

Minutes
Special Council Meeting
July 6, 2026

On this 6th day of July 2026, at 6p.m., the City Council of the City of Devine convened for a Budget Workshop/Special Council 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:

Alderman Ray Gonzales
Alderman Michael Hernandez
Alderman Jeff Miller
Alderman Adrian Valle
Alderman Harold Lance Jr
Mayor Butch Cook

Thus, constituting a quorum.

Personnel Present: Michelle Martin, City Secretary, Pete Sanchez, Director of Public Works, Debra Dubose, Library Director, Juanita Romero, Director Permits/Code Enforcement, David Jordan, City Administrator, Cassandra Maldonado, City Accountant, Chrisitne Green, Director of Finance, Joe Brown, Chief of Police, Chris Andrews, Lt., Police Department.

Others Present: Jack McLiney, SAMCO, Terry Page, Anton Riecher, Devine News.

At 6pm, Mayor Cook opened the Budget Workshop.

City Administrator Jordan advised that the Finance Team had conducted numerous meetings with department directors in preparation for presenting a comprehensive proposed budget addressing employee compensation, departmental equipment needs, public safety, infrastructure improvements, and the City's overall financial position.

Cassandra Maldonado, City Accountant presented the proposed Budget for FY 2026-2027 which included the following:

- A part of the proposed budget includes the purchasing of several trucks for Public Works.
- 5% for recruitment and retention.
- Maintaining the current property tax rate of \$0.5900 per \$100 of taxable valuation.
- Adding a Police Evidence Clerk/Technician position.
- Implementing police certification pay.
- Police Department Technology Upgrades.

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- Funding a second School Resource Officer (SRO), subject to the interlocal agreement with the school district.
- Police Department requesting three replacement patrol vehicles due to losing three vehicles in a short period of time (potential grant opportunity).
- Investing approximately \$927,500 in one-time capital improvements.
- Utilizing approximately \$586,500 of fund balance for one-time capital purchases rather than issuing additional debt.
- Admin assistant for Public Works to assist team more in overseeing field operations while ensuring required administration reports are completed accurately and timely.

Proposed Public Works equipment purchases include:

- Replacement trucks
- Hydro-vac trailer
- Asphalt roller
- Trench shoring equipment
- Lighting and other safety equipment
- Other essential street and maintenance equipment

Alderman Miller shared that Public Works has gone above and beyond this past year. City Admin Jordan stated that most of this equipment is one time purchase and it will last for years.

City Admin Jordan explained that several purchases are intended to improve employee safety and allow Public Works crews to complete repairs more efficiently. The asphalt equipment, for example, would allow crews to make more permanent street repairs rather than relying on temporary patches that may wash out during heavy rain.

It was discussed that one month of City operating expenses is \$421,000 and that the proposed budget would maintain approximately six months of reserves.

Council discussed the City's reserve requirements and clarified that the proposed budget maintains approximately six months of operating reserves.

City Admin Jordan explained that although four months may satisfy the City's minimum requirement, maintaining six months is considered a stronger financial position and provides additional protection in the event of a major emergency or catastrophic event.

Council had some questions on certain budget accounts and what they represented. One was if the streets budget was increased. Maldonado clarified the question and what it was for specifically.

Maldonado reported that the Sewer and Water Fund remain a strong financial position with approximately four months of operating reserves with approximately \$1.2 million in water and wastewater infrastructure improvements.

Utility revenues remain the primary source of funding for Sewer and Water operations.

Stephanie Martinez, Utility Supervisor reported that the Sewer and Water revenue is \$4.27 million approximately for FY 2025, with the current fiscal year projected at approximately \$4.6 million.

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Monthly Sewer and Water revenues following implementation of the rate adjustment have ranged approximately from \$381,000 to \$411,000.

It was clarified that the utility adjustment previously approved was one rate increase implemented in two increments, rather than two separate rate increases.

L.C. Martin Well

Alderman Miller requested an update regarding rehabilitation of the L.C. Martin Well and how it was affecting the budget.

City Admin Jordan reported that testing determined the problem is not a mechanical failure of the well itself but contamination of the underground water source/formation. Based on current findings, the well cannot be returned to service as originally intended.

However, portions of the site may still be repurposed. The existing groundwater storage tank and supporting equipment could potentially be sanitized and connected to the City's water system to provide additional storage and improve water pressure in that area of the community. Alderman Hernandez confirmed that the L.C. Martin Well isn't going to be viable after all. City Admin Jordan stated that no it cannot be brought back online. \$67,000 was spent on this project.

Test Hole Project

Alderman Miller also asked about the Warhorse Tower Project for the drilling of the test hole.

City Admin Jordan explained that the Texas Department of Agriculture determined that once drilling begins, the grant-funded project must proceed through completion rather than funding only a test well and returning later for completion.

As a result:

- The original contract/bid will need to be terminated.
- The project will need to be rebid as a complete well project.
- The Texas Department of Agriculture and Texas Water Development Board are working together on funding.
- Approximately \$1.3 million is anticipated to be available to allow the City to drill the test hole and, if appropriate, complete the well project.

City Admin Jordan noted that this was a recent development and additional meetings had been held to determine the appropriate funding and contracting process.

City-Owned Property Appearance and Maintenance

Council discussed the appearance of City-owned facilities and emphasized that the City should set an example for property maintenance, particularly as code compliance efforts increase.

Specific concerns included:

- The maintenance/shop building located along Teel needs some updating on the exterior.

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- Managing the City-owned building adjacent to City Hall.
- Painting and exterior maintenance.
- General cleanup and appearance.

Council noted the positive response to recent improvements at City Hall, including landscaping and exterior identification/signage, and expressed interest in continuing improvements to other City-owned properties as funding permits.

Parks and Recreation

Alderman Gonzales discussed opportunities for additional investment in City parks such as a splash pad for children. Alderman Hernandez agreed that both parks need a lot of improvements.

City Admin Jordan stated that previous research regarding a recirculating-water splash pad indicated an estimated cost of approximately \$265,000, although updated pricing and grant opportunities would need to be researched.

Council discussed the potential of Curcio Park, noting that many residents may not know the park exists.

Possible improvements discussed included:

- Directional signage from major roadways.
- Improving/repaving the roadway leading to the park.
- Additional trees and shade.
- Continued infrastructure investment.
- Better utilization of the available park acreage.

Council generally expressed interest in maximizing existing City parkland before or while considering additional recreational development.

Council Direction / Follow-Up Items

Items identified for additional consideration or follow-up included:

- Review the proposed FY 2026–2027 budget before the next workshop.
- Continue evaluating the requested Police Department vehicles and available grant opportunities.
- Proceed with planning/rebidding requirements for the Warhorse Tower Well project.
- Consider improvements to City-owned maintenance and storage buildings.
- Research current costs and possible grant funding for a splash pad.
- Consider signage and roadway improvements for Curcio Park.
- Explore opportunities for a structured City community service program.
- Consider improved community directional/welcome signage.
- Conduct additional promotion of the City's emergency notification/TextMyGov system.

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- Return with the proposed budget at the next budget workshop/Council meeting for further discussion.
- No final action was taken on the proposed budget during the workshop.

Budget Workshop ended at 6:55pm.

Mayor Butch Cook called the special council meeting to order at 7:05pm.

The second order of business was to consider and act upon a resolution authorizing and approving Publication and Posting of Notice of Intention to issue the city's certificates of obligations and other matters in connection therewith.

Jack McLiney with SAMCO Capital Markets, the City's financial advisor, addressed the Mayor and Council regarding the proposed issuance of Certificates of Obligation. He explained that the resolution before Council represented the first legal step in the bond issuance process and did not constitute a final commitment by the City to borrow funds.

The proposed notice would inform voters of the City's intention to issue Certificates of Obligation in an amount not to exceed \$2,750,000. The anticipated schedule presented included a proposed bond sale on September 1 and closing/funding on September 30.

SAMCO advised that, based on the financing plan presented, the proposed debt could be issued without increasing the City's current property tax rate.

City Admin Jordan explained that the financing would primarily address significant infrastructure needs, including:

- Rehabilitation and repair of City lift stations.
- Repairs to the aerator at the wastewater treatment plant.
- Other water and wastewater infrastructure improvements.
- Potential street improvements if funds remain available after completion of the primary infrastructure projects.

Jordan emphasized the urgency of the lift station repairs, noting that one lift station was described as being on "life support," while another was operating at approximately 50% capacity.

Alderman Miller questioned that the funding could happen as early as September. Mr. McLiney explained the process and confirmed that as long as requirements are met, funding can happen by September.

Mayor Cook discussed how the City's previous water rate adjustment has strengthened utility revenues and helped make the financing possible.

Mr. McLiney explained that the proposed financing plan would initially allow the utility system additional time to strengthen financially, with the intention of eventually shifting the debt obligation

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to the Utility Fund. This would allow the utility system to become more self-sufficient while preserving General Fund capacity for future infrastructure needs.

A motion was made by Alderman Hernandez to approve a resolution authorizing and approving Publication and Posting of Notice of Intention to issue the city's certificates of obligations and other matters in connection therewith. Alderman Miller seconded the motion. Motion passes 5-0.

Mayor Cook read the resolution out loud for the record.

The third order of business was to consider and act upon approving appointing Terry Page as the Data Center consultant for the City of Devine.

City Admin Jordan provided background information on the consideration for hiring a Data Center Consultant.

Mr. Terry Page is a former Microsoft employee who is now fully retired and no current affiliation with Microsoft. Mr. Page came up and spoke. He provided his work experience and his goal in working as a consultant for the City of Devine.

Alderman Miller asked in what specific ways will Mr. Page will be able to help the City with this project. Mr. Page explained that his role would be to help the City establish appropriate processes, build relationships with developers and contractors, understand technical issues, and provide Council with information before major decisions are made. He stated that his responsibility would be 100% fiduciary to the City of Devine.

Mr. Page emphasized the importance of addressing roadway infrastructure before major construction begins. Based on his previous experience, improvements such as acceleration lanes, deceleration lanes, turn lanes, and other traffic controls should be considered before hundreds of construction workers and heavy trucks begin accessing the site.

Alderman Miller confirmed that there will be PSA in place for the developer to pay for consultants like Mr. Page. City Admin Jordan confirmed this information.

Alderman Hernandez emphasized the importance of hiring the right people with this new process for the City of Devine that will impact the community for many years to come.

Alderman Gonzales asked what specific things should they be looking at first in working on this type of project. Mr. Page said that the first big step after receiving the scope of work, is getting the roads situated before the project begins.

There were two citizens that requested to speak on this item.

Mrs. Houston stated that her property is located adjacent to the proposed data center property. She expressed concern regarding whether Mr. Page's previous employment with Microsoft could create a potential conflict of interest.

City Admin Jordan stated that Mr. Page is retired and no longer employed by or affiliated with Microsoft. Mayor Cook acknowledged the concern as a valid question and indicated that the City could provide additional information regarding the matter.

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The second speaker was Gloria Munoz.

Ms. Munoz discussed information she had obtained after attending a Medina County watershed meeting regarding data center development.

She discussed concerns involving:

- Local authority over data center development.
- Water usage.
- Electricity requirements.
- Transparency.
- Potential community impacts.
- Opportunities for community benefit agreements and infrastructure improvements.

Several council members addressed her concerns about water usage. Ms. Munoz asked whether the City had considered requesting community benefits from the developer.

Mayor and Council explained that this is one of the reasons the City is assembling a professional consulting team. The City has not yet finalized specific requests because negotiations are only beginning.

Alderman Hernandez made a motion to approve appointing Terry Page as the Data Center consultant for the City of Devine. Alderman Gonzales seconded the motion. Motion passes 5-0.

The fourth order of business was to adjourn. Alderman Miller made a motion to adjourn the meeting. Alderman Valle seconded the motion. Motion passes 5-0. Meeting ended at 8:05pm.



City Secretary



Mayor