

**LORENA TIRZ #1 EAST
REGULAR MEETING OF THE BOARD OF DIRECTORS
MONDAY, MARCH 4, 2019, 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 6:33 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, Chad Hanson, Kelly Snell, and William Callan. Members not present: none. 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 – January 7, 2019

The Board reviewed the meeting minutes. J Fagner moved to approve the Lorena TIRZ #1 East Meeting Minutes – January 7, 2019. Chad Hanson 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.

January 2019 - Administration Contract:

Preparation for 1/7/19 TIRZ Meeting including - Agenda Preparation, Meeting Minutes Preparation, Coordination with Chairman Coleman on Agenda, Preparation of Admin 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, posting of agendas and minutes to website.

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

Printing and assembly of Board Packs, Conduct TIRZ Meeting.

Review of State of Texas Legislative Bills filed that may impact Lorena TIRZ #1 East and Lorena.

*Lorena TIRZ #1 East
Minutes of Regular Meeting of the Board of Directors
Monday, March 4, 2019*

Review of Phase I maintenance bond inquiry and response.

February 2019 - Administration Contract:

Review of State of Texas Legislative Bills filed that may impact Lorena TIRZ #1 East and Lorena.

Coordination with developer Gary Tully on development plans and activities.

Preparation of TIRZ Financial Pack including preparation and review of all financial reports and invoices. Coordination with Chairman Coleman and the City on approval and payment of those invoices.

Texas Legislative Conference in Austin learning of legislative bills and issues that can affect Lorena TIRZ #1 East such as the proposed property tax legislation, sales tax legislation, and more.

Preparation of Form 50-806 annual TIRZ report for State of Texas Comptroller and submittal to State.

Look Ahead Months: 03/01 to 05/01, 2019

Administration Contract (may include but not limited to):

Preparation for 3/4/19 TIRZ Meeting including - Agenda Preparation, Meeting Minutes Preparation, Coordination with Chairman Coleman on Agenda, Preparation of Admin 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, posting of agendas and minutes to website.

Printing and assembly of Board Pack, Conduct 3/4/19 TIRZ Meeting.

Monitoring of Bills of 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.

Preparation of TIRZ Financial Pack in April including preparation and review of all financial reports and invoices for March services. Coordination with Chairman Coleman and the City on approval and payment of those invoices.

Preparation for 5/6/19 TIRZ Meeting including - Agenda Preparation, Meeting Minutes Preparation, Coordination with Chairman Coleman on Agenda, Preparation of Admin 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, posting of agendas and minutes to website.

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

Project Planning: Old Temple Rd./Barnes Rd./Cooksey Rd.(Implementation of TIRZ Project Plan)

Website updates as needed.

Any other administrative items as they arise.

3A. Update on Lorena TIRZ #1 East Phase II Wastewater Improvements project including Path Forward.

During Month No. 8 & 9 – 01/07/19 to 03/01/19

Contract Completion = 12/22/18 (180 days) + 40 Change Order (CO #2 & #3) days = 1/31/19

Overall Construction Status = approx. 99 % Complete as of end/February

- **Contract Completion, scheduled for 1/31/19, did not occur.**
- **Bell Contractors, Inc. subsequently rescheduled “Walk Through” for 2/26/19;**
- **Contractor completed all remaining Lift Station Work including above ground electrical, concrete pads and footings, driveway, equipment canopy, electrical control panels, generator, SCADA, antenna, and start-up testing;**
- **Start-up testing was successfully performed on January 16 and 17, 2019.**
 - **as of 1/17/19 the Phase II “Basin G” Wastewater Lift Station is on-line and operational.**
- **Contractor is completing**
 - **Lift Station perimeter Masonry Walls and Gate**
 - **Installing barbed-wire fencing along north and east exterior sides of Lift Station masonry walls to protect walls from adjacent active pasture grazing**
 - **Removing silt fencing along alignment thru Loera easement**
 - **Lift Station site cleanup, grading and seeding**
- **Final Project Walk Through is currently scheduled for 3/4/19.**
- **Contract Closeout will follow during March, 2019**

Month No. 10 Look Ahead – 03/01/19 to 04/01/19

- **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**
- **Final Project Walk Through is currently scheduled for 3/4/19.**
- **Punch-list items, if any, resulting from 3/4/19 Walk Through**

Project Closeout Phase - during Month No. 10 – 03/01/19 to 04/01/19

a. Final Change Order - #4 / Closeout COto be finalized

Closeout CO to include:

1) Resolution of additional Construction Contract Time/Construction Days since CO #3 time extension to 1/31/19:

.....**as of 3/4/19, currently at +32 days**

2) Construction Contract Addition Items:

- **Barbed Wire Fence-150 ft. on north and east sides of Lift Station**
.....+ **\$ 7,018.00**

3) Construction Contract Deduction Items:

- **Bid Item #'s 14,15,16,&17 - Force Main Fittings not required**
.....(**\$ 5,639.89**)
- **Bid Item # 19 – Concrete Encasement @ 50 LF**(**\$ 2,544.50**)
- **Bid Item # 33 - Two Access Gates not required**
@ \$ 3,850..... (**\$ 7,700.00**)
- **Bid Item # 34 - HOT Electric Coop Power Installation unused**
balance from \$50,000 bid-item set-aside (**\$ 31,105.70**)
- **Bid Item # 35 - Construction Staking unused balance from \$20,000 bid-**
item set-aside(**\$ 13,750.00**)
- **Bid Item # 36 – Material Testing unused balance**
from \$5,000 bid-item set-aside (**\$ 4,652.00**)

Closeout CO Net Value is a deduction of..... (**\$ 58,374.09**)

b. Final record drawings by General Contractor

c. Acceptance reviews and recommendations by PH 1 Design Engineer and Program Management Consultant

d. AFFIDAVIT OF TOTAL RELEASE AND CERTIFICATION OF ALL BILLS PAID from Contractor

e. Contractor Final Pay Application

3B. Discussion and possible action on Lorena TIRZ #1 East Phase II Wastewater Improvements Change Order #4 (Closeout Change Order) to include: 1) Resolution of additional Construction Contract Time / Construction Days since Change Order #2 time extension to 1/31/19; 2) Construction Contract Addition Items; 3) Construction Contract Deduction Items.

The Board discussed the proposed Change Order #4. J Fagner moved to authorize Change Order #4 (Closeout Change Order) which includes: 1) Resolution of additional Construction Contract Time / Construction Days since Change Order #2 time extension to 1/31/19; 2)

Construction Contract Addition Items; 3) Construction Contract Deduction Items. Kelly Snell seconded the motion. The motion was unanimously approved.

The Board entered into closed executive session at 7:45 pm.

4A. EXECUTIVE SESSION – CLOSED SESSION:

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;

4B. RECONVENE TO OPEN SESSION:

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

The Board reconvened into open session at 8:00 pm. No action was taken.

5. Update on State of Texas 86th Legislative Session and proposed bills that could impact Lorena TIRZ #1 East and Lorena.

Consultant Jason Mundo updated the Board on the current Legislative Session notably SB2 and HB2 and a possible bill to charge sales tax to large out of state internet retailers. Mr. Mundo noted that the Session is still in its early stages and a lot can and will change as the end of May approaches. No action was taken.

6. Update on completion and submission of Form 50-806 TIF Registry Annual Report to Texas Comptroller

Consultant Jason Mundo updated the Board on the completion and filing of the TIF Registry Annual Report with the Texas Comptroller. No action was taken.

7. 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 February 2019;
- C) KPA invoice for Phase II Wastewater Improvements Engineering Construction Administration and On-Site Representation services February 2019.
- D) Mundo invoice for Phase II Wastewater Improvements Construction Phase Program Management services February 2019.
- E) Bell Contractors invoice for Phase II Wastewater Improvements Construction Services February 2019.

The Board reviewed and discussed items A through E listed above. J Fagner moved to approve items A through E listed below:

A. Lorena TIRZ #1 East Financial Report and Cash Flow Report.

B: authorize payment of \$2,000.00 to Mundo and Associates representing Administration services February 2019.

C: authorize payment of \$5,328.30 to KPA for Phase II Wastewater Improvements Engineering Construction Administration and On-Site Representation services February 2019.

D: authorize payment of \$0.00 to Mundo for Phase II Wastewater Improvements Construction Phase Program Management services February 2019.

E: authorize payment of \$5,844.68 to Bell Contractors Inc. for Phase II Wastewater Improvements construction services February 2019.

William Callan seconded the motion. The motion was unanimously approved.

8. Adjournment

The meeting was adjourned at 8:01 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