

Minutes
Regular Meeting
April 15, 2025

On this 15th day of April 2025, at 6:02 p.m., the City Council of the City of Devine convened in a Regular Meeting, the same being open to the public, at the Dr. George S. Woods Community Center, 200 E. Hondo Avenue, Devine, Texas 78016. Notice of said meeting having been prescribed in Chapter 551, Government Code, and Vernon's Texas Codes, Annotated, and the following members being present:

Mayor Butch Cook
Alderwoman Debbie Randall
Alderman Josh Ritchey
Alderman Ray Gonzales
Alderman Jeff Miller
Alderman Michael Hernandez

Thus, constituting a quorum.

Personnel Present: David L. Jordan, City Administrator; Dora V. Rodriguez, City Secretary; Denise Duffy, City Accountant; Tom Cate, City Attorney; Eddie Diaz, Wastewater Foreman; and Pete Sanchez, Director of Public Works.

Others Present: Anton Riecher, Devine News; Jack McLiney & Ryan Cunningham, SAMCO; Minji Kim, Ritu Gupta, Saloni, & Isabella Esquivel, UT Austin; Phillip Tetreault, Steven & Barbara Briseno, Jim Sailors, Justin Jaworowski, Denise & Denny Montgomery, Aileen & Phil Montgomery, Maria Herrera, Alma Keen, Stephen Reus, Scott Herring, Rachel Hernandez, Joise Pompa and Harold Lance, Jr., Devine, Texas.

At this time, Mayor Cook opened the Public Hearing on the Water & Sewer Rate Increases.

City Administrator Jordan showed the public information showing the Water & Sewer rate increases since 2009 through 2017. He went over the Asbestos Project and the loan that was taken out. He advised that the council raised the Water & Sewer Rates to cover the loan. He advised that this was the last time the council went up on rates. He informed the public that in 2019, the city replaced the water meters with a loan of \$1,075,000. In 2024, the city took a loan for \$2,400,000 to replace an old ground storage tank at our Warhorse Tower. He advised that now TCEQ is mandated for the city to replace all Lead & Copper lines, having to take out another loan for \$5,665,000. He explained that we are in a deficit of \$860,000. He went over the Grant the City received to have a Water & Sewer Rate Study done. This study showed that the city needed to go up 48.2% for the Water and 91.4% for the Sewer. The council chose to split the rate increase into two parts, with the first one in January 2025 and the second one in October 2025.

At this time, Mayor Cook opened the floor to the public.

Phillip Tetreault addressed the Mayor and Council, asking why the Council did not keep up with the increases.

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Justin Jaworowski addressed the Mayor and Council about the Facebook post by a councilperson stating that the Water won't immediately kill you. Mr. Jaworowski was upset with this wording from the councilperson. Councilperson Ritchey answered, advising that he was just stating facts. Mr. Jaworowski stated it is not right to make the customers pay 50% more with posts like the Councilperson Ritchey posted. City Administrator Jordan advised that TCEQ monitors our water by testing and reporting. Mr. Jaworowski asked why the city taxes could not be used for the Water & Sewer. Mayor Cook replied, saying that they could be (not unlawful), but it is strongly recommended from the agencies and people that advise us that the water and sewer funds should be self-supporting, not "that is has to be". Mr. Jaworowski asked if the city would be drilling an Edward's Well or a Carrizo Well. Mayor Cook confirmed it is a Carrizo Well.

Mayor Cook reminded the public that the Water & Sewer Rate Study showed that the City should raise rates all at once, but the Council chose to split it.

Josie Pompa addressed the Mayor and Council, stating she was here to represent the low-income residents. She advised that they are struggling with the current increases. She advised that the residents are not happy because no one came to their doors to explain everything. Mayor Cook advised that they post everything on Facebook and the quarterly newsletter. Mrs. Pompa asked how the City is generating revenue and getting rid of land not being used. Mayor Cook advised that the city has 75 acres, and they are for sale.

Stephen Reus addressed the Mayor and Council on his research that other cities' water rates are lower than Devine's. He also addressed that driving around Devine, it looks like the city has lost its heart. He suggested that the city raise sales taxes. Mayor Cook advised that the city cannot do this.

Phil Montgomery addressed the Mayor and Council, advising them that he is proud of them for the level of transparency.

Denny Montgomery addressed the Mayor and Council thanking them for having this meeting.

Mayor Cook thanked everyone that attended the Public Hearing and we respect everyone's opinions. At 7:15 p.m., the Mayor announced that they would be taking a short recess.

At 7:27 p.m., the Mayor opened the Regular Meeting.

Alderman Ritchey delivered the Invocation. Mayor Cook led the Pledge of Allegiance to the United States Flag and the Pledge of Allegiance to the Texas Flag.

The first order of business was the Visitors/Citizens Forum.

No one signed up to speak.

The second order of business was Public Recognition.

There was no public recognition.

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The third order of business was Employee Recognition.

City Administrator Jordan advised that this week is Telecommunication Week. He wanted to thank the dispatchers for all they do.

The fourth order of business is to approve the Minutes of the Regular Meeting, March 18, 2025, and Special Meeting & Emergency Meeting, March 24, 2025.

Motion by Alderwoman Randall, seconded by Alderman Ritchey, to approve the minutes for the Regular Meeting, March 18, 2025, and Special Meeting & Emergency Meeting, March 24, 2025.

Ayes	--	All
Nays	--	None

Motion carried.

The fifth order of business was a Presentation by the Cyber Security Team of the University of Texas at Austin regarding the Proposed Cyber Incident Response Policy.

City Administrator Jordan informed the Mayor and Council that he had students from UT Austin do a Cyber Assessment. The students advised the Mayor and Council that Devine has a good baseline of cybersecurity. They went over areas for improvement. They will be working on an Incident Response Plan for the City.

No action was taken.

The sixth order of business was to consider and act upon accepting the results of the Salary Study by Robert Culpepper with JER HR Group.

Mr. Robert Culpepper addressed the Mayor and Council via Zoom. He went over the adjustments from the previously submitted report. He advised that we have three employees under the minimum pay of the area and three employees who are over the maximum pay of the area.

The Mayor and Council held a discussion on this item.

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Motion by Alderman Ritchey, seconded by Alderwoman Randall, to accept the results of the Salary Study.

Ayes	--	All
Nays	--	None

Motion carried.

The seventh order was to consider and act upon accepting the Audit Report/Management Letter by the Auditor.

Karl Goering, with Armstrong, Vaughn & Associates, went over the audit for Fiscal Year October 1, 2023, through September 30, 2024, with the Mayor and Council. The Auditor explained that the purpose of the audit is to form an independent opinion on whether the financial statements are presented in accordance with generally accepted accounting practices (GAAP). He advised that their opinion was unmodified, meaning there are no modifying statements in their opinion letter. He stated that this is the best opinion that can be given. He went over the following:

Government-Wide Financial Statement

- **Governmental Activities**
Assets of the City exceeded its liabilities by \$4.5 million as of September 30, 2024.
Unrestricted Net Position was \$1.3 million.
Net position increased by \$1.5 million.
- **Business Type Activities**
Assets of the Water Fund exceeded its liabilities by \$8.2 million as of September 30, 2024.
Unrestricted Net Position was \$102 thousand.
Net Position increased by \$452 thousand at September 30, 2024.
Water/Wastewater Fund issued a new bond for \$2.5 million.
- **Fund Financial Statements**
The General Fund's fund balance at the end of the 2024 fiscal year was \$2.8 million, and the combined fund balance for all funds was \$3.4 million.
Unassigned Fund Balance for the General Fund was \$2.8 million or over 8.8 months of operating expenditures.
- Unrestricted Cash for the Total Governmental Funds increased \$561 thousand.
- For the fiscal year, the balance of the City's American Rescue Plan Act (ARPA) was recorded in unearned revenue: \$412 thousand allocated to the General Fund and \$518 thousand allocated to the Water/Wastewater Utility Fund.

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	General Fund	Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
<i>Fund Balances:</i>				
Restricted for:				
Debt Service	-	474,008	-	474,008
Lodging	-	-	75,605	75,605
Texas Commission on Law Enforcement	-	-	2,370	2,370
Unclaimed Property	-	-	2	2
Tax Increment Financing	-	-	62,007	62,007
Home Program	-	-	2,183	2,183
Unassigned	2,778,906	-	-	2,778,906
<i>Total Fund Balances</i>	<u>2,778,906</u>	<u>474,008</u>	<u>142,167</u>	<u>3,395,081</u>

	Budgeted Amounts		2024	Variance With Final Budget -	2023
	Original	Final	Actual Amounts	Positive (Negative)	Actual
REVENUES					
Property Taxes	\$ 1,397,233	\$ 1,397,233	\$ 1,318,930	\$ (78,303)	\$ 1,088,000
Sales Taxes	1,900,000	1,900,000	1,801,694	(98,306)	1,811,098
Franchise Taxes	-	184,000	187,464	3,464	187,116
Payment in Lieu of Property Tax	-	-	4,880	4,880	4,400
Licenses and Permits	51,500	51,500	55,225	3,725	56,304
Rent	3,500	3,500	6,775	3,275	-
Fines and Forfeitures	139,825	139,825	85,820	(54,005)	131,722
Health and Sanitation Fees	1,057,010	1,057,010	1,127,092	70,082	1,022,703
Grants	50,000	50,000	145,380	95,380	38,725
Interest Income	7,094	7,094	14,299	7,205	23,174
Miscellaneous	3,400	3,400	23,590	20,190	4,011
	<u>4,609,562</u>	<u>4,793,562</u>	<u>4,771,149</u>	<u>(22,413)</u>	<u>4,367,253</u>

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	Budgeted Amounts		2024 Actual Amounts	Variance With Final Budget - Positive (Negative)	2023 Actual
	Original	Final			
EXPENDITURES					
Administration	\$ 237,837	\$ 376,665	\$ 335,553	\$ 41,112	\$ 299,587
Municipal Court	61,972	113,215	70,360	42,855	94,898
Street	25,587	420,336	314,108	106,228	410,437
Police	1,137,673	1,295,623	1,056,759	238,864	1,101,542
Health and Sanitation	907,100	911,000	919,786	(8,786)	880,621
Animal Control	61,808	218,254	179,763	38,491	187,936
Parks and Recreation	23,645	60,345	14,985	45,360	24,507
Golf Course	23,000	23,000	53,483	(30,483)	37,256
Library	42,276	172,919	155,573	17,346	155,752
Airport	116,702	208,202	178,739	29,463	121,197
Community Center	5,721	23,556	15,089	8,467	14,894
Code Enforcement	96,953	162,553	145,264	17,289	109,055
Emergency Management	900	5,300	18,533	(13,233)	6,213
Capital Outlay	326,134	326,134	326,134	-	1,119,361
<i>Debt Service:</i>					
Principal	-	-	-	-	169,290
Interest and Fiscal Charges	-	-	-	-	4,124
TOTAL EXPENDITURES	3,067,308	4,317,102	3,784,129	532,973	4,736,670

	Business-Type Activities
OPERATING REVENUES	
Metered Water Sales	\$ 1,896,725
Wastewater Sales Charges	787,569
Connection and Platting	31,969
Miscellaneous	88,833
TOTAL OPERATING REVENUES	2,805,096
OPERATING EXPENSES	
Water and Wastewater System:	
Personnel Costs	1,453,642
Supplies	155,701
Professional and Property Services	594,601
Other Expenses	165,479
Depreciation	171,365
TOTAL OPERATING EXPENSES	2,540,788
OPERATING INCOME (LOSS)	264,308

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Governmental Activities:

Fiscal Year Ending September 30	Public Offering		
	Principal	Interest	Total
2025	\$ 65,000	\$ 15,578	\$ 46,767
2026	65,000	14,895	46,231
2027	65,000	14,115	45,695
2028	70,000	13,270	45,159
2029	70,000	12,220	44,623
2030-2034	365,000	41,433	229,874
2035-2036	160,000	5,480	91,809
	<u>\$ 860,000</u>	<u>\$ 116,991</u>	<u>\$ 550,158</u>

	Total Pension Liability				
	2019	2020	2021	2022	2023
Total Pension Liability - Beginning	6,474,360	7,101,801	7,717,878	8,005,915	8,542,550
Total Pension Liability - Ending	<u>\$ 7,101,801</u>	<u>\$ 7,717,878</u>	<u>\$ 8,005,915</u>	<u>\$ 8,542,550</u>	<u>\$ 9,006,890</u>

	Plan Fiduciary Net Position				
	2019	2020	2021	2022	2023
Contributions - Employer	\$ 339,024	\$ 328,037	\$ 307,393	\$ 330,789	\$ 347,781
Contributions - Employee	123,957	118,425	114,060	114,748	120,200
Net Investment Income	531,305	325,511	642,427	(413,616)	630,739
Benefit Payments, Including Refunds of					
Employee Contributions	(143,026)	(133,916)	(325,930)	(253,977)	(306,160)
Administrative Expense	(2,993)	(2,099)	(2,962)	(3,566)	(3,993)
Other	(89)	(82)	20	4,257	(28)
Net Change in Plan Fiduciary Net Position	848,178	635,876	735,008	(221,365)	788,539
Plan Fiduciary Net Position - Beginning	3,425,721	4,273,899	4,909,775	5,644,783	5,423,418
Plan Fiduciary Net Position - Ending	<u>\$ 4,273,899</u>	<u>\$ 4,909,775</u>	<u>\$ 5,644,783</u>	<u>\$ 5,423,418</u>	<u>\$ 6,211,957</u>
Net Pension Liability - Ending	\$ 2,827,902	\$ 2,808,103	\$ 2,361,132	\$ 3,119,132	\$ 2,794,933
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	60.18%	63.62%	70.51%	63.49%	68.97%

The Mayor and Council held a discussion with the Auditor.

No action taken since it was a draft.

The eighth order of business was to consider and act upon adopting an ordinance to reduce the speed limit on IH-35 for TXDOT Work on the Chacon Creek Bridge Project.

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City Attorney Tom Cate addressed the Mayor and Council that the city has never done this before because we do not have jurisdiction. He stated that it is a one-time occurrence, as TXDOT usually handles this through channels. This ordinance will reduce the speed limit from 75 to 60 mph in the construction zone.

Motion by Alderwoman Randall, seconded by Alderman Gonzales, to adopt 4-25 Ordinance to reduce the speed limit on IH-35 for TXDOT Work on the Chacon Creek Bridge Project.

Ayes	--	All
Nays	--	None

Motion carried.

The ninth order of business was authorizing City Administrator David Jordan to set up new bank accounts for Series 2025A and 2025B.

City Administrator Jordan informed the Mayor and Council that this is the new account for the Lead & Copper replacement project.

Motion by Alderman Ritchey, seconded by Alderwoman Randall, to authorize City Administrator David Jordan to set up new bank accounts for Series 2025A and 2025B.

Ayes	--	All
Nays	--	None

Motion carried.

The tenth order of business was to the Recommendation of the Planning & Zoning Commissioner's Meeting held on April 14, 2025.

- a. Variance request submitted by Dustin Navarro for the front setback of 40' to 20' to accommodate single-family homes.
- b. Variance request submitted by Dustin Navarro for the area lot from 9,000 to 8,600 square feet with survey issues.

Mayor Cook advised that this item was not ready to be reviewed at this time.

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Motion by Alderman Ritchey, seconded by Alderman Miller, to table this item until a future meeting.

Ayes	--	All
Nays	--	None

Motion carried.

The eleventh order of business was to consider and act upon discounted impact fees for new builds of 25% for whole-home gray water systems and 25% for rainwater capture greater than 20k gallons.

Alderman Ritchey requested that this item be placed on the agenda. He addressed the Mayor and Council, explaining that he wants new builds to be aware of and have water conservation methods available. He advised that by discounting the impact fees, it may entice the builders to include gray water systems and rainwater capture.

It was explained to Alderman Ritchey that the city does not have impact fees.

The Mayor and Council held a discussion on this item.

No action taken on this item.

The twelfth order of business was to consider and act upon the base rate discount of 25% for whole-yard Xeriscape (the definition of Xeriscape to be determined by the Planning and Zoning Commission).

Alderman Ritchey requested that this item be placed on the agenda. He informed the Mayor and Council that he wants to encourage residents to change to xeriscape and get away from large lawns that require large amounts of water.

The Mayor and Council held a discussion on this item.

No action taken on this item.

The thirteenth order of business was to consider and act upon a discount of the water connection fee of 25% for water catchment greater than 40k gallons.

Alderman Ritchey requested that this item be placed on the agenda.

The Mayor and Council held a discussion on this item.

No action taken on this item.

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The fourteenth order of business was the Investment Quarterly Report.

The Mayor and Council reviewed the Report.

The fifteenth order of business was Information Items.

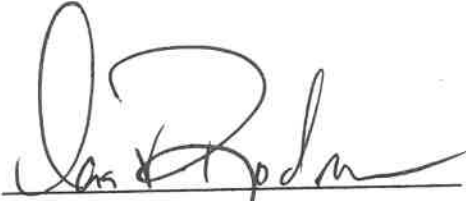
- City Administrator Jordan updated the Mayor and Council on the Street Paving Project for Zig Zag, letting them know the project would begin on 4/22/2025.
- Alderwoman Randall asked if inspections are completed during each segment of the project. Director of Public Works Sanchez advised that only inspections are completed at the end of the project.
- Alderman Miller advised that Dilley Avenue is the new race track and cutting over to Coker. He is thinking of asking for new four-way stop signs. Mayor Cook advised that the Police Department would need to do a traffic study.
- Alderman Miller advised that the Police Department, under the monthly report, only wrote 19 traffic tickets in a month.
- Alderman Ritchey inquired about the Devine VFD Code Enforcement – 71 cases, 24 going to court, and 36 still active. City Administrator Jordan advised that two more employees are going to school for certification.
- Alderman Hernandez asked about the cost of new street lights from AEP. City Administrator Jordan advised that he has not received anything yet from AEP.
- City Administrator Jordan advised that there is nothing new on the trailer for Transportation. He advised that there will need to be a workaround.
- Alderman Ritchey asked if anything new on the soccer field for Curcio Park. City Administrator Jordan advised that they are still leveling the property and looking at the house to utilize as a restroom.
- Alderman Ritchey inquired about the security at City Hall that was noted in the City Administrator updates. City Administrator Jordan advised that this is for security outside the building.
- Alderman Miller asked about what was happening with the Battery Storage System. City Administrator Jordan advised that it will go to the Planning and Zoning Board for zoning and a public hearing. Alderman Miller advised that he is very concerned about the event that there is a fire, what will happen to all the residential and commercial buildings around it.

There being no further business to come before the Council, Alderman Miller made a motion, seconded by Alderman Hernandez, to adjourn the meeting.

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Ayes -- All
Nays -- None

Motion carried.



City Secretary



Mayor