

A special meeting of the Groves City Council was held August 5, 2024, in the Groves City Council Chamber with Mayor Chris Borne, Mayor Pro Tem Mark McAdams, Councilmember Rhonda Dugas, and Councilmember Paul Oliver in attendance. Councilmember Pete Konidis was not present. Mayor Borne called the meeting to order and Tina Martinez from VFW 4820 in Port Neches, Texas, then led the prayer and pledge of allegiance.

Mayor Borne asked for reports and City Manager Kevin Carruth apologized for the air conditioning being out in the Council Chamber. Mr. Ken Lofton from the local VFW 4820 then gave a report on the Iraq War or sometimes called the Second Gulf War. Mr. Lofton then stated on December 13, 2003, Saddam Hussein was captured by the United States Special Forces. Over 4,400 American Troops were killed during the war in Iraq and over 100,000 Iraqis were killed in the conflict that lasted over 8 years.

Mayor Borne then asked for citizen comments and there were none.

RECEIVE FY 2024-2025 TAX RATE CALCULATIONS FROM JEFFERSON COUNTY TAX ASSESSOR/COLLECTOR: Mayor Borne stated that everyone has received the tax rate calculations from Jefferson County Tax Assessor/Collector. Finance Director Lamar Ozley then explained that the Jefferson County Appraisal District certified the values of all of the properties in the City of Groves and all of the other values in Jefferson County. Those values were submitted to the Tax Assessor/Collectors Office and the Tax Assessor/Collectors Office then carried out these calculations on the report Council has been presented. This report calculates the No New Revenue, Voter Approval, and the De Minimis Tax Rates. Mr. Ozley then stated that all of the calculations are presented as we have received them.

DELIBERATE AND ACT ON AUGUST 19, 2024, AS THE DATE FOR ADOPTION OF THE PROPOSED CITY OF GROVES FY 2024-2025 APPROPRIATION ORDINANCE: Mayor Pro Tem McAdams made a motion to deliberate and act on August 19, 2024, as the date for adoption of the proposed City of Groves FY 2024-2025 Appropriation Ordinance and Councilmember Oliver seconded. Finance Director Lamar Ozley explained that the Charter requires that we have an Appropriation pass, it is essentially the same thing as the budget but this is required by the Charter. There were no further questions and the motion passed unanimously.

DELIBERATE AND ACT ON AUGUST 19, 2024, AS THE DATE FOR ADOPTION OF THE PROPOSED CITY OF GROVES FY 2024-2025 BUDGET: Councilmember Dugas made a motion to deliberate and act on August 19, 2024, as the date for

adoption of the proposed City of Groves FY 2024-2025 Budget and Mayor Pro Tem McAdams seconded. Finance Director Lamar Ozley explained it is required by the State that we pass a budget. There were no further questions and the motion passed unanimously.

DELIBERATE AND ACT ON AUGUST 19, 2024, AS THE DATE TO HOLD A PUBLIC HEARING AT GROVES CITY COUNCIL CHAMBER TO REVIEW THE PROPOSED FY 2024-2025 TAX RATE AND INCREASE: Councilmember Oliver made a motion to deliberate and act on August 19, 2024, as the date to hold a public hearing at Groves City Council Chamber to review the proposed FY 2024-2025 tax rate and increase. Councilmember Dugas seconded. Finance Director Lamar Ozley explained that this is also required by the State and this will set the tax rate for the properties in the City of Groves. Mr. Ozley also stated that this item is to set a date for the public hearing to review the tax rate. There were no questions and the motion passed unanimously.

DELIBERATE AND ACT ON THE PROPOSED TAX RATE INCREASE AND RATE OF \$0.601924/\$100 FOR THE FY 2024-2025 BUDGET VIA RECORD VOTE: Mayor Pro Tem McAdams made a motion to deliberate and act on the proposed tax rate increase and rate of \$0.601924/\$100 for the FY 2024-2025 Budget via record vote. Councilmember Oliver seconded. Finance Director Lamar Ozley explained that this is required by State Law this is the proposed tax rate that Council is voting on and the final vote will be on August 19, 2024. Councilmember Dugas reiterated that this is just the proposed tax rate and Mr. Ozley stated that was correct. Mr. Ozley also stated that there is a City Budget that was prepared by staff and was presented by the City Manager to City Council and the City Clerk. This budget lines out all of the revenues, including the proposed tax rate as well as all of the expenditures by department and line item. There were no further questions and the motion passed with Mayor Chris Borne, Mayor Pro Tem Mark McAdams, Councilmember Paul Oliver, and Councilmember Rhonda Dugas all in favor of this item. Councilmember Pete Konidis was not present for the vote.

Council then transitioned into the Public Hearings.

Mayor Borne then read the Notice of a Public Hearing as follows: "Notice is hereby given that the City Council of the City of Groves, Texas, will hold a Public Hearing Monday, August 5, 2024, at 5:00 p.m. at City Hall 3947 Lincoln Avenue, Groves, Texas, for the purpose of reviewing the proposed FY 2024-2025 appropriation ordinance. All interested persons are welcomed to attend. A copy of the entire

proposed City Manager's Budget Estimate is available for inspection in the City Manager's Office at City Hall, 3947 Lincoln Avenue, Groves, Texas, or on the City's website at www.cigrovestx.com." Mayor Borne then stated that this is a request by City Council for the appropriation ordinance which is required by the Charter.

Mayor Borne then asked for citizens of Groves that wish to speak in support of the request and there were none.

Councilmember Dugas asked Finance Director Lamar Ozley to explain the appropriation ordinance again. Mr. Ozley explained that the appropriation ordinance is required by the City Charter and it lists out all of the total expenses by department within the City. Mayor Borne stated that his will allow us to spend money for the proposed items on the budget.

Mayor Borne then asked for citizens of Groves that wish to speak against the request.

Nancy Seegers of 6500 32nd street stated that she does not understand what is being discussed and asked about a street usage fee. Mrs. Seegers also asked where do they go to talk to Council about these issues.

Carolyn Fountain 6700 Coolidge asked if there are any plans with street repairs and Mayor Borne stated that there is a line item for street repairs. Mrs. Fountain then asked about the proposed study to be done about counting cars and City Manager Kevin Carruth stated that is not in the budget and would be a workshop at a later date.

Councilmember Dugas stated that the budget workshop is on the City's website and anyone can watch it to have a better understanding of what was discussed.

Amber Hargrave of 6565 Washington expressed her concerns about giving employees raises because she stated that it's the citizens having to pay for those raises. Mayor Borne then stated that we still have to maintain employees. Mrs. Hargraves then stated that she has no opposition with lower level employees getting raises. Councilmember Dugas asked City Manager Kevin Carruth about the structure for employee's salaries and Mr. Carruth stated that there is a compensation plan for raises and steps for every position. Mr. Carruth then explained that every position has step grades, fire and police have a CBA Agreement that regulates their raises,

and once an employee reaches the top of their grade then they do not receive any more step raises. Mrs. Hargrave then asked how the City of Groves got into this position to not be able to pay public service workers a good rate to keep them and Councilmember Oliver responded that Groves does not have refineries that can put money in our coffers and that is why the City is trying to generate more businesses in Groves.

Adam Van Arsdale of 6818 Howe Street stated that he appreciates Council reacting to try and fix the mess that has been handed to them. Mr. Van Arsdale then asked Council what part of the budget is actually proactive in growing Groves in the future and not just reactive. Mayor Borne stated that it starts with the De Minimus Tax rate and that over the past it has been tried to keep the tax rate lower and not go above what is needed. Mayor Borne then stated by trying to keep the taxes at a lower rate it has made it a comfortable tax rate for all of these years and now our proactive rate is we need to fix things. Mayor Borne then explained to Mr. Van Arsdale that we are trying to set ourselves up to get those funds straight to do those big jobs. City Manager Kevin Carruth stated that we know what we need to do in the next 3-5 years on the utilities side but what we don't have is the funding to make it happen. City Manager Carruth stated that in the three workshops that we have had in this process so far, staff and Council has looked at what the impact would be for the typical tax payer because we care about that.

Brandon Holmes of 4033 Redwood asked if the City hired an independent consultant to help with this budget and City Manager Kevin Carruth stated that the City only hired one for the Utility Rate Study. Mr. Holmes then asked about the work session and if it was put on YouTube and it is on YouTube. Mr. Holmes then asked if the City has anyone that focuses on finding grants and City Manager Kevin Carruth stated that he does do that. Mr. Holmes then asked if the budget has a chart of when we would be out of debt and City Manager Carruth stated that there is a chart in the Budget document. Mr. Holmes then asked about the line item in the budget for the leasing of City vehicles and Mayor Borne informed Mr. Holmes that we just signed with Enterprise for a trial run.

Tanner Thompson of 4961 Beaumont Avenue gave a summary of his investments of his first home in Groves, then another summary of his second home regarding tax rates. Mr. Thompson then discussed paying too much for his water bill and the City gave him a credit and wanted to know why this happened. Mr. Thompson then talked about a busted pipe in his ditch and the condition of his road. Mr. Thompson stated that he does not agree with a road fee on top of the normal taxes that he pays.

Mr. Thompson then questioned about the City of Groves not giving the citizens a homestead exemption and Councilmember Dugas stated if we give the homestead exemption then the City would have less money to work with. Mr. Thompson then stated that Groves has the highest tax rate but when you drive around the City you would never know.

Mr. Van Arsdale spoke again asking Council in what ways does the City see incentivizing old businesses to stay and new businesses to come to the City. City Manager Kevin Carruth stated having the infrastructure improved, ISO ratings improved, improving our flood rating on the FEMA system, and an EDC that helps local businesses with improvements.

Stacy Fitzgerald of 6000 Terrell Street stated she has been in business in Groves the last 34 years. Mrs. Fitzgerald then stated that she understands that everything goes up but she wishes that when there are increases that the City would send out notices in the mail. Mrs. Fitzgerald asked if there is anything that helps promote EDC to the local businesses and Councilmember Dugas stated that she advocates for the EDC with the local businesses. City Manager Kevin Carruth informed Mrs. Fitzgerald that the new city website will have a subscription service so you can sign up to receive emails or texts with updates from the city.

Bailey Thompson of 4961 Beaumont Avenue stated that she originally wrote a letter but the things that she has heard about in this meeting has already been touched on those issues. Mrs. Thompson stated that if Council could inform the citizens more when they are doing grants such as having a workshop or sending a newsletter that would be great.

There were no further citizens to speak against the request.

Mayor Borne stated that no further action would be taken at this meeting and that Council would meet again on August 19, 2024.

Mayor Borne then read the Notice of a Public Hearing as follows: "Notice is hereby given that the City Council of the City of Groves, Texas, will hold a Public Hearing Monday, August 5, 2024, at 5:00 p.m. at City Hall 3947 Lincoln Avenue, Groves, Texas for the purpose of reviewing the proposed FY 2024-2025 Budget. This budget will raise more total property taxes than last year's budget by \$616,631 or 8.63%, and of that amount \$127,250 is tax revenue to be raised from new property added to the

tax roll this year. All interested persons are welcomed to attend. A copy of the entire proposed City Manager Budget Estimate is available for inspection in the City Manager's Office at City Hall, 3947 Lincoln Avenue, Groves, Texas, or on the City's website at www.cigrovestx.com." Mayor Borne then stated that this is a request by City Council for the budget which is required by the State.

Mayor Borne asked if there were any questions from City Council and there were none.

Mayor Borne asked if there were any citizens that wish to speak in favor of the proposed budget and there were none.


Mayor Borne then asked if there were any citizens that wish to speak against the proposed budget. Nancy Seegers of 6500 32nd St. spoke against the employees receiving a 5% step increase and that she thinks it should be trimmed to 3%. Mayor Borne informed Mrs. Seegers that steps are already outlined as 5% in the hiring packets and that if it was a COLA year then Council would be able to adjust the percentage or not give a raise at all. There were no further citizens that wished to speak against the request for the proposed FY 2024-2025 proposed budget.

Mayor Borne stated that no further action would be taken at this meeting and that Council would meet again on August 19, 2024.

This was the end of the Public Hearings and Mayor Borne then asked for Councilmember comments. Mayor Pro Tem McAdams stated that he appreciates everyone coming out to the meeting and he appreciates the patience of the citizens. Mayor Pro Tem McAdams also stated that all of Council are also citizens here and that are trying to do what is right for the City. Councilmembers Dugas and Oliver agreed with what Mayor Pro Tem McAdams said. Mayor Borne stated that he looks forward to seeing everyone again on August 19th.

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Mayor Borne asked for Council comments and there were none. Meeting was adjourned at 6:54 p.m.



Mayor

ATTEST:



City Clerk

