



# City of Lorena

107-A S. Frontage Road

Lorena, Texas 76655

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

## NOTICE OF PUBLIC HEARING AND LORENA CITY COUNCIL MEETING

MONDAY, APRIL 18, 2022 - 6:30 P.M.

LORENA CITY HALL

107-A S. FRONTAGE ROAD, LORENA TEXAS

THE PUBLIC WILL BE ABLE TO JOIN THE MEETING BY VIDEOCONFERENCE

AT THE FOLLOWING LINK <https://meet.goto.com/918037341> and/or join

the conference call at (254) 655-5400; GUEST PIN :2021

The City Council Meeting will be opened to the public. To mitigate the spread of COVID-19, social distancing will be recommended.

Questions and comments on items listed on the agenda may be emailed no later than NOON on the day of the meeting to the City Secretary Monica Hendrix via email to [mhendrix@lorenatx.gov](mailto:mhendrix@lorenatx.gov)

## PUBLIC HEARING MINUTES

### **Conduct a public hearing to discuss city street replacement and repairs.**

**Option #1 No tax increase. Option #2 includes a tax increase.**

Mayor Tommy Ross opened the public hearing at 6:30 p.m. Mayor Ross presented a list of the proposed streets that will be repaired or replaced with Option 1 no new tax increase, and Option 2 will include a tax increase. Mayor Ross said the streets on the list are not written in stone. Mayor Ross then called for visitors who would like to speak.

Malisa Spivey, 110 E. Center Street spoke. Spivey stated she has spoken to Mayor Tommy Ross and City Manager Kevin Neal and questioned how the list of proposed streets to be repaired were picked and was told city staff chose them at the direction of the city council based off of traffic. Spivey asked if an engineered study had been done and was told no. Kevin Neal explained to Ms. Spivey that the previous City Manager Joseph Pace and himself as the Public Works Director at the time had requested an engineered study and council denied the request. Neal explained council felt they were qualified enough to choose the streets based on the amount of traffic on those streets and their condition. Spivey wanted to know if a traffic count was done and was told no. Spivey also noted the money to repair the streets is not in the current budget as Mayor Ross had stated in the Town Hall meetings. Spivey stated she does not want to pay more taxes to repair the streets. Spivey feels the council should use money that is set aside for the maintenance and repairs of the streets and get an engineered study done to determine which streets need to be repaired.

Chuck Roper, 129 Thompson Circle spoke. Roper is concerned about using money that the we may have for projects we have now, versus using it for any unfunded projects from the past, in particular the TIRZ project. Roper addressed City Manager Kevin Neal and stated that we do have a traffic study from the past. Neal explained it was during the IH-35 project to

monitor IH-35 traffic count versus non-IH-35 traffic count when the construction was taking place and all the loads were being put on city streets. Neal says the study is only for Bordon and Front Street. Roper questioned if there are numbers from that study and Neal said yes, he has those numbers. Shane Phillips questioned Mr. Roper about his concerns on the TIRZ debt. Roper says he is always concerned about the TIRZ and having debt as he was raised to not have debt. Roper says he will always have concerns about the projects that he was involved with while serving on council but knows the city is in good financial standing and feels the council will make the right decision on how to move forward.

Mayor Ross spoke about the current tax rate of .533467 and explained the council went down 1 cent last year on this rate. Ross says this rate included the certificate of obligation repayment that will equal new certificate of obligation repayment of approximately 2.3 to 2.5 million dollars for street improvements. Ross explained if the council chooses to issue more debt for street improvement to 5 million, the tax rate would increase approximately ten cents. Ross explained the streets on the list are not written in stone and whatever money the council gets will be spent on the streets until the money is gone.

Gaylon Barnes, 110 Pecan Ridge spoke and stated way back that Pecan Ridge was considered a utility easement before it became a street. Barnes says it is his understanding that the street improvement package and the streets that are on the list to be worked on will be brought to code. Barnes asked does that mean with curbs and driveways? Kevin Neal explained the proposal is for each and every road to be ground up with a mill machine and any base that needs to be adjusted, meaning they will add or remove base to make the road level and then cement treat them and lay asphalt. There will be no chip-seal. Barnes asked if the street will be re-aligned and Neal stated the streets to be repaired will not change locations, positions or widths and will be improved to be actual good roads.

Malisa Spivey, 110 E. Center Street spoke again and says it sounds like the 5 million is what the council is going towards but wanted to know what the 2.5 million would do. Mayor Ross says the council is not going towards anything, that there are two options to choose from and it does not matter to him which is chosen. Spivey asked if the 2.5 million option will tear the streets down as described and was told yes. Spivey asked if those streets are written in stone or could they be changed as well? Neal explained that council could choose different streets and that staff chose the main thoroughfares for in and around downtown and the schools. Neal says they felt the streets have the most impact of traffic and the city would get the most capital return for our dollars spent. Spivey asked if the school has any money to spend towards the streets? Neal says unfortunately the schools tax rate does not include money to be spent towards city streets. Spivey spoke about the higher tax appraisals from McLennan County and is concerned the taxes will continue to increase as McLennan County appraisals continues to increase. Spivey felt that the notice for the Public Hearing was not sufficient since she only heard about it last Wednesday. She feels it has not given citizens enough time to understand what is going on. Spivey also feels that more information needs to be included on the website when the agenda is posted. Spivey feels the council should go back and talk to the citizens to see what they want. City Secretary Monica Hendrix informed Spivey the notice for the hearing has been on the website for 3 weeks to a month. Mayor Ross also informed Spivey that he spoke of the upcoming hearing during his two Town Hall Meetings and they were advertised as well. Ross says he tried to make it very clear to all the citizens that the streets needed to be fixed and the \$15,000.00 that is budgeted is not acceptable. Council will work really hard to raise that number in the next budget year.

Shane Phillips spoke and says there is not a person in the room that doesn't know the streets need to be fixed. Phillips is concerned about which streets take precedence and why? Phillips first gut reaction is to fix the gravel streets. Phillips says it doesn't matter the amount of a Certificate of Obligation for any amount, but to have a "good articulated plan based on data and a true black and white picture to what we are looking at so we don't re-visit this in 2042." Phillips says the doesn't have a problem with any the streets in Lorena getting fixed, that they need to be fixed. Phillips says he attended both Town Hall meetings and he hasn't heard here is the plan, black and white and that concerns him. Phillips says he is concerned about the 5.2 million and it costing the city 7.5 million to pay it back.

Mayor Ross explained the city has to look at a per capita return on the roads. He understands about the gravel roads, but there may only be four houses on those roads. The city has to look at the most traveled roads/streets and that his how the city came up with the list. Ross says the city can pay and we go and watch the streets crumble around us. If we wait until we have more businesses for tax income to pay for the streets, we would be looking at 4-5 years before anything is done. Phillips re-iterated that he does not have a problem fixing anything but only wants a plan to make sure the city is choosing the right streets. Phillips was told the city didn't pay for the engineered study because the cost back in 2017 would have been \$80,000.00. Phillips asked what data would that have included and Kevin Neal explained a full traffic load count, evaluation of the streets and evaluation of the base materials. Phillips asked if the city had the capability to do a traffic count with the traffic trailer that the police department owns?

Katrina George spoke and says the city knows what the problems are and why spend those resources on the things that we all know are a problem. We know we have issues with the infrastructure and we know what the return on investment is and we have our own city personnel telling us what needs to be fixed. George says she thinks we are capable of making decisions of where we need to invest our money to make this better. George says we will not bring in commercial businesses into the city and make revenue off of sales taxes and other things until we make a decision to invest in the city and make it better.

Kelly Yarbrough spoke and says the longer we wait to make a decision, the more expensive fixing the streets will be. Yarbrough says she know there are more questions that apparently need to be answered, and there may be more suggestions about roads that need to be included. Yarbrough says the final decision needs to be made before it cost the city \$5000.00 versus \$10,000.00. Yarbrough questioned what other streets would you want included and how much more are you willing to spend. Mayor Ross agrees that Pecan Ridge should be pushed to the top of the list as one of the streets that needs repaired.

Mayor Ross thanked everyone for being here and for their input. Ross says he would be happy to meet with any of you and that City Manager Kevin Neal is also available.

Emily McKenzie asked if the streets chosen could be changed and was told absolutely yes. Mayor says the list is fluid and could definitely be change, we are just need authorization to issue the certificates of obligation.

Due to no further discussions the public hearing closed at 6:55 p.m.

## **AGENDA (immediately following the public hearing)**

### **1. Call to Order/Roll Call.**

Mayor Ross called the regular council meeting to order at 6:56 p.m. Council members present were Mayor Tommy Ross, Mayor Protem Kelly Yarbrough, Emily McKenzie, Jeff Linnstaedter, Shane Phillips and Katrina George.

City Staff present were Monica Hendrix, Kyler Jones, Linda Klump, Kevin Neal and Peter Rivas.

### **2. Pledge of Allegiance**

Mayor Ross led the pledge of allegiance to the United States flag and Texas flag.

### **3. Citizens questions or comments.**

*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. Under the Texas Open Meetings Act, the Council is prohibited from discussing, responding, or acting on any comments or items that have not been properly posted on the agenda. This forum is limited to a total of 30 minutes.*

Malisa Spivey, 102 E. Center Street spoke again and questioned who sets the agenda and where the agenda items come from. Spivey reviewed minutes from the past concerning the I-35 monument sign and noted that on March 15, 2021, the Gateway Monument sign was voted against by Jeff Linnstaedter, Emily McKenzie and Tommy Ross due to maintenance cost and questioned why it is on the agenda again and what makes it any different. Spivey also questioned why the McBrayer Park discussion is back on the agenda again since last month it was discussed and voted on to amend the hours and days of restroom openings due to the concerns of vandalism, theft and no budget for overtime hours for the maintenance department to lock-up. Spivey noted the police department agreed to lockup the park.

Bill Taverner, 103 S. McBrayer Street spoke and stated he serves on the Lorena EDC. Taverner is encouraging the council to approve the Gateway Monument sign that the Lorena EDC has been working on for years. Taverner says his dad served on the EDC before him and his dad felt the monument sign would pull customers off the interstate to shop downtown. Taverner said he trust his dad's judgement as well as his own judgement and feels this is important for Lorena. The project has been a labor of love with a lot of time invested and needs to be approved so the EDC can move on to other things.

### **4. Approval of Minutes:**

#### **a. March 21, 2022**

MOTION: Katrina George motioned to approve the minutes.

SECOND: Emily McKenzie

FOR: George, Linnstaedter, Yarbrough, McKenzie and Phillips.

AGAINST: None

Motion carried.

### **5. Commission and Corporation Reports.**

#### **a. Economic Development Corporation-No Meeting**

**b. Planning and Zoning Commission**

Monica Hendrix reported that P&Z met on 4-11-22 and voted unanimously to recommend approval of the Rosenthal Estate Preliminary Plat.

**6. Discussion and possible action on a Resolution 2022-0418-01 directing publication of notice of intention to issue certificates of obligation; and resolving other matters relating to the subject.**

Joey Derker with Hilltop Securities spoke and explained the process for the notice of intention to issue the certificates of obligation. The notice is published and then the council waits 60 days and the CO's are sold. Derker explained the cost of the tax increase for each option, 2.5 million dollars versus 5 million dollars.

Jeff Linnstaedter spoke and is concerned about the TIRZ debt and the fact that there have been no new customers added to the TIRZ project since its construction has been completed and the projected growth has not happened to cover the debt for the project. Linnstaedter also wanted it clearly transparent that the taxes would go up if the council chooses to issue the 5-million-dollar certificates of obligations. Linnstaedter is concerned about the combined totals of debt. Linnstaedter feels the cost of deferred maintenance could double or triple in a very short period of time and the \$15,000.00 budget to repair the streets doesn't go very far and just frustrates your city manager, maintenance department and citizens. "Linnstaedter says the cost of living goes up in your insurance, in your fuel bills and who would not expect the cost to maintain your city to go up accordingly. Deferring these cost and lack of funding will hurt the city over time if we don't put the money in to it."

After further discussion a motion was made by Emily McKenzie to choose Option 1 for the issuance up to 2.5-million-dollar certificate of obligation. Katrina George seconded the motion.

Kelly Yarbrough is concerned how many people here are on the other streets and she hears both sides of it. "Are we putting the city in debt and raising taxes, but if we only do part of the streets and the other part of the streets need to be done will we have the money then and it then cost more to do those additional streets? Yarbrough wants to put it out there for discussion. Is the 2.5 million enough and are the citizens of Lorena ready to take on the debt and the increase to fix the rest of the roads."

Mayor Ross spoke and says the council is voting on the amount to issue tonight and not necessarily what roads to fix. Ross stated the cost to fix the roads will not get cheaper. McKenzie wanted it noted for transparency that she only made the motion so the item would not die for lack of a motion because the streets need to be fixed. McKenzie is not stuck on option one and her motion could be amended to raise the amount if needed.

Shane Phillips spoke and says his issue isn't borrowing money or having debt for the city, but wants a clear, concise well thought out plan to repair the roads and to get the best bang for the dollar that we can for the citizens. "Phillips stated he doesn't have an issue in putting money into the citizens so far as the infrastructure that we require and need to grow." He wants a well thought out plan that the city can measure failure or success on.

Katrina George spoke and says council heard the cost for an engineering study. Why would the council want to spend the extra money on a study to get the same results? Phillips says he does not disagree with George but simply asked if the speed limit traffic trailer that the police department owns could do the traffic counts. Kevin Neal and Peter Rivas both stated the trailer cannot count the traffic. Phillips feels there are other ways to get the traffic data. If you are looking at roads around the schools, you can look at the attendance.

Kelly Yarbrough asked if Shane Phillips wanted to hold off on the vote for another month until more data was done and Phillips said he would love to but doesn't know if that is the right course. Mayor Ross stated all that would do is cost the city more money. Phillips said he will always default back to being conservative and want to look at numbers to make sure the city is getting this biggest bang for our dollar.

Emily McKenzie said that all the streets need to be fixed and stated if the city only does part of them now and the other in five years that would cost the city more money.

Mayor Ross and Finance Officer Linda Klump both said yes it would cost more money in potentially higher interest rates. McKenzie says in the big scheme of things it's a big hit but it would actually save the city money as a whole.

Jeff Linnstaedter spoke and says the council could choose to issue up to the 5 million on the notice to intent and then only issue 3.5 million. Joey Derker with Hilltop Securities stated the notice of intent says in an amount not to exceed 5.2 million. Linnstaedter says council will still need to come back for approval of the amount. If the city waits it will cost the city more money to issue a second certificate of obligation down the road. The cost for the process is not cheap due to all the attorneys involved to make it happen. There are fees for the transaction and other cost involved and your dollars would be diminished by doing the process twice.

**MOTION:** Kelly Yarbrough made the motion to amend the motion by Emily McKenzie and change the certificate of obligations notice of intention to issue up to the 5.2 million dollars.

**SECOND:** Jeff Linnstaedter

**DISCUSSION:** No further discussion.

**FOR:** George, Linnstaedter, Yarbrough, McKenzie

**ABSTAIN:** Phillips

Motion carried to amend the motion.

The vote on the amended motion by Kelly Yarbrough for up to 5.2 million was as follows:

**FOR:** George, Linnstaedter, Yarbrough, McKenzie

**ABSTAIN:** Phillips

Motion carried.

**7. Discussion and possible action on Resolution 2022-0418-02 authorizing execution of an interlocal agreement with the Texas Department of Transportation regarding the City of Lorena's construction and perpetual maintenance of a gateway monument sign.**

Jason Mundo spoke and says the resolution and interlocal agreement is required by TXDOT for the construction of the monument. The Gateway Monument project is an adopted goal and part of the 2020 City of Lorena Comprehensive Plan and Strategic Plan that is being implemented by the Lorena EDC. The project construction is fully funded in the EDC FY 2021-2022 budget that was approved by the Lorena City Council. The money is in the account that has been saved up overtime. Mundo also wanted to thank Jeff Linnstaedter for his many years of service on the council.

Kelly Yarbrough spoke as the council representative on the EDC. Yarbrough explained that EDC has been working on this project for years, essentially since 2000 and involved many people, high school art students to design the sign, citizens through community surveys, and everyone is strongly in favor of the monument. Yarbrough explained how

many cities along IH-35 and elsewhere that have a monument that identify their city. Yarbrough says the EDC has done all the necessary steps and passed the budget for this project and it is already accounted for. This is the last step to move forward. Emily McKenzie stated/asked that EDC has the money to pay for the project outright and was told yes by Yarbrough. McKenzie questioned what business would come off the interstate for that sign that doesn't already? Yarbrough says there are new people that drive down interstate 35 every day. The more customers you can generate the better. Mayor Tommy Ross spoke and says that he will be the first to tell you that he voted against the monument sign in the past. Ross has met with EDC, the EDC Chairman and EDC secretary several times and this is their baby. He disagreed with the way the some of the engineering went out for the project but was not privy to that process. Ross agreed it is a beautiful sign but it will be up to council to decide to move forward.

Emily McKenzie asked if that money could be used on something else to improve the tax base. Kelly Yarbrough explained there only specific items that EDC can spend money on and this is one of those items. Yarbrough stated that money has already been invested in this project. Jason Mundo explained that \$20,000.00 was spent on the engineering phase and \$75,000.00 is left in the budget for the construction phase.

**MOTION:** After further discussion, a motion was made by Kelly Yarbrough to pass Resolution 2022-0418-02 authorizing execution of an interlocal agreement with the Texas Department of Transportation regarding the City of Lorena's construction and perpetual maintenance of a gateway monument sign.

**SECOND:** Shane Phillips

**DISCUSSION:** Jeff Linnstaedter, Katrina George and Shane Phillips spoke and gave their thoughts on this item.

**FOR:** George, Linnstaedter, Yarbrough, McKenzie and Phillips  
Motion carried.

- 8. Discussion and possible action on the request of J Squared Lorena Development, LLC, applicant, for approval of a Preliminary Plat of Rosenthal Estates containing 166 single family residential lots and 3 non-residential lots being described as a 33.81 tract of land and a 38.28 acre tract of land out of the Thomas Thatcher Survey, Abstract No. 847, McLennan County, Texas, and being part of the remainder of a called 107.7354 acre tract of land described in a deed to Lorena Development Joint Venture, recorded in Volume 1861, Page 494, Deed Records of McLennan County, Texas, located east of IH-35 and adjacent to and north of Rosenthal Parkway.**

Josh Welch spoke and is here representing the Rosenthal Estates preliminary plat. Welch complimented the staff on the review process and very easy to work with. Welch says he hopes to have the final plat done in three months so construction can get started.

City Planner Robert LaCroix gave his staff report and explained the 3 non-residential lots are for drainage and easements. There will be two phases to the development for a total of 166 lots for building single-family homes. The other three lots are designated for a detention pond and drainage easement which will be maintained by the HOA. There was discussion about Homeowner Associations (HOA) and will be established by the developer.

LaCroix says the preliminary plat has met all the criteria as required by Lorena is recommending approval of the preliminary plat as submitted.

Emily McKenzie asked if there are enough water meters to serve this subdivision.

Mayor Ross asked about square footage on the homes and Welch says he believes they possibly be 2200 square feet up to 3200.

Shane Phillips asked about the curvature of Rosenthal Parkway and the hilltop where the road ties in on Phase Two. Welch says TxDOT will do the study for this. Phillips also asked if there will be deed restrictions and Welch explained this will be addressed in the HOA.

**MOTION:** Kelly Yarbrough motioned to approve the preliminary plat of the Rosenthal Estates.

**SECOND:** Emily McKenzie

**FOR:** George, Linnstaedter, Yarbrough, McKenzie and Phillips.

**AGAINST:** None

Motion carried.

**9. Discussion on polices for McBryer Park and for a special event policy/application.**

Kevin Neal explained he brought this back to the council to show the changes to the preliminary policy. Neal is waiting to hear comments from the city council and for recommendation from the insurance company for amounts of coverage. Neal will bring back for approval of the document once he hears from everyone.

**10. Discussion and possible action approving Resolution 2022-0418-03 to nominate a member of the city's governing body for consideration to the McLennan County Rural Transit District Board of Directors.**

Mayor Tommy Ross reached out to Katrina George to see if she would serve on the board after receiving an email for nominees. Katrina George agreed to serve if chosen.

**MOTION:** Emily McKenzie motioned to approve the Resolution 2022-0418-03 to nominate Katrina George for consideration to the MCRTD Board of Directors.

**SECOND:** Kelly Yarbrough

**FOR:** George, Linnstaedter, Yarbrough, McKenzie and Phillips.

**AGAINST:** None

Motion carried.

**11. Police Department Activity Report.**

Officer Peter Rivas filled in for Chief Tom Dickson who has tested positive for covid. There were 321 calls, 6 arrest and 200 citations issued last month.

**12. City Managers report.**

**a. Update on City Manager's Bond.**

Neal acquired his \$25,000.00 bond.

**b. Update of Public Works staff shortages.**

A new employee was hired and has experience from working for another city in the public works.

**c. Update on the recycling program for solid waste.**

Neal says with hiring new employees he is planning to bring the recycle back on the first Tuesday in May. We will post this on the website, water bill and Facebook.

**d. Update on RFP for solid waste services.**

Neal has been working on the RFP for solid waste services and will hopefully have it reviewed by the attorney and will bring to council in May.

**13. Future Agenda Items.**

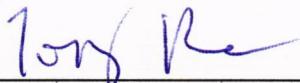
Swearing in new council members and recognize outgoing council member Jeff Linnstaedter. Linnstaedter says he has a school board meeting that night. South Old Temple Road bridge repair. Mayor wants to go into executive session in June for water updates.

City Secretary Monica Hendrix wanted on the record for citizens to sign up for agenda's on the NOTIFY ME tab on the website.

**14. Adjourn.**

Due to no further business the meeting adjourned at 8:33 p.m.

These minutes were approved this 16<sup>th</sup> day of May 2022.



Tommy Ross, Mayor

Attest:



Monica Hendrix, City Secretary

