



City of Seguin

210 E. Gonzales Street
Seguin TX, 78155

Meeting Minutes

City Council

Tuesday, August 20, 2024

5:30 PM

Council Chambers

Public & Virtual

1. Call to Order

Mayor Dodgen called the meeting to order at 5:30 P.M.

2. Invocation - Pastor Dan Cave, Faith Lutheran Church

3. Pledge of Allegiance/Salute to the Texas Flag

4. Roll Call

Present: 7 - Councilmember Joe Rea, Councilmember Jim Lievens, Councilmember Chris Rangel, Councilmember Paul Gaytan, Councilmember Monica N. Carter, Councilmember Jason Biesenbach, and Councilmember Bill Keller

Presiding: 1 - Mayor Donna Dodgen

5. Hearing of Residents:

Invitation to hear citizens and council members in advance of regular business on items other than what is on the agenda, which shall be limited to five (5) minutes. Due to the Open Meetings Act discussions on matters not on the agenda are not allowed, therefore discussion shall be limited to 1) Statements of specific factual information given in response to any inquiry; 2) A recitation of existing policy in response to an inquiry; 3) A proposal to place the subject on the agenda for a future meeting; 4) For the record, please state your name and address before speaking.

Finance Director Susan Caddell introduced Kate McCloud, the City's new Grants Administrator. Ms. McCloud said she was excited for the opportunity to work for the City of Seguin.

Public Information Officer Jennifer Sourdellia introduced Daniel Shogrin, the City's new Media Specialist. Mr. Shogrin said that he feels like he is responsible for showing everyone how wonderful Seguin is and that he is looking forward to doing so.

Fire Chief Dale Skinner announced that the Push-In Ceremony for the new ladder truck is this Saturday, August 24th at 10:30 A.M. at the Central Fire Station.

Assistant Director of Engineering and Capital Projects Jennifer Shortess invited everyone to attend the Public Meeting related to the GLO Grant project. The meeting is

scheduled for Tuesday, August 27th at 5:30 P.M. at the Seguin Coliseum.

Councilmember Rangel requested TxDot come present on the status of Court Street between Hwy46 and Guadalupe St. Mayor Dodgen asked that TxDot come give an update on the status of their projects in Seguin.

6. Consent Agenda

A motion was made by Councilmember Rea, seconded by Councilmember Biesenbach, that the following consent agenda items be approved. The motion carried by the following vote:

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Gaytan, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

a. Minutes of the August 6, 2024 City Council Regular Meeting

Indexes:

This Minutes was approved.

b. Check Report August 2, 2024 to August 16, 2024

Indexes:

The check report was acknowledged.

c. Board and/or Committee Appointments - Mayor Donna Dodgen

- a. CTTC Advisory Committee
- b. Library Foundation

Indexes:

This Action Item was approved.

d. Resolution of the City Council for the City of Seguin, Texas, authorizing submission of a grant application in response to the Motor Vehicle Crime Prevention Authority Grant Program

Indexes:

This Resolution was approved.

Enactment No: RES 2024R-141

e. Ordinance on second reading to create Tax Increment Reinvestment Zone #1 - Kyle Kramm, Main Street & CVB Director/HPO.

Indexes:

This Ordinance was adopted.

Enactment No: ORD 2024-037

- f. Ordinance on second reading adopting a 100% property tax exemption for qualifying child-care facilities as authorized under Texas Tax Code Section 11.36 and Article VIII, Section 1-R of the Texas Constitution; providing a repealing clause; providing a severability clause; and establishing and effective date - Alora Wachholz, Deputy Director of Economic Development

Indexes:

This Ordinance was adopted.

Enactment No: ORD 2024-038

7. Adjourn from Regular Session and Open the Budget Workshop

Mayor Dodgen adjourned the Regular Meeting and opened the Budget Workshop at 5:39 P.M.

- a. City Council FY2025 Budget Workshop
- a. General Fund
 - b. Debt Service
 - c. Special Revenue Fund
 - d. Utility Fund

Indexes:

Finance Director Susan Caddell offered to answer any questions City Council has related to the proposed budgets for Fiscal Year 2024-2025.

City Manager Steve Parker declared that he was proud of way the proposed budgets address the needs of our growing community, including recreational amenities, and reiterated that the 2.5% step increase and the 3% Cost of Living Adjustment will be provided to City of Seguin employees.

Mrs. Caddell reminded that the staff is recommending adoption of the same tax rate as last year and that the Public Hearings for the budgets and tax rate will be held at the September 3, 2024 City Council meeting.

8. Adjourn from Budget Workshop and Open Regular Session

Mayor Dodgen adjourned the Budget Workshop and reconvened the Regular Meeting at 5:42 P.M.

9. Action Items - Discussion and Possible Motion to Approve

- b. Ordinance on first reading amending the Seguin Code of Ordinances Appendix C - Fee Schedules, Chapter 102, Utilities, Article III, Water Rates; and Article IV Wastewater Rates; providing for a severability clause; providing for publication; declaring an effective date; and authorizing city staff to submit this ordinance as a supplement to the Seguin Code of Ordinances. - Dan Jackson, Willdan Financial Services, and Timothy Howe, Director - Water / Wastewater Utilities

Indexes:

Tim Howe introduced Vice President of Willdan Financial Services Dan Jackson, a consultant who worked with City Staff to help determine water and wastewater rates for this year and subsequent years. The City has been working with Mr. Jackson since the initial water and wastewater study in 2015. Mr. Howe thanked Mayor Pro Tem Carter, Councilmember Keller, and Councilmember Rea for their participation on the Utility Rate Committee. He announced that it was determined that a five percent increase in rates is recommended and asked Mr. Jackson to present the details of the recommendation.

Mr. Jackson said that he has been a rate consultant for the City of Seguin for the last decade and that Seguin is in good shape as it has the ability to meet the water and wastewater demands of the future. Each year, he provides the City with a recommended rate for the next budget year as well as forecasts future rates. Factors that impact the rate plan are growth in the number of accounts, Capital Improvement Project cost increases, existing and future debt costs, and impact fee revenue.

Mr. Jackson stated that because Schertz Seguin Local Government Corporation announced no rate increase for the next three years and operating costs have been accurate and controlled, the 2022 rate plan is still accurate. He added that the City has entered into contracts with large commercial entities that are buying significant amounts of water and that has helped the City to stay on plan.

Councilmember Lievens asked with the doubling of the number of City's water accounts, the growth on Rudeloff, and the transfer area of Spring Hills CC&N if the rate of growth should be reflected even more significantly. Mr. Howe the existing customers in the Spring Hill transfer area, approximately 2,500 customers, will be added to the system immediately around the first quarter of 2026 once all the infrastructure is in the ground. Additionally, the rest of the transfer area is ripe for development once the water is accessible there.

Mr. Jackson declared that this is a very dynamic situation that needs to be reviewed annually. If growth is even more robust than projected, it will minimize the need for future rate increases. The growth of revenue and expenditures is not a one-to-one relationship and more growth is better. He informed that the City's primary challenge is the capital improvement projects and the approximate \$364M in bonds to be issued for replacement, repair, and expansion of the system. The good news is that the current rate plan is able to absorb the additional debt service. While the total cost of service will increase by 50-60%, the amount of customers will double. The growth is paying for itself.

Mr. Jackson restated that the recommendation is to continue to implement the 2022 rate plan -- a 5% rate adjustment for water and wastewater, to be effective October 2024. He projects that after 2027 the magnitude of rate adjustments will fall. The biggest concern that could affect forecasted rates is raising interest rates. Currently, projections are 5% adjustments for 2025 and 2026, and 3% adjustments for subsequent years.

This years proposed rate adjustment of 5% would affect the average residential customer by about \$5.24 a month. This adjustment is right in line with the average for state and federal rate adjustments.

Mr. Howe declared that the City Staff analyzes the capital improvement projects and rate projections each and every year to be sure that the City is making the best possible decision for the future of the water and wastewater system.

Councilmember Biesenbach asked Mr. Howe to expound on why the new Geronimo Creek Wastewater Treatment Plant has to be built and the regulation that requires the City to build it. Mr. Howe explained that TCEQ's 75/25 Rule requires a city to initiate design of a new wastewater treatment facility when their current facility reaches 75% capacity. Additionally, a city must be under construction of a new wastewater treatment facility when their current system reaches 90% capacity. He reminded that when City Council decided to decommission the Walnut Branch treatment plant, it was decided that future CIP monies would not be put into Walnut Branch, but that those monies would be used to combine and build one bigger wastewater treatment plant.

Mayor Dodgen said that Seguin is an ageing city with ageing infrastructure and that wastewater systems aren't sexy, but are needed.

City Manager Steve Parker explained that it is difficult to compare apples to apples with surrounding cities, but when compared equally to surrounding cities, Seguin offers on the lower end of rates for all three utilities. Mr. Jackson added that most utilities do not cover their own costs, the City of Seguin's independent utilities all pay for themselves and balance the need of reasonable rates with meeting the needs of its customers.

Mr. Howe added that Seguin is fortunate as it has the water supply to meet its needs to 2080.

A motion was made by Councilmember Lievens, seconded by Councilmember Keller, that this Ordinance be approved on first reading. The motion carried by the following vote:

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Gaytan, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

- c.** Ordinance on first reading amending the Seguin Code of Ordinances Appendix C - Fee Schedule, Chapter 102, Utilities, Article II, Electric Rates for FY 2024-2025, providing for an effective date. - Ramsey Cripe, Schneider Engineering and Clarence Smith, Director of Electric Utilities through Rick Cortes, Deputy City Manager

Indexes:

Deputy City Manager Rick Cortes said that similarly to the water/wastewater study, the City does an electric rate study each year and every 5 years the City does an in depth study of the cost of service. He introduced Ramsey Cripe with Schneider Engineering to present the results of the electric rate study. Mr. Cripes informed that Seguin's rates are significantly lower than neighboring electric utilities. The Electric Utility has a net positive position, collecting \$33M in revenue and expending \$31.5M, resulting in about a 4.9% recovery rate.

He reminded that there have been very minimal rate changes since the initial adjustment in 2013. This year, a \$1 increase to the fixed charge for residential customers, from \$14.50 to \$15.50. Small commercial rates will remain unchanged and some offsetting cost changes that include an increase in demand charge and a reduction in energy charge for large commercial and industrial users.

A motion was made by Councilmember Keller, seconded by Councilmember Rangel, that this Ordinance be approved on first reading. The motion carried by the following vote:

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Gaytan, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

- d.** Ordinance on first reading amending the Seguin Code of Ordinances, Appendix C - Fee Schedule, relevant portions of Chapter 74-Parks and Recreation; providing for a severability clause; declaring an effective date; preparing this ordinance for publication; and authorizing City staff to submit this ordinance as a supplement to the Seguin Code of Ordinances. - Jack Jones, Director of Parks and Recreation

Indexes:

Parks and Recreation Director Jack Jones stated the proposed rate changes are the recommendations of the Parks and Recreation Commission. He explained that the proposed rate changes include;

- 1. the implementation of a \$10 cancellation fee for Summer Day Camp;*
- 2. increasing the wave pool private party fee from \$525 to \$600;*
- 3. amending the rental fee structure of the Seguin Coliseum from a 3-tier fee system to a flat rate system that does not depend on attendance of the event but instead on which day the facility is being rented;*
- 4. increasing the daily Rodeo Arena fee from \$250 on week days and \$400 on weekends to a daily rental fee of \$500; and*
- 5. removing and deleting several items from the fee schedule that are no longer applicable.*

A motion was made by Councilmember Biesenbach, seconded by Councilmember Carter, that this Ordinance be approved on first reading. The motion carried by the following vote:

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Gaytan, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

- e.** Resolution authorizing the City Manager to enter into an Agreement with Sullivan Contracting Services regarding a Choice Partners quote in the amount of \$162,106.97 for demolition, excavation, plumbing, electrical, fencing, grading, and general site cleanup work at the Seguin-Saegert Pickleball Complex; and declaring an effective date - Jack Jones, Director of Parks and Recreation

Indexes:

Parks and Recreation Director Jack Jones declared that Phase 2 of the Seguin-Saegert Pickleball Complex has been long awaited. This phase includes demo/dirt work, construction of a restroom, sidewalk, and a shade structure on the west side of the pickleball courts. The City received a Choice Partners quote from Sullivan Contracting Services in the amount of \$162,106.97 to do the demolition,

excavation, plumbing, electrical, fencing, grading, and general site cleanup work needed. Choice Partners is a Local Government Purchasing Cooperative and is in compliance with all State bidding requirements.

A motion was made by Councilmember Keller, seconded by Councilmember Gaytan, that this Ordinance be adopted. The motion carried by the following vote:

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Gaytan, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

Enactment No:

- f.** Resolution awarding a bid in an amount not to exceed \$1,916,973.74 to E-Z Bel Construction, LLC for the Lawson Street Reconstruction Project through the Texas Department of Agriculture's Texas Rural Business Fund Grant; Authorizing the City Manager to enter into a Construction Contract with E-Z Bel Construction, LLC; and declaring and effective date - Josh Schneuker, Director of Economic Development

Indexes:

Economic Development Director Josh Schneuker reminded that Tyson Foods Inc. announced the expansion of their Seguin facility in late 2021. That project, which resulted in capital investment exceeding \$58M and the creation of at least 40 new jobs, has been completed. Mr. Schneuker explained that a key aspect of the expansion was the relocation of Tyson's truck access point from Kingsbury Street to Lawson Street to manage the increased truck traffic and enhance pedestrian safety. To support this change, the City planned the Lawson Street Reconstruction Project, which involved reconstructing and expanding Lawson Street from Kingsbury Street to C.H. Matthies Drive. Mr. Schneuker stated that the project consists of approximately 1,091 feet of new concrete.

Mr. Schneuker informed that the City released a Request for Qualifications in July of 2024 and that the City received four responses. After reviews by City Staff and Freese and Nichols, E-Z Bel Construction, LLC is recommended for the contract award in an amount not to exceed \$1,916,973.74. He declared that the cost of the project is 13% below projected costs and that the City was able to secure a \$1M grant through the Texas Department of Agriculture's Texas Rural Business Fund.

Mr. Schneuker thanked the Director of Capital Projects and Engineering Melissa Reynolds, Project Manager Michael Sharp, and Real Estate Manager Connie Real for their assistance on this project.

A motion was made by Councilmember Rea, seconded by Councilmember Biesenbach, that this Resolution be approved. The motion carried by the following vote:

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Gaytan, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

Enactment No:

- g. Discussion and possible direction regarding 1.) the City's social media policy, and 2.) policies and practices associated with public meetings. - Steve Parker, City Manager

Indexes:

Mayor Dodgen announced that this item has been pulled from the agenda.

10. Closed Session

Mayor Dodgen convened into Closed Session at 6:31 P.M.

- a. Pursuant to sections 551.071(2) and 551.072 of the Texas Government Code (consultation with attorney/staff and deliberation regarding the purchase and/or value of real property) a Closed Session will be held regarding property along or near Jay Road, Rio Nogales Street, West Kingsbury and North Heideke Street in Guadalupe County, Texas. Possible action may follow in Open Session.

Indexes:

- b. Pursuant to Section 551.087 of the Texas Government Code - Deliberation Regarding Economic Development Negotiations (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. (2) to deliberate the offer of a financial or other incentive to a business prospect. Possible action may follow in Open Session.
- Project Jackpot
 - Project DIY

Indexes:

11. Reconvene into Open Session and take action on items as a result of Closed Session, if necessary

Mayor Dodgen reconvened into Open Session at 7:00 P.M.

- a. Authorize the City Manager to execute a Purchase Agreement between the City of Seguin and LCE Seguin 1328, LLC, related to the acquisition of approximately 0.14 acre of permanent utility easement and 0.14 acre as a temporary construction easement, for the SEDC 121 Project, as presented in Closed Session.

Indexes:

A motion was made by Councilmember Rangel, seconded by Councilmember Rea, that this Action Item be approved. The motion carried by the following vote:

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Gaytan, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

- b.** Authorize the City Manager to execute a Purchase Agreement between the City of Seguin and Harper Auto Properties, related to the acquisition of approximately 1.12 acres of permanent utility easement and 1.7 acres as a temporary construction easement, for the Groundwater Surface Water Loop Project, as presented in Closed Session.

Indexes:

A motion was made by Councilmember Rangel, seconded by Councilmember Biesenbach, that this Action Item be approved. The motion carried by the following vote:

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Gaytan, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

- c.** Authorize the City Manager to execute a Purchase Agreement between the City of Seguin and Red and Black Akaushi, LLC, related to the acquisition of approximately 4.595 acres of real property, and approximately 0.161 acres of permanent utility easement, and 0.531 acres as a temporary construction easement, for the Groundwater Surface Water Loop Project, as presented in Closed Session.

Indexes:

A motion was made by Councilmember Rangel, seconded by Councilmember Keller, that this Action Item be approved. The motion carried by the following vote:

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Gaytan, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

- d.** Authorize the City Manager to execute a Purchase Agreement between the City of Seguin and Premium Waters, Inc., related to the acquisition of approximately 3.382 acres of real property, approximately 2.29 acres of drainage easement, and 0.33 acres as a temporary construction easement, for the North Heideke GLO Project, as presented in Closed Session.

Indexes:

A motion was made by Councilmember Rea, seconded by Councilmember Rangel, that this Action Item be approved. The motion carried by the following vote:

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Gaytan, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

- e. Resolution authorizing execution of an economic development performance agreement between Chick-fil-A and the Seguin Economic Development Corporation, as presented in Closed Session.

Indexes:

A motion was made by Councilmember Biesenbach, seconded by Councilmember Rangel, that this Resolution be approved. The motion carried by the following vote:

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Gaytan, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

Enactment No:

- f. Resolution authorizing the City Manager to execute an agreement pursuant to Chapter 380 of the Texas Local Government Code between Chick-fil-A Inc. and the City of Seguin Texas, as presented in Closed Session.

Indexes:

A motion was made by Councilmember Biesenbach, seconded by Councilmember Keller, that this Resolution be approved. The motion carried by the following vote:

Presiding: 1 - Mayor Dodgen

Aye: 7 - Councilmember Rea, Councilmember Lievens, Councilmember Rangel, Councilmember Gaytan, Councilmember Carter, Councilmember Biesenbach, and Councilmember Keller

Enactment No:

12. Adjournment

Mayor Dodgen Adjourned the meeting at 7:05 P.M.

Donna Dodgen, Mayor

ATTEST:

Kristin Mueller, City Secretary

