



City of Lorena

107-A S. Frontage Road

Lorena, Texas 76655

(254) 857-4641 Fax (254) 857-4118

NOTICE OF PUBLIC MEETING & PUBLIC HEARINGS
LORENA CITY COUNCIL
MONDAY, SEPTEMBER 18, 2017 6:30 P.M.
LORENA CITY HALL
107-A S. FRONTAGE ROAD, LORENA, TEXAS

MINUTES

1. Call to Order.

- a. **Pledge of Allegiance**
- b. **Texas Pledge**
- c. **Moment of silence**

Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.

Mayor Roper called the meeting to order at 6:30 p.m. Council members present were Mayor Chuck Roper, Mayor Pro tem Bill Coleman, J. Fagner, Jennifer Grimm and Jeff Linnstaedter. Kelly Yarbrough arrived at 6:32 p.m.

City Staff present were City Manager Joseph Pace, Police Chief Tom Dickson, Finance Director Linda Klump, Public Works Director Kevin Neal and City Secretary Monica Hendrix.

2. Visitor and Citizens Forum

At this time any person with business before the Council not scheduled on the agenda may speak to the Council. Comments are limited to three (3) minutes, and this time is not transferable. No formal action may be taken on any of these items at the meeting. This forum is limited to a total of 30 minutes.

Gary Cox spoke and made suggestion to allow golf carts inside the city limits on streets that are 45 mph or less. Cox feels it gives the town a "nice little flavor when you see residents riding around on golf carts". Perhaps the city could look into this. Cox pointed out the lot across from the park on W. Center and S. Front Street that is overgrown and looks bad and should be addressed. Cox is still concerned about the intersection at E. Center Street and the Frontage Road and the width of the street and the way the handicap ramp jets out into the flow of traffic. Cox also pointed out that "we still have bad roads in Lorena" and wanted to know if the city still has the \$40,000.00 in the budget for repairs.

3. Approval of Minutes:

- a. **July 31, 2017**
- b. **August 15, 2017**
- c. **August 21, 2017**
- d. **August 29, 2017**

Mayor Roper suggested approving all the minutes in one motion. J. Fagner motioned to approve the minutes from July 31st, August 15th, 21st, and 29th. Jennifer Grimm seconded the motion. All in favor, motion carried.

4. Discussion and possible action on changing the date for the November 2017 regular monthly council meeting date.

City Manager Joseph Pace informed council the reason for the change is to place the bonds for the certificates of obligations the week of November 13th instead of Thanksgiving week which is the regular council meeting week. Jennifer Grimm pointed out that the school board meeting has already been scheduled for November 13th so she nor Jeff Linnstaedter could be present on the 13th. After discussion, Jennifer Grimm motioned to hold the meeting on Tuesday, November 14, 2017 at 6:30 p.m. Bill Coleman seconded the motion. All in favor, motion carried.

5. Discussion and possible action regarding a resolution directing publication of notice of intention to issue combination tax and revenue certificates of obligation and resolving other matters relating to the subject.

Joey Durker with First Southwest Securities was present to discuss the steps to issue the certificates of obligations for the extension of the sewer line project for new development.

Council will approve a resolution tonight to approve the publication of their intention to issue combination tax and revenue certificates of obligation and then at least 30 days later the council will adopt an ordinance to issue the certificates of obligation. Jeff Linnstaedter questioned if these were competitive bids and Durker says he thinks they are but the last certificates were a negotiated sale. It was also explained that an underwriter was used last year due to the market and the uncertainty after the election. Depending on the interest rates, the city may possibly refinance some debt from 2007 certificates of obligations to lower the rates on those.

After further discussion a motion was made by Bill Coleman and seconded by J. Fagner to approve the resolution directing the publication of notice. All in favor, motion carried.

6. Discussion and possible action on the appointment of William Taverner to the Lorena EDC Board of Directors.

Kelly Yarbrough informed council that the EDC board members voted unanimously to recommend William Taverner be appointed to the EDC Board of Directors. Bill Coleman motioned to approve the recommendation and appoint William Taverner to the EDC Board of Directors. Jennifer Grimm seconded the motion. All in favor, motion carried.

7. Discussion and possible action on approval of the proposed TIRZ 2016-2017 Fiscal Year Budget Amendment.

Bill Coleman reviewed the budget amendments (see attached) with the council. There were adjustments for timing issues on the certificates of obligations for the TIRZ project, and there were legal fee adjustments for development agreement negotiations on the Loera development.

Kelly Yarbrough motioned to approve the TIRZ 2016-2017 Fiscal Year budget amendments as presented. Jeff Linnstaedter seconded. All in favor, motion carried.

8. Discussion and possible action on approval of the proposed TIRZ 2017-2018 Fiscal Year Budget.

Bill Coleman explained the new proposed budget for TIRZ Fiscal Year 2017-2018. Council compared the two budgets and asked questions. There was concern about the line items under revenues that are booked as loans. Finance Officer Linda Klump explained that loans are not to be listed on budgets as a source of revenue. After further discussion Bill Coleman request to take no action on this item at this time.

9. Discussion and possible action to cast ballot for TML MultiState Intergovernmental Employee Benefits Pool Board of Trustees Region 9 representative.

City Secretary Monica Hendrix informed council that Connie Standridge, City Manager of Corsicana has requested support in her reappointment to the Region 9 TML Multistate IEBP Board. Standridge is the only person on the ballot and has served since 2013.

Jennifer Grimm made the motion to cast the ballot for Connie Standridge. J. Fagner seconded the motion. All in favor, motion carried.

10. Police Department Report.

a. Activity report

There were 216 calls by type and 228 citations issued in August 2017.

Chief Dickson informed council of a report of a suspicious vehicle at the beginning of the month that escalated through social media. After investigating further it turned out to be false. Dickson also informed council of the upcoming homecoming parade and football game this week. Dickson also reported that the barrier next to Tommy's has been completed and people would have to drive on the sidewalk to get around the barrier.

b. Analysis of citations report

Chief Dickson had Dr. Peevey analyze the number of citations each month based on the activity reports. Based on his analysis, the amount of citations issued during the years of 2015 and 2016 were high due to the construction on Interstate 35. In reviewing the past several years Peevey discovered that there is an increase in the number of citations issued of 4.4 per month.

11. Public Works Report.

a. Well repair update

Kevin Neal reported that Lane Christensen Company completed the well install however it isn't working and will need to be pulled again due to faulty equipment. They are not sure if it is a wire or the motor but unfortunately it will need to be pulled again to find out. Neal also informed council that TML insurance has agreed to pay for a majority of the repairs.

b. WMARSS update

Kevin Neal and Joseph Pace attend the WMARSS meetings and are concerned about them changing the agreement/contract. In the new contract/agreement there is wording on participation in plant expansions. The way it was explained to Neal is a city can opt in or opt out of plant expansions based on your acquisition of the 75/90 rule set by TCEQ. If your flows do not meet the 75/90 rule you can opt out of construction cost for that plant. Lorena could potentially have to pay the full cost for expansion when the time comes. Under the current contract all member cities pay for repairs and updates to the system regardless of where they are located.

Neal is also concerned about the capacity that Lorena gets at the Bullhide Plant. WMARSS has not made decisions on which way they are going to go as far as creating a new PUA or remain WMARSS. Joseph Pace gave more information on the meeting and will bring more information as he gets it.

12. City Manager Report.

a. Update on WMARSS:

b. Update on TIRZ East #1, Pre Bid Conference: 09/13/2017 bid openings will be on 9/26/2017.

c. Update on Development in the City of Lorena.

d. PUC Update:

Spring Valley Water Supply has been threatened by the PUC to pull their CCN and they are going to hold a meeting with their customers on 9/19/17 at the Performing Arts Center at the High School to inform them of the circumstances. PUC is wanting Lorena to serve the customer that has requested the water and Lorena has no desire to serve them due to the fact that they are not in our CCN. The property is located in the City of Waco CCN and Spring Valley CCN. Waco would have to release themselves and has stated that will not.

e. Meeting Since Last City Council Meeting:

- Spring Valley Meeting Waco, Texas, August 22, 2017
- Loera Signing Developers Agreement: August 24, 2017
- Area EDC Meeting: West, Texas, August 25, 2017
- Landfill Discussion Meeting: August 29, 2017

This meeting discussed the life of the current landfills and also they explained how a landfill operates and how a new landfill is built.

- Meeting with State Representatives: Kyle Kacal, Doc Anderson, and Representative from Texas Senator Bryan Birdwell's Office concerning PUC: September 5, 2017

The meeting with these representatives was to discuss the situation with the PUC and Spring Valley Water Supply. Spring Valley Water is the entity that initiated the meeting.

- TIRZ Meeting: September 11, 2017
- EDC Meeting: September 12, 2017
- WMARSS Board Meeting: September 13, 2017
- Pre-Bid Conference for TIRZ East #1: September 13, 2017
- Open Bids received for TIRZ #1 East on September 26, 2017
- Lackmeyer Development Meeting: September 14, 2017
- Employee Open Enrollment: September 14, 2017
- TCMA Meeting: Austin, Texas, September 15, 2107

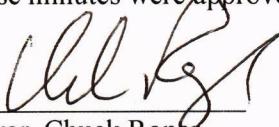
f. Future Meetings:

- Spring Valley Water Supply Company: September 19, 2017, 2017
- Lorena Homecoming Parade: September 20, 2017
- TxDot Planning and Development Workshop: September 21, 2017
- MPO Board Meeting: September 26, 2017
- Wallace Group Renaming: September 27, 2017
- TML Regional Meeting: September 28, 2017

13. Adjourn.

Due to no further business the meeting adjourned at 7:52 p.m.

These minutes were approved this 16h day of October 2017.

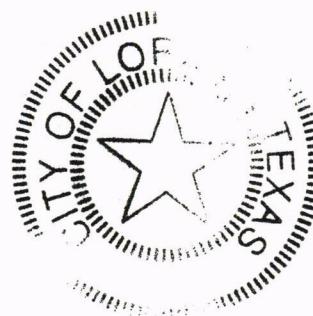


Mayor, Chuck Roper

Attest:



City Secretary, Monica Hendrix



FY2017-2018 Budget
Lorena TIRZ #1 East Budget

| | 9/11/2017 | 9/11/2017 | 9/11/2017 |
|--|------------------------|------------------------|------------------------|
| | FY2016-2017 | FY2016-2017 | FY2017-2018 |
| | Amended Budget | proj. 9/30/17 | Proposed |
| Revenue | | | |
| Beginning Fund Balance | \$ 5,640.00 | \$ 5,640.00 | \$ 2,305,939.32 |
| Certificates of Obligation (TIRZ Portion of Series 2017 and Series 2017A) | \$ 2,425,000.00 | \$ 2,425,000.00 | \$0 |
| Braswell Contribution | \$ 117,650.00 | \$ 117,650.00 | \$0 |
| McEla Contribution (Callan) | \$ 117,650.00 | \$ 117,650.00 | \$0 |
| Tully/Mitchell Contribution | \$ 50,000.00 | \$ 50,000.00 | \$ 50,000.00 |
| EDC Contribution | \$ 28,000.00 | \$ 28,000.00 | \$ 30,000.00 |
| City Contribution | \$ 28,000.00 | \$ 28,000.00 | \$ 30,000.00 |
| Property Tax City (August 2016) | | \$ 14.08 | |
| Loera Home Builders contribution | \$ 55,000.00 | \$ 55,000.00 | \$ 222,500.00 |
| Certificates of Obligation (projected late 2017 or early 2018 for Basin G sewer force main & lift station project) | | | \$ 1,010,000.00 |
| Total Revenues & Available Funds | \$ 2,826,940.00 | \$ 2,826,954.08 | \$ 3,648,439.32 |
| Expenditures | | | |
| Interest Payment on Certificates of Obligation, TIRZ Portion Series 2017 and Series 2017A (2/15/18) | \$ 8,806.42 | \$ 8,806.42 | \$ 48,035.00 |
| Interest Payment on Certificates of Obligation, TIRZ Portion Series 2017 and Series 2017A (8/15/18) | \$ 48,035.00 | \$ 48,035.00 | \$ 48,035.00 |
| Past TIRZ Administration (FY 2014-2015) | \$ 8,400.00 | \$ 8,400.00 | \$0 |
| Past TIRZ Administration (FY 2015-2016) | \$ 50,400.00 | \$ 50,400.00 | \$0 |
| TIRZ Administration, current fiscal year | \$ 50,400.00 | \$ 50,400.00 | \$ 50,400.00 |
| Past Legal Fees (June 2015 - June 2016) paid by City, to be reimbursed to City | \$ 10,252.38 | \$ 10,252.38 | \$0 |
| Past Legal Fees (July 2016 - September 2016) | \$ 15,247.40 | \$ 15,247.40 | \$0 |
| Estimated Legal Fees, current fiscal year | \$ 25,000.00 | \$ 23,432.56 | \$ 25,000.00 |
| Engineering Final Design Sanitary Sewer Line | \$ 315,255.00 | \$ 263,505.00 | \$ 51,750.00 |
| Program Management Engineering Final Design TIRZ sanitary sewer trunk line, force main, and lift station project | \$ 30,500.00 | \$ 30,500.00 | \$0 |
| Construction and Program Management TIRZ sanitary sewer trunk line, force main, and lift station project | \$0 | \$0 | \$ 1,913,341.87 |
| Easement (Fry in FY2016-2017, WMARSS in FY2017-2018) | \$ 12,000.00 | \$ 12,000.00 | \$ 12,000.00 |
| Fry easement filing fee at McLennan County | \$ 36.00 | \$ 36.00 | \$ 36.00 |
| TIRZ Basin G Expansion Project Plan and Financial Plan | | | \$ 30,000.00 |
| Basin G Force Main and Lift Station Design Construction and Program Management (est. 75% complete through 9/30/18) | | | \$ 757,500.00 |
| Interest Payments on Certificates of Obligation, Basin G force main and lift station project (2/15/18) | | | \$ 21,000.00 |
| Interest Payments on Certificates of Obligation, Basin G force main and lift station project (8/15/18) | | | \$ 21,000.00 |
| Total Project Expenditures | \$ 574,332.20 | \$ 521,014.76 | \$ 2,978,097.87 |
| End of Fiscal Year Fund Balance | \$ 2,252,607.80 | \$ 2,305,939.32 | \$ 670,341.45 |

| | 10/3/2016 | 9/11/2017 |
|--|------------------------|----------------------------------|
| | FY2016-2017 | FY2016-2017 |
| | Budget | Budget |
| | Approved | Amendment |
| Revenue | | |
| Beginning Fund Balance | \$ - | \$ 5,640.00 See Note 7 below |
| Certificates of Obligation (Nov 2016) | \$ 2,300,000.00 | \$ 2,425,000.00 See Note 1 below |
| Braswell Contribution (\$30K on 10/1, \$45K on 11/1, \$25K on 12/1, \$17,650 on 1/2) | \$ 117,650.00 | |
| McElla Contribution (\$30K on 10/1, \$45K on 11/1, \$25K on 12/1, \$17,650 on 1/2) | \$ 117,650.00 | |
| Tully/Mitchell Contribution (2/1/17) | \$ 50,000.00 | |
| EDC Contribution (\$13,000 on 2/1/17, \$15,000 on 8/1/17) | \$ 28,000.00 | |
| City Contribution (\$13,000 on 2/1/17, \$15,000 on 8/1/17) | \$ 28,000.00 | |
| Loera Home Builders initial contribution from Basin G developer agreement | | \$ 55,000.00 See Note 2 below |
| Total Revenues & Available Funds | \$ 2,641,300.00 | \$ 2,826,940.00 |
| Expenditures | | |
| Interest Payment on Certificates of Obligation (2/15/17) | \$ 27,964.44 | \$ 8,806.42 See Note 5 below |
| Interest Payment on Certificates of Obligation (8/15/17) | \$ 48,400.00 | \$ 48,035.00 See Note 6 below |
| TIRZ Administration (FY 2014-2015) | \$ 8,400.00 | |
| TIRZ Administration (FY 2015-2016) | \$ 50,400.00 | |
| TIRZ Administration (FY 2016-2017) | \$ 50,400.00 | |
| Legal Fees (June 2015 - June 2016) paid by City, to be reimbursed to City | \$ 10,252.00 | \$ 10,252.38 See Note 8 below |
| Legal Fees (July 2016 - September 2016) | \$ 15,247.40 | |
| Estimated Legal Fees (FY 2016-2017) | \$ 10,000.00 | \$ 25,000.00 See Note 3 below |
| Engineering Final Design Sanitary Sewer Line | \$ 305,805.00 | \$ 315,255.00 See Note 9 below |
| Program Management Engineering Final Design | \$ 30,500.00 | |
| Construction and Program Management (estimated total Aug '17 and Sept '17) | \$ 150,000.00 | \$ 0 See Note 4 below |
| Fry easement | | \$ 12,000 See Note 10 below |
| Fry easement filing fee at McLennan County | | \$ 36 See Note 11 below |
| Total Projected Expenditures | \$ 707,368.84 | \$ 574,332.20 |
| Ending Fund Balance Sept 30, 2017 (as estimated, Fall 2016) | \$ 1,933,931.16 | \$ 2,252,607.80 |

Note 1: \$2,425,000 represents actual TIRZ funds from Certificates of Obligation (Series 2017 and Series 2017A) borrowed January 2017

Note 2: \$55,000 represents initial contribution from Loera Home Builders from Basin G developer agreement dated 8/24/17

Note 3: TIRZ expended \$23,432.56 in legal fees FY2016-2017, \$19,000 of which were for 5 months of Basin G developer agreement negotiation

Note 4: There was no construction of the sanitary sewer line in FY2016-2017

Note 5: Actual Interest paid by TIRZ based on CO Series 2017A and Series 2017 debt schedule (TIRZ portion)

Note 6: Actual Interest paid by TIRZ based on CO Series 2017A and Series 2017 debt schedule (TIRZ portion)

Note 7: Remaining Balance from initial \$40,000 contribution from City for Preliminary Engineering, Spring 2016