

**LORENA TIRZ #1 EAST
REGULAR MEETING OF THE BOARD OF DIRECTORS
TUESDAY, DECEMBER 4, 2018, AT 6:30 P.M.**

**LORENA CITY HALL
107-A S. Frontage Rd. Lorena, Texas 76655**

MINUTES

Call to Order and Verification of Agenda Posting

The meeting was convened at 6:34 pm and Chairman Coleman noted that the meeting was posted in accordance with the requirements of the Texas Open Meetings Act and a quorum was present. Members Present: Bill Coleman, Chuck Roper, J Fagner, Kelly Snell, Chad Hanson, and John Johnston. Members Not Present: William Callan. Also Present: Joseph Pace (City Manager), Kevin Neal (Public Works Director) Jason Mundo and Joe Mundo of Mundo and Associates, Inc. (TIRZ Administration and Program Management Consultants), Ginger Tolbert of KPA,

1. Discussion and possible action to approve Lorena TIRZ #1 East Meeting Minutes – November 12, 2018

The Board reviewed the meeting minutes. J Fagner moved to approve the Lorena TIRZ #1 East Meeting Minutes – November 12, 2018. Chuck Roper seconded the motion. The motion was unanimously approved.

2. Update on Path Forward of Lorena TIRZ #1 East.

Mr. Mundo updated the Board on the Administration of Lorena TIRZ #1 East.

Administration Contract:

Preparation for 11/12 TIRZ Meeting Including – Agenda Preparation, Meeting Minutes Preparation, Coordination with Chairman Coleman on Agenda, Preparation of Phase I Project Path Forward, Preparation of Phase II Project Path Forward, Review and Reconciliation of Invoices, Preparation of Financial Report, Preparation of Cash Flow Report, Preparation of Board Pack, Coordination with City on posting of agenda at City Hall, Posting of Agenda on Website, Sending Board Pack to Board, Conducting TIRZ Meeting.

Project Planning

Preparation for 12/4 TIRZ Meeting Including - Agenda Preparation, Meeting Minutes Preparation, Coordination with Chairman Coleman on Agenda, Preparation of Phase I Project Path Forward, Preparation of Phase II Project Path Forward, Review and Reconciliation of Invoices, Preparation of Financial Report, Preparation of Cash Flow

Report, Preparation of Board Pack, Coordination with City on posting of agenda at City Hall, Posting of Agenda on Website, Sending Board Pack to Board.

Coordination with City Financial Officer: Providing City Financial Officer with documents requested for City Audit.

Assisting City with providing them suggested path forward steps to address annexation and development review issues and move forward with proposed Loera and Mitchell-Tully developments.

Look Ahead Month: 12/01 to 12/31, 2018

Administration Contract (may include but not limited to):

Final Preparations for 12/4 TIRZ Meeting as needed. Conduct TIRZ Meeting.

Preparation of TIRZ Annual Report for McLennan County (Requirement of TIRZ Agreement with County).

Project Planning: Old Temple Rd./Barnes Rd./Cooksey Rd.(Implementation of TIRZ Project Plan, see Agenda Item 7)

Monitoring of Bills of upcoming legislative session for filed bills that would impact Lorena TIRZ #1 East and Tax Increment Financing in the State of Texas. Lobbying of State Legislators as needed (see Agenda Item 6).

Begin Preparation for 1/7/19 TIRZ Meeting including - Agenda Preparation, Meeting Minutes Preparation, Coordination with Chairman Coleman on Agenda, Preparation of Phase I Project Path Forward, Preparation of Phase II Project Path Forward, Review and Reconciliation of Invoices, Preparation of Financial Report, Preparation of Cash Flow Report, Preparation of Board Pack,

Any additional coordination with the City on Audit as requested.

Any additional coordination with City regarding suggested path forward steps to address annexation and development review issues and move forward with proposed Loera and Mitchell-Tully developments.

Website updates to Meeting Minutes, etc. as needed.

Any other administrative items as they arise.

3. Update on Lorena TIRZ #1 East Phase I Wastewater Improvements and Path Forward.

Consultant Jason Mundo updated the Board on the progress during Month 13 (November 2018). The project is 100% complete. Final record drawings by General Contractor received. Acceptance reviews and recommendations by PH 1 Design Engineer and Program Management Consultant. AFFIDAVIT OF TOTAL RELEASE AND CERTIFICATION OF ALL BILLS PAID received from Contractor on 11/28/18. Contractor Final Pay Application of 1% Retainage (\$18, 372.33) released for payment. Transfer of completed infrastructure to City and to Waco/WMARSS will now proceed.

4. Update on Lorena TIRZ #1 East Phase II Wastewater Improvements project including Path Forward. Mr. Mundo updated the Board on the progress during month 6 of construction listed below:

During Month No. 6 - 11/12/18 to 12/04/18

Overall Construction Status = + 17% Complete for November

= 74% Complete as of end/November

- ***Bell Contractors, Inc. experienced significant wet-weather days during October and November***
 - Completed Lift Station underground electrical rough-in and lift station pads***
 - Contractor requested 25 additional Contract days due to Extreme Weather Conditions***
 - KPA on-site representation identified 14 days of Extreme Weather Conditions***
 - Contractor up-dated Construction Schedule, as of 11/16/18, shows:***
 - start-up testing on 12/19 or 20***
 - substantial completion by 12/18/18***
 - completion by 12/31/18***
 - Contract Completion Date is 12/22/18***
- ***On 11/13/18 Loera Home Builders Company received letter from TIRZ Board Chairman advising that Construction Contract was now > 50% complete, and that in accordance with the 8/24/17 City-TIRZ-Loera Development Agreement, the Loera in-progress cost contribution of \$222,500.00 was now due.***
 - Loera Attorney Dave Deaconson responded on 11/13/18 that "the City had not accomplished much of what the parties anticipated would be accomplished many months before November, 2018", and requested that our attorney contact him.***
- ***On 10/25/18 Loera Home Builders received the Final Alignment Change Reimbursement Agreement for signature and subsequent reimbursement payment of \$10,548.91***
 - Loera has not signed/returned the Reimbursement Agreement to-date.***

Month No. 7 Look Ahead – 12/04/18 to 01/07/19

- ***Bell Contractors, Inc.***
 - *Complete all remaining Lift Station Work including above ground electrical, concrete pads and footings, masonry screen walls, driveway, equipment canopy, electrical control panels, generator, SCADA, antenna, and start-up testing*
- *Start-up testing on 12/19 or 20*
- *Substantial Completion on/before 12/22/18*
- *Issue Change Order #2, at no additional cost, to extend the Contract Period in recognition of the October-November Extreme Weather Conditions, for completion of remaining work if any.*
 - *Contract Extension length to-be-determined, up to 25 days (1/16/19)**
- *Contract Closeout during January, 2018*

5A. EXECUTIVE SESSION – CLOSED SESSION: *The Board entered executive session at 7:25 pm.*

Pursuant to Texas Government Code Section 551.087 – Economic Development Negotiations, the TIRZ #1 East Board shall deliberate regarding economic development negotiations involving:

- (1) To discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations;

5B. RECONVENE TO OPEN SESSION:

And take any action necessary as a result of Executive Session.

The Board reconvened into open session at 7:35 pm. No action was taken.

6. Update on State of Texas Legislative Session as it relates to Lorena TIRZ #1 East and Tax Increment Financing.

Consultant Jason Mundo updated the Board that the 86th Legislative Session would be starting in January and that Mundo and Associates would be vigilant monitoring the Legislative Session by reviewing the bills for those bills that would have a negative impact upon Lorena and Lorena TIRZ #1 East and take appropriate action as necessary to deter those negative bills from being passed including communication with state lawmakers and testifying at

legislative committees as Mundo did during the 85th Legislative Session of 2017. No action was taken.

7. Update on Project Planning/Project Development: Old Temple Rd/Barnes Rd/Cooksey Rd.

Consultant Jason Mundo discussed with the Board the importance of project planning in 2019 for Old Temple Rd/Barnes Rd/Cooksey Rd as that is the next project to be implemented on the Lorena TIRZ #1 East Project Plan. No action was taken.

8. Discussion and possible action(s) to approve the following financial reports and invoices:

- A) Lorena TIRZ #1 East monthly Financial Report and monthly Cash Flow Report;
- B) Mundo and Associates invoice representing Administration services November 2018;
- C) Bovey Law invoice for TIRZ legal services November 2018;
- D) KPA invoice for Phase 1 Wastewater Improvements Engineering Construction Administration and On-Site Representation services November 2018.
- E) Mundo invoice for Phase 1 Wastewater Improvements Construction Phase Program Management services November 2018;
- F) KPA invoice for Phase II Wastewater Improvements Engineering Construction Administration and On-Site Representation services November 2018.
- G) Mundo invoice for Phase II Wastewater Improvements Construction Phase Program Management services November 2018.
- H) Bell Contractors invoice for Phase II Wastewater Improvements Construction Services November 2018.

The Board reviewed and discussed items A through H listed above. Kelly Snell moved to approve items A through H listed below:

- A) Lorena TIRZ #1 East monthly Financial Report and monthly Cash Flow Report;
- B) Mundo and Associates invoice representing Administration services November 2018 in the amount of \$4,200;

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- C) Bovey Law invoice for TIRZ legal services November 2018 in the amount of \$1,203.50;
- D) KPA invoice for Phase 1 Wastewater Improvements Engineering Construction Administration and On-Site Representation services November 2018 in the amount of \$2,812.50.
- E) Mundo invoice for Phase 1 Wastewater Improvements Construction Phase Program Management services November 2018 in the amount of \$0.00;
- F) KPA invoice for Phase II Wastewater Improvements Engineering Construction Administration and On-Site Representation services November 2018 in the amount of \$13,063.50.
- G) Mundo invoice for Phase II Wastewater Improvements Construction Phase Program Management services November 2018 in the amount of \$2,000.00.
- H) Bell Contractors invoice for Phase II Wastewater Improvements Construction Services November 2018 in the amount of \$129,161.39.

J Fagner seconded the motion. The motion was unanimously approved.

9A. EXECUTIVE SESSION – CLOSED SESSION *The Board entered into closed Executive Session at 7:41 pm.*

Pursuant to Texas Government Code Section 551.071 – Consultation with Attorney: The TIRZ #1 East Board shall consult with Legal Counsel in Executive Session regarding legal issues involving a Consulting Services Agreement between TIRZ #1 East and Mundo & Associates, Inc. and other associated issues.

9B. RECONVENE TO OPEN SESSION:

Discuss and consider action regarding the modification, suspension, or termination of the Consulting Services Agreement between TIRZ #1 East and Mundo & Associates, Inc. and authorize Chairman Coleman to execute any necessary documents.

The Board reconvened into open session at 8:43 pm. Kelly Snell moved to modify the Consulting Services Agreement between TIRZ #1 East and Mundo and Associates, Inc. such that the TIRZ administrative consulting fee is reduced to \$2,000 per month, representing 20 hours of services monthly, and Board Meetings will be scheduled for every other month,

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effective February 1. Chuck Roper seconded the motion. The motion was unanimously approved.

5. Adjournment

The meeting was adjourned at 9:13 pm

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

Bill Coleman, Board Chairman, Date

Chuck Roper, Board Secretary, Date