



**City of Montgomery
City Council
Regular Meeting Agenda
August 12, 2025**

OPENING AGENDA

1. Call Meeting to Order.

The City Council Regular Meeting of the City of Montgomery was called to order by Mayor Countryman at 6:00 p.m. on August 12, 2025, at City Hall 101 Old Plantersville Rd., Montgomery, TX and live video streaming.

With Council Members present a full quorum was established.

Present:	Mayor	Sara Countryman
	Mayor Pro-Tem	Cheryl Fox
	Council Member Place 1	Carol Langley
	Council Member Place 2	Casey Olson
	Council Member Place 3	Tom Czulewicz
	Council Member Place 5	Stan Donaldson

2. Invocation.

Council Member Donaldson led the Invocation.

3. Pledges of Allegiance.

Mayor Countryman led the Pledges of Allegiance.

PUBLIC FORUM

No citizen comments presented for this meeting.

PRESENTATION

4. Proclamation commemorating the 250th anniversary of the signing of the American Declaration of Independence.

Mayor Countryman commemorated the 250th anniversary of the signing of the American Declaration of Independence with a Proclamation presented to the Montgomery County Historical Commission.

CONSENT AGENDA

5. Consideration and possible action on the City Council Regular Meeting Minutes of June 10, 2025.

6. **Consideration and possible action on the Special Joint CC & MEDC Meeting Minutes of June 16, 2025.**
7. **Consideration and possible action on the City Council Regular Meeting Minutes of June 24, 2025.**
8. **Consideration and possible action on the City Council Special Meeting Minutes of June 30, 2025.**
9. **Consideration and possible action on the City Council Regular Meeting Minutes of July 08, 2025.**
10. **Consideration and possible action on the City Council Workshop Meeting Minutes of July 14, 2025.**
11. **Consideration and possible action on the City Council Regular Meeting Minutes of July 22, 2025.**
12. **Consideration and possible action on a second and final reading of a Resolution of the City Council of the City of Montgomery, Texas, approving a project and expenditure of the Montgomery Economic Development Corporation for the purchase of 0.2458 acres of land located at Montgomery Townsite 03, Blk 16 in Montgomery County, Texas.**

Proposed Resolution 2025-22

13. **Consideration and possible action on a second and final reading of a Resolution of the City Council of the City of Montgomery, Texas, approving a project and expenditure of the Montgomery Economic Development Corporation for production of video promotional material with Pioneer Production Services, LLC.**

Proposed Resolution 2025-23

14. **Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas calling a Public Hearing to be held at 6:00 p.m. on Tuesday, September 9, 2025, regarding the proposed rezoning of a 58.952-acre tract, located in the Zacharias Landrum Survey, Abstract 22, and currently zoned within a mix of R1 Single-Family Residential, B Commercial, and I Institutional.**

Proposed Resolution 2025-24

15. **Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas calling a Public Hearing to be held at 6:00 p.m. on Tuesday, September 9, 2025, regarding the proposed rezoning of a 11.084-acre tract, located in the John Corner Survey, Abstract 8, and currently zoned within Planned Development and Commercial.**

Proposed Resolution 2025-25

- 16. Consideration and possible action on a Resolution of the City Council of the City of Montgomery, Texas rescheduling a Public Hearing concerning amending Article III, "Impact Fees" of Chapter 90 "Utilities" of the City Code of Ordinances to review the Land Use Assumptions, Capital Improvement Plan, and Impact Fee amounts with the possibility of amending such amounts.**

Proposed Resolution 2025-26

- 17. Consideration and possible action on the Quarterly Investment Report for Second Quarter 2025.**

Motion: Mayor Pro-Tem Fox made a motion to accept the Consent Agenda as presented. Council Member Donaldson seconded the motion. Motion carried with all present voting in favor.

REGULAR AGENDA

- 18. Consideration and possible action on a Resolution approving the Montgomery County Emergency Communication District Budget for Fiscal Year 2026.**

Mr. Chip Van Steenberg, Executive Director of Montgomery County Emergency Communication District thanked Council for the opportunity to come and present their budget. He stated the district is an agency that coordinates 911 service among five different emergency call centers in Montgomery County. We work with the Sheriff's office, with Conroe PD, with The Woodlands Fire Department, the hospital district, and the Conro ISD Police Department, each of which has 911 equipment in their call centers. We work with them to help make sure 911 calls get delivered. We also work with the originating service providers so they know where to send calls. We maintain all the maps, the addressing with the official addressing agency for Montgomery County. As a special district, we present our budget to you every year. The story for this year's budget is that we are going to be in an operating deficit. This is something that was known and planned for. We are now fully on next generation 911 system. This is the first time the 911 system has been redesigned since the original system built in the 1980s in a regulated telephone environment, which was a copper analog system. This is a digital IP based network which is much more robust and easier to sustain and keep running. It delivers a lot more services. With that comes higher costs. We have approached the legislature over the last six years in an attempt to get them to raise the 911 fee which has not gone up since 1997 when it was initially adopted. For cell phone service our primary revenue source is 911 fees off of cell phone service. Instead, the legislature has provided us different sums of appropriated money. In 2021, they appropriated us some of the COVID relief money in the form of a reimbursing grant. We are going to spend the last of that this year. In 2023, they created the broadband infrastructure fund. The voters created the broadband infrastructure fund and they allocated money out of that fund for 911. We were paid \$3.6 million to help us cover our operating costs going forward, so we knew we were going to be in a deficit situation. The legislature gave us some money that we have set aside in reserves. The pay will probably last another five to six years off of what they provided while we continue to see how we can get a long-

term sustainable 911 funding source. Our budget is a \$6 million operating budget versus \$5,670,000 in revenue. I will be happy to answer any questions about the budget or any questions about 911. Council Member Czulewicz asked what are your sources for the finances for the budget? Mr. Van Steenberg said 911 fees paid on phone service. Landline, cell phones, and voip phone service. That is our only sources of revenue. As you can imagine, landline revenue has been in a rapid decline. We have been getting more wireless revenue, but it has been offset by decline of the landline. Mayor Countryman inquired about the personnel costs and asked, are these the dispatchers or can you tell me what that supports? Mr. Van Steenberg said our largest line item is the money for the dispatchers. We pay for 20 positions at the sheriff's office and five positions at Conroe Police Department. We pay for positions in those two call centers because those are the two primary 911 call centers. When somebody dials 911 in Montgomery County, it is going to land in one of those two locations based upon their location. If they need fire, rescue, or EMS, that call is going to be transferred to a different call center. The Woodlands Fire dispatches for all the fire in Montgomery County except Conroe. Your call does not go there originally. It is transferred there from the sheriff's office. We pay about less than a third for the number of positions that they have that answer 911 phones. Council Member Czulewicz asked are all the responders using the same frequencies throughout all of the county? Mr. Van Steenberg said there are two different radio systems. I believe law enforcement is on one and fire and EMS are on a different one. Council Member Czulewicz said okay the dispatching is done by radio. They take a phone call and then they dispatch by radio. Mr. Van Steenberg said they dispatch either electronically or by radio. Some calls go out strictly on a terminal that an officer can read.

City Secretary Ruby Beaven said for the record, this would be proposed resolution 2025-27.

Motion: Council Member Olson made a motion to approve Resolution 2025-27, a Resolution approving the Montgomery County Emergency Communication District Budget for Fiscal Year 2026. Council Member Czulewicz seconded the motion. Motion carried with all present voting in favor.

19. Consideration and possible action on casting a vote for the nominee to represent the cities in the county on the Montgomery County Emergency Communication District (MCECD).

Mayor Countryman stated if there are any of the candidates here please feel free to come forward. Mr. Paul Virgadamo said he served on that board for over 10 years and have been the board president for most of those years. He stated he appreciates all of your past support and would appreciate your support again tonight. Mayor Countryman said we appreciate you coming this evening. Thank you.

Motion: Mayor Pro-Tem Fox made a motion to nominate Paul Virgadamo to represent the cities in the county on the Montgomery County Emergency Communication District

(MCECD). Council Member Olson seconded the motion. Motion carried with all present voting in favor.

20. Consideration and possible action on a City of Montgomery Alcohol Beverage License Application filed by Napoli's Italian Grill & Bar.

City Secretary Beaven said this is a standard application request. Mr. Marco came in June and began the process with the City. TABC has permitted their license and now he is here requesting for one for the City of Montgomery.

Motion: Council Member Olson made a motion to approve a City of Montgomery Alcohol Beverage License Application filed by Napoli's Italian Grill & Bar. Mayor Pro-Tem Fox seconded the motion. Motion carried with all present voting in favor.

21. Consideration and possible action on the proposal for architectural services by Engineered Buildings, Inc. for the Pre Design/Concept Design Compensation and authorize the Mayor to execute the agreement for services and authorize payment for \$25,000.

Mr. Dennis Fleming said I am a resident of Montgomery County. I have an opportunity here to assist the City of Montgomery and I would like to help you fulfill your dreams. I am just trying to help out and get this rolling with possible growth. I have my architect John Stevens with me if you have any questions. Council Member Olson asked concerning pre-design/concept design, are you going to meet with us to get what we are all looking for, or are you just going to throw a design at us? Mr. Stevens said that is the one of the first things we will be doing is meeting with everybody involved. We have already had three discussions with City Administrator Walker and Chief Solomon. My job will be to create a program, meeting with everyone and creating a design narrative then a program outlining all the needs and the wants you are interested in having. So yes, there will be plenty of conversations to be had. Council Member Czulewicz asked City Attorney Alan Petrov does this have to go out for bids? Mr. Petrov said it does not. Mayor Pro-Tem Fox asked Mr. Stevens in all of what you are going to do with the 3D scanning and the civil engineering, do you have a general contractor that you appoint or who oversees your procedure? Mr. Stevens said we are a design build firm, the Engineered Buildings, Inc. We will be the general contractor and the designer as well. Mayor Pro-Tem Fox said I apologize for this, but in prior administrations, we have had programs that we have spent money on that I do not feel like we were fully compensated for, so I just had a few questions like that. What happens if at the end when you show us the concept that was \$7,500 and we decide that we want to change it somewhere, will there be extra money added to that? Mr. Stevens said no. It is my job within that. This is just initial concept. We will present a concept that we hope the first or second round of concepts will meet your desires and needs, but there still will be a round of full design when we get the full A&E proposal. The pre-designing concept is to really get the existing conditions documented and modeled so that we can begin to get a full architectural and engineering team involved. Part of that will be the 3D scan which they come in and scan the entire building inside and out. They create a point

cloud which then allows me to put it into my software to model the existing conditions. Then from that, we will have hopefully already had multiple conversations outlining creating a program and then with that existing conditions model, I will then create a design concept. We will work back and forth between the team to execute what you and what my recommendations are and what you are looking for. At the end, that is just an initial design. There still will be plenty of time to tweak things, and add different programmatic elements. It will not be a final design. Mayor Pro-Tem Fox asked are you going to be responsible for the performance bonds for all your subcontractors? Mr. Stevens said yes. Mayor Pro-Tem Olson asked will the City be named in the in the performance bond? Mr. Stevens said I believe so, yes. I will bring that back to my boss, Rob, but I believe that is correct. Mayor Pro-Tem Fox said and of course, we will have reports from our engineers too. Mr. Stevens said correct. All of our engineers are local to Houston. We have partnered with a pretty diverse group. I believe the civil engineering we have a proposal from L2. They are right here. IMAG is a Houston based engineering company. They have offices all around the country that we have used. They have a pretty extensive library. Mayor Pro-Tem Fox asked how long have you lived in Montgomery County? Mr. Stevens said I do not live here. Mr. Fleming said I have lived here three years. Council Member Czulewicz asked have you done any other architecture designs and construction in the immediate area? Mr. Stevens said in the immediate area no. I have done a couple projects in Texas, but not in Montgomery. We just opened up an office. Mr. Fleming has been here for three years. Mayor Pro-Tem Fox asked where is your office? Mr. Stevens said right now we are headed in Ann Arbor, Michigan, but we also do work in Ohio, Texas, and Georgia. Mayor Pro-Tem Fox asked where is your Texas office? Mr. Stevens said in Montgomery.

Mayor Countryman said I have a question for City Administrator Walker and Mr. Petrov. We have a resident that has done building like this for cities and wants to be on the advisory not to give direction, but would like to be involved. Are you okay with that or to take that offline? Mr. Petrov said sure. It is fine for the City to have advisory assistance. Obviously, they have no formal authority. Mayor Countryman said absolutely. I think it is just wanting to add value if possible, not to make decisions, but just have another set of eyes. City Administrator Walker said I think when we get further into the process, that would be the perfect time when we have meetings and things.

Mayor Countryman asked Mr. Fleming what is your role? Mr. Fleming stated I am a Texas manager. Mayor Countryman asked Mr. Stevens did you say you have done other city halls and police departments? Mr. Stevens said I can provide that list. Mayor Countryman said I would just love to see the work too if possible. Mr. Stevens said City Administrator Walker has the list. Mayor Pro-Tem Fox said again, all these questions we are asking is only because we have been a little bit on the skeptical side sometimes. Mayor Countryman said it is a very big purchase for the City. This has been our home for a long time, and so our goal, and I will speak for Council because I have heard us say it, is to make sure that this building is well done for the next 50 years. We want to spend money once and once only. We were very protective of our funds and wanting to make sure. This is a big leap for us. Mr. Stevens said I understand. That is our goal too.

Motion: Council Member Olson made a motion to approve the proposal for architectural services by Engineered Buildings, Inc. for the Pre Design/Concept Design Compensation and authorize the Mayor to execute the agreement for services and authorize payment for \$25,000. Council Member Donaldson seconded the motion. Motion carried with all present voting in favor.

22. Discussion on proposal to move City Council meetings to Thursdays.

Mayor Countryman said with the change in the legislature and talking to other cities, they require 72 hours, a true 72 hours. Today we send out the agendas on Friday for a Tuesday meeting. They want it to be 72 hours, working business hours and do not include the weekend. That backs us up to Thursdays, which then backs us up that everybody needs to have their information to the city secretary by the previous Wednesday. So now we are two and a half weeks out. Hyper growth and with what we are experiencing, that is going to cause delay in a lot of timelines for those that we are working with. I know the county is changing to Thursdays. I believe the City of Conroe is changing to Thursdays. In hearing this, I asked the city administrator to put it on the agenda to see what the temperature was for Council and get feedback. Council Member Czulewicz said I would like to know more about what the problem is about getting it out a day or two days earlier. I do not understand that. There are people doing it. It is a matter of shifting a day. Mayor Countryman said it is taking out a weekend because those do not count. Council Member Czulewicz said Thursday, Friday, and Monday are the 72 business hours that you need. Instead of that, you have to get the agenda out on Wednesday which is two days earlier. Mayor Countryman said but there are five work days. Council Member Czulewicz said I guess I do not know the inner workings to understand. The other thing is it does create a problem. We will not have a second one in November. Council Member Olson said we never do. Mayor Countryman said we never have two in November and December. Council Member Czulewicz said I did not know that. City Administrator Walker said I think some input would be working with WGA and some of these other people, it affects everybody. Mayor Countryman said absolutely. City Administrator Walker said whether it works for everybody or not, I do not know the answer to that either because it is all just new. Mr. Petrov said I think that backing it up though, whether you are on a Thursday or a Tuesday, we still have to back it up. Council Member Czulewicz said yes, that is the thing. That is why I do not understand why we would have to move it. One way or another, the work effort is going to be the same. It is just a day of the week and once it is started, it should be smooth just like it is now. Council Member Olson said I am in agreement. It is going to take a couple of meetings to adjust and for people to understand that they cannot just come in on Friday and get things on an agenda, but once they understand and learn that, it is like anything. It will take care of itself. Council Member Czulewicz said and when they get burned once or twice they will realize they have to change. Council Member Olson said it really does not matter what day you throw it on. Council Member Czulewicz said it does not affect me personally. I am retired. Mayor Pro-Tem Fox said I am retired and I do not care. Mayor Countryman said it has just been a hot topic. It is something that is just up for consideration. Council Member Olson asked City Engineer Chris Roznovsky from your

standpoint, does it matter? Will it make a difference for you? City Engineer Roznovsky said the real thing is getting the items in time to the City for it to go through the process. For example, anything decided tonight and try to get on the next agenda, we are trying to wrap up that tomorrow, right? That is really where the time is. Our meeting report that is in here was written in July. Council Member Olson said you would not have to have it wrapped up by tomorrow. You would have to have it wrapped up by Wednesday of next week. City Engineer Roznovsky said the request is to try to get items in and done by the Wednesday before the agenda is posted, so that would be tomorrow for the 26th. As far as the question on Thursdays, personally, we can make it work. I stand in on the third Thursday of the month, but first that is MEDC. To your point, yes, it is two days. It is kind of the lead up time because it is two days to get it posted. It does not change the leave time and review time. Council Member Olson asked Finance Director Maryann Carl from your point of view, does it make any difference? Finance Director Carl said it does not really make a difference. I do not think moving the meeting changes anything. Like City Engineer Roznovsky was saying, it does not change our timeline at all. Like City Engineer Roznovsky said, we have to have everything ready by tomorrow and submitted tomorrow for the Council meeting in two weeks. If we move that to a Thursday, that means that we would have to have everything submitted by that Friday for everything to be ready. I foresee that that could cause a little bit of a problem because Friday sometimes can be a challenge. Of course, if people are taking a long weekend, they might take Friday. I think it could potentially back things up for the city secretary if we are not able to hurry up and give that back around the day after the meeting. Council Member Olson asked City Attorney Petrov, how many days did they make us extend not just the 72 hours, but where everything has to be done a week ahead of time? Mr. Petrov said the agenda has to be posted three business days before, but the way it is worded it is before the third business day before the meeting. So you do not count the day of the meeting and you do not count the day it is posted. You have to have three full days in between the posting of the meeting and weekends and weekends do not count. Council Member Donaldson said I am perfectly fine with Tuesdays. That is just my vote. Mayor Countryman asked City Secretary Beaven what is your input? City Secretary Beaven said we have just gone through a transition to adjust so that way we can be in compliance by the September 1st effective date and the transition went really well. I have found that with posting on Wednesdays, it is actually freeing up two days of my week to be more productive instead of constantly juggling back and forth on agenda items every day. Council Member Czulewicz said if it brings out more efficiency, I am in favor. Council Member Olson said according to City Secretary Beaven, she likes it on Tuesday. It sounds like everybody is good with Tuesdays. City Attorney Petrov said you can always see how it goes and if it is not working well, you will have September and October to make a change. This is not your last time you can have a change. Mayor Countryman said I talked to Representative Metcalf and he said there is a few cities that there was some sliding of the dates. And I said, so all the cities in Texas have to pay for a few bad actors, which is unfortunate.

Discussion item only no action taken.

23. Consideration and possible action an Ordinance of the City Council of the City of Montgomery, Texas, amending Chapter 90 "Utilities" of Article II "Water and Sewer Services" to amend "Division 6. Backflow Prevention" to the City Code of Ordinances; Repealing all Ordinances and parts of Ordinances in conflict therewith; Providing a severance clause and Texas Open Meetings Act Clause; and providing for an effective date.

Proposed Ordinance 2025-10.

Mayor Countryman said I see that Public Works Director Muckleroy was on here, but I know he is out. Who will be answering questions? Council Member Olson asked are we talking about sprinkler backflow protectors? City Engineer Roznovsky said no. This is only on the commercial side. The big difference is we already have a backflow ordinance. There are a couple major changes of what is in here. One, currently the backflow ordinance is set up that the City is responsible for completing the testing and backflow. It is a headache to do so. What this changes is it takes that responsibility and puts it on the property owner to do the testing and submit the backflow reports. Other changes are the company they are assigning will keep records of the certifications. Public Works Director Muckleroy has found a company for \$1,000 a year that will keep the records and note the schedule. So, if CVS is coming up on November the 12th, they are keeping record of it. When November 12th passes, they are sending out the notices and keeping track of those. Finally, the more current ordinance does not have any real penalties in it. With this added in where the customer fails to comply within a seven-day time period of repairs or recertifications, then you reserve the right to disconnect service. Council Member Olson asked was this particular one posted? Anytime we have something that imposes a fine or a fee, we have to post it. City Attorney Petrov said not until you actually pass it. Mayor Countryman said this ordinance of backflows was a hot topic in 2019. Is this the most recent or are we combining together several? City Engineer Roznovsky said this is updating. Yes, back around the 2019 timeline, there was a big push. That was down in the Lake Jackson area there was the issue that was the new push around that time. This is just updating it and putting it more on the customers versus the City to try to keep track of. Council Member Czulewicz asked does the ordinance require an independent tester rather than the owner itself? City Engineer Roznovsky said correct. It has to be by a certified tester. They have to submit their certification. City Administrator Walker said every city struggled with this because they did not have a lot of people that were certified. Now plumbers and other people are getting certified, where most cities do not have a large number of employees to do this. This is standard how people figured out how to do this, how to take care of it, and how to manage it. So mandated by the state was really unfunded. Mayor Countryman said so it is on the commercial customer to get it done and then we outsource the record keeping of it. Then they contact us to say XYZ has not done their backflow yet. City Engineer Roznovsky said that is right. Mayor Countryman asked who manages that piece? Who do they contact? Do they contact Public Works Director Muckleroy and then he calls them or Kristen calls? Who calls the customer? City Engineer Roznovsky said I do not for city staff, but I believe the company will initially send the letters and notify the business owners

that they did not comply. If it gets escalated beyond that where they still do not comply and now we are in the turnoffs, then of course city staff gets it. Mayor Countryman said they manage that whole process until it becomes an issue or non-compliance. City Engineer Roznovsky said correct. City Administrator Walker said it keeps a list going so every time you know what is going on. That is the other burden on cities because we did not have anything in place, so now everybody has to figure out some way to do this. Council Member Czulewicz asked are these tests done periodically or only after a year? City Engineer Roznovsky said there is an initial test that is laid out in here within the initial installation that the customer has to submit and then it is an annual certification after that. Council Member Langley asked do you know where the company is that is the third party? Are they local or are they in Houston? City Administrator Walker said he just sent me the email, but I did not pay attention where they are from. They just take the data. They are just a data collector. Mayor Countryman said so they manage the record and then they also call out. All of that is for \$1,000 a year? City Engineer Roznovsky said my understanding is that there is an upload fee. When the customer submits their results, there is a fee that goes with the submission. Mayor Countryman said that they pay, the customer pays. Council Member Langley said and they pay it to the third party. City Engineer Roznovsky said that is my understanding. Council Member Langley said so the City does not receive any money on it anymore. City Engineer Roznovsky said correct. The certification cost is paid by whoever the owner decides to get. If they do not, then it goes in the uploading of the record. There is an anomaly. I do not know the number. Then the letters get sent. If there are terminations etc., then that is when staff get involved. City Administrator Walker said I believe they also send letters for the reports to the state to meet that requirement. Mayor Countryman said I am just thinking that is a low fee, so I am wondering if they ala carte us saying well, I have had to call this customer three times, so it is \$100 a call. The \$1,000 to manage it and manage everybody's calendar and then chase them, that just does not sound right. That might be a base price and then do we get ala carte after that? City Engineer Roznovsky said I do not know. Mayor Countryman asked does that sound right? City Administrator Walker said yes. I understand what you mean, but I do not think that is right. As they do the renewals, they are handling that and the private individuals are also paying. Mayor Pro-Tem Fox said the owner's cost really offsets the cost that they are charging the City. Mayor Countryman said correct. That is where their revenue stream is. Council Member Czulewicz asked how is it being done right now today? City Engineer Roznovsky asked how is it being done? It is not. There is a large hole. The initial backflows are getting in. They are getting certified when they are being installed between your building official and on all the plan reviews. They are required to have them so they are getting in. It's that annual certification and testing that has not been completed. Council Member Czulewicz asked is the City remiss for not doing the research on an annual basis? City Administrator Walker said no because this is why you are fixing this ordinance. Unless you say that you are responsible for that, most cities have gone with the initial and they take care of that, and then the annual renewal they are farming out because you just do not have staff to do that annually. You would have one guy going around doing all this all the time. That is why it is being pushed to the private.

Motion: Council Member Donaldson made a motion to accept item number 23 as presented. Motion failed for lack of second.

Discussion: Council Member Olson it says in the recommendation there will be a fine or a fee, but nowhere in the ordinance do I see where it calls out what the fine or fee is. City Administrator Walker said you will have to decide on that. Council Member Olson said but it needs to be in the ordinance. City Administrator Walker said yes, but I think you will have to do that. Mayor Countryman said this is a draft. When will they have to come back? City Administrator Walker said it is an ordinance to correct, but I do not know. You could have to set the fee schedule. Mayor Countryman said it says there is one, but there is not one stated. City Administrator Walker said I do not have anything for that fee yet. Council Member Olson said we only have so many days to get it posted once we pass this ordinance. City Engineer Roznovsky said it was trying to get all of your fees into one section of the ordinance, so when you do updates, you are not updating every section. You have one schedule of fees I believe that is on the list. Council Member Czulewicz asked can it be stated to a fee as required by a certified tester? Mayor Countryman said there is a fee when they default and they do not get the tester. That is when we can fine them. Council Member Olson said the customer pays for the tester. The customer pays for the filing. Mayor Countryman said it is when they are delinquent. Council Member Olson said it calls out a fee or a fine if they do not do it, but nowhere does it say what the fine is. Mayor Countryman asked what is the typical fine for this? Is it thousands? Is it 10 bucks? City Administrator Walker said I have no idea. Mayor Pro-Tem Fox asked if we do pass it tonight, then does it becomes effective immediately? City Attorney Petrov said not until you actually publish notice of it. Mayor Pro-Tem Fox said but does it say shall take effect on its passage of publication? Council Member Olson said because it says a fine on it, we have to publicize it, correct? Mayor Countryman asked why not figure out the fine and bring it back? Council Member Olson said we need to table this until we get a fee.

Motion: Council Member Czulewicz made a motion to approve an Ordinance of the City Council of the City of Montgomery, Texas, amending Chapter 90 "Utilities" of Article II "Water and Sewer Services" to amend "Division 6. Backflow Prevention" to the City Code of Ordinances; Repealing all Ordinances and parts of Ordinances in conflict therewith; Providing a severance clause and Texas Open Meetings Act Clause; and providing for an effective date. Motion failed for lack of second.

Motion: Council Member Olson made a motion to TABLE this item until the fee schedule is included. Council Member Czulewicz seconded the motion. Motion carried with all present voting in favor.

City Council returned to this item at the end of the meeting. City Administrator informed the Council that the fees are the reconnect fees which are currently approved.

Motion: Council Member Olson made a motion to UN-TABLE this item. Council Member Czulewicz seconded the motion. Motion carried with all present voting in favor.

Motion: Council Member Czulewicz made a motion to approve Ordinance 2025-10, an Ordinance of the City Council of the City of Montgomery, Texas, amending Chapter 90 "Utilities" of Article II "Water and Sewer Services" to amend "Division 6. Backflow Prevention" to the City Code of Ordinances; Repealing all Ordinances and parts of Ordinances in conflict therewith; Providing a severance clause and Texas Open Meetings Act Clause; and providing for an effective date. Council Member Olson seconded the motion. Motion carried with all present voting in favor.

24. Consideration and possible action to approve the fleet lease agreement with Enterprise Fleet Management for three Police Pursuit vehicles, one Police pick-up truck, and two Public Works pick-ups.

Finance Director Maryann Carl stated what you have before you this evening is an add-on to what we had brought to you last year. We had entered into the agreement with Enterprise Fleet for vehicles last year and the program has worked well in both Public Works and the Police Department. This coming year the police department would like to bring on three new Dodge Durango pursuit vehicles, one Chevy Silverado, and Public Works would like to bring in two Silverado 2500's. These numbers have been included in the proposed budget that we have been discussing and that will be up for consideration this evening. Council Member Czulewicz asked is this CCCP? Council Member Olson said yes, some of them are. Finance Director Carl said the lease cost comes out of CCPD on the Police Department side. On the Public Works and Utility side, they are split 50/50, so essentially one in each department.

Motion: Council Member Olson made a motion to approve the fleet lease agreement with Enterprise Fleet Management for three Police Pursuit vehicles, one Police pick-up truck, and two Public Works pick-ups. Council Member Czulewicz seconded the motion. Motion carried with all present voting in favor.

25. Consideration and possible action to approve the proposed FY 2025-2026 tax rate for the City of Montgomery.

Finance Director Carl said tax assessor collector gave us the calculation for the tax rate for this coming year. We discussed this in workshop last night. The No New Revenue Rate is at .3663 and the voter approval rate is at .4537. Just to remind you that if you were to go to the .4537, we would have to get voter approval. Anything below that does not require voter approval. We discussed last night at the workshop that we have maintained what Council has done for the last, I believe it is seven years at 40 cents so that is what we are recommending and that is what we have used in this year's proposed budget. Mayor Countryman said an item of note, I think you said that last night that 19 percent uptick due to growth. Is that right? Finance Director Carl said yes, we had 19 percent increase in parcels, but yes 19 percent is definitely significant. Just a reminder, this item does require a record vote

Motion: Council Member Olson made a motion to approve the proposed FY 2025-2026 tax rate for the City of Montgomery. Council Member Czulewicz seconded the motion.

Recorded vote: Council Member Langley – Aye Council Member Olson – Aye, Council Member Czulewicz – Aye, Mayor Pro-Tem Fox – Aye, Council Member Donaldson – Aye. Motion carried with all present voting in favor.

26. Consideration and possible action to approve the Proposed FY2025-2026 Budget for the City of Montgomery.

Finance Director Carl said your packet includes the proposed budget. Hopefully you all had a chance to take a look at the booklet style. As you know, we have been using the new platform this year. That is what gives us the ability to have the booklet style and give some added graphics to it. That is something that will be on the website, so it will be more of an interactive piece for citizens. The information that is in your proposed budget that was in the packet has varied slightly based on last night's workshop. I provided you with a supplement document right before the meeting this evening. I am just going to go through these so we understand what has changed based on what is in the packet for this evening. In fund 100 in the general fund for revenues, we increased fines by \$31,740 to a new proposed amount of \$248,000, in administration, wages reduced by \$7,005, Payroll taxes reduced by \$541, workers compensation reduced by \$19, and retirement expense reduced by \$860. In department 12, which is public works, wages decreased by \$19,478, payroll taxes decreased by \$1,504, workers compensation decreased by \$580, and retirement expense reduced by \$929. The net change for the general fund is a reduction of \$30,916.

In the water sewer, I mentioned this last night that we had updated information on impact fees projected for next year. We went ahead and increased the revenue expected from impact fees. We increased it by \$908,604 to a total of \$2,078,604. In addition, we are decreasing the need, the use of surplus funds by \$43,500.

The expenses in the utilities, water and sewer, wages decreased by \$35,374. Payroll taxes reduced by \$2,731, workers compensation reduced by \$1,054, retirement expense reduced by \$4,341, and impact fees transfer to the capital project fund increased by that \$908,604.

Mayor Countryman asked do you have a total amount of our whole entire budget? Is it \$15 million? I did not see it in here. Finance Director Carl said it will be \$14.5 million for the operating funds. Mayor Countryman said for the record, with our significant growth as our budget is increasing substantially, remarkably, which is great, but I always like to know. Just seven years ago, we were at \$3 million.

Motion: Council Member Olson made a motion to approve the Proposed FY2025-2026 Budget for the City of Montgomery to include the amendments from the Budget Workshop from August 11, 2025. Council Member Donaldson seconded the motion. Motion carried with all present voting in favor.

27. Consideration and possible action on a Resolution of the City of Montgomery, Texas calling a Public Hearing to be held at 6:00 p.m. on Monday, September 15, 2025, regarding the proposed Fiscal Year 2026 Tax Rate and Fiscal Year 2026 Annual Budget.

Proposed Resolution 2025-28

Finance Director Carl said the proposed tax rate and the proposed budget that was just approved will be posted on the City website to have that post for 30 days before adoption. We are actually not required to have a public hearing, but we do just out of formality offer the public hearing so that the public has an opportunity to express their view. We are asking for the public hearing to be on Monday, September 15th at 6:00 p.m. That allows us to meet the deadline from the tax office for getting everything turned around and sent over to them. Following public hearing, you would adopt the tax rate and adopt the budget.

Motion: Council Member Olson made a motion to approve Resolution 2025-28, a Resolution of the City of Montgomery, Texas calling a Public Hearing to be held at 6:00 p.m. on Monday, September 15, 2025, regarding the proposed Fiscal Year 2026 Tax Rate and Fiscal Year 2026 Annual Budget. Council Member Czulewicz seconded the motion. Motion carried with all present voting in favor.

28. Consideration and possible action on the Escrow Agreement by and between the City of Montgomery and the Developer (“Buddy’s Living Trust”) and authorizing the Mayor to sign the agreement.

City Engineer Roznovsky said this is a standard escrow agreement we have all seen before. This development is on FM 1097, immediately adjacent to Atkins Creek where FM 1097 is currently covered in construction equipment for TxDot’s repair work channel. What they are proposing on the site, you will see a preliminary site plan I believe in your packet, right now is just a shell retail building. There are a lot of details to be worked out, but we had a pre-development meeting with them. The next step is they get into an escrow agreement and then start the approvals, variances, etc. process. Mayor Countryman asked are we concerned with the location and that adjacent waterway? City Engineer Roznovsky said yes. We brought that up during the pre-development meeting that you cannot put a parking space immediately adjacent to the creek. Now once TxDot completes the report, that first approximately 250 to 300 feet downstream from FM 1097 is planned to have slope paving and stabilizing that section down to the rear property line. That will alleviate a lot of the concerns. Mayor Pro-Tem Fox asked what kind of business will this be? City Engineer Roznovsky said right now it is just a retail shell building. There are no details on the build out or any potential tenants that they provided at this time. Mayor Countryman asked is there any way we can prevent a smoke shop? City Attorney Petrov said it would be based on the current zoning.

Mayor Pro-Tem Fox asked how do we approve an escrow agreement on something that we are really not sure of just based on the land? City Engineer Roznovsky said these escrow agreements are typically put in before any type of feasibility, etc. That is the first step on their development. If they have any variances, they will have to come back. This project is already platted, so they do not have to go through the platting process. That was completed with the Waterstone development. Other than that, it is really just their mechanism of funding the cost of reviews, administrative time, etc. for the development. They are not approving any portion of the development itself. Council Member Donaldson asked is the

proposed TxDot repairs to the creek going to pass their property line? City Engineer Roznovsky said TxDot has already acquired additional right-of-way. TxDot purchased a strip of the creek where they are doing their work. They are currently staged on that property with their equipment, but I do not recall if they purchased from them or if it was all the same. Council Member Donaldson said I just do not want any liability on our side because of the erosion. City Engineer Roznovsky said correct. Council Member Donaldson said I do not know where the repairs are going to end and the creek will be back to its normal settlement. City Engineer Roznovsky said that is something we will definitely be discussing with them throughout the planning processes on any developments that are along those creeks that they have sufficient setback to make sure that there is sufficient setback in the event of failure or further failures.

Motion: Council Member Donaldson made a motion to accept the Escrow Agreement by and between the City of Montgomery and the Developer ("Buddy's Living Trust") and authorizing the Mayor to sign the agreement. Council Member Olson seconded the motion. Motion carried with 4-Aye and 1-Nay by Mayor Pro-Tem Fox.

29. Consideration and possible action on the partial re-plat for Hills of Town Creek Section 5 (Dev. No. 2406).

City Engineer Roznovsky said as you all know Hills of Town Creek was the last section of Hills of Town Creek over at Lone Star Parkway and SH-105. In the very northern portion of this property there was a reserve that was on the back side of the lots. The developer has since decided to make that into a park and he needs access to it from the neighborhood. The proposed replat in front of you reduces the size of the two lots immediately adjacent and puts in a strip in order for them to own that strip of land to put sidewalks to access the park and playground they are putting in there. If you remember back in March of this year, they requested variances to be able to do this because in those lots, the setback would be a little bit less. That was approved. This is now just a follow up to it to officially approve the plat, have it recorded, and reset those property lines so they can continue with the development. The Planning and Zoning Commission did review this at their last meeting.

Motion: Council Member Donaldson made a motion to accept the partial re-plat for Hills of Town Creek Section 5 (Dev. No. 2406). Council Member Olson seconded the motion. Motion carried with all present voting in favor.

30. Consideration and Possible Action on extending the sidewalk installation deadline for one additional one year following the warranty inspection for Montgomery Bend Section 1 & 2 (Dev. No. 2203).

City Engineer Roznovsky said what is required is that developers install all sidewalks in the section of the one-year period. That one-year period for section one was August 13th. The one-year period for the next section is October 21st. Home sales have been slower than they expected so they have a lot of sidewalk to complete. We have done the walk-thru for section one. They will identify the punches and they are working through those items. What they have requested is a one-year extension on the sidewalk portion to have them installed

by one year from essentially these two dates, so August 26th and October 26th to have all those sidewalks installed. A couple things that are in here is one, we would re-walk all the sidewalks at the one-year period. Any deficiencies they will have to fix and anything missing will have to be installed. We are also recommending they provide an updated bond that carries through the cost of those sidewalks through the next one year because presumably their current bond will end.

Motion: Council Member Donaldson made a motion to accept extending the sidewalk installation deadline for one additional one year following the warranty inspection for Montgomery Bend Section 1 & 2 (Dev. No. 2203).

Discussion: Council Member Olson asked City Attorney Petrov what is our repercussion if they ask for another extension? City Attorney Petrov said you can choose not to grant it obviously. You have a date certain. It is a one-year extension and it would be like, if you did not grant the extension at all, it would be required to go forward with that. Mayor Countryman said so if they just ghost us on the whole thing. Say home sales tank and we give them the year, and it does not go in, which at the end of the day they are hurting their own residents, right, that purchase from them. Is there any recourse that we have to mandate that the sidewalks go in for the residents that are there? City Attorney Petrov said that is why we would obtain the bond.

Council Member Olson seconded the motion. Motion carried with all present voting in favor.

31. Consideration and possible action on the acceptance of the public infrastructure within the 2023 Phase I Sanitary Sewer Rehabilitation project and authorize the City Administrator to sign the Certificate of Acceptance.

City Engineer Roznovsky said this is a project that obviously has been going on for a while. Remember, this one has been dragging out with the contractor getting miscellaneous final repairs and videos over to us. They have now completed all of that work. We did a final inspection, identified punch list items, and they have since addressed all those items. This is just the acceptance of that project into the one-year warranty that would end on July 21, 2026. At that time, we would re-walk the project, make sure nothing has formed or anything comes up between there, and they would be responsible for those.

Motion: Council Member Donaldson made a motion to accept the public infrastructure within the 2023 Phase I Sanitary Sewer Rehabilitation project and authorize the City Administrator to sign the Certificate of Acceptance. Council Member Czulewicz seconded the motion. Motion carried with all present voting in favor.

32. Consideration and possible action regarding the Development Agreement between the City of Montgomery, Texas (the “City”) and with Woodlands Methodist Church (the “Developer”) for the development of approximately 14 acres located northwest of the intersection of Clepper Drive and CB Stewart Drive (Dev. No. 2501).

City Engineer Roznovsky said we have been talking about the church for a while. The church is here. They will provide an update to you on their project, their progress, and their timeline that they are looking at. What is in front of you today is approval of the development agreement that has a couple main points to it. One is their funding of the water line extension across the frontage of their property from Clepper to their northern boundary. How this is proposed is that they pay a pro rata share of their share of the cost of that project that is included as part of the larger BCS extension. Each party pays into it and one project is done. It is cheaper and more efficient to do one large construction contract over multiple. They are paying their share of that project cost. There is no reimbursement or impact fee credit on this toward that line. The other thing in here is clarifying that they will be building the sidewalks along their frontage from all along the frontage along Clepper and CB Stewart at their expense. They would have to put up funds in order for the City to inspect it. The timing of this is the request, what is in this agreement in front of you, is that it is triggered on three events. The reason of the trigger is one, they would like to get started to get the utility line not being delayed. They requested to delay the install, as well as just laying out the capital. Right now there are kind of sidewalks, no sidewalks adjacent to them, other than for Fernland where they end. There are three triggering events which is the sooner, of the soonest, of the events that were triggered. One would be a request for additional street occupancy for any future phases of the project. What they will present to you and shown in this agreement, they have a couple future buildings on the site plan. We are saying that you can complete phase one. When phase two comes around, a sidewalk has to get completed. Second triggering event is the adjacent property on the corner that develops. Now these are not sidewalks to nowhere. You have to complete the sidewalks at that time, so we interconnect and have the sidewalks complete. The third is never go for an additional phase of the project. The corner does not develop. They have to resolve by year three of the date of this. In the event that they do not go for the phase two or the corner does not develop, it does not just drag along. There is a time line to it. Other items in here to note, the oversizing of the waterline. In order to serve the size building they need, eight inch is required. Recommendation for the capital plan are 12 inch. For the City, we have the ordinance in there that states the oversized cost share. That is just memorializing that it is per the existing ordinance that is in place for that oversizing of that portion of the line. With that, I will turn it over to the church and let them give an update. Council Member Czulewicz said under the Article 3 Default and Termination it states parties acknowledge and agree that any substantial deviation. What is substantial deviation from the terms? City Attorney Petrov said it is anything that has any kind of real material effect. Not putting something in here or there would not be substantial, but if it has a material effect then it is considered. Council Member Czulewicz said I am coming from personal experience and City Engineer Roznovsky knows this. In Town Creek Crossing, there has been a default on the completion of the project there. It has been going on for two years and we still have not been able to settle it. Is that because of the term substantial or would those punch list items fall under substantial or not? City Attorney Petrov said not completing punch list items would be substantial. Council Member

Czulewicz said thank you. That is what I wanted to know. City Engineer Roznovsky said I will let the church give their update and then answer any questions you have.

My name is Aaron Laird. How are you, Mayor? Thank you for letting us be here today. I just want to introduce myself and our team. We are the Church of Montgomery. We are a campus of The Woodlands Methodist Church as City Engineer Roznovsky said and we have four campuses. We have a campus in The Woodlands, The Woodlands Creekside, Wood Forest, and soon to be in Montgomery. We have been much like the Israelites in the wilderness for the past two and a half years. We meet at Oak Hills Junior High right now. Principal Gifford and I are good friends and he has been incredibly accommodating for us, but we are ready to have a home, so thank you for considering this today. I want to introduce real quickly Ms. Suzanne Bird who is our chief architect. I have Mr. Steven Rector our Director of Operations for the Women's Methodist Church, and Mr. Mike Christopher sits on our building committee. I am going to turn it over to them.

Hello everyone. I am Ms. Suzanne Bird and I will go through a few slides just to update everybody where we are and what we are doing right now. This is an elevation of the rendering of the front elevation that you see here. This is a side from the main parking area entering the building. Mayor Countryman asked what is the square footage of that building? Ms. Bird said it is right under 16,000 square feet. This is the site plan for phase one that we will be submitting or should have already been submitted to the civil review once this is approved. This is the phase one site. You see the building there in the middle of the L of the parking. We have three entrances. One off of Clepper and two off of CB Stewart. This is the master plan. As mentioned in one of the triggers, if we were to go to phase two, we would install the sidewalks. Phase two would be where the building just gets a little bit larger. You can see there is a hatched area just off to the side. That would be increasing the size of the sanctuary to accommodate more people and that would be the first one that would trigger the additional sidewalk. This is our landscape plan that has the trees all shown. This is the floor plan. Council Member Olson asked can you go back to the other picture about the sidewalk because in here it talks about the sidewalk going north. That sidewalk that is extending to the west on Clepper should be built all the way out. Ms. Bird said we have a sidewalk on both sides. Council Member Olson said yes, but you are talking about a triggering event to do the sidewalk. The triggering event would go to the north, not to the west and your building is only going west. Mayor Countryman said the first phase is the L from, if I am right, they are up all the way at Buffalo Springs. That corner lot up there is not. That is the triggering effect. When that sells, they have to extend it to that corner lot. That is phase two or triggering effect, right? That is where it has to go. But while it is not in use, they are not going to put sidewalk there. Council Member Olson said no, I understand. That is what the agreement says, but her drawing extended the sidewalk west. Ms. Bird said you can see the progress of the drawings they are complete and then the next one is the schedule. We have issued drawings to the contractor for final pricing and design. We are meeting today to review the development agreement. Right after this is hopefully approved, we will be issuing for the civil review and building permit. We are hoping to start construction in October of this year. It will take 12 months to build.

This is just the civil drawing showing the waterline development that is already discussed. Council Member Donaldson asked what is your requirement for parking? Mayor Countryman said it is our ordinance. Ms. Bird said we have 450 occupants in the building. I think our parking requirement is right at 100. We are exceeding the parking requirement by about 20 parking spaces. Mayor Countryman asked what is the current membership today Mr. Laird? Mr. Laird said membership and attendance are drastically different things. About a year and three months ago, we were about 101 in attendance. We are now 190 in attendance. About 80 percent growth over the last 16 months and we anticipate that is going to continue. Membership is really hard for me to tell you. Mayor Countryman said you are having visitors. You do not have to have members, right? Mr. Laird said right. Mayor Countryman asked so then what is your projected maximum? Just curious because of looking at traffic patterns for that corner. Ms. Bird said we have about 300 seats in the current sanctuary and the idea in phase two would be that it could double. It would be up to 600 maximum in the building. Mr. Laird said 300 for phase one and up to 600 for phase two. The building is being designed such that it can be expanded. Council Member Czulewicz said so you have more than one service so that tenants would be split by the services. Mr. Laird said correct. We are actually talking about doing that with the school. Mayor Pro-Tem Fox asked are you planning on a school also? Mr. Laird said no. Mayor Countryman said they are holding it at a school. Mayor Pro-Tem Fox said I thought they were planning on having a Christian school. Mayor Countryman said no. Mayor Countryman asked if the white space on your footprint, is going to be landscaping? It is cleared pretty much already for the most part. Ms. Bird said there is nothing there now. Mayor Countryman asked are you going to keep that green? Ms. Bird said yes. Mayor Countryman said for drainage concerns to the west of there, that goes all the way down the back part of that neighborhood and then dumps at the bottom of the hill and goes under Abner and then goes out to Hills of Town Creek. We have sensitive drainage issues so is any of that drainage coming toward SH-105? I am asking this because the neighborhood is concerned as you can imagine. City Engineer Roznovsky said when this section was originally designed, because this is already a platted development, all the drainage was accounted for is part of that. This all goes back to the 2004 drainage study, the 2006 subsequent drainage study, and it all falls into that. This was a platted development. The drainage and everything was accounted for during the design of multiple name changes such as the Estates of Lake Creek which is after the last piece of Abner Drive that accounts for drainage coming from the site underneath. Council Member Donaldson said I understand this is phase one, but if I remember correctly, when this was initially brought before us, there were plans to put three buildings on it. Is that still in the works? Ms. Bird said not in phase one. If you go back to the master plan with the color site plan, it is phase two and three. There are two. Just above the bright green areas are two planned buildings possibly in the future. One is a pavilion for outdoor eating and gathering and one is a smaller chapel. Mayor Pro-Tem Fox asked City Engineer Roznovsky if there would there be any kind of detention pond on that acreage? City Engineer Roznovsky said there will not, as long as they are following the initial assumptions that were included in the drainage analysis. That has all been well communicated to them. As long as they follow those

assumptions within the amount of impervious cover required are allowed for, they would not. With the amount of site that they are using, they are not using a large portion of the site, but that will be part of our civil review to make sure that it is still in line with what was previously approved.

Motion: Council Member Donaldson made a motion to accept the Development Agreement between the City of Montgomery, Texas (the "City") and with Woodlands Methodist Church (the "Developer") for the development of approximately 14 acres located northwest of the intersection of Clepper Drive and CB Stewart Drive (Dev. No. 2501). Council Member Czulewicz seconded the motion. Motion carried with all present voting in favor.

33. Consideration and Possible Action on the BCS Capital Development Agreement (Dev. No 2415).

City Engineer Roznovsky said I know we have talked about the BCS property multiple times. BCS is here. They can provide updates and answer questions as well. What you have in front of you is a development agreement that has been approved by the developer for action tonight. As you remember, we did an MOU that laid out the general scope of the improvements, the cost sharing, and the reimbursement that is in there. That is generally how this document is working. I will hit the high points. As we go through it, please ask either myself, City Attorney Petrov, and BCS and we will answer any questions you may have. This one there are a lot of moving pieces to it with roadway improvements, water improvements, drainage improvements, sanitary sewer improvements, and obviously the 380 reimbursement portion of this project as well. I will go through it piece by piece. Regarding the water improvements, just for sake of ease, they showed that was different on the last presentation. It is in this packet. It shows the overall water extensions required. They will be closing the waterline loop from Lone Star Parkway all the way down to where it currently ends by Home Depot. The overall project will be the church's portion of the water line that will take it up CB Stewart to their northern property boundary connecting those across to close that loop, and then finally extending across their frontage of SH-105 to close the loop there. Right now it all dead ends. For water to get from water plant three on FM 1097 to Kroger, it goes around the loop in order to get to Kroger. There is a line on the south side, but it does not connect until closer to FM 2854. That is one portion of it. The funding of that project would be based on they would pay for the remainder of the project. The church would pay their pro rata share of the project. The City would contribute a small chunk in front of the parcel we were just talking about, the northern part of the church site, to close that loop. Mayor Countryman said that is the unsold property. City Engineer Roznovsky said correct. It just makes sense to get that completed now. It is shown up here in yellow and they would fund that project. Council Member Olson asked who owns that one little chunk that is left? City Engineer Roznovsky said I do not know. I have not heard that it has not been sold from the developer of LeFevre, but it does not mean that it has not. Council Member Olson asked so we can recuperate that later once it sells or tries to develop? City Engineer Roznovsky said that was my understanding, so yes. This project is in your impact fee list so that cost will carry forward into the impact fee calculations so

you are recuperating theoretically a pro rata share from everyone. Mayor Countryman asked was everything released from the HOA Architectural Committee for both of these properties, both these developments? City Engineer Roznovsky said City Attorney Petrov might have more information, but I do not believe they ever took official action that I am aware of. Mayor Countryman said I know they did not, but I did not know if there is any legal removal of their oversight. City Attorney Petrov said that is on the developer. The City cannot enforce any kind of deed restrictions associated with the property. That is not the ability of the City to enforce. It is not something that we will consider whether we grant permits. We look at our zoning and our code. Mayor Countryman said I guess the reason I ask, and pardon me if I am being crude, but if they want to put a strip club here, we have no oversight, right? Who is to say that does not go within our restrictions? City Attorney Petrov said the only restrictions that we can apply are zoning restrictions. Mayor Countryman asked and that is on both of those parcels? So they could make their church lime green and we do not have a say? City Attorney Petrov said potentially, yes.

City Engineer Roznovsky said on sewer improvements, the big thing here is they will complete the line across SH-105 as well, including the elimination of lift station number 12, so we eliminate one lift station off the corner and that is one less piece of equipment to take care of from the City's standpoint. We talked about on the site they will have to design the drainage. They will have to provide an analysis showing that it is adequate for the site and that it falls in line with the ordinance or the rules of that master drainage study. As there has been in other development agreements, they pay their impact fees at time applied and so that is in here. The final last large component is the roadway improvements portion of it. The way that this is written is that there are two phases of the roadway improvements project. For phase one, there is an initial deposit to do the initial evaluation of the roadways from a geotechnical standpoint on the condition and final recommendations for the scope of the repairs. Concurrently, the developer will be completing a traffic impact analysis to show how the impact on the road to develop that final scope of the improvements project. What is shown on the screen is what is assumed to be part of it. So it is the Buffalo Springs improvements as well as CB Stewart from the Clepper intersection south to SH-105. I know we talked about this I believe at the last council meeting, it might have been two council meetings ago, when the developer acquired the additional six acres. Obviously, that opened up access to CB Stewart and then one of the later versions of their site plan, the truck traffic would be going onto CB Stewart. One thing the developer through their TIA is working with is putting in limits to control some of that truck traffic so we are not seeing the impacts elsewhere other than the areas that negative roads minimizing the effects of that. The process here is that we put up the deposit, get the geotechnical done that says here is exactly what the road needs to look like from a thickness standpoint, have the impact analysis done to determine the impacts of that to come back with a final recommendation of here is the scope, updated costs based on current numbers and estimates, and now it moves forward with the design and construction which would be funded by the developer. The final portion of this is the 380 component to this agreement. As you remember, the initial MOU laid out a \$4 million reimbursement with \$4.8 million if CB Stewart were required. The way this screen is worded, it is assuming that CB Stewart south is completed, as well as Buffalo

Springs. The reimbursement cap that is in this agreement is a \$4.8 million reimbursement over a 10-year period. Council Member Olson said no. Your picture up there, the red line, that is CB Stewart south. The original agreement was CB Stewart north because of the development. The CB Stewart south was left out because they did not own the six acres. City Engineer Roznovsky said correct. Council Member Olson said so that piece, that south, is not included in the 4.8. What they do with their 4.8, I do not care, but it is that north part of CB Stewart that is part of the 4.8. The only way to get the extra eight is if they do the north part. City Engineer Roznovsky asked what has changed since that original feasibility study? You are correct. It was the northern portion because that is the only thing adjacent. Unknown at the time was the layout of the apartment complex. As it is drawn up today, the main entrance out of the apartment complex is on Buffalo Springs. The traffic on to CB Stewart in that section was less than and obviously the truck traffic drastically increased when now they have connection to the south side, so you are correct. The original feasibility study talked about the northern portion, not the southern portion because that is the only part where they was connected to. Now that that site plan has been refined to have a secondary entrance with the main entrance off of Buffalo Springs, but the primary traffic generation coming from south of Clepper. Council Member Olson said either way, the north does not get done, I do not vote yes. Mayor Countryman said the north, can they cost share that with the church because they have two entrances on the CB Stewart. City Engineer Roznovsky said it can be asked to cost share with the church. Mayor Countryman said since there is no delivery entrance up there that is going to be residential and then the church, and since this will have entrances for 18 wheelers on the south. City Engineer Roznovsky said it can be. When you look at the church's traffic impact, it is very different times, different loadings, passenger cars versus commercial trucks, which is unlike your ordinance accounts for cost sharing of utilities. One thing that is in here it talks about there is a developer puts in a utility and they are able to collect from the neighbor that uses them, they can collect a pro rata share back. That is acknowledged in here and also acknowledged that that comes away from the cap so it is not being collected from the neighbor and collected from the City. Council Member Czulewicz asked if there is a pro rata share that BCS could gain from the church, is that going to be deducted from the 4.8? Council Member Olson said that is what he said. It comes out of the cap. City Engineer Roznovsky said how it is currently written, the only thing in the ordinance that counts for pro rata shares are for linear utilities which is water and sewer. They are extending linear utilities all the way along Buffalo Springs and so the Rampy pond property behind Kroger, if that develops, there is an ordinance in place that allows them to collect a pro rata share over a 10-year period. From the time they put it in to 10 years, they can collect that. If that does not develop in 10 years, it cannot collect. That same 10 years is the 380 portion of this agreement, so both would end at the same time. There is no double dipping.

Mr. Jack Burgher, BCS Capital Group said Council Member Olson I get it. You want to honor something we agreed to. Council Member Olson said you just said you want us to honor what we agreed to, but you do not, so, do not say that. Mr. Burgher said there was not a roundabout in the original feasibility study. There also was not additional paving on CB Stewart. The CB Stewart paving is shorter on what we agreed to than what we are

willing to do. Council Member Olson said it is not the agreement though. End of story. You can explain it away all you want. You manipulated the MOU and I do not appreciate it. It was for the north side and the six acres. You told us you would not come back and try to Oh, no, that is on us. Well, guess what? You manipulated it into your favor and that is on us. So, no. They can vote how they want, but my answer is no. Mr. Burgher said we are not trying to manipulate. We also were going off numbers that were just out of thin air. This is a net loss for us that that portion of CB Stewart is going to cost over \$5.3 to \$5.4 million we confirm. The deal has only gotten better for you guys. The amount of sales tax that we are projecting is tripled because we purchased those 6.5 acres. The product we are going to put on the ground is going to significantly be better than what was presented and what was approved. There is no wool over the eyes, making you look bad. At the end of the day, when we showed up the first time today, which is probably the 10th, we are going to execute at a much higher level. Council Member Olson said that figure of \$5.4 million I do not know where it came from. I think City Engineer Roznovsky estimated to us around two to three because we did the same. We actually went farther on the other side for about two, so I do not know what you are talking about. City Engineer Roznovsky said the total is all inclusive costs. Council Member Olson said exactly. City Engineer Roznovsky said that section, I think the two sections of CB Stewart using rough numbers is \$900,000 for one, one and a half, and 1.2 for the other. Council Member Olson said which was in the original agreement, which was actually longer if you go from north, right, and do the whole thing. Mr. Burgher said the southern is 1.2, right and the north is a little bit less time. I do not want to quote something. Council Member Czulewicz said the roundabout was in the original. I was on the Planning and Zoning Commission and the roundabout was in the very first presentation that you gave us and you are saying it was not. That is not true. Mr. James Todd, BC Capital Groups said where Buffalo Springs, that highlighted blue portion at the roundabout was not included in the first feasibility study and since the first usability study was given to us, they increased the cost of that over \$400,000. In between the options that we had in the first on the MOU, we were agreeing to do the north portion of CB Stewart at an estimated \$800,000. What we are saying is we will do the south portion which is estimated to be I think it was between \$1.6 million and do the same \$4.8, so the City is getting a more equitable deal. Council Member Olson said the estimated \$800,000 was not the cost. That is all we would agree to. Mayor Countryman said they said the cost was \$800,000 and we said okay to that piece, but that was not the number that we said that we set. That is not a number we set. We would not know. They knew. Mr. Todd asked the \$800,000 for the CB Stewart extension? Mayor Countryman said yes. You were either \$4 million or \$4.8. Council Member Olson said that is in the original MOU and it was the only amount that we would agree to above the \$4 million with the cost of the road. We said we are not paying any more than this. Mr. Todd said you are paying the same amount for more paving. Council Member Olson said but here is the thing. You stood right here and said when we buy that six acres, that chunk of road is on us. I do not care how we look at it. Our original MOU was for the north section and the south section was on you if you bought that piece of property. You stood there and you said I promise we will not come back and mess with it if we pick up the six acres. That is not what you promised. Mr. Todd said we

are not asking for more money. Council Member Olson said it does not matter. Mayor Countryman said they are just swapping it. They are just doing the south side versus the north side. Council Member Olson said a promise is a promise and a deal is a deal. Mayor Countryman said but things can change and I get it. We are giving the same money, but we are getting more road. Council Member Olson said the deal was to get the whole road because we knew we were going to pick up the whole road. Mayor Countryman said it was not the whole road. Council Member Olson said no, it was for the north part. Mayor Countryman said yes it was. Council Member Olson said but he said, when we pick up the six acres, we will not come back to you for the south part, but basically they are ditching us on the north part. Mr. Burgher said we are not asking for more money. Mayor Countryman said I just think that they are saying, okay, we are going to do this portion of the road versus that portion of the road because this is where most of the heavy trucks are going to be and the traffic is going to be. Council Member Olson said the point is the original agreement was for north. Mayor Countryman said you are right. Council Member Olson said they said they would not change the original agreement if they picked up the six acres. That is not what they did. Mr. Burgher said but Council Member Olson, we are here and we are improving public streets. Council Member Olson said I understand. Mr. Burgher said and we are putting in every single dollar. Council Member Olson said but you are getting every single dollar back. Mr. Burgher said no we are not. Council Member Olson said yes, you are. When I make a deal, a deal is a deal and this is not the deal we agreed to. End of story. Mr. Burgher said it is a bad deal. Council Member Olson said no, it is really not because all you did is manipulate it to your favor. Council Member Czulewicz asked what are your current hard written commitments? Do you have somebody that is buying the apartments or are you running the apartments? Mr. Burgher said we are currently under contract with the Morgan Group which is the group we had from the beginning. Council Member asked do you have a written agreement with Academy? Mr. Burgher said we have a lease with Academy that is not signed. We are not signing leases until we get this development agreement done. Council Member Czulewicz asked what about the other pads? Mr. Burgher said we have the Texas Road House and a similar position with the lease agreement. We have letters of intent working with 15 others including restaurants and large box retailers. Mr. Burgher said look, this is a partnership. What is good for us is good for you guys. We are going to put out two to three times, maybe more amount of sales tax that we originally told you we were going to do. Council Member Olson, I am looking at you saying it is not the same deal. I object to what you said. What I said was not going to come ask for more money. We are not here asking for that. We are here generating two or three times more sales tax. Mayor Countryman said we do not have the money to do this and basically this is not out of our pockets because it is going to be done today and then the revenue that this development generates pays for itself. This is how cities work. Council Member Olson said I agree. Mayor Countryman said we are getting a greater part of the portion of the road. Council Member Olson said it is the most premier piece of commercial property left in Montgomery. Mayor Countryman said I do not know about that. I do not agree with you on that. Council Member Olson said as far as space road time. There is not one much better than that on SH-105. You talk about

partnerships. I go into partnerships with people I trust, not people that try to manipulate and change deals after we have made an agreement. Mr. Todd said we were doing this to try to get this done and be equitable to the City. We are doing more work, spending more money getting the same reimbursement. I wanted to honestly increase the reimbursement with Mr. Burgher, but Mr. Burgher said we are going to do \$4.8 million on the deal and we are doing more work. Mayor Countryman said Council Member Olson yes, we did agree, but things change too. Economy changes, obviously interest changes and that is what made you buy the additional six acres because interest changes and because this is a hot corner. I do not think it is the premier, but it is a hot corner, quite a piece of property. Things are going to change. That is why you go through several iterations and versions. Council Member Olson said we have been absolutely. Mayor Countryman said now we are at the final work that we are pulling across the finish line and we have had all of these different tweaks along the way. It is not any more than we have already said that we were going to do. Frankly, the trucks are going to be using this and they are repairing and putting in infrastructure that the vehicles that will supply the products to this development are going to be using. Council Member Olson said let me let me make something perfectly clear. Most of the trucks come around the loop and come up Buffalo Springs. The chunk they are going to use is the piece that we are not developing because those trucks do not like SH-105. There is no stoplight there to protect them. Mayor Countryman said yes there is. In front of Home Depot there is a light. That is where they go in. Right here at Academy. Council Member Olson said they are going to come in right here. Mayor Countryman said no. There is an entrance right here. That is what we initially talked about. Council Member Olson said that was before the six acres. We just got done saying the trucks are going to come in on the other road. Mayor Countryman said I do not care which road they are coming in on. Council Member Olson said I do because we have to fix the one they tear up. Mayor Countryman said that is the one the Home Depot put in. Mr. Burgher said we are going to prevent the 18-wheelers and the delivery trucks from being able to exit that way. Mayor Countryman said okay. That is preserving your east side. Council Member Olson said that is your west. Mayor Countryman said no, this is west the side. It is saying no exit here. Council Member Olson said this is a side that is going to get torn up because they are not going to fix it. It is a piece of junk now. Mayor Countryman asked why can they not leave out here and go up this way? Council Member said there is no stoplight to get them out from that road where there is 50,000 cars a day. We just talked about it. Mayor Countryman asked Council Member Olson have you been down Lone Star Parkway lately? You lose your teeth. I am not saying there is 18-wheelers, but I am saying right here. They are widening it. Council Member Olson said there is nothing to get them in and out of that road. They are going to want to take the stop lights. I have driven trucks. I want a stoplight. I am not waiting for some little car I cannot see to cut me off. Mayor Countryman said so then you are saying because there is not a stoplight if they go north or south on CB Stewart. Where are they going to go? Council Member Olson said yes there is. Mayor Countryman said no, there is not a stoplight here at Buffalo Springs. Council Member Olson said but how do you get out to Lone Star? There is a stop light at Lone Star. Mayor Countryman said my point is they have two different turns to get to Lone Star. Why would they not just

go to one turn to get to Eva? Council Member Olson said because there is 40,000 cars on that road. Mayor Countryman said there is a lot on Lone Star. We have made a commitment. Council Member Olson said we made a deal. Mayor Countryman said we did. We made a commitment. It is not the final deal. This is the final deal. We made a commitment. They are giving us more and this is an excellent project for the City. Mayor Pro-Tem Fox said I agree. Mayor Countryman said I am 100 percent on what you all are doing and I appreciate what you are doing. I see the value. Council Member Olson said I do not think the project is a bad project. Council Member Czulewicz said that it is a bad deal. Council Member Olson said yes. Mayor Countryman said we have already agreed to it months ago. Council Member Olson said yes, we agreed to a deal that is not up there. Mayor Countryman said we agreed to the amount. The amount is not changing. Council Member Olson said we agreed to a project with an amount. Mr. Burgher asked can I ask why it is a bad deal? Council Member Czulewicz said because of the fact that we are spending too much of the taxpayers money to pay you guys to line your pockets. A 380 agreement should be 50/50 and we are going 100 percent. That is ridiculous. Mr. Burgher said we are paving. Look at what they are paving. Look at the abutting property owners. Council Member Czulewicz said okay, you keep going back to what you are doing. All I am saying is the 380 agreement I am totally opposed to. It should have been \$2.4 million for us and \$2.4 million for you. That is the only way I would go. Mayor Countryman said then we need to raise taxes and we can afford it. Mr. Burgher said it would be raw land generating zero sales tax. Council Member Czulewicz said that is fine. Mr. Burgher said that is bad for the constituents. Council Member Olson said what will happen is a developer that comes in with pockets will build what they want. Council Member Czulewicz said that is right. Somebody that would come in here and do it right like HEB. HEB is not asking us for a dollar. Mr. Burgher said they did not buy the site. Council Member Olson said Home Depot did not ask us for a dollar and they are across the street. Mr. Todd said Home Depot did ask you for a dollar. Mayor Countryman said yes, we did pay Home Depot. Council Member Olson said no, we did not. They paid 100 percent of that road to their section. Mayor Countryman asked there was money paid back in the 380 agreement, correct? Finance Director says yes. Council Member Olson said that did not have anything to do with them. Mayor Countryman said they got paid back for infrastructure they put in. Council Member Olson said yes. Mayor Countryman said okay. It is the same. Council Member Olson said they paid for 50 percent and we paid for 50 percent. This is 100 percent. Mr. Todd said this is not 100 percent of the work we are doing to get the sales tax you are all getting. I want to put that loud and clear. We are doing a ton more work than what is in that feasibility report to make this actually happen for you all. This revenue does not happen without the work that we are having to do offsite and onsite. The \$4.8 million you are not giving us 100 percent of the money back. And we are doing more work now than we were when you agreed to \$4.8 million. Council Member Czulewicz said that is because you bought the extra six acres. Mr. Todd said that is irrelevant. Council Member Czulewicz said that is the same thing. You are changing the rules as you go along and say I am this good. I am doing all this stuff. Mr. Todd said I have been working with the city staff to bring an agreement that we thought would be equitable to agree upon tonight. It is not

different. We took a portion of the road that was estimated to be \$800,000 to pay and the City was okay with that and said we will reimburse you \$4.8 million if you do that. If you do not do that, based on the TIA, we will give you \$4 million. We all agreed upon that and we moved on. We started negotiating a deal and then the City gave us a new feasibility report when we did the 6.5 acres. The cost for paving and other items went up \$400,000 to \$500,000. I do not have it off the top of my head. The City is asking us to do more work. The reimbursement amount has not changed at all. Then BCS says we will do the south portion of CB Stewart, and not the north portion. We are not going to require a TIA to do it. We will just do it and that paving is estimated to be \$1.6 million instead of \$800,000. The reimbursement amount has gone up \$0 in that time frame. In that time frame, BCS costs have gone up over \$1.1 million. For the sake of time, we brought that on and said we will just do the south portion. We are not going to wait on the TIA. We are going to try to get this deal done and so we brought it to you tonight, kind of conceding to get that done. So, the City is getting a way better deal than what you agreed to however many months ago it was when we did the MOU. Mayor Pro-Tem Fox said to Council Member Olson and Council Member Czulewicz, I know you are having all these problems with it and comparing HEB to this is like oranges and apples. Council Member Olson said it is really not. Mayor Pro-Tem Fox said it is. Mayor Countryman said not every developer is created equal. I think we should know that by now in some of our experiences. Council Member Olson said there are some really good ones. Mayor Countryman said you just said a developer is a developer and that is not the case. There are different kinds of developers and there are different kinds of partnerships. Council Member Olson said yes, and partnerships to me are 50/50. That is what a partnership is. Mayor Countryman said not necessarily. I do not think a partnership says 50/50. Absolutely not. I do not see anywhere that says partnership is 50/50. Council Member Olson said my thing here is I when I look at a partnership, I want it to be 50/50. Mayor Countryman said okay, that is you. That is not the written rule. Council Member Olson said I agree. But, why would the City, the constituents, our taxpayers want a 50/50 rule? Mayor Countryman said I never heard anybody say that, nor has anybody ever stated that for the record. I do not know if they were so interested they should be here on the record talking about it, but they are not that interested in the 50/50.

Motion: Mayor Pro-Tem Fox made a motion to accept the BCS Capital Development Agreement (Dev. No 2415). Council Member Langley seconded the motion. Motion carried with 3-Aye and 2-Nay by Council Member Olson and Council Member Czulewicz.

DEPARTMENTAL REPORTS

34. Discussion on Engineer's Monthly Report

City Engineer Roznovsky covered the highlights for the monthly report regarding a wide range of project updates, including water improvements, ARPA funds, bid results, development plans, landscaping, utility issues, legal considerations with developers, and infrastructure concerns.

35. Public Works Monthly Report June 2025

City Administrator advised Council that Public Works Director Muckleroy was unavailable and that questions can be emailed to him.

36. Utility Operations Monthly Report June 2025

Mr. Phillip Wright, Hays Utility North addressed the Council and said the monthly report has been presented to you. Mr. Hay inquired if there were any questions. No Council questions presented for this monthly report.

37. June 2025 PD & CE/PZA Report

City Administrator advised Council that Police Chief Solomon was unavailable and that questions can be emailed to him.

38. June 2025 Municipal Court Report

Municipal Court Administrator Duckett addressed the Council and said the monthly report has been presented to you. Mrs. Duckett inquired if there were any questions. No Council questions presented for this monthly report.

39. Financial Report June 2025

Finance Director Carl addressed the Council and said the monthly report has been presented to you. Mrs. Carl inquired if there were any questions. No Council questions presented for this monthly report.

40. Building Official Report for June 2025

Building Official Rick Hanna stated it sounds like construction activity is picking up again after a slowdown, with around two dozen new applications submitted and ongoing developments, particularly on Lone Star Parkway near the dental office, experiencing delays due to unforeseen issues like natural springs requiring extensive drainage solutions. The delays seem to be linked to the time-consuming process of installing drains and wall construction, compounded by drying out challenges, which has temporarily halted work for about five weeks. The overall trend suggests a resurgence in construction momentum, although specific projects are still facing hurdles that slow progress.

Motion: Council Member Langley made a motion to accept the Departmental Reports as presented. Council Member Olson seconded the motion. Motion carried will all present voting in favor.

COUNCIL INQUIRY

Council Member Langley requested for the September 23, 2025, meeting to be rescheduled or cancelled because of a conflict that will result in a lack of quorum.

City Secretary Beaven requested for the October 28, 2025, meeting to be rescheduled or cancelled because of a conflict with the TML Annual Conference and Councils attendance.

Mayor Pro-Tem Fox suggested the dissolution of the Parks Board for inactivity.

CLOSING AGENDA

41. Items to consider for placement on future agendas.

Action item for the September 23, 2025, meeting to be rescheduled or cancelled.

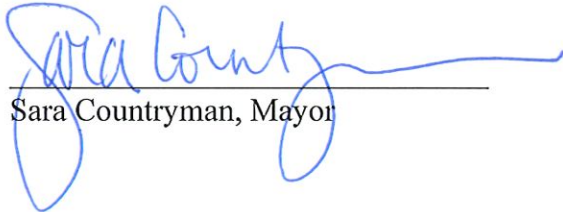
Action item for the October 28, 2025, meeting to be rescheduled or cancelled.

Proclamation for MHS.

42. Adjourn.

Motion: Council Member Czulewicz made a motion to adjourn the Regular Meeting of the City of Montgomery at 8:34 p.m. Mayor Pro-Tem Fox seconded the motion. Motion carried with all present voting in favor.

APPROVED:



Sara Countryman, Mayor

ATTEST:



Ruby Beaven, City Secretary

