solutions.

Mr. Tramm said this item was tabled at the meeting of August 10, 2021, to be brought back with greater detail to City Council.

Mr. Tramm said these items are a recommended purchase following the City's review of its emergency response procedures. Mr. Tramm said one of the items identified was the need for portable and controllable signs for traffic direction and messaging during emergencies. Mr. Tramm said to fill this need the three trailers in this item were identified. Mr. Tramm said after the purchase they would be available for normal daily use of the Police and Public Works Departments for traffic control on an as-needed basis. Mr. Tramm said this regular use would also ensure they are kept in proper operating condition on a regular basis and that staff is familiar with their operation. Mr. Tramm said each of these includes solar charging capability to maximize their ability to be used in remote locations. Mr. Tramm said the items to be purchased under this approval were identified by the Police Department as being appropriate for traffic control and messaging for multiple uses. Mr. Tramm said the cost for three signs, trailers, and all accompanying accessories is \$44,947.00.

Mr. Tramm said as these signs would also be used for traffic direction use during in-City festivals and events, the MEDC had previously set aside funds to reimburse the City for up to half the purchase amount, which it could consider following the next MEDC meeting scheduled for September 20, 2021.

Byron Sanford said the first trailer has a unit price of \$17,491 and asked if it was speed only. Chief Solomon said no, it has a GPS system, camera system, and infrared lights. Chief Solomon said the other two for \$27,000 are \$13,000 each. Chief Solomon said the other one is for higher traffic areas where it gives the radar alert which is why it is \$3,000 higher.

Byron Sanford said the trailers work for him and you have data that shows this does cut the number of speeders down in an area where the trailers are displayed. Chief Solomon said they now have trailers on SH 105 and other streets including the FM 1097 area where people are slowing down and they definitely do the job.

Kevin Lacy asked if all three of these messaging signs are good or is one good and two are ok. Chief Solomon said the one is more expensive because it is for high-end traffic. Kevin Lacy asked why didn't they just spend the money and get all three of the same. Chief Solomon said they did not need them because where the other message signs will be located the traffic flow is not as high in those areas.

Julie Davis asked where does this come from in the budget. Mr. Tramm said there is no budget item for this. Mr. Tramm said City Council is allowed to approve it and then it will be assigned to a police line item. Mr. Tramm said at the end of every fiscal year City Council does a reconciliation process where it amends the budget so it matches what happened and it would be adjusted at that time. Mr. Tramm said there is a police category for signage. Mr. Tramm said that is one reason this comes to City Council for a line item because there were no funds previously appropriated.

Kevin Lacy said since the last City Council meeting he reached out to 40 people where 23 responded and 16 people were for it. Kevin Lacy said he is for it and thinks they need to spend the money now. Kevin Lacy said this is a big piece of the infrastructure that needs to be worked on.

Julie Davis said at the last meeting she commented on only purchasing two police cars instead of four. Julie Davis said this has nothing to do with not funding the police, but she would rather give \$50,000, \$100,000, \$200,000 if it covers the police officers healthcare and we can maintain our men in uniform staying with the department rather than turning over and rotating and would prefer to give money to that before giving money toward messaging signs.

Chief Solomon said when we are talking about supporting our police officers we are talking about supporting our community. Chief Solomon said when they had the snowstorm in February people asked him what are they going to do next, why was there not a sign displayed, why didn't someone know where this was at. Chief Solomon said that is what these signs are for. Kevin Lacy said it also keeps an officer out of harm's way in some instances too.

Kevin Lacy moved to approve the purchase of the traffic control messaging signs from All Traffic Solutions for a total price of \$44,947. Byron Sanford seconded the motion, the motion carried with 3-Aye votes and 1-Nay vote by Julie Davis. (3-1)

DEPARTMENTAL REPORTS:

11. City Administrator's Reports for July 2021 – Mr. Tramm said one item tabled from the last City Council meeting was the purchase of a generator for the Community Center. Mr. Tramm said they are looking into exploring some grant opportunities not just for the generator but also improvements for the City Community Center.

Mr. Tramm said the mobile vendor food truck workshop schedule is as follows:

- Staff and City Attorney complete work on draft ordinance – August 31, 2021
- City releases public survey on these items – week of September 6, 2021
- Begin acceptance of written comments – week of September 6, 2021
- Workshop Meeting – September 21-23, 2021 (exact date subject to Council availability)
- End acceptance of written comments – the day following the workshop
- Summary report to City Council – September 28, 2021
- Staff and City Attorney complete revised draft ordinance before the October 12, 2021, City Council meeting

Kevin Lacy said he wanted to make sure the workshop scheduled somewhere between September 21-23, 2021 will involve residents in discussions and not just reading written comments. Mr. Tramm said that is his understanding of what City Council wants.

Kevin Lacy asked why aren't they accepting written comments before the City Attorney and staff work on it so they have more of an idea of what the citizens are looking for. Mr. Tramm said if anyone wants to provide comments they are going to him and Mr. McCorquodale.

Mr. Tramm said he previously mentioned the American Rescue Plan funds which was the last announced federal program to help provide COVID-19 type related funds. Mr. Tramm said their funds because they are a smaller city go through the Texas Department of Emergency Management (TDEM) where the City is due to accept approximately \$337,000 in two

payments. Mr. Tramm said for the last week they have been told that the first payment is in process. Mr. Tramm said these funds do come with several requirements for their use. Mr. Tramm said the primary use would be for infrastructure but those details will be discussed at the workshop. Mr. Tramm said the City Bookkeeper has been instructed to segregate those funds.

Mr. Tramm said also last month he attended a meeting with the State Attorney General's Office regarding the State's opioid settlement which is supposed to result in money going to various levels of government. Mr. Tramm said it appears the share that would be given to the City of Montgomery is \$1,884. Kevin Lacy asked how is the amount determined. Mr. Tramm said the amount was based largely on population and it also identified hot spot areas with opioid problems.

Mr. Tramm said residential and commercial construction continues to occur throughout the City. Mr. Tramm said the primary residential construction areas are Hills of Town Creek and Town Creek Crossing. Mr. Tramm said Panda Express is moving forward, AutoZone recently opened, Wendy's was recently issued their permits, and 33 new homes were completed.

Mr. Tramm said they are waiting to hear back on the extension that was filed for the GLO Drainage Project and also for them to approve the first phase of project work.

Mr. Tramm said he does not have a timeline for when the actual construction will begin for the FM 149 turn lane, but it is moving forward. Mr. Tramm said the FM 1097 speed and signal studies have been sent to TxDOT.

Kevin Lacy asked if Dairy Queen has ever approached the City about coming to Montgomery. Mr. Tramm said he has not heard anything regarding Dairy Queen. Julie Davis said the Dairy Queen in Willis told her they are looking at the property on the corner of Emma's Way and SH 105 next to the high school.

Julie Davis asked if there is an estimated time for Panda Express to open. Mr. Tramm said he did not know.

12. Public Works Report for July 2021 – Mr. Muckleroy, Public Works Director said on the water side they replaced an air relief valve on Buffalo Springs bridge water line and completed five work orders for water leaks.

Mr. Muckleroy said on the wastewater side they repaired the manhole lid and ring on Clepper Street and raised a manhole that was covered at 916 College Street.

Mr. Muckleroy said on streets and drains they replaced several faded “Reserve Parking” signs at the park facilities and repaired two potholes.

Mr. Muckleroy said on building, facility, vehicle, and equipment maintenance they replaced the damaged sink in the women’s restroom at the Community Center. Mr. Muckleroy said the facilities are cleaned every Monday, Wednesday, and Friday each week and before an event, they try and get them cleaned on Friday afternoon. Mr. Muckleroy said it appeared someone jumped on the sink and broke it off the wall on a Saturday afternoon so it was not that one of his crew members did not catch this as no one is here on Saturdays. Mr. Muckleroy said they also adjusted the brakes on one of their trailers.

Mr. Muckleroy said on the park side they repaired sidewalk lighting at Cedar Brake Park and completed 14 work orders for maintenance-park issues. Mr. Muckleroy said Fernland Park reported 654 visitors and provided 55 tours for the month.

Mr. Muckleroy said they attended a meeting with MEDC Events Coordinator and Events Committee meeting and hosted the 2021 Water Party at the Community Center.

Julie Davis asked if one of the leaks was at Heritage House. Mr. Muckleroy said no because this is the report from July. Mr. Muckleroy said they have addressed that spot before around a year ago and looked at it today because they noticed it was still wet and it has not rained, but typically when it rains it comes down that hill and that is the point it comes out of which is not uncommon to happen. Mr. Muckleroy said it does not appear to be a water leak but they are going to dig it up again.

13. Police Report for July 2021 – Chief Solomon said in Montgomery they have been trying to get a (Community Emergency Response Team) CERT team and even a training class since 2019 and they held the first CERT training class on August 18, 2021. Chief Solomon said in the private sector there are 15 citizens in training. Julie Davis said she has heard great things about CERT training.

14. Court Report for July 2021 – Mrs. Kimberly Duckett, Court Administrator said for the Court Report for July they collected \$33,874.84 in revenue and the total amount of citations was 163. Mrs. Duckett said for the upcoming months the City of Montgomery will be participating in the Fall Warrant Resolution with the collections department.

15. Utility Report for July 2021 – Mr. Tramm said revenue item \$15,619.44 was the Montgomery County payment under the CARES Act reimbursement. Mr. Tramm said it was originally in the process that started in November 2020. Mr. Tramm said the total revenue in permits was \$12,961 and represents 27 permits. Mr. Tramm said the City's water usage at the Parks has increased significantly due to drier, hotter periods.

16. Water Operations Report for July 2021 – Mr. Mike Williams, Vice President of H2O Innovation, said there was a fire hydrant leak on Baja Road that was repaired. Mr. Williams said on Lift Station 2 they had to call out for Variable Frequency Drive (VFD) failure and needed to replace VFD 3.

Mr. Williams said they have had several power issues which they have had a resolution from Entergy. Mr. Williams said Entergy found a hole that would start to lean over during wind events and a repair was made. Mr. Williams said they have not had any power callouts since July 18, 2021. Kevin Lacy asked if that was after the repair. Mr. Williams said yes. Mr. Tramm said after they made the repair they were literally in a meeting with Entergy at City Hall and the power went out during that meeting right after they told them it was repaired. Mr. Tramm said what happened was a car had run into a pole and since then they have not had a problem.

Mr. Williams said the wastewater plant flow for July was 5,611,000 gallons, daily peak flow on July 4, 2021, was 443,000 gallons, and average daily flow was 187,000 gallons with 47 percent permitted capacity.

Mr. Williams said all samples were in compliance with the effluent monitor report in July and reported 6.25 inches of rain at the plants.

Mr. Williams said they pumped a total of 10,538,000 gallons, flushed 101,000 gallons, and sold 9,803,000 which is a 94 percent accountability with a total connection count of 1,031.

Mr. Williams said they also installed the Panda Express tap.

Kevin Lacy asked if going from 84 percent to 94 percent is as far as accountability percent and does that count as no more rain between 90-95 percent? Mr. Williams said typically with a good rain you will see 93, 94 to 100 percent which can fluctuate due to leaks or flushing and activity going on in the City. Julie Davis said she is sure the hydrant leak had a lot to do with the drop in the accountability. Mr. Williams said yes.

17. Finance Report for July 2021 – Mr. Anthony Lasky, Senior Accounting Clerk presented his report to City Council. Mr. Lasky said the account balance for the operating general fund has a total of just under seven months reserve, MEDC has over two years reserve, and the utility fund has 11 months reserve.

Mr. Lasky said there were a couple of disbursements made to the Montgomery County Elections Administrators and the reason for that is because there were two elections this fiscal year.

Mr. Lasky said for the budget report they collected \$288,879 in sales tax, \$216,000 into the general fund, and the rest into MEDC. Mr. Lasky said the August sales tax total was \$466,000 they received which is the highest he has seen.

Mr. Lasky said the City was 38 percent over on revenues for July and currently 12 percent total of budget revenues for fiscal year 10 months complete. Mr. Lasky said for the expenditures it was 12 percent over for July and 93 percent for total expenses for the fiscal year this far.

Mr. Lasky said on pages 29 and 30 he knows they are still the same totals for the grants but he did get confirmation from the City Engineer that those projects were complete and on the next month's report the other funds will be transferred back to the general fund and there will be \$10.00 in both of those accounts. Mr. Lasky said they can keep those accounts open for any future grants that may come in such as the GLO that is coming up and that way they can track those funds whenever they do get deposited.

Mr. Lasky said the bond payments are coming due and he will be making those payments at the end of this week.

18. Sales tax Report for August 2021 – Ms. Kathryn Wheeler, President, Secretary, and Treasurer for Sales Revenue Inc. (SRI) introduced Mr. Derrick Michael who is one of her consultants with SRI and is the coordinator for the City's jurisdiction.

Mr. Michael said there are 5,339 active sales taxpayers and as of August 2021 the City has received 2,194 sales tax filers which is a 9.5 percent increase in taxpayers over August 2020. Mr. Michael said for the 12 months there is an average of 2,039 taxpayers filing each month.

Mr. Michael said sales tax receipts for the calendar year 2021 are \$2,692.64 and for the average the City had 2,039 taxpayers filing local tax returns each month with February 2021 reflecting the highest taxpayer count of 2,277.

Mr. Michael said the top 25 sales tax filers for August 2021 show Kroger, McCoy's, and Macsouth as the top three.

Mr. Michael said 97 percent of all sales tax receipts received came from service providers that are charging the local sales tax to individuals within the County boundary, but whose physical tax office is located either in the City limits or, in most cases, out of the State. Mr. Michael said in August 2021, a total of 75 businesses filed sales tax receipts from locations that are physically located within the City, the remaining 2,119 filings came from our district goods and service providers.

Mr. Michael said the City of Montgomery has received \$35,964,650.49 in sales tax receipts since January 1, 1995. Mr. Michael said the August 2021 allocation to be allocated to the City totals \$466,305.61. Mr. Michael said the \$466,305.61 is a 24 percent increase over the August 2020 total.

Mr. Michael said for the fiscal year there is \$3,566,863.42 of total sales tax allocations received.

Mr. Michael said the total allocations from 2012 to the present are \$21,882,535.97.

Mr. Michael said the average payment in 2021 is \$336,576.83 and last year the average payment was \$263,594.45 which is a considerable increase in the average.

Mr. Michael said the monthly allocations are also shown going back to 2015 with the month-to-month variance which shows 61 percent over July.

Mr. Michael said for the previous year by month variance, the City is 24 percent over the previous August.

Mr. Michael said the yearly allocations and yearly variance are shown from 2015 to the present.

Mr. Michael said Panda Express is going to contribute a lot of money in sales tax because there is no other Panda Express around. Ms. Wheeler said a Dairy Queen by the high school also would be fantastic.

Kevin Lacy said it was mentioned that some things were missing. Ms. Wheeler said out here it will probably be a two-day tour in which they can schedule back to back or coordinate other times.

Mr. Tramm said he is able to review the total list with SRI, and it may be that a company thinks it is doing its job right but for one reason or another they misreported the City maybe because they are reporting from a different zip code. Mr. Tramm said part of the service is to go out and then see what is here and verify that.

Julie Davis asked if there is a way to get an annual allocation of sales tax by dollar amounts. Julie Davis said of the three percent that is inside the City limits what dollar amount are they generating in comparison to the 97 percent that is not. Mr. Michael said it should be included in the confidential report. Mr. Tramm said he will be sending that out tomorrow and was trying to avoid getting confused with this because being a confidential report if introduced to the public the information is no longer confidential. Julie Davis said Kroger and McCoy's are constantly at the top. Ms. Wheeler said you will be able to see that on the confidential report.

19. City Engineer's Report for July 2021 – Mr. Chris Roznovsky, City Engineer presented his report to City Council.

Mr. Roznovsky said the Downtown Waterline Replacement Project is in the process of final testing. Mr. Roznovsky said the contractor plans to complete service lead tie-ins this week and they received Pay Estimate No. 7 for \$60,786.00 from Jones|Carter. Mr. Roznovsky said as of July 23, 2021, construction was approximately 85 percent complete.

Mr. Roznovsky said Water Plant No. 3 Improvements contract will be mobilized and on-site any day. Mr. Roznovsky said the ground storage tank is being replaced and work will begin in September.

Mr. Roznovsky said the Ander's Branch Drainage Improvements project is underway.

Mr. Roznovsky said the Dr. Martin Luther King Jr. Drive Ditch Regrading and Sanitary Sewer Rehabilitation Project plans were received yesterday from Jones|Carter and they are reviewing them.

Mr. Roznovsky said the Water Plant No. 3 Generator Project will begin once costs for the previous two projects have been finalized.

Mr. Roznovsky said the FM 1097 Speed Study was revised to 45 mph and the FM 1097 and Buffalo Springs Drive Traffic Signal Warrant Analysis was finalized as well. Mr. Roznovsky said they are coordinating with TxDOT to consider the possibility of installing a traffic signal at the intersection of FM 1097 and Buffalo Springs Drive.

Mr. Roznovsky said at the last meeting it was asked what the timeline was for the FM 1097 improvements. Mr. Roznovsky said they will follow up and have an update for next month's City Council meeting.

Mr. Roznovsky said the Shoppes at Montgomery access drive to Buffalo Springs plans were approved. Mr. Roznovsky said that access is from Star Bucks to Buffalo Springs behind Panda Express where they will complete that road.

Mr. Roznovsky said the Hills of Town Creek, Section 4 Amending Plat was signed this month and the Shoppes at Montgomery Amending Plat 3 was recorded.

Mr. Roznovsky said Town Creek Crossing, Section 1 is continuing with ongoing construction.

Mr. Roznovsky said the Hills of Town Creek, Section 3 was reinspected on August 19, 2021, but there is still a handful of items that need to be addressed. Mr. Roznovsky said they repaired the pavement, but it is not yet complete.

Mr. Roznovsky said the Kammerer Tract developer is getting their plans ready but they have not heard back from them. Julie Davis asked if they have heard of any kind of change of their

development plans with the construction costs changing. Mr. Roznovsky said he has not heard anything official.

Mr. Roznovsky said they are coordinating with TxDOT to provide the documentation necessary to determine and prepare the easement area for the FM 1097 & Atkins Creek Drainage Improvements Project.

Mr. Roznovsky said the FM 149 & SH-105 North Bound Right Turn Lane Project is expected to be complete in October 2021.

Mr. Roznovsky said regarding the City Engineer transition they are continuing to go through the provided files to determine if any additional documents are needed.

Kevin Lacy asked if the Right Turn Lane Project is a month ahead of what was originally thought. Mr. Roznovsky said they originally projected a September start date and started a little early, but thinks the overall timeline is still correct. Julie Davis said it is amazing how it has taken nearly 20 years to get a right turn lane but will take less than 60 days to complete.

Byron Sanford said the water issues with the Hills of Town Creek were due to the water pressure and Mr. Muckleroy has done a good job in keeping them informed. Byron Sanford asked if when they get to 100 percent are they confident it will be a 100 percent completion of the project. Mr. Roznovsky said right now it is a six-inch pipe however when the project is complete there will be a 12-inch pipe in its place.

Byron Sanford said in anticipation of 30 more homes in Phase 4 the City should be good for the near future. Mr. Roznovsky said yes it should. Mr. Roznovsky said the biggest driver is they have a lot of capacity but it is down to the physical distance between the plant and where they are going and what is the most cost-effective way. Mr. Roznovsky said any future development will have to be looked at in detail to see what is going to be needed to provide service so they do not create issues. Bryon Sanford asked if they would have a better idea of the process from the Budget Workshop as to how quickly they may be going for the water to the Kammerer Project and the water tower. Mr. Roznovsky said yes and they will go over all of that in the Budget Workshop and they will know whether to develop and how these improvements need to go forward.

Byron Sanford asked how big of a priority is put on the lights at FM 1097 and Buffalo Springs and SH-105 with 199 homes being built in that area. Mr. Roznovsky said ongoing is a single work analysis for SH-105 and Buffalo Springs and then you already have the one completed at FM 1097. Mr. Roznovsky said part of what they will discuss on Thursday is the cost of that. Julie Davis asked if there is a way to get a light at Buffalo Springs and SH-105 if they just simply ask the Kroger Development or we as the City put in a cut-through road from Buffalo Springs to Kroger. Mr. Roznovsky said he had a conversation with that developer a few weeks ago and they have plans for a development to be on that corner and part of that is they will complete that driveway right there where it just stops. Mr. Roznovsky said he believes the timeline for that is the first of next year.

Julie Davis moved to accept the Departmental Reports as presented. Kevin Lacy seconded the motion. The motion carried unanimously. (4-0)

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.

There was no Executive Session held.

POSSIBLE ACTION FROM EXECUTIVE SESSION:

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 the 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.

Kevin Lacy said he wanted to mention to everyone that Kelvin Arnsworth owner of Yo' Mama's BBQ is going through a very big fight for his life right now with various stages of cancer. Kevin Lacy said he had the chance to see Kelvin on Sunday and his spirits are up but said he definitely needs our prayers.

Kevin Lacy said there is also a GoFundMe account set up for Kelvin to help out with some of the expenses for what he is going through so if you can help it would be greatly appreciated. Kevin Lacy said as sick as he was on Sunday he insisted his friend drive him around downtown Montgomery so he could see all of his friends. Kevin Lacy said he thinks that says a lot about this man and his character and how much he loves this town and how much he has done for us.

Julie Davis said she wanted to clarify Commissioner Walker has repaved Spring Branch or Old Plantersville from SH-105 by the high school and is working on the second half south of the railroad tracks, but isn't north of the railroad tracks inside the City limits. Mr. Roznovsky said no it is outside the City. Julie Davis asked if they know of a timeline or who is going to paint the lines on the road. Mr. Roznovsky said he does not know but will certainly find out. Julie Davis said her issue was he was consistently shutting down traffic in both directions that did not allow 911 traffic through and it impedes all 911 traffic to the high school. Julie Davis said when she called him he said that was not happening. Julie Davis said she is glad the front end is done but hopes he will restripe it but not during school hours.

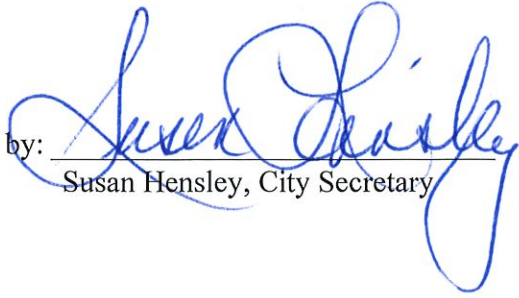
Julie Davis said there are issues of furniture being dumped on Old Plantersville, which she has noticed is being picked up but she does not know if that was Commissioner Walker. Julie Davis said there is a lot that has been happening on Old Plantersville in the last couple of weeks.

Byron Sanford said it is good reason for optimism that at this point we have three months and well over \$400,000 in taxes and when you go back there are only two months and seven years prior that we ever hit anywhere close to that so that is a reason for what we call cautious optimism moving forward because of the price of everything and we have already noted that every decision we make now is with the understanding it is going to cost more by the time it gets built and so all of that is relative, but he sees a lot of optimism for the City.

ADJOURNMENT

Kevin Lacy moved to adjourn at 7:56 p.m. Julie Davis seconded the motion, the motion carried unanimously. (4-0)

Submitted by:



Susan Hensley, City Secretary

Date Approved: _____

Mayor Sara Countryman