

CITY OF ALVARADO
County of Johnson
State of Texas
September 18, 2023
City Council Minutes.

The City Council of the City of Alvarado met in Regular Called Session on Monday, September 18, 2023 at 6:30 p.m. The following were present for roll call:

Name	Title	Present	Absent	Excused
Jacob Wheat	Mayor	✓		
Michael Bennett	Council Ward 1	✓		
Beverly Short	Council Ward 1	✓		
Lydia Moon	Mayor Pro-Tem Ward 2	✓		
Cherry Bryant	Council Ward 2	✓		
Scott Arthur	Council Ward 3	✓		
Kevin Thomas	Council Ward 3	✓		

Others Present:

Paul DeBuff	City Manager
Beth A Walls	City Secretary
Laura Cox	Chief Financial Officer
Ashley Dierker	City Attorney
Donielle Suber	Assistant to the City Manager
Justin French	Community Dev. Director
Paula Hardison	Director Billing/Accounting
John Rodgers	Fire Chief
Precious Moore	Library Director
Teddy May	Police Chief
Michael Dwigins	Public Works Director

Mayor Jacob Wheat call the meeting to order at 6:30 p.m. and Scott Arthur gave the invocation.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS- Jeff Sanders and Jameye Jones spoke to Council about concerns and events in the City.

PROCLAMATION- Mayor Wheat read and signed a proclamation for Constitution Week 2023.

**AGENDA ITEM #1 & 2
CONSENT AGENDA**

1- CONSIDERATION AND ACTION TO APPROVE MINUTES FOR THE 8/21/23 REGULAR MEETING, THE 9/7/23 BUDGET WORKSESSION AND THE 9/11/23 SPECIAL MEETING.

2- CONSIDERATION AND ACTION TO APPROVE A PROFESSIONAL ENGINEERING SERVICES AGREEMENT FOR PARKWAY DRIVE SANITARY SEWER.

Motion was made by Lydia Moon and seconded by Scott Arthur to approve the consent agenda.

This motion supported votes 6 in approval and 0 votes opposed. Motion carried.

AGENDA ITEM #3

PRESENTATION BY ANTHONY MILLS FROM TMRS REGARDING UPDATED SERVICE CREDITS AND RETIREE COLA FOR CITY OF ALVARADO.

No Council Action Required.

AGENDA ITEM #4

CONSIDERATION AND ACTION TO APPROVE ORDINANCE 2023-0025 REGARDING THE ADDITION OF UPDATED SERVICE CREDITS AND COLA TO THE CITY OF ALVARADO RETIREMENT PLAN WITH TEXAS MUNICIPAL RETIREMENT SYSTEM.

Motion was made by Lydia Moon and seconded by Beverly Short to approve Ordinance 2023-0025 regarding the addition of updated service credits and retirement COLA to the City of Alvarado Retirement Plan with TMRS.

This motion supported votes 6 in approval and 0 votes opposed. Motion carried.

AGENDA ITEM #5

CONSIDERATION AND ACTION TO AUTHORIZE THE CITY MANAGER TO APPROVE AND SIGN A CONTRACT FOR STREET REPAIRS ON S. BAUGH AND LORIE STREET WITH JC & SONS CONSTRUCTION GROUP.

There are 2 locations where we have had water main breaks on Lorie and we would like to contract the street repair of those locations and also where a sewer main was installed and new taps made for construction of several homes on the 200 block of S Baugh. The condition of S. Baugh is bad enough on the entire block to be replaced.

Bids from Bates asphalt and from JC & sons were received and lowest one being JC & Sons of \$28,000.00.

Staff recommends City Council approve awarding JC & Sons to make the repairs. Also, this will be the first time JC & Sons have bid a city project and they are hopeful to bid more city repair projects in the future.

Motion was made by Lydia Moon and seconded by Michael Bennett to approve the bid from JC & sons for road repair on Lorie and S. Baugh.

This motion supported votes 6 in approval and 0 votes opposed. Motion carried.

AGENDA ITEM #6

CONSIDERATION AND ACTION TO AWARD BID PACKAGE 2- 0.8 MGD WWTP EXPANSION TO ARCHER WESTERN'S CONSTRUCTION MANAGEMENT BY AMENDING THE EXISTING RISK SERVICES AGREEMENT TO INCLUDE GMP-3 BRINGING THE PROJECT GMP TO \$32,849,997.12.

The City of Alvarado WWTP 0.8 MGD Expansion Bid Opening for Bid Package 2 was held on September 6, 2023. One bid proposal was received from the Construction Manager at Risk (CMAR), Archer Western Construction, in the amount of \$23,514,400.00. A copy of the bid proposal is attached herein.

Although only one proposal was submitted, Freese & Nichols Incorporated (FNI) believes the proposal pricing for the work package is consistent with the current market conditions. As part of their effort to solicit interest in this package, Archer Western advertised in the local newspaper and publicized the bidding on CivCast. The work package generated interest resulting in 157 plan holders representing General Contractors, Subcontractors, and equipment suppliers. FNI recommends award of Bid Package 2 to Archer Western Construction in the amount of \$23,514,400.00.

FINANCIAL IMPACT:

Bid Package 2 establishes the basis for GMP-3 of the project in the amount of \$28,189,062.72. A cost breakdown of GMP-3 is below.

1. Bid Package 2 Proposal Price (Archer Western) \$23,514,400.00
2. CMAR General Conditions (8% of proposal cost) \$1,881,152.00
3. **Cost of Work (Item 1 plus Item 2) \$25,395,552.00**
4. CMAR Fee (8% of Cost of Work) \$2,031,644.16
5. Contingency (3% of Cost of Work) \$761,866.56
6. **Total GMP-3 Price (Items 3 plus 4 plus 5) \$28,189,062.72**

Bid Package 2 is the final bid package for the project and establishes the project Guaranteed Maximum

Price in the amount of \$32,849,997.12. A summary of the Guaranteed Maximum Price is below.

GMP-1 Price – Package Plant Design Submittal \$65,934.00

GMP-2 Price – Bid Package 1 – Package Plant \$4,595,000.40

GMP-3 Price – Bid Package 3 – 0.8 MGD WWTP Expansion \$28,189,062.72

Guaranteed Maximum Price \$32,849,997.12

FNI recommends amending Archer Western's Construction Management at Risk Services Agreement to include GMP-3 in the amount of \$28,189,062.72, bringing the project Guaranteed Maximum Price to \$32,849,997.12.

RECOMMENDATION:

Motion was made by Lydia Moon and seconded by Beverly Short to authorize the City Manager to execute a construction contract with Archer Western not to exceed \$32,849,997.12.

This motion supported votes 6 in approval and 0 votes opposed. Motion carried.

AGENDA ITEM #7

CONSIDERATION AND ACTION TO APPROVE ORDINANCE 2023-0026 ADOPTING THE PROPOSED BUDGET FOR FISCAL YEAR 2023-2024 BEGINNING ON OCTOBER 1, 2023, AND ENDING ON SEPTEMBER 30, 2024, FOR THE CITY OF ALVARADO, TEXAS.

The City's budget process began in April with departments submitting base budget and supplemental budget funding requests to the Finance Department. The City Manager met with departments throughout July and August to review and discuss projected revenues and expenditures.

In compliance with Local Government Code §102.006, a public hearing was held on Monday, September 11, 2023, to provide the governing body an opportunity to communicate with interested persons regarding the proposed budget before adoption. Notice of this public hearing was announced at the August 21, 2023 City Council meeting. Additionally, it was published in the Cleburne Times-Review on September 2, 2023 and posted on the City's website.

Motion was made by Lydia Moon and seconded by Cherry Bryant to approve Ordinance No. 2023-0026, adopting and approving the 2023-2024 Fiscal Year Budget as shown on Exhibit A to said Ordinance.

A roll-call vote was taken with the following results:

	<u>Aye</u>	<u>Nay</u>	<u>Abstention</u>
Jacob Wheat, Mayor			✓
Michael Bennett, Council Member, Place 1, Ward 1	✓		
Lydia Moon, Mayor Pro Tem, Place 1, Ward 2	✓		
Kevin Thomas, Council Member, Place 3, Ward 3	✓		
Beverly Short, Council Member, Place 4, Ward 1	✓		
Cherry Bryant, Council Member, Place 5, Ward 2	✓		
Scott Arthur, Council Member, Place 6, Ward 3	✓		

AGENDA ITEM #8

PUBLIC HEARING, CONSIDERATION AND ACTION TO APPROVE ORDINANCE 2023-0027 FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF ALVARADO, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023, AND ENDING SEPTEMBER 30, 2024, AT THE RATE OF \$0.811895 PER ONE HUNDRED DOLLARS (\$100.00) AND DIRECTING THE ASSESSMENT THEREOF; PROVIDING FOR A DATE ON WHICH SUCH TAXES BECOME DUE AND DELINQUENT TOGETHER WITH PENALTIES AND INTEREST THEREON; PROVIDING FOR A PLACE OF PAYMENT; PROVIDING FOR APPROVAL OF THE TAX ROLLS PRESENTED TO THE CITY COUNCIL.

Mayor Wheat opened the Public Hearing at 7:35 p.m.

This ordinance sets the tax rate for Fiscal Year 2023-2024 at a rate of \$0.811895 per \$100 of assessed valuation and is \$0.000801 less than the current rate of \$0.812696. The proposed rate is made of the following components:

Tax Rate Component	Amount (per \$100 of valuation)
Maintenance & Operations (M&O)	\$0.611828
Interest & Sinking (I&S/Debt)	\$0.200067
Total Proposed Rate for FY 2023-2024	\$0.811895

On August 21, 2023, the City Council set the date for the public hearing on the proposed tax rate and scheduled the vote to adopt the proposed tax rate for September 18, 2023, at 6:30 p.m. in Council Chambers located at 104 W. College Avenue, Alvarado, Texas.

The State's Truth-in-Taxation law also requires calculation and publication of each taxing entity's no-new revenue tax rate, voter-approval rate, and de minimis rate. Notice of this public hearing was published in the Cleburne Times-Review on September 9, 2023, and a link to the notice is posted on the City's homepage. Included with this agenda item is a copy of the notice.

Section 26.05(b) of the Tax Code specifies that a motion to adopt an ordinance setting a tax rate that exceeds the no-new-revenue tax rate must be made in the following form:

"I move that the property tax rate be increased by the adoption of a tax rate of \$0.811895, which is effectively an 18.96 percent increase in the tax rate."

An ad valorem tax rate of \$0.811895 (M&O: \$0.611828; I&S \$0.200067) will generate \$3,816,801 (at a 100% collection rate) for M&O and \$1,247,854 for I&S.

The public hearing was closed at 7:36 p.m.

Motion was made by Lydia Moon and seconded by Kevin Thomas to move that the property tax rate be increased by the adoption of a rate of \$0.811895, which is effectively a 18.96 percent increase in the tax rate by adoption of Ordinance No. 2023-0027.

A roll-call vote was taken with the following results:

	<u>Aye</u>	<u>Nay</u>	<u>Abstention</u>
Jacob Wheat, Mayor			✓
Michael Bennett, Council Member, Place 1, Ward 1	✓		
Lydia Moon, Mayor Pro Tem, Place 1, Ward 2	✓		
Kevin Thomas, Council Member, Place 3, Ward 3	✓		
Beverly Short, Council Member, Place 4, Ward 1	✓		
Cherry Bryant, Council Member, Place 5, Ward 2	✓		
Scott Arthur, Council Member, Place 6, Ward 3	✓		

AGENDA ITEM #9

CONSIDER RATIFYING A PROPERTY TAX INCREASE REFLECTED IN THE CITY OF ALVARADO BUDGET APPROVED FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024, IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE SECTION 102.007.

Local Government Code Section 102.007(c) requires a city that is adopting a budget that will require raising more revenue from property taxes than in the previous year to conduct a separate vote to ratify the property tax increase reflected in the budget. This vote is in addition to, and separate from, the vote to adopt the budget or a vote to set the tax rate.

This budget will raise more total property taxes than last year's budget by \$1,065,672, which is a 26.7 percent increase from last year's budget, and of that amount, \$294,318 is tax revenue to be raised from new property added to the tax roll this year.

The Notice of Public Hearing Regarding the Proposed 2023-2024 Fiscal Year Budget with the statement required by Local Government Code, Section 102.0065(a) was published

in the Cleburne Times-Review on September 2, 2023, and is posted on the City's website. Additionally, the 2023 Notice of Public Hearing on Tax Increase was published in the Cleburne Times-Review on September 9, 2023 and is posted on the City's website.

An ad valorem tax rate of \$0.811895 (M&O: \$0.611828; I&S \$0.200067) will generate \$3,816,801 (at a 100% collection rate) for M&O and \$1,247,854 for I&S.

Motion was made by Beverly Short and seconded by Michael Bennett to approve.

This motion supported votes 6 in approval and 0 votes opposed. Motion carried.

AGENDA ITEM #10

PUBLIC HEARING, CONSIDERATION AND ACTION TO APPROVE ORDINANCE 2023-0028 AMENDING CHAPTER 36 "TAXATION", ARTICLE II "AD VALOREM PROPERTY TAX", OF THE CODE OF ORDINANCES TO ADOPT AN AD VALOREM TAX FREEZE FOR RESIDENTIAL HOMESTEAD PROPERTY OWNERS WHO ARE DISABLED OR SIXTY-FIVE (65) YEARS OF AGE OR OLDER.

Mayor Wheat opened the Public Hearing at 7:39 p.m.

This ordinance is to adopt a tax freeze, also known as a tax ceiling, for Alvarado residential property owners who are either disabled or considered to be seniors (persons 65 years of age and older). The proposed tax freeze would go into effect with tax year 2024, after the total amount of ad valorem taxes levied on this segment of Alvarado residents (disabled and seniors) would not increase while the residential properties are retained by the same home owners.

If adopted, Alvarado disabled and senior residents would experience lower property taxable values, along with the amount of property taxes owed annually to the City. In addition, the City would incur foregone tax revenues from approximately 300 Alvarado disabled and senior residents. Foregone revenue amounts depend on multiple variables, such as the number of seniors and/or disabled persons being added or removed from the tax roll; and property values fluctuating (increasing/decreasing) from year-to-year.

To date, of the nine (9) cities in Johnson County, three (3) have not adopted a senior tax ceiling including Alvarado, Godley and Rio Vista.

An Ad Valorem tax freeze, for disabled and seniors, would impact City tax revenues at a differing rate from year-to-year.

The Public Hearing was closed at 7:40

Motion was made by Lydia Moon and seconded by Cherry Bryant to approve Ordinance, 2023-0028 amending Chapter 36, Article II of the Code of Ordinances to adopt an ad

valorem tax freeze for residential homestead property owners who are disabled or sixty-five years of age or older.

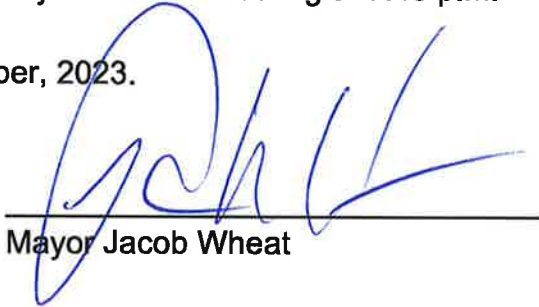
This motion supported votes 6 in approval and 0 votes opposed. Motion carried.

EXECUTIVE SESSION

No Executive session held in this meeting.

There being no further business, Mayor Wheat adjourned the meeting at 7:43 p.m.

Passed and approved this the 16th day of October, 2023.



Mayor Jacob Wheat

Respectfully Submitted,



Beth A Walls, City Secretary/HRD