

A Special Meeting/Public Hearing was held August 19, 2024, in the Groves City Council Chamber with Mayor Chris Borne, Mayor Pro Tem Mark McAdams, Councilmember Rhonda Dugas, Councilmember Paul Oliver, and Councilmember Pete Konidis present.

Mayor Borne called the meeting to order at 5:00 p.m. Mayor Pro Tem McAdams then lead the prayer and Pledge of Allegiance.

Mayor Borne then asked if there were any reports and there were none.

Mayor Borne then asked for citizen comments and Kristi Mayea-Patxot of 4301 Madison Avenue informed Council that the children that ride on golf carts need to be supervised.

Mayor Borne then proceeded to the Public Hearing portion of the meeting.

Mayor Borne read the notice as follows: "Notice of a Public Hearing on Tax Increase. A tax rate of \$0.601924 per \$100 valuation has been proposed by the governing body of City of Groves.

PROPOSED TAX RATE	\$0.601924 per \$100
NO-NEW-REVENUE TAX RATE	\$0.559751 per \$100
VOTER-APPROVAL TAX RATE	\$0.595540 per \$100
DE MINIMIS RATE	\$0.601925 per \$100

"The no-new-revenue tax rate is the tax rate for the 2024 tax year that will raise the same amount of property tax revenue for City of Groves from the same properties in both the 2023 tax year and the 2024 tax year.

"The voter-approval rate is the highest tax rate that City of Groves may adopt without holding an election to seek voter approval of the rate, unless the de minimis rate for City of Groves exceeds the voter-approval rate for City of Groves.

"The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate for City of Groves, the rate that will raise \$500,000, and the current debt rate for City of Groves.

"The proposed tax rate is greater than the no-new-revenue tax rate. This means that City of Groves is proposing to increase property taxes for the 2024 tax year.

"A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON August 19, 2024, AT 5:00 PM AT the Groves City Hall, 3947 Lincoln Ave, Groves, TX 77619.

"The proposed tax rate is greater than the voter-approval tax rate but not greater than the de minimis rate and does not exceed the rate that allows voters to petition for an election under Section 26.075, Tax Code. If City of Groves adopts the proposed tax rate, the City of Groves is not required to hold an election so that voters may accept or reject the proposed tax rate and the qualified voters of the City of Groves may not petition the City of Groves to require an election to be held to determine whether to reduce the proposed tax rate. YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

"Property tax amount = (tax rate) x (taxable value of your property)/100

"FOR the proposal: Chris Borne Rhonda Dugas
Mark McAdams Paul Oliver

"AGAINST the proposal:

"PRESENT and not voting:

"ABSENT: Pete Konidis".

Mayor Borne then asked for questions from City Council and Councilmember Dugas stated that she would like to hear from the citizens first.

Mayor Borne then asked for citizens of Groves who would like to speak in support of the request and there were none.

Mayor Borne then asked for citizens of Groves who would like to speak against the request and Brandon Holmes of 4033 Redwood Street then spoke to Council. Mr. Holmes stated he would like to speak against the proposed FY 2024-2025 tax rate increase. Mr. Holmes then had question regarding some of the items in the budget. Mr. Holmes asked about the organization chart, health insurance, and various other sections of the budget. City Manager Kevin Carruth and Finance Director Lamar Ozley were able to clarify all of Mr. Holmes questions. Mr. Holmes thanked Council for answering his questions.

Tanner Thompson of 4961 Beaumont Avenue then spoke regarding finding solutions to generate revenue for the City outside of reaching into the citizens pockets. Mr. Thompson suggested doing something with the old fire station to help generate revenue. There was a brief discussion about what it would take to renovate that building. Mr. Thompson also suggested looking at the City's zoning map and trying to create more commercial property to create more revenue. City Manager Kevin Carruth stated that land use would be part of the comprehensive plan that we are applying for with the grant. Mr. Thompson also discussed looking at the City as a whole regarding efficiency of operations. City Manager Kevin Carruth informed Mr. Thompson of several things that are being done throughout the City to improve efficiency. Mr. Thompson then stated that what the citizens were upset about was it not appearing that anything else was being done to generate revenue besides increasing the tax rate. Mr. Thompson stated that it does seem like the City is doing those other things to help increase the revenue. Mr. Thompson then stated that he is still opposed of the street usage fee and Mayor Borne stated that the street usage fee is not in this budget. Mayor Borne then explained the tax rate in detail.

Councilmember Dugas then stated that the material to fix the streets has been hard to obtain. Councilmember Dugas also explained to Mr. Thompson that his concerns with paying more taxes than Nederland and Port Neches goes back to those cities having the industrial taxes coming in to help and Groves does not. Council explained that they do not

like having to increase taxes and prices on utilities but they have to get things fixed. Councilmember Dugas then explained the prior history with Schneider Electric and trying to get ownership of the plans to fix the wastewater plant.

Mr. Holmes of 4033 Redwood Street spoke again wanting to make sure about the potential added taxes of about \$65 a year and about less than \$10 a month extra for the water increase.

Barbara Edington of 3800 Russell passed out copies of the Texas Property Tax Code to all of Council. Mrs. Edington then informed Council about her concerns regarding the tax rate notice compared to what the Texas Property Tax Code required. City Manager Kevin Carruth stated that he would look into it.

Michael Boudreaux of 6617 Jefferson stated that the senior citizens and those with fixed incomes will not be able to afford all of the increases at once. Mr. Boudreaux then stated that he agrees that taxes need to go up.

Nancy Seeger's of 6500 32nd St. asked about the raises for the employees and who all is getting them. Mayor Borne stated that everyone who is not under contract and is not topped out. Mayor Borne then explained how step raises work.

Cody Taylor of 3555 Cleveland Avenue also talked about wages and raises. Mr. Taylor stated that he understands the step program for wages.

There were no further citizen comments against the request.

Councilmember Dugas asked about the information that Mrs. Edington presented to Council and that she feels like it needs to be researched. City Manager Kevin Carruth stated that the tax rate can be approved tonight then staff can research it tomorrow. Mr. Carruth stated that if something was done wrong then at that point it could still be redone. Mr. Carruth informed Council that it won't take long to verify. Councilmember Oliver asked if City Attorney Brandon P. Monk approved all of this before he went out and Finance Director Lamar Ozley stated he did and that these notices were also prepared by the County Tax Assessor Office.

City Manager Kevin Carruth stated that Mr. Ozley provides the information to the Tax Assessor Office and they put it into their software program and that is what prepares these notices. Mr. Carruth also stated that if the notice is wrong then every other entity in Jefferson County would be wrong also. Mayor Borne then explained that if we approve the tax rate tonight and everything checks out okay then our timeline stays intact. Mayor Borne then explained if we approve it and there is a change that needs to be made then we start our timeline again and make the changes. City Manager Kevin Carruth then informed Council that if what Mrs. Edington stated is true then we can hold a Special Meeting within 72 hours and revoke their approval tonight. Councilmember Dugas asked if August 26th is the last day we have to vote on the tax rate and Finance Director Lamar Ozley stated that we have until September 30th.

There were no further councilmember questions.

Mayor Borne stated that the City Council of Groves will vote on the proposed tax rate today during the regularly scheduled meeting immediately following the Public Hearing as listed on the respected agenda. The Public Hearing was closed at 7:06 p.m.

Council then returned to the regularly scheduled city council meeting.

DELIBERATE AND ACT ON ADOPTION OF FY 2024-2025 MAINTENANCE AND OPERATIONS TAX RATE OF \$0.556776/\$100 BY RECORD VOTE: Councilmember Konidis made a motion to deliberate and act on adoption of FY 2024-2025 maintenance and operations tax rate of \$0.556776/\$100 by record vote and Councilmember Oliver seconded. There were no questions. Motion passed with Mayor Chris Borne, Mayor Pro Tem Mark McAdams, Councilmember Pete Konidis, Councilmember Paul Oliver and Councilmember Rhonda Dugas all in favor of the motion. There were no votes against the motion.

DELIBERATE AND ACT ON ADOPTION OF FY 2024-2025 INTEREST AND SINKING TAX RATE OF \$0.045148/\$100 BY RECORD VOTE: Councilmember Konidis made a motion to deliberate and act on adoption of FY 2024-2025 interest and sinking tax rate of \$0.045148/\$100 by record vote and Mayor Pro Tem McAdams seconded. There were no questions. Motion passed with Mayor Chris Borne, Mayor Pro Tem Mark McAdams, Councilmember Pete Konidis, Councilmember Paul Oliver, and Councilmember Rhonda Dugas all in favor of the motion. There were no votes against the motion.

DELIBERATE AND ACT ON ADOPTION OF FY 2024-2025 BUDGET BY RECORD VOTE: Mayor Pro Tem McAdams made a motion to deliberate and act on adoption of FY 2024-2025 Budget by record vote and Councilmember Oliver seconded. There were no questions. Motion passed with Mayor Chris Borne, Mayor Pro Tem Mark McAdams, Councilmember Pete Konidis, Councilmember Paul Oliver, and Councilmember Rhonda Dugas all in favor of the motion. There were no votes against the motion.

DELIBERATE AND ACT ON RATIFICATION OF PROPERTY TAX INCREASE REFLECTED IN THE FY 2024-2025 BUDGET: Mayor Pro Tem McAdams made a motion to deliberate and act on ratification of property tax increase reflected in the FY 2024-2025 budget and Councilmember Konidis seconded. There were no questions. Motion passed with Mayor Chris Borne, Mayor Pro Tem Mark McAdams, Councilmember Pete Konidis, Councilmember Paul Oliver, and Councilmember Rhonda Dugas all in favor of the motion. There were no votes against the motion.

DELIBERATE AND ACT ON ADOPTION OF A RESOLUTION APPROVING THE INVESTMENT POLICY OF THE CITY OF GROVES, TEXAS: Mayor Pro Tem McAdams made a motion to deliberate and act on Resolution 2024-05 and Councilmember Konidis seconded. Mayor Borne then read the resolution as follows: "A Resolution of the City of Groves establishing a review of the investment policy of the City of Groves and recording changes to the investment policy or investment strategies." City Manager Kevin Carruth

stated that there are no changes to the policy from last year. There were no questions and the motion passed unanimously.

DELIBERATE AND ACT ON AN ORDINANCE AMENDING THE WATER AND WASTEWATER RATE STRUCTURES: Mayor Pro Tem McAdams made a motion to deliberate and act on Ordinance 2024-20 amending the water and wastewater rate structures and Councilmember Konidis seconded. Mayor Borne asked if this implements the structure rate going into effect and City Manager Kevin Carruth stated that is correct. Mr. Carruth then stated that this also addresses the five objectives that we had at the beginning of the process which include: meet rising costs, capital improvements, building up our cash reserves to 180 days, introducing tiered water rates to promote conservation and implementing commercial minimum monthly charges. Councilmember Dugas asked when these rates will go into effect and Mr. Carruth stated the first bill in October. Mayor passed unanimously.

DELIBERATE AND ACT TO APPROVE AN ANNUAL APPROPRIATION ORDINANCE OF THE CITY OF GROVES, TEXAS, FOR THE 2024-2025 FISCAL YEAR, APPROPRIATING FUNDS FOR DISBURSEMENT FOR THE VARIOUS PURPOSES AND USES OF THE CITY, PROVIDING A SAVINGS CLAUSE, AND PROVIDING AN EFFECTIVE DATE:

Councilmember Konidis made a motion to deliberate and act to approve an annual appropriation ordinance 2024-18 and Mayor Pro Tem McAdams seconded. Mayor Borne stated that this allows us to spend the money per the City Charter. There were no further questions and the motion passed unanimously.

DELIBERATE AND ACT ON AN ORDINANCE APPROVING THE TAX ASSESSMENT ROLLS FOR THE YEAR 2024, LEVYING AND ASSESSING TAXES FOR THE SUPPORT OF THE CITY OF GROVES AND THE MUNICIPAL GOVERNMENT THEREOF; APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES; LEVYING AND ASSESSING OCCUPATION TAXES AND A HOTEL OCCUPANCY TAX; PROVIDING THE DATE FOR THE COLLECTION OF TAXES; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE: Councilmember Konidis stated "I move that the property tax be increased by the adoption of a tax rate of \$0.601924 / \$100 which is effectively a 7.66 percent increase in the tax rate." Mayor Pro Tem McAdams seconded. There were no questions and the motion passed unanimously.

DELIBERATE AND ACT ON INTERLOCAL AGREEMENT WITH THE CITIES OF NEDERLAND AND PORT NECHES FOR THE OPERATION OF THE CENTRAL DISPATCH FACILITY AND INFORMATION TECHNOLOGY DEPARTMENT AND AUTHORIZING THE MAYOR TO NEGOTIATE AND EXECUTE ALL NECESSARY DOCUMENTS: Mayor Borne asked if this item should say the City Manager to negotiate and execute all necessary documents and City Manager Kevin Carruth stated that the document was given to us with all of the Mayor's listed. Councilmember Konidis made a motion to deliberate and act on interlocal agreement with the Cities of Nederland and Port Neches for the operation of the central dispatch facility and Information Technology Department and authorizing the Mayor to negotiate and execute all necessary documents.

Councilmember Oliver seconded. City Manager Carruth stated that the only change is the software for the Fire Department and CrowdStrike is being added. Mr. Carruth also stated that the way we pay for it is going to change to the number of users. There were no further questions and the motion passed unanimously.

Mayor Borne asked for Councilmember comments and Councilmember Dugas stated that this was not an easy decision but it had to be made. Mayor Pro Tem McAdams and Councilmember Oliver thanked all of the citizens for coming. Mayor Borne stated that he looks forward to seeing everyone at all of the meetings throughout the year.

Meeting adjourned at 7:22 p.m.



Mayor

ATTEST:



City Clerk

