

**City Council Regular Meeting
MINUTES
September 24, 2024, at 6:00 PM**

CALL TO ORDER

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

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

Also Present: Gary Palmer City Administrator
 Dave McCorquodale Director of Planning & Development
 Maryann Carl Finance Director
 Diana Titus Deputy City Secretary
 Katherine Vu City Engineer

INVOCATION

Councilmember Stan Donaldson gave the invocation.

PLEDGE OF ALLEGIANCE TO FLAGS

Pledges to the American and Texas Flag were conducted.

PUBLIC FORUM

No Speakers.

REGULAR AGENDA

1. Consideration and possible action on a request from the Montgomery County Independent School District (MISD) for relief from Chapter 90 Utilities, Section 90-68(a) which governs the cost of the City’s public water system tap.

Mr. Palmer said the Montgomery Independent School District is in the midst of constructing the CTE center on Lone Star Parkway within the City. They are required to obtain a water tap from the City in order to connect the CTE to the public water system which is governed under Section 90-68 (a) which states “if a tap or connection is made for the commercial, institutional, or industrial consumer to the city’s water distribution system, the charge to be made for such tap shall be the sum of: (1) the actual costs and expenses incurred by the city of providing the service (including labor and materials); and (2) 200 percent of said actual costs and expenses.”

Mr. Palmer said MISD has formally requested through his office that the Council provide financial relief by waiving the fee in part or entirely. He said he did not see any variance options or any language within the ordinance provided for appeal or relief. He will refer to the City Attorney for a process if there is one in which the Council may have the ability to waive this requirement. He said he knows Mr. Brad Mansfield, Chief

Facilities and Operations Officer is here tonight to outline the request and answer any questions.

Mr. Mansfield said he is new to this position and has experienced a great few months here working with the staff. He said Gary and Dave have been great to work with, have a really good relationship, and have a lot of business that they share.

Mr. Mansfield stated what MISD is asking for is the water tap itself. He said their engineers have recommended an eight-inch water tap. Looking back on that they probably did not need one that big and so that is a different cost that has nothing to do with the City as they are correcting that. He said they feel as a school district they are not the same as maybe a Home Depot that is making money during this whole process. He said they are probably going to be using more water at that facility than they would if homes were on that site. They are going to be using the City's services and providing the fees for that but are asking for the relief of the 200 percent which comes out to around \$84,000. He said either way he completely understands it is in the ordinance. He mainly wanted to make sure he introduced himself and greatly appreciates being on the agenda to be considered.

Mayor Countryman said she did some research and there are cities that waive all the fees when an ISD builds within their city limits so it is not uncommon. She also stated that last time right when you got here there was up for consideration splitting the fee because the City requires that most building happens that the water be taken to the most western part of the property. According to the State of Texas Alan and we discussed this, ISD's we do not have to require you to do that and have to incur that cost, but we went ahead and did that at \$75,000. We did not have to necessarily do that according to the State of Texas but we did. If they applied this to the \$84,000 and just give you the \$75,000 credit, then you pick up the \$9,000 tab. She said this is something she would like to ask Council to consider and thinks that is quite fair since we did not necessarily have to help you with bringing that water to the most western part of your property. She said this is not an unheard of practice to waive those fees.

Councilmember Casey Olson asked if because that was already passed in a motion and allotted, is it allotted for that particular thing they voted on that \$75,000. Mayor Countryman said it has already been given. Councilmember Casey Olson said he looks at it as they have already given them \$75,000 towards this project.

Councilmember Casey Olson asked if there are no impact fees paid by the institution. Ms. Katherine Vu said she does not mean to keep deferring but this was a decision made by a recommendation that came from your attorneys to not access impact and instead do a tap plus 200 percent.

Councilmember Carol Langley asked if the first they knew about this tap was back in June when we filled out the application. Mr. McCorquodale said he is not sure. Councilmember Carol Langley asked if it was discussed any other time you may know of. Ms. Vu said not that she is aware. She said typically a tap quote is not provided until the plans are approved and that was earlier this year and that is when the tap quote would have been provided. Since it is not a cost that is as straightforward as the impact fees, that is not something that we meaning Public Works can provide on the front end nor is that standard practice. Mr. Muckleroy said they did ask for a ball park on the negotiations on the \$75,000 that was done and they provided a ball park at that time.

Mayor Countryman asked if he remembered the amount. Mr. Muckleroy said it was about \$10,000 higher than what it actually came in at.

Councilmember Stan Donaldson made a motion for no action to item #1. Councilmember Casey Olson seconded the motion. **Motion Passed (5-0).**

2. Consideration and possible action on the awarding of the contracts for professional services to conduct a complete Classification and Compensation Study for the City Organization.

Mr. Palmer said you may recall that one of the identified priorities coming out of the 2023 Strategic Planning Session was to conduct a Classification and Compensation Study for the City organization. The purpose of this project is to 1. properly classify all of our city positions (40) in accordance with the actual duties of the position, re-write the job descriptions; and 2. Conduct a regional market study to determine the appropriate compensation for those positions. We published an RFP in early August and received six responses from qualified firms. After analyzing the responses they determined Evergreen Solutions LLC and Paypoint HR to be the two most qualified firms. He interviewed both firms and feel either firm could provide the service we need. Evergreen Solutions came out on top regarding cost and they were the lowest of the six. He said the timeline was about four months which was the same as Paypoint HR and they have a lot of Texas local government experience. His recommendation is to award this to Evergreen Solutions in an amount not to exceed \$19,500.

Mayor Countryman asked if there were any boxes they do not check that the other ones check or does everybody pretty much checks the same box. Mr. Palmer said these two were the two top firms. He said all of them were very close in methodology approach. He said it came down to the timeline, the cost, and really the experience of the other firms. Evergreen Solutions and Paypoint HR have been around for a long time. Evergreen's has the best cost and their Texas experience is vast. He said also included with that cost are two in-person meetings which were not provided for in any other proposals.

Councilmember Stan Donaldson asked how did they find these six proposals. Mr. Palmer said they published the RFP and he did some direct solicitation but he also posted it. He cannot remember the site but it was an aggregator for businesses to look for proposals. Councilmember Stan Donaldson asked if there were any Texas firms. Mr. Palmer said no. Councilmember Stan Donaldson said he finds that amazing when we have the ninth largest economy in the world. Mr. Palmer said he cannot remember where Evergreen is out of, maybe Tallahassee but thinks they have field offices all over the place. He said the person he talked with was in Louisiana so he thinks they have consultants that are working all over. Councilmember Stan Donaldson said he just wants to suggest, he is not against this proposal but in the future when they have projects like these that they take advantage of the educational facilities at Texas A&M. They are one of the largest institutions in the country and they have the wherewithal and the professors and their students to take on a project like this. He thinks they ought to in the future consider something like that.

Councilmember Casey Olson made a motion to award the contract for the City of Montgomery Classification and Compensation Study to Evergreen Solutions in the

amount not to exceed \$19,500. Councilmember Stan Donaldson seconded the motion. All in favor. **Motion Passed (5-0).**

3. Consideration and possible action to approve an audit services agreement for fiscal year end September 30, 2024 with Crowe LLP.

Ms. Carl said earlier this year Belt Harris Pechacek joined Crowe LLP. She said they need to have a new audit engagement specific to Crowe LLP for fiscal year end September 30, 2024.

Councilmember Stan Donaldson said he has questions about it because it just seems they are changing companies. He said according to what he read Belt Harris Pechacek was a separate entity and was wondering if they were trying to change because of personnel. He said they took some personnel but they did not take over the company. Ms. Carl said they took over Belt Harris. She said essentially what it came down to is Crowe LLP is nationwide and they were wanting to break in to the Texas market and they came in and absorbed Belt Harris. It was a mutual agreement and something that was in the works for several months which took effect May 1st. Mayor Countryman said there are no longer Belt Harris employees. Ms. Carl said correct. This is the last year of the agreement, which was a five year agreement with Belt Harris and fiscal year 2024 is the last in that agreement so we will be going out this next year for audit services. She said everything stays the same as far as the agreement is identical to what we were underneath Belt Harris. We budgeted \$36,000 this next year and the agreement is at \$33,500 allowing them some cushion for any extra work that would need to be done. Mayor Countryman said it is simply just a new logo. Ms. Carl said correct.

Councilmember Stan Donaldson said according to their description of services they have a 30/70 split on the pay and asked if Ms. Carl can explain what that is because it looked to him like 30 percent was paid in one budget year and another 70 percent rolled over into the next budget year. Ms. Carl said right and that is standard. She said it is based on the timing and the work that is done. She said it has to do with our testing and interim audit and the actual final audit and it is very standard. Councilmember Stan Donaldson asked when they hire Crowe then are they going to immediately do anything as far as auditing purposes and when is their auditing going to start. Ms. Carl said ideally you have an interim audit in the June, July time frame. We have not had interim audit and will not have interim audit. She said it will all be rolled into one as it was last year and our audit will start in December and go through December and January with the plan to have an audit ready in early February. She said they are required to have the audit completed by the end of March.

Councilmember Casey Olson made a motion to approve the audit engagement of Crowe LLP for audit services for the City of Montgomery for fiscal year in September 30, 2024 . Councilmember Stan Donaldson seconded the motion. All in favor. **Motion Passed (5-0).**

4. Consideration and possible action on a Recommendation of Award from the city engineer for the Old Plantersville Road 12” Waterline Extension Project.

Ms. Vu said last week they received bids in their office for the Old Plantersville Road waterline extension project. She said as a reminder this project begins at the corner of Old Plantersville and Womack Cemetery and then the waterline will run west along the

Redbird Meadows property, up along the high school across to SH 105 and tie into the City's existing system to create a loop waterline. Also as a reminder this project is being funded by the developer for Redbird Meadows and will not come out of the City's pocket. They received 10 bids at the time. The bid tabulation is enclosed on page 162 of your packet. The low bid came in as Bull G Construction, LLC. They are the contractor that you currently have a contract with for the sanitary sewer rehab phase 2 which is the work that was done just out here going underneath SH 105 to do the sanitary sewer rehab. Ms. Vu said they do recommend them as they have worked with them and had a generally good experience with them and know how to work with their staff and what they are working with. She said they came in with their low base bid of \$1,033,795.00 with 120 for final completion of the project. They do recommend awarding the contract to Bull G Construction. Mayor Countryman asked if they are familiar with them. Ms. Vu said yes, they actively have a contract with them with the City right now.

Councilmember Stan Donaldson moved to recommend the award from the city engineer for the Old Plantersville Road 12" waterline extension project as presented. Councilmember Cheryl Fox seconded the motion. **Motion Passed (5-0).**

5. Consideration and possible action on the Certificate of Substantial Completion for the Buffalo Springs Drive Roadway Improvements Project and commencement of the 1-year warranty period.

Ms. Vu said as you are all aware the road is open and available for use. They are recommending this project be determined substantially complete. This is not acceptance of the infrastructure. They are still addressing punch list items to address what they identified at the inspection on September 12th. She said those were very minor punch list items such as striping drippings and a little extra cleanup they needed to do and some regrading. It is her understanding they are actively addressing those if not completed. They do recommend issuing the certificate of substantial completion since the road is open and functional. This does begin the one-year warranty period as of September 12, 2024 which is the day they held the final inspection.

Councilmember Cheryl Fox asked when Home Depot is set to open. Ms. Vu said October 23rd is the date she has been told.

Councilmember Cheryl Fox said the light is functioning today. Ms. Vu said yes it is. She said she can report on that more in the engineers report but they did start up for the signal today. It is operational and working great so far.

Councilmember Casey Olson moved to approve the certificate of substantial completion and entering into the one-year warranty period as of September 12, 2024 for the roadway project on Buffalo Springs. Councilmember Stan Donaldson seconded the motion. **Motion Passed (5-0).**

6. Consideration and possible action on authorizing the City Engineer to begin work on the Lift Station No. 5 Relocation and Sanitary Sewer Extensions project.

Ms. Vu said at the last meeting they brought to Council the waterline extension project to serve the Tri Pointe development. This is the sanitary sewer side and what this project involves is relocating lift station no. 5 from its current location in the creek right off of

SH 105 and moving it into the property within the Tri Pointe development rerouting the gravity lines to get there as well as a new force main coming from lift station no. 5. This is going to be funded up front by Tri Pointe. As a reminder their development agreement had a payback mechanism for the City to pay Tri Pointe back for the City's portion of the capacity in the lift station. Councilmember Carol Langley asked if that is the lift station between the old Heritage House and the auto parts. Ms. Vu said correct the one that is if you are driving over Town Creek you look down into it and it is right off the highway.

Councilmember Stan Donaldson asked why do they need to do it right now. Ms. Vu said the lift station as it currently stands does not have capacity to serve the Tri Pointe development so as part of their development agreement for them to develop since we do not have capacity in the lift station they have to contribute to the expansion of it. If we are going to work on it we might as well relocate it and get it out of the creek and into a better spot. Councilmember Stan Donaldson asked when they install the new lift station will they have the capacity to serve the subdivision. Ms. Vu said yes. She said the lift station will then have the capacity to serve not only Tri Pointe and what it is currently serving we also took more of a regional look to see what else could come to lift station no. 5 so that in however many years when someone else wants to develop property that flows to lift station no. 5 they are not having this conversation all over again. Councilmember Stan Donaldson said he is just curious because they have not turned any dirt yet. Ms. Vu said no they have not and so part of this is that they will not get started on this until the development agreement is executed so their agreement has been approved subject to them closing on the property. Once it is executed and signed they then have to put a deposit up with the City for the design fees for this project and then we will get started on it. She said you can see the time that it takes for the design so you are looking at close to 180 days just for the design phase itself between design itself, approvals and survey. While they are not turning dirt today we want to be in front of it and be ready for them when they come. Councilmember Stan Donaldson said it is on the CIP budget too for this coming year. Ms. Vu said yes it is. Lift station no. 5 has been needing to be redone anyway and so the timing of this works out well so the City has a portion of it that is City capacity and then the developer coming in and is willing to front that cost and allowing for that payback mechanism.

Mayor Countryman asked if the \$93,000 is the payback you are talking about, the reimbursable fees. Ms. Vu said that \$93,000 includes survey, Geotech, structural and then materials testing for the duration of the project including electrical, all of the sub-consultants from them that come through them to complete the project. She said it goes into your reimbursable expenses. Anything on the design side the work is being completed by WGA employees. As far as the payback there is a mechanism for the City to pay back Tri Pointe for the City's portion of the capacity not necessarily that \$93,000 for reimbursable expenses.

Councilmember Casey Olson moved to accept item #6 as presented. Councilmember Stan Donaldson seconded the motion. **Motion Passed (5-0).**

DEPARTMENTAL REPORTS

7. Public Works August 2024 Report

Mr. Muckleroy said the icing on the cake about that project too is they have known we needed to do this for a while but getting to move that lift station is key for them. It is in a bad spot and always has been. He said they would have only been able to make improvements on it but being able to join with them and move the lift station is great for them going down the road.

Mayor Countryman said the whole clean up from the storm she thinks the City is probably in pretty good shape although she sees some stragglers but they are not coming over here any longer to clean up or is there anything you have piled away that they need to clean up. Mr. Muckleroy said there is nothing they have piled away that needs cleaned up and he does not know the answer if they are still coming here. Mayor Countryman said she was just making sure because if they have a need then she wanted to make sure to voice that. Councilmember Stan Donaldson said the debris pickup is back on. Mayor Countryman said it is but not for their area as they have not gotten to them yet. They are designating it for other areas and when their number is pulled we have no idea but if we did have a need she wants to be able to voice that as Mr. Walker asked.

8. Utility Operations August 2024 Report

Mr. Wright said when you look at the report you can see there is an unusual number on there and the accountability is that they over accounted. He said when they got well #3 back online the meter had some junk in it and it was reading low and they were concerned. They wondered if it was a problem with the well but it was just a problem with the meter. He said when enough water was being used during that time because it was critical to get it going that affected the accountability so it looks like they pumped less than what they actually did. They got a calibration on the meter and had it all repaired and is up and running but what that does is that it skews your numbers for one month so it looks like they accounted for more than what we pumped. Normally we pump a little bit more than what we account for. He said it is not a major thing with the TCEQ or with the Regulatory agencies it is just accuracy in the numbers is what that is.

He said the sewer plant is looking much better and they are 100 percent in compliance with their discharge permit.

Mr. Wright said he saw 83 percent on the Catahoula aquifer and panicked a bit. He said they did not put the new updated numbers from Lone Star in there. They will have the next month's report ready but for this month we are at 39.3 percent on our Catahoula aquifer because with the new permits they are at 191 million so we have plenty of room there. We have the same amount on the Jasper at 191 million and they are only at 14 percent. He said they were planning way into the future and so you have lots of room there. Councilmember Stan Donaldson asked if basically he is saying they should ignore those figures. Mr. Wright said correct. They will be corrected next month and they will have the correct numbers on that and it will be correct from now on.

Mayor Country asked about the gentlemen that are in town that are doing the Consolidated work and when they hit a water line and there is the water that is flowing and flowing they do not have to pay for that leakage correct. Mr. Muckleroy said they still have to pay for the water, we have to produce it but they did send an invoice to the contractor. Mr. Wright said the repair costs are a lot more than just whatever the water

usage might be. He said in regard to the water loss, your permitting with Lone Star is prepaid anyway. It is seven cents per thousand gallons so it is not like you are losing much money as far as the water loss is concerned. He said now if it was retail yes, but that is a little different.

Mayor Countryman asked if they are still having thievery. Mr. Muckleroy said some.

9. Financial Report

Ms. Carl said the last meeting when we talked about bank accounts she said she would spend a little time explaining the pool cash report. She said the top portion of the pool cash report says claim on cash and you see the following numbers 100, 150, 200, 300. Those are funds. Over to the right is the beginning balance, current activity, and current balance for the period that ended August 31st. What that means is from the section below that says cash in bank each one of those 999's is an actual bank account and if you look at the total cash in bank in your beginning balance it matches the beginning balance up above in your claim on cash. That means that based on your money that is in the bank those totals that total of the 3.8, it is shared amongst those funds up above. If you look at that, those beginning balances for claim on cash and cash in bank match, the activity in both match, and your current balance matches. When you go to the bottom of the report you have this due to other funds. We have talked before about those due to and due froms that used to be hand reconciled and based on transfers to bank accounts your system does it for you. You will notice across the bottom you have claim on cash versus your cash in bank under those items and your difference is zero. Seeing this shows you that there is no way to reconcile without these things being in line. What all of your transactions and that is where you see the due to other funds and if you go to the next page you see accounts payable pending and due from other funds and an accounts payable control fund. Those are all of the behind the scenes things that happen when you are making payments so when we receive revenues in they are recorded, when you make a payment it goes through this accounts payable piece that there is a whole string of transactions that happen behind the scene. She said all of that to say that if you were not in balance between your general ledger and your bank accounts you would see that in this report and it would be a problem for us because we would not be able to reconcile our bank accounts. Mayor Countryman asked what do you do in that case. Ms. Carl said the system is designed so that it will not get out of balance. There is not a way to get it out of balance because these items that are in here like those accounts payable pending, those are protected accounts and they cannot hit those accounts directly. The same is true on the claim on cash in the top section. Those are protected accounts and they cannot make an entry to those accounts. It is something that happens within the process. When they pay for something out of fund 100 it will reduce the claim on cash for fund 100 so it is not something that they can even make an entry to. She said if she put in that account that 100 then one, one, and zero it would not allow her to do it because it is a protected account. This is what you will get each month that shows you in your cash and bank area this is where you see your bank balances and that will change as those accounts are closed and we are going to transfer those amounts but you will see that your claim on cash above will not change because what is happening is your money is going from those accounts into the operating account but its claim is still the same up at the top. Ms. Carl said these are your bank balances and the same is true when you go to that next pooled cash. That is your investment accounts and that report looks a little bit different. It does not have that accounts payable pending because we do not pay for anything out of investments. That

is investment money that just sits there and earns interest, but you still have a claim on cash and a cash in bank. When you look at this report and see your claim on cash with the general fund, when you look below there are several items that make up that 2.8 million so it is not bank account to bank account. It is not a match; it is a map if you think about it that way. Again, your claim on cash for all of those different funds on the investment side match your cash in bank in the investment accounts. Mayor Countryman said it seems a lot more accurate than what they had before. Ms. Carl said it is and that is why you get reports from the system.

Ms. Carl said on the sales tax report your sales tax snapshot in the month of August you had your highest sales tax ever which was \$636,689.00 which includes quarter two payers in that amount. The reason for that jump is directly attributed to an item you will see on your top 30 companies rank and change summary. She said your entity the company that is ranked as number six is the direct reason for your increase in your sales tax in August over last year or any other period.

Mayor Countryman asked if she has found those hot taxes. Ms. Carl said she is working on that. Mayor Countryman asked about Six Shooter. Mr. Carl said she is working on that as well. She said it has been identified and is sitting with the Comptroller's office and does not have an update as they are still investigating.

10. Municipal Court Report

Ms. Duckett said collections for citations for August was 179 and the revenue was \$36,266.97.

11. PD & CE August Report

Mayor Countryman said Chief Solomon did a great job at the town hall meeting for the upcoming CCPD on the ballot in November. She said there were great questions and there definitely was some misconceptions out there that you were able to address. Chief Solomon said he thinks it is moving in the right direction but he has to give credit to Ms. Goode and Ms. Tilley and said if it were not for them it would not be headed in the right direction. Councilmember Chery Fox asked when is the next meeting. Chief Solomon said the next town hall meeting is October 10th and one on the 24th at 6:00 p.m.

12. City Engineer's Report

Ms. Vu said regarding Water Plant No. 2 improvements the contractor is finishing up establishing the road to get into the water plant establishing that access drive. She said the next step is bringing in the well contractor to plug the old well and then begin drilling the new well.

Ms. Vu said they had to reach out to the maintenance bond for the contractor that did this project for Water Plant No. 3 improvements. She said this was a project from a while back and they were having trouble getting them to address some of the punch list items. They reached out to the bonding company for the maintenance bond and they were out there promptly to get the work done. Mayor Countryman asked the name of that company. Ms. Vu said R&B Group.

The next item listed is the FM 1097 Sanitary Sewer Rehab. This is the sanitary sewer line that broke on FM 1097. Ms. Vu said they **reached out to the report** says five but they have now since then reached out to a sixth contractor to try and get a cost for this. None of those contractors have provided a price back. All have said they are focused on other things and felt like they could not give them a fair price because it is small and they are trying to focus on other things. She said one contractor was not able to get bonded and is currently fully stretched according to his bonding company so he cannot get more work until he closes some out. They are going to be regrouping with staff on Friday morning to discuss the path forward potentially looking at just public bidding this. She said they have been through pretty much the round of the vetted contractors and publicly bidding will open that net a little wider as well so they can get some pricing in.

Ms. Vu said Sanitary Sewer Phase II is the other contract you have with Bull G Construction. They will be doing final sanitary sewer testing out here on Thursday to finish out that work. They did the work about a month ago right before the start of school and now they are doing their final testing to get that project closed out.

They held a final inspection for Old Plantersville Force Main Extension and also on September 12th issued the punch list. The contractor is working on addressing all those punch list items.

Ms. Vu said for Old Plantersville Waterline Extension they discussed earlier.

She said regarding Town Creek Wastewater Plant Expansion to 0.3 MGD they have Halff's proposal and are currently reviewing their cost to try to understand where their values are coming from so they can make a proper recommendation. They will bring it to staff at their meeting on Friday and discuss it with them.

Ms. Vu said Buffalo Springs Road reconstruction they have already discussed but does want to point out that they did have two change orders that came up and both were very small. Change order number two was in the amount of \$8,150. She said they had an elevation issue with Discount Tire's driveway and there was also an existing storm inlet that needed to be removed when they got into the field. They did not know exactly how deep that storm inlet was and the pipe that was underneath when they got into the field they hit an elevation issue and the storm inlet just needed to be removed. You still ended up with a net negative on this contract since we had a large negative change order earlier in the contract because of striping. They removed some striping as there was overlap with this contractor and the signal contractor. Councilmember Casey Olson asked where did the total come in at. Ms. Vu said she does not have the number in front of her but will get it to you and send it right over. Ms. Vu said change order three was a net zero dollar change order and this only added seven additional days to account for Hurricane Beryl and the time lost for that.

The next item is the Buffalo Springs and SH 105 traffic signal. As you have all seen the signal is functional, which is great news. They did have another negative change order in the amount of a minus \$2,952. If you recall when they bid this they did not currently have approval from TxDOT to do the full red, yellow, and green. All they had for approval at the time was for a flashing yellow. Once after the project began construction they got approval from TxDOT to do just the red, yellow, and green so they had to remove the interim flashing yellow bid items from the contract. They had

included both on purpose knowing that they would remove whichever one did not end up getting constructed. At the next meeting they should be bringing a substantial completion to Council for your approval. The only work left for them to do at this point is pouring one more curb ramp and they have a little bit of striping they need to finish as their striping machine broke today while they were working on it. They will finish it up later this week. Councilmember Casey Olson asked when you bring the substantial completion to them can you tell them what the cost of that one is also. Ms. Vu said yes she will.

Ms. Vu said there are no feasibility studies at this time. The plan reviews and plat reviews are listed as well. On the plan reviews the big one is they received plans for the MISD Athletic Complex improvements and provided comments to those. On the plats they did receive a revised minor plat for the CTE building and provided comments to that as well.

The big one for ongoing construction is the Hills of Town Creek Section 5. They have started work on their water sanitary and storm to serve the development and is moving right along. She said for Redbird Meadows they received a copy of their notice to proceed that they issued to their contractor today and would expect big utility work to start on Redbird Meadows likely next week. They have been doing just clearing in the meantime but his notice to proceed was for their utility construction.

Mayor Countryman asked where is Lone Star Ridge as she did not see it on the map. Ms. Vu said Lone Star Ridge is the Taylor Morrison development. She said they did not know what they were going to name the subdivision and Lone Star Ridge is what was on it whenever they just received it.

Ms. Vu said access management along SH 105 from Grimes County to Shepperd Street they are continuing to coordinate with TxDOT on those utility conflicts and getting those resolved and getting a clear path forward. She said Zach has taken it upon himself to meet with them weekly and make sure they are getting them the information that they need and vice versa so everyone is ready to go as much as possible. Some of these they are also looking at can be timed with the construction of the force main for the Tri Pointe development so they are trying to address some of these conflicts all at once.

She said they received an update from TxDOT on the FM 1097 and Atkins Creek drainage improvements that they have acquired all of the right-of-way that they need to complete the improvements. They are still waiting on a firm time line on when those will be completed. She has heard 2025-2026 time frame.

Mayor Countryman said the map shaded in pink under construction says that Shipley's and Lone Star Mart is under construction but she does not see anything moving. Ms. Vu said they classify it as under construction because the plans are approved and from their perspective they could turn dirt tomorrow so they are not in design anymore because their plans are approved. They might not be in active construction but that is just to explain where that coloring distinction comes from.

Mayor Countryman asked if they ever figured out about that carwash on Lone Star for Lone Star Mart going up against those houses. She said there was a big discussion about asking them to put it on the road versus up against the residential homes. Ms. Vu said she has not seen a set of revised plans showing that. Mayor Countryman asked if they

asked. Ms. Vu said if they did there was a period of time where she was out so she cannot speak to that yes or no. Mayor Countryman asked if they can still ask them about putting it on the road versus against the residential homes. Ms. Vu said they can certainly ask them. There is nothing that would require them to do it but they can ask. Mayor Countryman asked why they cannot require them and why would they want that against residential properties. Ms. Vu said you do not have an ordinance that requires it to go on the opposite side. She said on this one she believes this is the reserve where the vegetative setback got moved. Mr. McCorquodale said possibly moved to on the western side as well or just that north side. Mayor Countryman said she thinks it was just on the north side. Ms. Vu said they did have them put operating hours on the plans so the carwash cannot be operating at 1am in the morning. Mayor Countryman asked if the operating hours are known because she has residents asking. Ms. Vu said she does not know but can find out. Councilmember Casey Olson asked if the 25-foot setback does not work on both sides of the property but just one. Ms. Vu said it is just on one as that is how the ordinance is written. Mayor Countryman said then there is nothing they can do to help that on the western side. She asked if there is anything they can do. Ms. Vu said as the ordinance is currently written there is nothing that can require the car wash to be moved to the intersection side of the property. Mayor Countryman asked can they add an additional buffer. Ms. Vu said there is already a fence. Mayor Countryman said that is not going to help a whole lot. Ms. Vu said she understands but as far as requirements there was a variance granted by a previous Council and this is the situation that we are in. She said she is not aware of any other restrictions within the ordinances that could require it to be moved. She said the sound ordinance will still apply. There is not a whole lot that they were able to enforce on their side during the plan review process with the ordinances. Councilmember Casey Olson asked Mr. Palmer if this is one of the ordinances that is being rewritten. Mr. Palmer said it is. Mayor Countryman asked how can they avoid this next time and is there anything they can get ahead of next time. She said people have \$550,000 houses and there is a car wash in their backyard. Ms. Vu said that is the intent of the vegetative setback is that the vegetative setback provides a buffer if you will. A vegetative setback does not mean a tree barrier, it does not require a tree barrier as it just means it could be shrubs or a grassy area. It is pretty broad in what qualifies as a vegetative setback but it does require that it then goes with that spacing. Mayor Countryman said that is just on the north side because there is a west side too with houses right there. Ms. Vu said the setback is still there but it is the question of north versus west side was where the variance was granted. Mayor Countryman asked the City Attorney if there is a way if someone wants to do this again that they can get ahead of it and put in an ordinance or do something that could protect the residents. Mr. Petrov, City Attorney said he thinks that is the process that they are going through now. Mayor Countryman said she does not know if there is anything additional so nothing like this slips through again. Mr. Petrov said it is a matter of adding some additional screening requirements into those ordinances. Mr. Palmer said they are going to be looking at that with KKC and they can ask. He said he does not know about the setbacks but can ask to see if they can look at adding it to this if it is not. Mayor Countryman asked if they could put language in there for instance if it is something that makes a bit of noise like a car wash that it does not go up against residential properties and it must have a commercial property neighbor or road and not residential. Mr. Palmer said yes they need to put some restrictions in there.

Councilmember Stan Donaldson moved to accept the departmental reports as presented. Councilmember Cheryl Fox seconded the motion. **Motion Passed (5-0).**

COUNCIL INQUIRY

Councilmember Carol Langley said there was a meeting maybe three or four months ago where there was a house build that came up about fees changing for inspections or something and asked if they had moved on any of that. Mr. Petrov said the one that requires approval every 10 years yes. He said in fact your building official sent an email about a month ago in terms of updating the building code and he had a recommendation that he thought was a very good one that they update those fees and go through that hearing process at that time to make sure it is all up to speed. Mayor Countryman said the last time they talked this all had to be done before January 1st of 2025 before it is locked in for 10 years. Mr. Petrov said no the January 1st 2024 date was when the idea you have to do it every 10 years becomes effective. He said it was not necessarily a deadline day. Councilmember Cheryl Fox asked what was the House Bill number. Mr. Petrov said House Bill 1922. Mayor Countryman asked if they are good and do not need to do anything. Mr. Petrov said they will be shortly. They will be updating building codes probably before the end of the year.

Mr. Rick Hanna said the other cities he works with went ahead and had public hearings and adopted the fees before January 1st. The bill went into effect September of 2023 that if you did something by January 1st you were okay but that is kind of like when the fuse starts is on January 1st of 2024 if you do not have a public hearing and adopt your billing inspection fees within 10 years then they are abolished. The question is when is the last time we adopted building fees because you did not have a public hearing before at the end of 2023 then you would go back to whenever your last adoption was. We are still okay. At the conference this summer most of the building officials are incorporating their fee structure in adoption of new ordinances and codes. He said they had this issue come up on the ISO ratings that if you are not adopting codes more than six years it has an impact on your ISO insurance ratings. What most of the other building officials are trying to do is kind of roll an adoption of what you are referring to adopt the new building code. The new building code has just been published, the 2024 and 2023 National Electric Code have been published so they are available for adoption. If you are more than two code series behind it has a big impact. His other cities have already adopted the fee structures and are in the process of trying to adopt the new code. He said his goal is to try and do that by January 1st and if they can do that in the fall that gives new builders and designers that if you submit a plan after January 1, 2025 it will be on the new code series to give them a little bit of advanced notice. Mayor Countryman said then what you are saying is we need to have a public hearing to adopt a new fee schedule. Mr. Hanna said any fee schedule and set a target date that this is our fee schedule and if you do not do that within 10 years of the last time you adopted then the State says it is abolished. You cannot charge building fees. Mayor Countryman said if they do not adopt this by the end of the year by January 1st. Mr. Hanna said as of January 1st the time has started but he does not know who would enforce that. Councilmember Casey Olson asked when was the last time they adopted fees. Mr. Hanna said they changed because the State adopted a bill that you could not assess residential building permits based on valuation so builders associations and builders in general complained to the legislature that they did not feel it is right to have to pay building fees based on the value of the structure which is the way the building code, property code and property taxation is all set up, but in Texas we wanted to do it different than the other 49 states. They then adopted a law that said we cannot charge based on valuation so he and Mr. McCorquodale and the permit technician sat down and looked at building permits for months and months back and came up with a fee structure for residential only. They came up with a formula and everyone seemed pretty happy with it. If you are building a house between 2,000 and 2,500 square feet here is the fee. Mayor Countryman asked how long ago was that. Mr. Petrov said about five years ago. Mr. Hanna said that was the only

time since he and Councilmember Carol Langley set up the building permits 20 years ago and have not changed the permit fees at all on the modification for a residential building so that would be the question. He asked does that count five years ago as adopting something. Mr. Petrov said he would say it would but it does not mean that we do not need to go through the process and doing it with the updated building codes before the end of the year. Mr. Hanna said his biggest fear is there are a lot of representatives that feel like the cities are creating too much difficulty for people to work. They wanted to get rid of licenses like plumbing licenses and permits and bills adopted if you do not get a plan review completed within a certain amount of time it was done by an engineer or architect then automatically the city cannot say everybody you have to accept it so they try to turn plan reviews around quickly and get things done so they do not run into that problem. He said some of the representatives from the Austin area are trying to streamline things not that they are investors in commercial construction or anything but they are trying to take off some of the what they call red tape of the building process so they can get their projects turned around quickly. He said his fear is when the next legislative session comes up a new bill might come up and say if you did not do it now it is too late. Mr. Hanna said he has gone through the codes and appendixes and made a recommendation that we adopt for the 2024 code series and the 2023 electrical series. One of the issues is that the State boards like the electrical board they adopt the electrical code shortly after it is published so right now we are on the 2017 National Electric Code but the electricians are having to follow the 2023 code because that is what they are licensed for. There are conflicts and changes that when they go out and do an inspection they say oh you fail but because of our license we had to do it this way and they have to accept it. Mr. Hanna said he would prefer to be ahead of the adoption dates and be on the same level the State is. He stated as he said in his email the 2024 code series kind of cleaned up a lot of mistakes that were the 21 code series. He said a lot of people did not adopt that one. Most people were on the 2018 and the ones that adopted 2021 kind of regretted it. What he is told from the classes that he has gone to so far the 2024 code series has more available options for energy code compliance. Most people seem to be happy with the 24 code and that is why he suggests it. Mr. Hanna said in the public hearing you have to justify your fees if anybody comes to ask why are you charging this. Councilmember Cheryl Fox asked how do you go about justifying what you are charging and is it the administration fees. He said the courses that he was at one of the cities around the Dallas area thought they would get ahead of the curve so they came in and said we are going to have a public hearing and some builder showed up and asked why do you charge this amount and what do you pay your inspector per hour. They really were not prepared and said \$23.50 an hour and the builder said then why are you charging \$75. They had to then go back and come up with all their cost justifications to cover all their operations. Councilmember Stan Donaldson asked how many years he has been operating on with no fee increase. Mr. Hanna said 20 years ago in September they set up the fee structure that we have been on when Jack Yates was here. They raised it from a \$50 inspection to a \$100 inspection on the building from the structural part. He thinks it has increased efficiency with their computer programs. Back in the day they had forms they filled out by hand and he would come by and give Carol the inspections. Councilmember Cheryl Fox asked if Shavauna is still with him. Mr. Hanna said yes she is the Vice President and Chief of Operations.

Councilmember Stan Donaldson said he talked to Hope Brown yesterday because he is trying to keep track of Joe Harris and see how he is doing. He said he is doing fine physically as he is going through his treatments but basically he thinks what she is wanting to know is if we are going to try to make any kind of GrantWorks proposal to get money to help elderly people with their issues. His main issue is that the foundation of his house is going out and he does not have the money to fix it. Councilmember Stan Donaldson said her initial call was to see if we were going to make any applications to GrantWorks to see if we could help them and he does not know the procedure on that. Mr. Palmer said he talked to Ms. Brown. He said GrantWorks is a company like ARPA we are hiring. We would have to have a program like a block grant program housing rehabilitation,

a program for them to do that work for us so we would not apply to GrantWorks for this. We would have to find a program and then once we get engaged in that program then we would solicit services for GrantWorks to help us administer that program. Mr. Palmer said right now they do not have anything. He said they do not have a housing rehab program but the County may have that. He directed Ms. Brown to the County. Councilmember Stan Donaldson said they almost need something more comprehensive. He said they cannot just target an individual when we are asking for help. Mr. Palmer said as far as he knows that is the only resource that would have an activity that would help her. Mayor Countryman said GrantWorks is good she just does not know who would manage that. Having someone manage that internally she thinks they need to get their players in place and then look into that. Mr. Palmer said she believes her dad was a recipient of that grant program years ago so he does not think he will be eligible anything further through that program if he was in the block grant program. He said she needs to check. Councilmember Carol Langley said she does not remember him ever being a recipient. Mr. Palmer said she said that but he does not know.

EXECUTIVE SESSION

Adjourn into Closed Executive Session as authorized by the Texas Open Meetings Act, Chapter 551 of the Government Code, Section(s):

Executive Session pursuant to Section 551.071 Texas Government Code, Consultation with Attorney, to Discuss Matters Within The Attorney Client Privilege Concerning City Council Authority and Responsibility Related to Personnel.

551.074 (personnel matters) Discuss City Secretary Finalists

Council adjourned into Executive Session at 7:18 p.m.

Council reconvened into Regular Session at 8:03 p.m.

ACTION FROM EXECUTIVE SESSION

Councilmember Casey Olson moved to authorize our city administrator to negotiate an offer with the applicant as discussed in executive session for city secretary. Councilmember Stan Donaldson seconded the motion. **Motion Passed (5-0).**

ADJOURNMENT

Councilmember Cheryl Fox moved to adjourn the meeting. Councilmember Casey Olson seconded the motion. **Motion Passed (5-0).**

The meeting was adjourned at 8:04 P.M.

Date Approved: _____

Submitted by: _____
Diana Titus, Deputy City Secretary

Mayor Sara Countryman