

**LORENA TIRZ #1 EAST
REGULAR MEETING OF THE BOARD OF DIRECTORS
MONDAY FEBRUARY 5, 2024, AT 6:30 P.M.
LORENA CITY HALL, 107A S. FRONTAGE RD., LORENA, TX 76655**

MINUTES

1. Call to Order/Roll Call.

The meeting was convened at 6:30 pm and it was noted that the meeting was posted in accordance with the requirements of the Texas Open Meetings Act and a quorum was present. Members Present: Chairman Tommy Ross, Katrina George, Brad Wetzel and Commissioner Jim Smith. Emily McKenzie arrived at 6:33 P.M. Members not present: Kelly Yarbrough and William Callan; Also Present: Kevin Neal (City of Lorena City Manager).

2. Citizens questions or comments.

There were no visitors or citizens present, and no email correspondence was received by City Manager Neal.

3. Discussion and possible action to approve Lorena TIRZ #1 East Meeting Minutes – October 09, 2023.

The Board reviewed the meeting minutes. Brad Wetzel moved to approve the Lorena TIRZ #1 East Meeting Minutes – October 9, 2023. Commissioner Jim Smith seconded the motion. The motion was approved unanimously.

4. Discussion and possible action to approve the Lorena TIRZ # 1 East monthly Financial Report and Cash Flow Report.

The Board reviewed the financial and cash flow report. City Manager Neal made note to point out future revenues due to the board in during the month of February for a total of \$100,000.00. \$50,000.00 from Mitchell – Tully Group, \$25,000.00 from the City of Lorena, and \$25,000.00 from the Lorena EDC. Commissioner Smith moved to approve the Lorena TIRZ # 1 East monthly Financial Report and Cash Flow Report. Brad Wetzel seconded the motion. The motion was unanimously approved.

5. Discussion and possible action to approve reimbursement to the City of Lorena an amount of \$500.00 for the TIRZ Board's portion of the City's audit expense.

City Manager Neal explained that this is just a normal operating function of the TIRZ, and because the TIRZ budget is part of the City's budget the TIRZ shares a small portion of the expense of the City's audit cost same as the Lorena EDC shares a proportional share of the same expense. Commissioner Smith moved to approve the reimbursement to the City of Lorena an amount of \$500.00 for the TIRZ Board's portion of the City's audit expense. Katrina George seconded the motion. The motion was unanimously approved.

6. Discussion and possible action to approve reimbursement to the City of Lorena an amount of \$53,864.75 for the principle, interest, and agent fees for the 2017 series of Certificate of Obligations.

City Manager Neal explained that this amount is the principle, interest, and agent fees for the 2017 series of Certificate of Obligations that funded a portion of the phase I improvements in the TIRZ. Those improvements include the gravity line through the Mitchell – Tully property, the lift station on the Mitchell – Tully property, the force main from that lift station over the hill to the main trunk line through the Turner Pasture to the Bullhide interceptor. Commissioner Smith moved to approve the reimbursement to the City of Lorena an amount of \$53,864.75 for the principle, interest, and agent fees for the 2017 series of Certificate of Obligations. Emily McKenzie seconded the motion. The motion was unanimously approved.

7. Discussion and possible action to approve reimbursement to the City of Lorena an amount of \$53,747.50 for the principle, interest, and agent fees for the 2017 taxable series of Certificate of Obligations.

City Manager Neal explained that this amount is the principle, interest, and agent fees for the 2017 taxable series of Certificate of Obligations that funded the remaining portion of the phase I improvements in the TIRZ, and these are by law subject to be taxable due to the fact that this portion of the certificate of obligations are considered a private guarantee of governmental debt service payments they must be taxable per Federal tax law. Commissioner Smith moved to approve the reimbursement to the City of Lorena an amount of \$53,747.50 for the principle, interest, and agent fees for the 2017 taxable series of Certificate of Obligations. Brad Wetzel seconded the motion. The motion was unanimously approved.

8. Discussion and possible action to approve reimbursement to the City of Lorena an amount of \$68,362.50 for the principle, interest, and agent fees for the 2018 series of Certificate of Obligations.

City Manager Neal explained that this amount is the principle, interest, and agent fees for the 2018 series of Certificate of Obligations that funded phase II improvements in the TIRZ. Those improvements include that a small gravity line in the southwest corner of the Arches subdivision property, the lift station for the entire expanded Basin G, the force main from that lift station for Basin G over the hill to the main trunk line through the Turner Pasture to the Bullhide interceptor. Commissioner Smith moved to approve the reimbursement to the City of Lorena an amount of \$68,362.50 for the principle, interest, and agent fees for the 2018 series of Certificate of Obligations. Katrina George seconded the motion. The motion was unanimously approved.

9. Discussion and possible action authorizing an agent to mail an invoice in the amount of \$225,000.00 to Jose Loera for payment to the Lorena TIRZ # 1 East as required in the developer's agreement between Jose Loera, and the Lorena TIRZ # 1 East.

City Manager Neal explained that due to the fact that the TIRZ does not have a consultant, or a services agreement with the City of Lorena for transparency purposes it would be best for the TIRZ Board to approve an agent to send the invoice to Jose Loera on the behalf of the TIRZ Board due to its large amount and major impact to the TIRZ budget. Brad Wetzel moved to authorize an agent to mail an invoice in the amount of \$225,000.00 to Jose Loera for payment to the Lorena TIRZ # 1 East as required in the developer's agreement between Jose Loera, and the Lorena TIRZ # 1 East. Emily McKenzie seconded the motion. The motion was unanimously approved.

10. Discussion and possible action on how to proceed with administration duties and responsibilities for the Lorena TIRZ # 1 East Board of Directors.

City Manager Neal presented a preliminary services agreement between the City of Lorena and the Lorena TIRZ #1 East. After discussion on the scope of work, hours, and monetary value of the agreement the term of the agreement was discussed by the Board. The Board wishes to keep the agreement to a one-year agreement such that the Board has the ability to review the terms of the agreement annually. Brad Wetzel further recommended adding a 30-day termination clause to section 3 Termination for Convenience similar to the verbiage in section 4 Termination for Default. Neal agreed that before the agreement was signed that the

appropriate verbiage would be added to section 3 of the agreement. Katrina George moved to enter into a services agreement with the City of Lorena for administration duties and responsibilities related to the Lorena TIRZ # 1 East Board of Directors. Brad Wetzel seconded the motion. The motion was unanimously approved.

11. Adjournment.

The meeting was adjourned at 7:06 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.



Tommy Ross - Lorena TIRZ #1 East Chairman

April 1, 2024
Date