

JACKSONVILLE CITY COUNCIL MEETING
TUESDAY, NOVEMBER 12, 2024
JACKSONVILLE CITY HALL COUNCIL CHAMBERS
315 S. RAGSDALE
6:00 PM

Meeting Items

5:15 PM CLOSED EXECUTIVE SESSION CITY HALL CONFERENCE ROOM-PER OPEN MEETINGS ACT-PER TEXAS GOVERNMENT CODE SECTION:	Present: Mayor Randy Gorham, Mayor Pro Tem Tim McRae, Councilman Rob Gowin, Councilwoman Mindy Gellock Absent: Councilwoman Letitia Horace Meeting called to order at 5:15 p.m. by Mayor Randy Gorham. City Council immediately went into executive session at 5:15 p.m. The executive session adjourned at 5:32 p.m.
551.071 CONSULT CITY ATTORNEY	
551.072 REAL PROPERTY	
CALL TO ORDER	City Council meeting called to order at 6:00 p.m. by Mayor Randy Gorham Present: Mayor Randy Gorham, Mayor Pro Tem Tim McRae, Councilman Rob Gowin, Councilwoman Mindy Gellock, Absent: Councilwoman Letitia Horace
INVOCATION	Invocation given by Dr. Douglas Wilson, Interim Pastor of Atoy Baptist Church, Rusk, Texas
PLEDGE OF ALLEGIANCE US & TEXAS FLAGS	Mayor Randy Gorham led everyone in the pledges to the United States and Texas flags.
SPECIAL PRESENTATION	
BUSINESS OF THE MONTH PRESENTED BY JEDCO PRESIDENT SHANE PACE - TEXAS FARM BUREAU	Shane Pace president of Jacksonville Economic Development Corporation, presented Texas Farm Bureau Insurance with the Business of the Month award. Micah Hoffpauir was present to accept the award on behalf of the Texas Farm Bureau Insurance.
PROCLAMATION IN APPRECIATION OF A DONATION MADE BY THE LATE MR. STEVEN WORSHAM TO THE JACKSONVILLE ANIMAL SHELTER	Mayor Randy Gorham read a proclamation in appreciation of a donation made by the late Mr. Steven Worsham to the Jacksonville Animal Shelter and presented the proclamation to the family which was in attendance.
CITIZEN PARTICIPATION	No one came forward
ANY ACTION OUT OF EXECUTIVE SESSION IF NECESSARY	No action
CONSENT AGENDA - ITEMS UNDER CONSENT AGENDA REQUIRE LITTLE OR NO DELIBERATIONS BY COUNCIL. APPROVAL OF CONSENT AGENDA AUTHORIZES THE CITY MANAGER OR HIS DESIGNEES TO PROCEED WITH CONCLUSION OF EACH ITEM IN ACCORDANCE WITH STAFF RECOMMENDATION	Mayor Pro Tem Tim McRae made the motion to approve the Consent Agenda Second by Councilman Rob Gowin Motion Passes 4:0
MINUTES APPROVAL - OCTOBER 3, 2024, COUNCIL AGENDA WORKSHOP AND OCTOBER 8, 2024, CITY COUNCIL MEETING	
CONSIDER POSSIBLE ACTION APPROVING A TIKTOK POLICY AS REQUIRED BY TEXAS SENATE BILL 1893	
CONSIDER POSSIBLE ACTION APPROVING A ROAD CLOSURE ON DECEMBER 21 FOR A COMMUNITY EVENT HOSTED BY THE JACKSONVILLE COMMUNITY ARTS ALLIANCE	
QUARTERLY FINANCIAL REPORT PRESENTED BY FINANCE DIRECTOR ROXANNA BRILEY	Mrs. Briley reported the following: The financial report for September, which marks the conclusion of Fiscal Year 2024. This presentation provides key revenue and expenditure trends, along with a year-end

status update on Fund Balances and Cash & Investments. Please note that while this report reflects the city’s overall financial position at the end of the fiscal year, revenues and expenditures will continue to adjust during the 60-day accrual period. Final results will be reported after the completion of the financial audit.

Revenue Trends:

As of September 30, 2024, the city has collected \$37.84 million, which represents 118.7% of our total budgeted revenue of \$31.88 million. Several key revenue categories contributed to this strong performance:

- **Ad Valorem Taxes:** We collected \$6.5 million, which is 98.5% of the budgeted \$6.59 million. This marks a 5.8% increase compared to the previous year.
- **Sales Taxes:** Year-to-date, we have collected \$3.32 million, or 97.5% of the budgeted \$3.41 million. This is a slight 0.4% decrease from last year.
- **Water Sales:** We have collected \$3.63 million, representing 93.1% of the budgeted \$3.90 million, with a 5.9% decrease compared to FY 2023.
- **Sewer Sales:** Sewer sales were strong, with \$3.13 million collected, or 94.2% of the budgeted \$3.32 million, reflecting a 17.4% increase over last year.
 - Please note that final figures for water and sewer sales may adjust slightly as we process remaining September bills. However, current estimates provide a reliable picture of performance.
- **Sanitation Fees:** collected 100.3% of the budgeted \$1.46 million, with a 5.7% increase from FY 2023.
- **Ambulance Fees:** collected \$952,763, or 99.1% of the budgeted \$961,650, showing a 24.1% increase over the prior year.
- **Hotel Occupancy Taxes (HOT):** Collections reached 102.4% of the budgeted \$387,752, reflecting a 28.2% increase over the previous year.
- **Municipal Court Fees:** Collections of \$522,905 fell short of budgeted expectations, at 88.9%, but increased 0.8% over last fiscal year.

Expenditure Trends:

Total expenditures for FY 2024 amounted to \$38.76 million, or 97.8% of the total budget of \$39.62 million. The following expenditure categories contributed to this total:

- **Employee Services:** We spent \$11.26 million, which is 100.02% of the total budget for this category.
- **Major Departments:**
 - **Police:** Overages were noted in building maintenance and vehicle repairs.
 - **Fire/EMS:** Slight budget overages were driven by utility costs and equipment rentals.

Despite these minor overages, overall expenditures were well-managed, ensuring that the city stayed within its budgetary limits.

Capital Projects Summary:

Several major capital projects were either completed or saw significant progress during FY 2024, supported by bond proceeds and other funding sources. These projects are essential for supporting Jacksonville’s long-term infrastructure needs and ensuring sustainable growth across our community. Here are some highlights:

- **Series 2024A Certificates of Obligation:** These bonds were issued primarily to acquire firefighting and public safety equipment, including a fire pumper truck and a fire ladder truck. A total of \$4.11 million was budgeted, with \$2.95 million spent on the purchase of two fire apparatuses, leaving a balance of \$1.15 million.
- **Series 2022B Certificates of Obligation:** These bonds fund the acquisition, construction, and improvement of city streets, sidewalks, bridges, and related infrastructure, including storm drainage, street lighting, and water and sewer infrastructure. Of the

- \$4.63 million budgeted, \$1.71 million has been spent so far, with a remaining balance of \$2.68 million.
- **The Jackson (Civic Center):** The purchase and renovation of the Jackson was funded by Series 2022 Tax Notes of \$959,600. The project is fully funded and completed, with the center now serving as a hub for civic, educational, and entertainment events.
 - **Series 2022A Certificates of Obligation:** Issued as a low-interest loan through the Texas Water Development Board, these funds will be used to improve the city’s sanitary sewer system, including the replacement of sewer trunk mains, manholes, lift stations, and force mains. A total of \$5.92 million was budgeted, with \$666,676 spent to date. Significant progress has been made on planning, design, and environmental assessments, with construction to follow.
 - **Parks Projects:** Several park improvement projects were funded, including:
 - **Buckner Park:** Fully completed with a budget of \$280,800.
 - **Hazel Tilton Park:** \$410,865 budgeted, with \$42,952 spent, leaving a balance of \$367,913 for additional improvements.
 - **Lincoln Park:** \$400,000 budgeted, with \$113,558 spent, and \$282,117 remaining for future work.
 - These projects are an important part of enhancing community amenities and ensuring continued enjoyment of our public spaces.

Fund Balances:
As of the end of FY 2024, our Fund Balances reflect a strong financial position:

- **General Fund:** The General Fund ended FY 2024 with a balance of \$5.21 million, which exceeds our target fund balance policy of maintaining 20% of operating expenditures. With a balance representing 34.7% of expenditures, the city is well-positioned to manage unforeseen events or emergencies while maintaining the flexibility needed to support ongoing operations.
- **Utility Fund:** The Utility Fund concluded the fiscal year with an ending balance of \$7.99 million. Year-to-date, we collected \$7.67 million in revenue (89.6% of the budget) and expended \$7.84 million (82.6% of the budget).

Cash & Investments:
The city’s cash and investment portfolio, valued at \$22.35 million, reflects a carefully considered balance between liquidity and safety. With 31.17% held in cash for immediate needs and 49.94% allocated to eligible investment pools, we are positioned to meet both current and future financial obligations while generating sustainable returns in a low-risk environment. This portfolio is diversified as follows:

- **Cash:** \$6.97 million, or 31.17% of the portfolio.
- **Eligible Investment Pools:** \$11.16 million, or 49.94% of the portfolio.
- **Certificates of Deposit (CDs):** \$3.97 million, or 17.77%.
- **Other investments:** Including U.S. agencies and money market mutual funds, making up the remainder of the portfolio.

This balanced portfolio ensures the city maintains liquidity while maximizing returns, positioning us to meet both immediate and long-term financial goals.

Conclusion:
Jacksonville continues to uphold its commitment to fiscal responsibility. By exceeding revenue expectations and maintaining tight control over expenditures, we are well-positioned to meet the city’s growing needs. As we move into the next fiscal year, our solid financial footing allows us to

DISCUSS AND CONSIDER WITH POSSIBLE ACTION
OPTIONAL ADDENDA TO LAKE LOT LEASES

DISCUSS AND CONSIDER WITH POSSIBLE ACTION
APPROVING SECOND AMENDMENT TO CHAPTER 380
AGREEMENT WITH LU-VE

DISCUSS AND CONSIDER WITH POSSIBLE ACTION
AWARDING A CONTRACT FOR THE RELOCATION OF
CITY UTILITIES REQUIRED BY THE PLANNED
WIDENING OF US 175

A) PUBLIC HEARING: HEAR AND RECEIVE INPUT REGARDING A REQUESTED ZONE CHANGE FROM A (SINGLE FAMILY) TO B (ONE AND TWO FAMILY) LOCATED AT 902 AUSTIN STREET. DESCRIBED AS LOT 1A BLK 99 SA & 3A N 1/2 OF 1 & 2 & W 15' OF 3 JACKSONVILLE. PROPERTY ID # 222283000
B) DISCUSS AND CONSIDER WITH POSSIBLE ACTION APPROVAL OF AN ORDINANCE GRANTING THE REQUESTED ZONE CHANGE

not only meet operational needs but also invest strategically in initiatives that enhance the quality of life for our residents.

Optional lease addenda to accommodate aging (99-year) leases that may result in challenges to obtaining financing.

Lake Lot Lease Addenda - Proposed in City limits Rates and County Rates
Inside City Limits Rental Charge: - \$500/year (inclusive of public safety fee) Term: “Rolling” 30-year; Rental Charge Adjustments: may be reviewed every 5-years with a capped 10% increase over the prior year Lessor Buy-out Option: requires City to pay fair market value.
Outside City Limitis Rental Charge: \$1,000/year w/ 3.5% annual increase (inclusive of public safety fee). Term: “Rolling” 30- year Rental Charge Adjustments: may be reviewed every 5- years with a capped 10% increase over the prior year. Lessor Buy-out Option: requires City to pay fair market value.

Councilman Rob Gowin made the motion to approve

Second by Mayor Pro Tem Tim McRae

Motion Passes 4:0

Initial Approval: July 22, 2020 (commence tax rebate by DEC 31, 2022)
First Amendment: March 30, 2023 (commence tax rebate by JAN 1, 2025)
Second Amendment: Pending (commence tax rebate by JAN 1, 2026)

LU-VE Obligations
•Capital investment of \$5 million+
•Construction of a 200,000 SF manufacturing facility
•Fifty (50) new full-time employees

Property Tax Rebate Schedule
1-3 years 75 percent, 4-6 years 50 percent.

The tax rebate must commence by the ad valorem tax year beginning January 1, 2026 and shall continue for six (6) years from the date of such commencement or until all obligations under the agreement are fulfilled, whichever occurs first, unless otherwise terminated as provided for in the agreement.

Councilwoman Mindy Gellock made the motion to approve

Second by Councilman Rob Gowin

Motion Passes 4:0

Bids opened November4, 2024. Eight bids were received with the low bidder being McKinney & Moore for a base bid of \$1,373,400.62, which is well below the engineer's estimate of \$1.8 million.

Mayor Pro Tem Tim McRae made the motion to approve

Second by Councilwoman Mindy Gellock

Motion Passes 4:0

The Planning and Zoning Commission met in a Public Hearing on Tuesday, October 15, 2024, to review a requested zone change from A (Single Family) to B (One and Two Family) to allow for the construction of a duplex located at 902 Austin Street. The applicant, Janna Stock and Trey Todd, a realtor, spoke on behalf of the request. No one spoke in opposition. The Planning and Zoning Commission recommends approval.

Public Hearing
Open 5:40 p.m.

Speaker
Hunter Townsend (contractor), speaking for the zone change.

DISCUSS AND CONSIDER WITH POSSIBLE ACTION AN EXCEPTION TO THE LAKE RULES TO ALLOW FOR A PIER TO BE 65 FEET FROM THE SHORELINE WITH A DEPTH OF 5 FEET, LOCATED AT 1037 CR 3108, CITY OF JACKSONVILLE

DISCUSS AND CONSIDER WITH POSSIBLE ACTION APPROVING A REPLAT OF LOT 5R1 AND 7R1 OF THE REDBIRD LANE SUBDIVISION

APPROVE THE CERTIFIED TAX ROLL AS PRESENTED BY THE CHEROKEE CENTRAL APPRAISAL DISTRICT

DISCUSS AND CONSIDER WITH POSSIBLE ACTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A FINANCING CONTRACT WITH FIRST AMERICAN EQUIPMENT FINANCE FOR THE PURCHASE OF A VACTOR IMPACT COMBINATION SEWER CLEANING TRUCK

He emphasized that this project would be good for the neighborhood by adding new construction of a duplex with 3 bedrooms and 2 bathrooms.

No one came forward in opposition.

Public hearing closed at 5:41 p.m.

Councilman Rob Gowin made the motion to approve the zone change from A (Single Family) to B (One and Two Family)

Second by Mayor Pro Tem Tim McCrae

Motion Passes 4:0

The applicant is requesting to be allowed to place a pier 65 feet from the shoreline at a depth of 5 feet at 1037 CR 3108.

Rules

In the event the depth of the water at 50 feet from the shoreline at normal pool elevation is less than 5 feet, the City Building Official may permit a structure to extend outward from the shoreline past the 50-foot limit until a water depth of 5 feet is encountered, provided that:

(1) The proposed structure conforms to and complies with current Rules and Regulations Governing Lake Jacksonville in all respects; and

(2) The Jacksonville City Council, by majority vote of a quorum present for a duly called or scheduled City Council meeting, determines that the proposed structure will not have an unreasonable or adverse impact upon the use and enjoyment of the adjoining Lake Lots and any approved improvements thereupon; and

(3) In no event shall the structure extend more than 75 feet from the shoreline, regardless of whether a water depth of 5 feet is reached.

Rule number 2 governs this request. This request is consistent with surrounding properties.

Mayor Pro Tem Tim McCrae made the motion to approve

Second by Councilwoman Mindy Gellock

Motion Passes 4:0

Jeremy and Crystal Brummett have submitted an application to replat their lots (5R1 and 7R1) in the Redbird Lane Subdivision. This subdivision is a non-shoreline lease lot at Lake Jacksonville. They are making this request to correct an issue with their driveway encroaching onto their neighbor's property. This request is an administrative change. It does not create any lots.

Councilman Rob Gowin made the motion to approve

Second by Mayor Pro Tem Tim McCrae

Motion Passes 4:0

The 2024 certified tax roll was certified at \$6,629,981.64. The certified tax roll levy is \$38,930 more than budget.

Councilwoman Mindy Gellock made the motion to approve

Second by Mayor Pro Tem Tim McCrae

Motion Passes 4:0

In February 2024, the City Council approved the purchase of a Vactor iMPACT combination sewer jet and vacuum truck through the "Mile After Mile" program, at a cost of \$440,307.

The previous truck was financed with a 5-year capital lease,

budgeted at \$65,000 annually for the lease payments. To maintain budget neutrality and avoid a large lump-sum payment, staff is sought alternative financing options.

On November 4th, the City received two (2) proposals in response to our financing request:
•Baystone Government Finance: 5.75% interest rate, 5 annual payments of \$98,677.04
•First American Equipment Finance: 4.56% interest rate, 5 annual payments of \$96,083.79

Staff is requesting that the City Council authorize the city manager to negotiate and enter a financing agreement with First American Equipment Finance for a rate at, or below, 4.56% subject to no pre-payment penalty.

Mayor Pro Tem Tim McRae made the motion to approve

Second by Councilwoman Mindy Gellock

Motion Passes 4:0

The City of Jacksonville was notified, in November 2023 by the Texas Water Development Board, that City of Jacksonville is hereby invited to submit an application for funding through the Texas Water Development Board's(TWDB) Clean Water State Revolving Fund. The proposed project was the Double Creek WWTP Upgrade and Expansion. The value of the project was estimated at \$11,895,000. In May 2024, the city was updated by the Texas Water Development Board. The notice indicated that this project is eligible for additional subsidy (principal forgiveness) in an amount not to exceed \$8,151,000. With the remainder of the funding available for this project being in the form of an equivalency loan at the program's regular terms. The new total cost of this project will become \$3,744,000. This council action will be for the General Engineering Service to include Discharger permit amendment, land acquisition, environmental services, geotechnical services, planning phase services, preliminary design services, final design services, construction phase services and resident project representative services at a cost of \$1,050,000.

Councilman Rob Gowin made the motion to approve

Second by Mayor Pro Tem Tim McRae

Motion Passes 4:0

Mayor Randy Gorham made the motion stating I move to adopt the Ordinance authorizing the issuance and sale of "City of Jacksonville, Texas, Combination Tax and Surplus Water and Sewer System Revenue Certificates of Obligation, Series 2024B", including the adoption of an ordinance authorizing the issuance of such certificates of obligation.

Second by Mayor Pro Tem Tim McCrae

Motion Passes 4:0

Mayor Randy Gorham made the motion stating I move to adopt the Resolution approving and authorizing the Principal Forgiveness Agreement and an Escrow Agreement between the Texas Water Development Board and the City of Jacksonville, Texas and resolving other matters, incidents related to the Principal Forgiveness Agreement.

Second by Councilman Rob Gowin

Motion Passes 4:0

No discussion

Public Safety grant application approved February 2024 and award November 2024 for 15 ballistic shields – 100% grant

DISCUSS AND CONSIDER WITH POSSIBLE ACTION APPROVAL OF AN AGREEMENT WITH STOKES & ASSOCIATES, INC. FOR ENGINEERING SERVICES FOR THE DOUBLE CREEK WASTEWATER TREATMENT PLANT UPGRADE AND EXPANSION PROJECT (TWDB PROJECT NUMBER 73955)

DISCUSS AND CONSIDER ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF "CITY OF JACKSONVILLE, TEXAS, COMBINATION TAX AND SURPLUS AND SEWER SYSTEM REVENUE CERTIFICATES OF OBLIGATION, SERIES 2024B", INCLUDING THE ADOPTION OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF SUCH CERTIFICATES OF OBLIGATION.

DISCUSS AND CONSIDER ALL MATTERS INCIDENT AND RELATED TO A PRINCIPAL FORGIVENESS AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD IN CONNECTION WITH THE CLEAN WATER STATE REVOLVING FUND, INCLUDING THE ADOPTION OF A RESOLUTION APPROVING THE PRINCIPAL FORGIVENESS AGREEMENT AND AN ESCROW AGREEMENT RELATING THERETO.

OPEN FORUM FOR MAYOR AND COUNCIL

CITY MANAGER REPORT

funded (\$117,000) by the Office of the Governor.

Boating access grant project underway. The Public and Community Service department employees demolished 3 structures and the City has officially moved the project over to the contractor. There will be fuel service interruptions to the public. We have put out public announcements with regards to the disruption.

We celebrate our veterans. Happy Veterans Day to all veterans.

Adjourned at 6:48 p.m.

ADJOURN