

CITY OF HUNTSVILLE, TEXAS

Russell Humphrey, Mayor

Jon Strong, Ward 4, Chairman
Karen Denman, At-Large Position 2



Vicki McKenzie, At-Large Position 3
Pat Graham, At-Large Position 4

CITY COUNCIL FINANCE COMMITTEE AGENDA

TUESDAY, JULY 7, 2026, 9:00 AM

Huntsville City Hall, 1220 11th Street, Huntsville, Texas, 77340

Persons with disabilities who plan to attend this meeting and may need auxiliary aids or services are requested to contact the City Secretary's office (936.291.5413) two working days prior to the meeting for appropriate arrangements.

1 CALL TO ORDER

2 DISCUSSION/CONSIDERATION

The Finance Committee will hear presentations, discuss, and may consider recommendations to the City Council on the following items.

- a** Approve minutes of the June 16 2026, Finance Committee meeting.
Lance Hall, Finance Director
- b** Where We Stand with Budget Report.
Lance Hall, Finance Director
- c** Discussion of TPWD Grant Applications for Emancipation Park.
Christina Bodin-Turner, Grants Manager
- d** Discussion of Apache Corporation Tree Grant Application.
Christina Bodin-Turner, Grants Manager
- e** Consider a recommendation to the City Council to authorize the City Manager to approve a change order to O&J Coatings for additional work performed on the Two Million Gallon Elevated Storage Tank Project at the Palm Street Water Plant.
Kim Kembro, Public Works Director
Ricardo Villagrand, Assistant City Manager
- f** Consider a recommendation to the City Council to authorize the City Manager to enter into a contract with McKinney & Moore of Texas, LLC to rehabilitate the Chlorine Building at the AJ Brown Wastewater Treatment Facility (WWTF).
Kim Kembro, Public Works Director
Ricardo Villagrand, Assistant City Manager
- g** Budget Amendments.
Lance Hall, Finance Director

3 ADJOURNMENT

CERTIFICATE

I do hereby certify that the above notice was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website, www.HuntsvilleTX.gov, in compliance with Chapter 551, Texas Government Code.

DATE OF POSTING: June 30, 2026

TIME OF POSTING: 10:00 a.m.

TAKEN DOWN:

Sharon Schultz

Sharon Schultz, Deputy City Secretary



CITY COUNCIL FINANCE COMMITTEE AGENDA

7/7/2026

Agenda Item Number: 2.a.

Agenda Item: Approve minutes of the June 16 2026, Finance Committee meeting.

Initiating Department/Presenter: Finance

Presenter:
Lance Hall, Finance Director

Discussion: Approve minutes of the June 16,2026 Finance Committee meeting.

Financial Implications:

Associated Information:

1. Fin Comm Minutes 06.16.2026

Finance Committee Minutes

June 16, 2026

Members' Present: Jon Strong, Karen Denman, and Vicki McKenzie

Staff Present: Scott Swigert, Kristy Doll, Robby Chapman, Ricardo Villagrand, Brian Beasley, Lance Hall, Marcy Metz, Laurie O'Brien, Kimberly Kembro, Christina Bodin-Turner, Layne Yeager, Olivia Discon, Kathlie Jeng-Bulloch, Savannah Gonzalez-Caballero, Greg Mathis, Adam Winningham.

The agenda items discussed were:

- Approved the minutes of the June 2nd meeting. Motion -Vicki McKenzie; second Karen Denman. All approved the item.
- Budget Amendment was approved. Motion - Vicki McKenzie; seconded -Karen Denman.
- Ricardo discussed the agenda item for the amendment of Task Order No. 2 of the Master Services Agreement with Stuart Consulting Group. Motion -Vicki McKenzie - Moved to recommend approval of the item to the full council; seconded by Karen Denman. All approved the item.



CITY COUNCIL FINANCE COMMITTEE AGENDA

7/7/2026

Agenda Item Number: 2.b.

Agenda Item: Where We Stand with Budget Report.

Initiating Department/Presenter: Finance

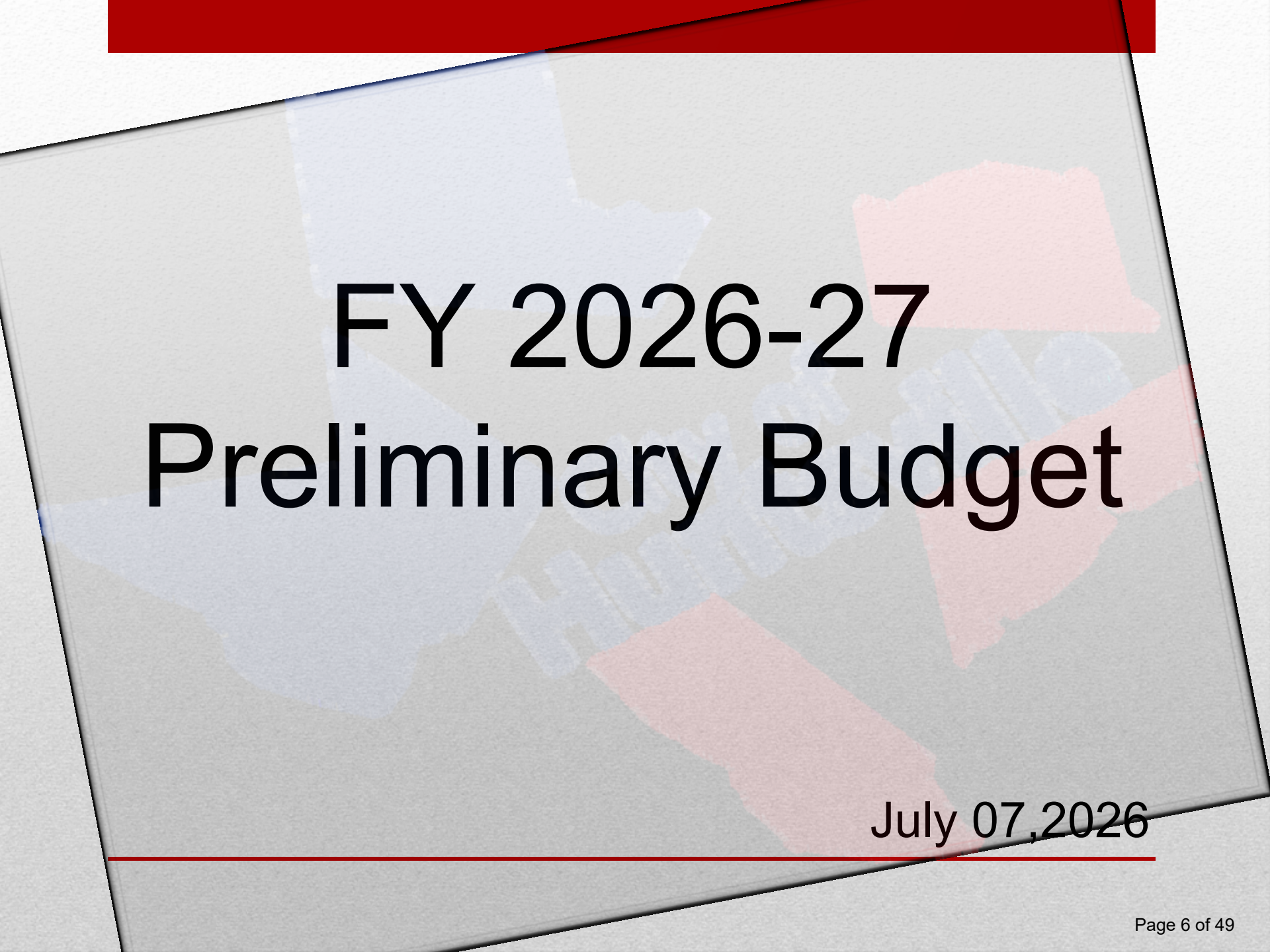
Presenter:
Lance Hall, Finance Director

Discussion: Presentation of the initial FY 2027 budget request.

Financial Implications:

Associated Information:

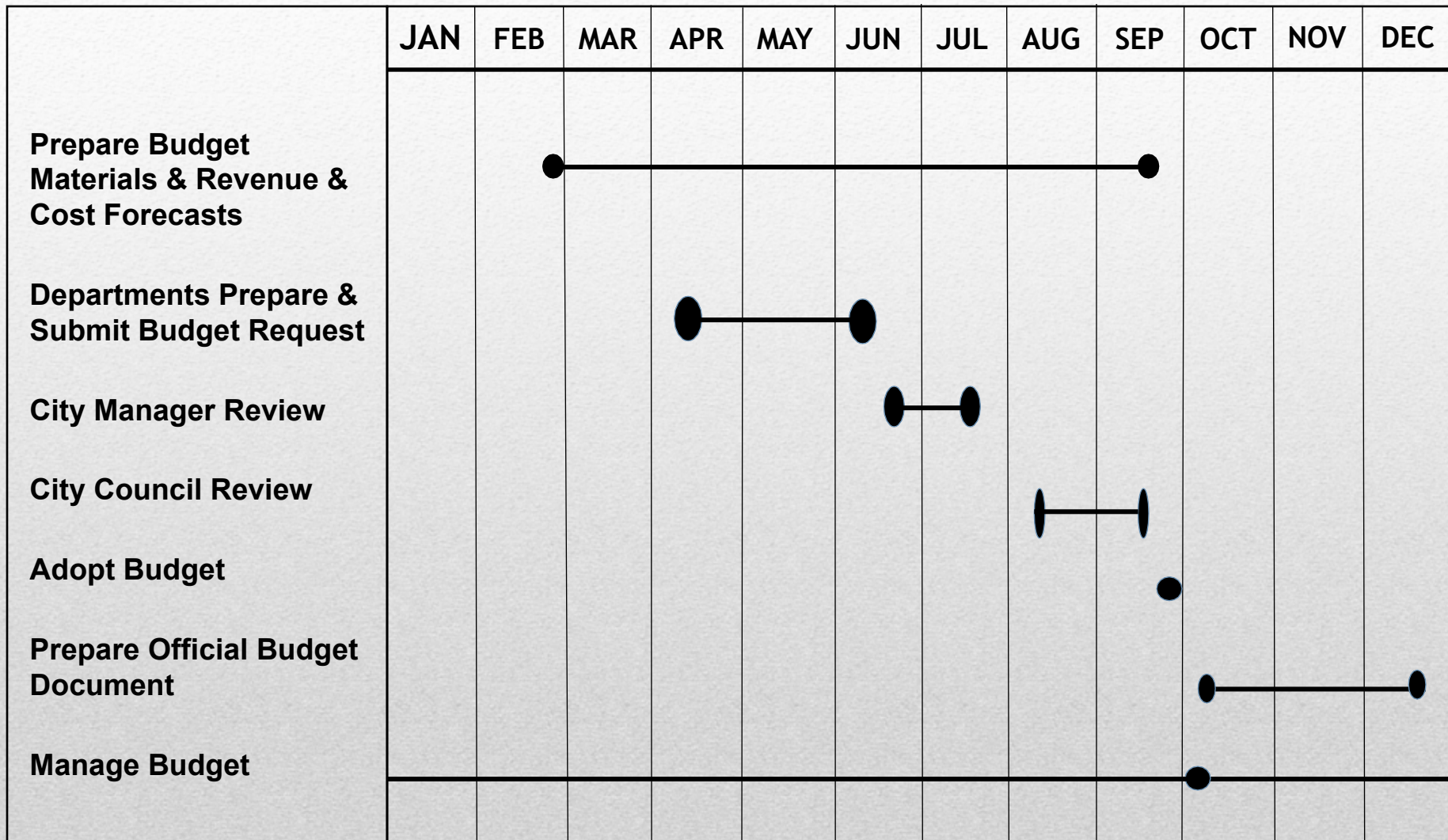
1. FY 2026-27 Proposed Budget for City Council updated 6.29.2026

The background of the slide features a map of Texas. Overlaid on the map are several semi-transparent shapes in red and blue, which appear to represent specific regions or counties. The text is centered over this map.

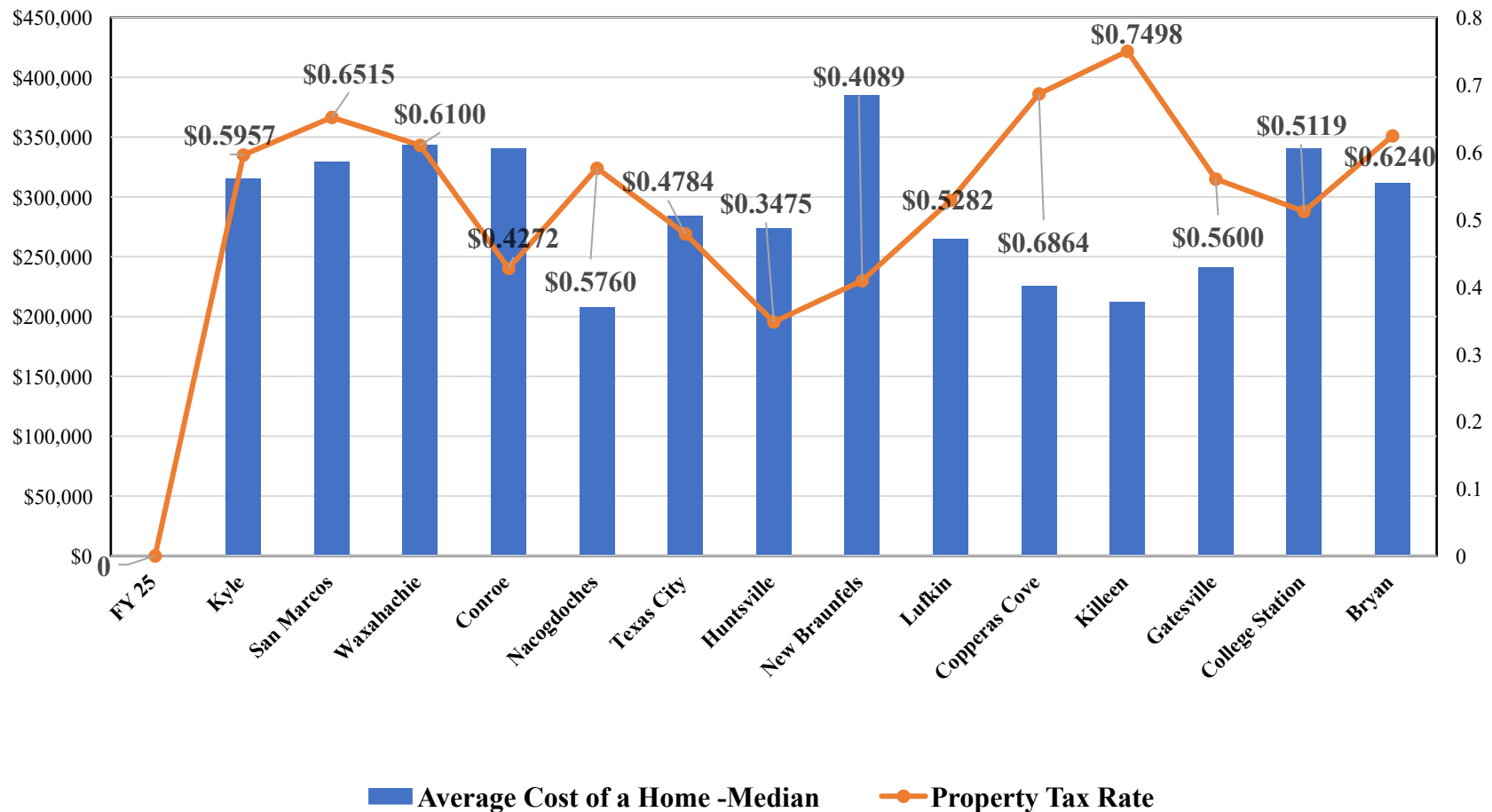
FY 2026-27 Preliminary Budget

July 07, 2026

The Budgeting Process



Peer Cities Comparison – FY 25 Property Taxes



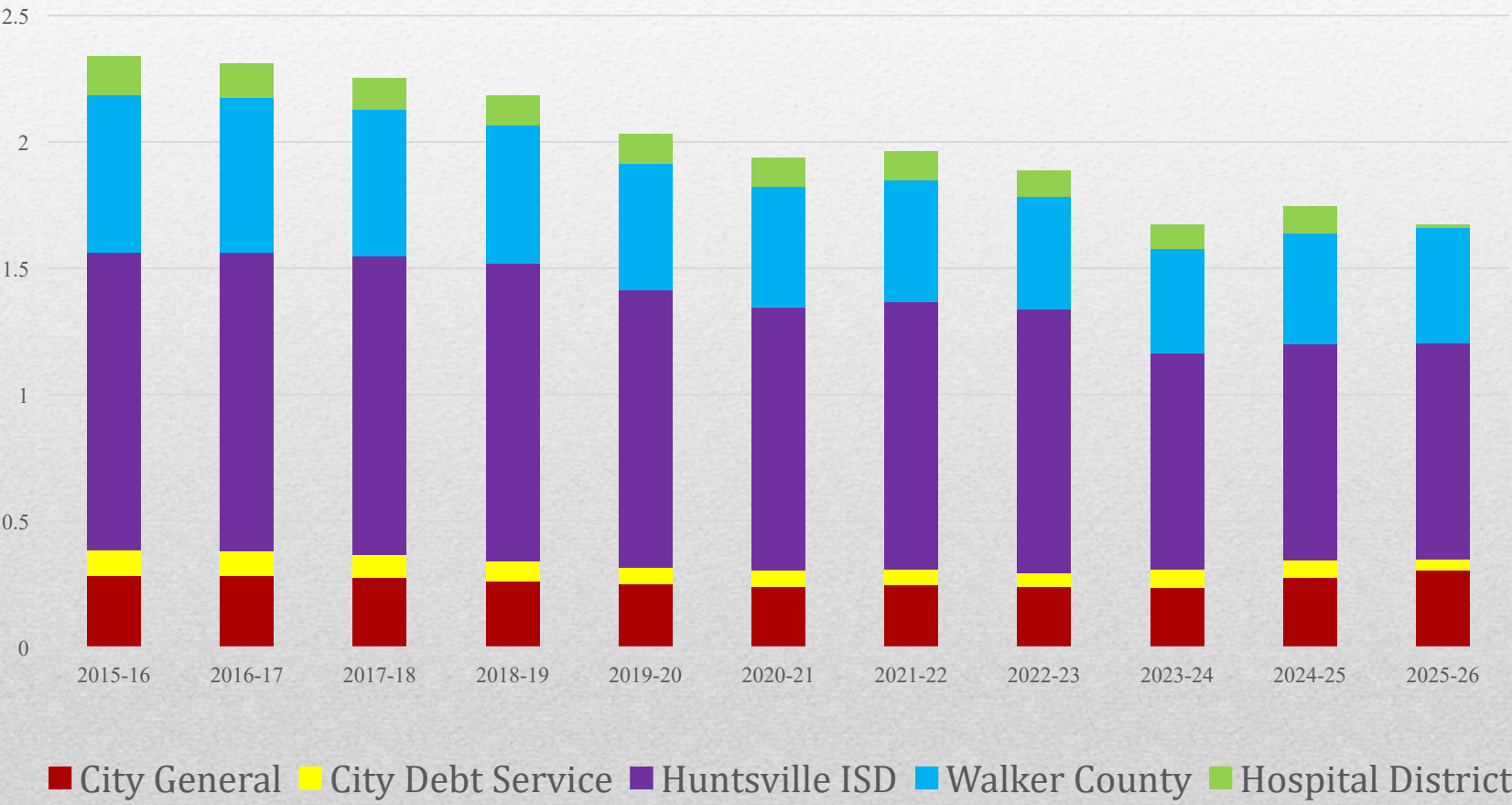
Property Tax Rates - All Overlapping Governments

Ten-Year Period and FY 26

	City						
Fiscal Year	General	Debt Service	Total	Huntsville ISD	Walker County	Hospital District	Total
2015-16	.2833	.1005	.3838	1.18	.6206	.1537	2.3381
2016-17	.2838	.0971	.3809	1.18	.6157	.1346	2.3112
2017-18	.2745	.0921	.3666	1.18	.5815	.1254	2.2535
2018-19	.2620	.0802	.3422	1.175	.5494	.1187	2.1853
2019-20	.2516	.0629	.3148	1.0980	.5018	.1162	2.0308
2020-21	.2399	.0663	.3062	1.0378	.4808	.1136	1.9384
2021-22	.2482	.0593	.3075	1.0599	.4799	.1136	1.9609
2022-23	.2385	.0541	.2926	1.0425	.4490	.1027	1.8868
2023-24	.2377	.0697	.3074	.8571	.4127	.0977	1.6749
2024-25	.2760	.0685	.3445	.8548	.4403	0.107	1.7466
2025-26	.3051	.0424	.3475	.8548	.4571	.1168	1.7762

Property Tax Rates - All Overlapping Governments

Ten-Year Period and FY 26 cont.

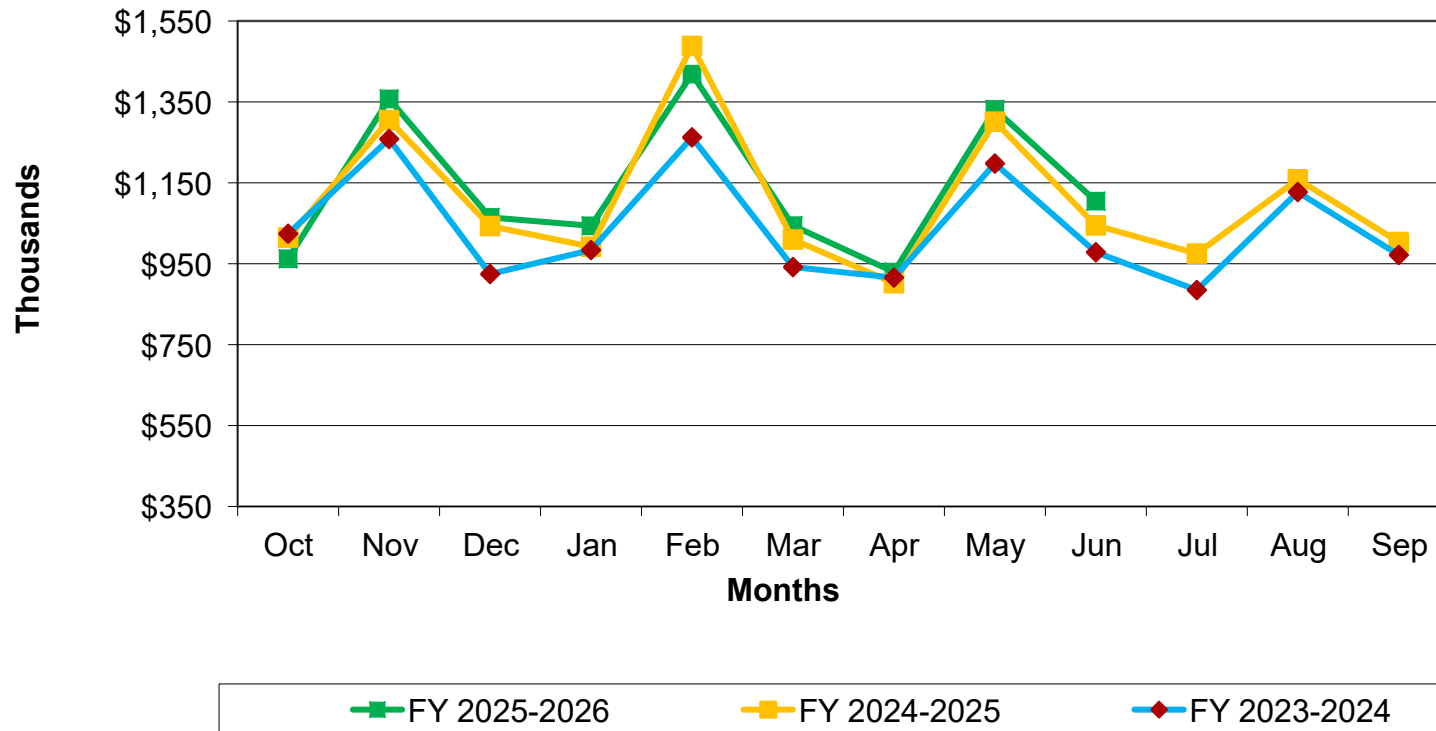


Sales Tax - FY 26

	%CHG from Previous Yr.	FY 2025-2026	FY 2024-2025	FY 2023-2024
Oct	-5.17%	\$ 962,281.79	\$ 1,014,698.61	\$ 1,024,044.95
Nov	4.00%	\$ 1,357,411.43	\$ 1,305,151.06	\$ 1,258,241.45
Dec	2.06%	\$ 1,064,582.42	\$ 1,043,111.93	\$ 924,592.09
Jan	5.22%	\$ 1,043,775.04	\$ 992,005.85	\$ 983,769.07
Feb	-4.69%	\$ 1,418,674.95	\$ 1,488,434.98	\$ 1,262,364.15
Mar	3.39%	\$ 1,044,187.37	\$ 1,009,965.56	\$ 941,758.39
Apr	3.06%	\$ 929,471.96	\$ 901,870.55	\$ 915,675.11
May	2.33%	\$ 1,331,459.48	\$ 1,301,151.80	\$ 1,197,678.74
Jun	5.74%	\$ 1,104,729.54	\$ 1,044,795.95	\$ 978,402.00
Jul			\$ 975,076.70	\$ 884,896.90
Aug			\$ 1,158,644.13	\$ 1,127,238.08
Sep			\$ 1,003,626.99	\$ 971,655.11
TOTALS		\$ 10,256,573.98	\$ 13,238,504.11	\$ 12,470,316.04
BUDGET		\$ 13,500,000.00	\$ 12,200,000.00	\$ 12,200,000.00

Sales Tax continued – FY 26

Comparative Sales Tax Receipts



General Fund Departments:

- City Council
 - City Manager
 - City Secretary
 - City Judge
 - Human Resources
 - Finance
 - Purchasing
 - Public Works Adm.
 - Garage / Warehouse
 - Street Services
 - Parks/Recreation
 - Aquatic Center
 - Building Maintenance
 - Police /Victim Services
 - Fire Services
 - Library
 - Development Services
 - Engineering
 - Grants
 - Survey
 - Inspections
 - Health
 - Economic Development
 - Main Street
-

Utility Fund Departments:

■ Water:

- Surface Water Plant
- Water Production
- Water Distribution
- Meter Reading

■ Wastewater

- Wastewater Collection
- AJ Brown WW Treatment Plant
- NB Davidson WW Treatment Plant
- Robinson Creek WW Treatment Plant
- Environmental Services
- Street Sweeping

Other Various Funds:

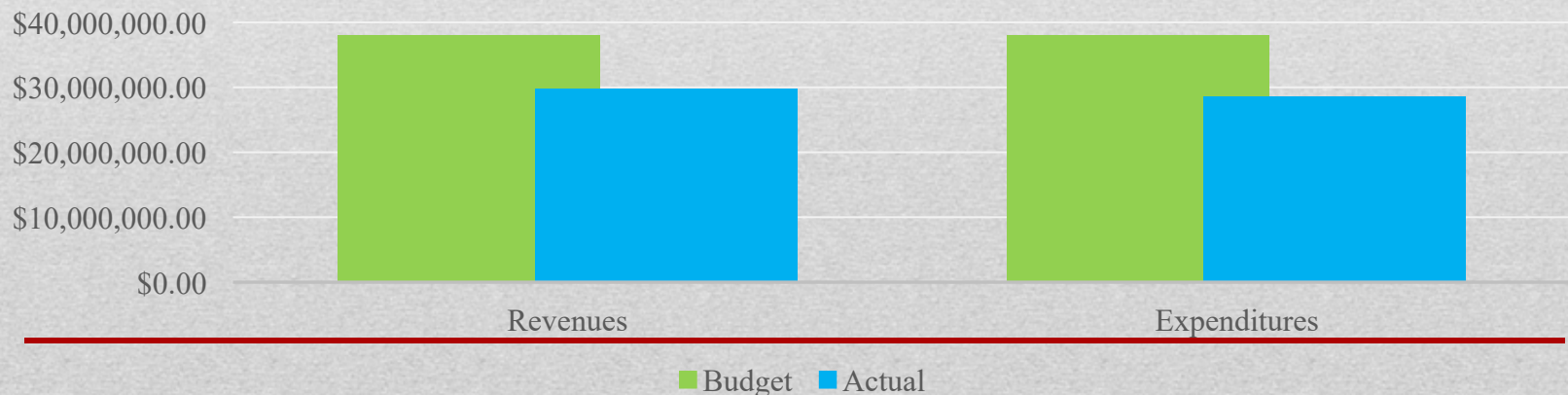
- Solid Waste Fund
- Drainage Fund
- Airport Enterprise Fund (New Fund)
- Health Insurance Fund
- Art Fund –Special Revenue Fund
- Hotel/Motel –Tourism Fund
- Other minor funds

General Fund Summary Revenues & Expenditures: FY 25-26

79% of the budget period

Revenues -Budget	\$ 37,966,728
Expenditures -Budget	<u>(\$37,966,728)</u>
Balanced Budget	\$ -0-

Revenues –Actual as of 6.16.26	\$29,737,980 – 78%
Expenditures –Actual as of 6.16.26	(\$28,541,964) – 73%



General Fund – Preliminary FY 27 Budget

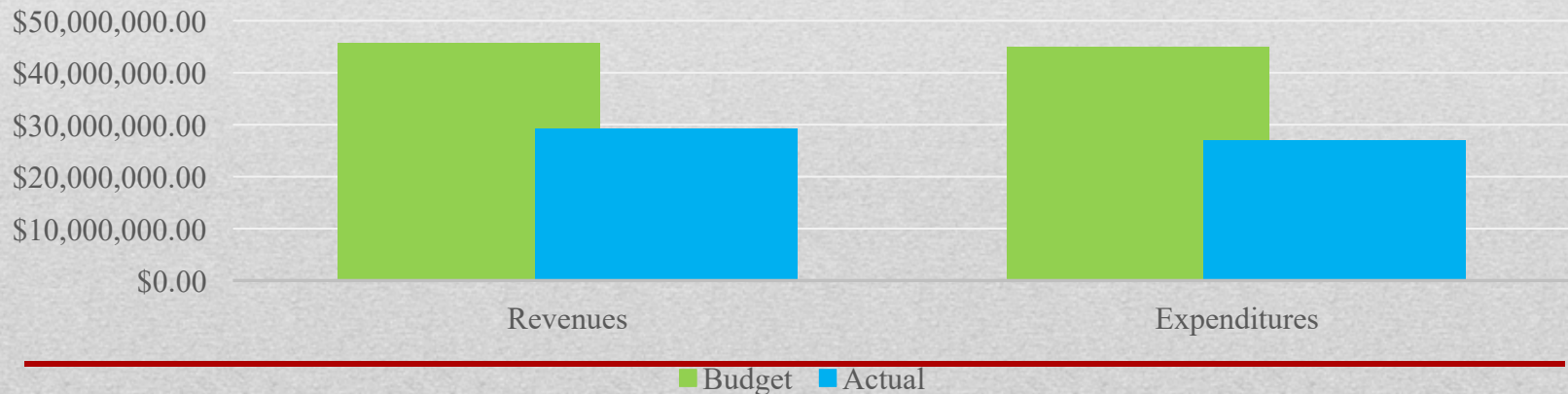
Revenues	\$41,592,281
Base Expenditures	<u>\$38,646,461</u>
Difference	\$ 2,916,484
Decision Package Requests	<u>\$ 3,974,322</u>
Total Difference	(\$1,028,502)

Utility Fund Summary Revenues & Expenditures: FY 25-26

79% of the budget period

Revenues -Budget	\$ 45,721,814
Expenditures -Budget	<u>(\$45,007,733)</u>
Balanced Budget	\$ 714,081

Revenues –Actual as of 6.16.26	\$29,285,449 – 64%
Expenditures –Actual as of 6.16.26	*(\$26,957,161)- 61%



Utility Fund - Preliminary FY 27 Budget

Revenues	\$49,556,684
Base Expenditures	<u>\$46,979,093</u>
Difference	\$2,577,591
Decision Package Requests	<u>\$486,531</u>
Total Difference	\$2,091,060

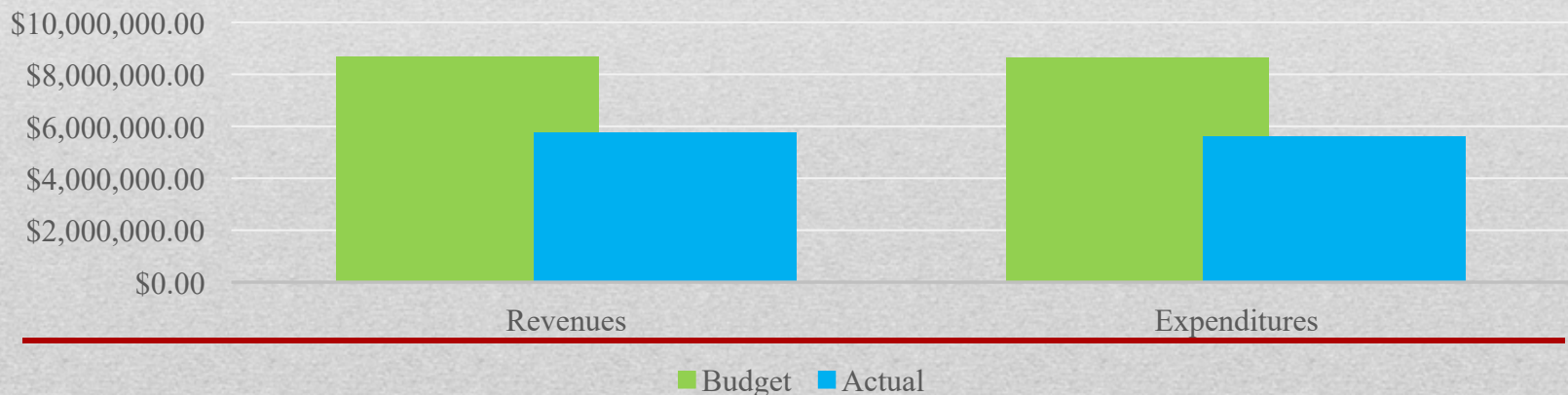
**FY 26 Water/Wastewater debt has yet to be issued -\$2M placeholder in FY 27 budget for interest

Solid Waste Fund Summary Revenues & Expenditures: FY 25-26

79% of the budget period

Revenues -Budget	\$ 8,682,090
Expenditures -Budget	<u>(\$8,625,198)</u>
Balanced Budget*	\$ 56,892

Revenues –Actual as of 6.16.26	\$ 5,744,144 – 66%
Expenditures –Actual as of 6.16.26	(\$ 5,620,500) – 65%



Solid Waste Fund - Preliminary FY 27 Budget

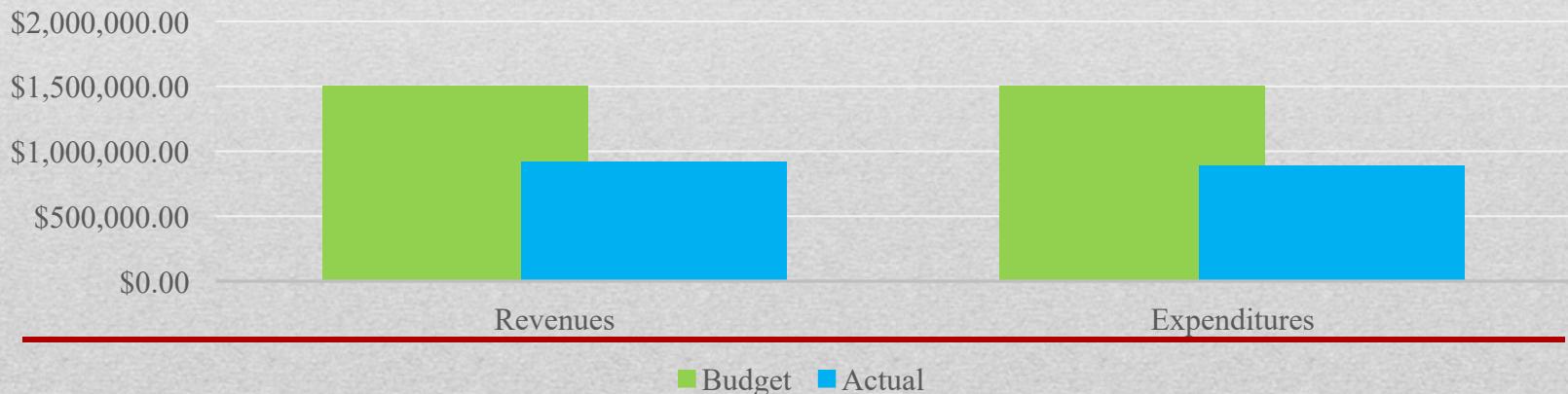
Revenues	\$9,339,075
Base Expenditures	<u>\$8,976,622</u>
Difference	\$ 362,453
Decision Package Requests	<u>\$ 22,109</u>
Total Difference	\$340,344

Drainage Summary Revenues & Expenditures: FY 25-26

79% of the budget period

Revenues –AMD Budget	\$ 1,505,500
Expenditures -Budget	\$ 1,505,500
Balanced Budget	\$ -0-

Revenues –Actual as of 6.16.26	\$920,803 – 61%
Expenditures –Actual as of 6.16.26	(\$890,964) – 59%



Drainage Fund - Preliminary FY 27 Budget

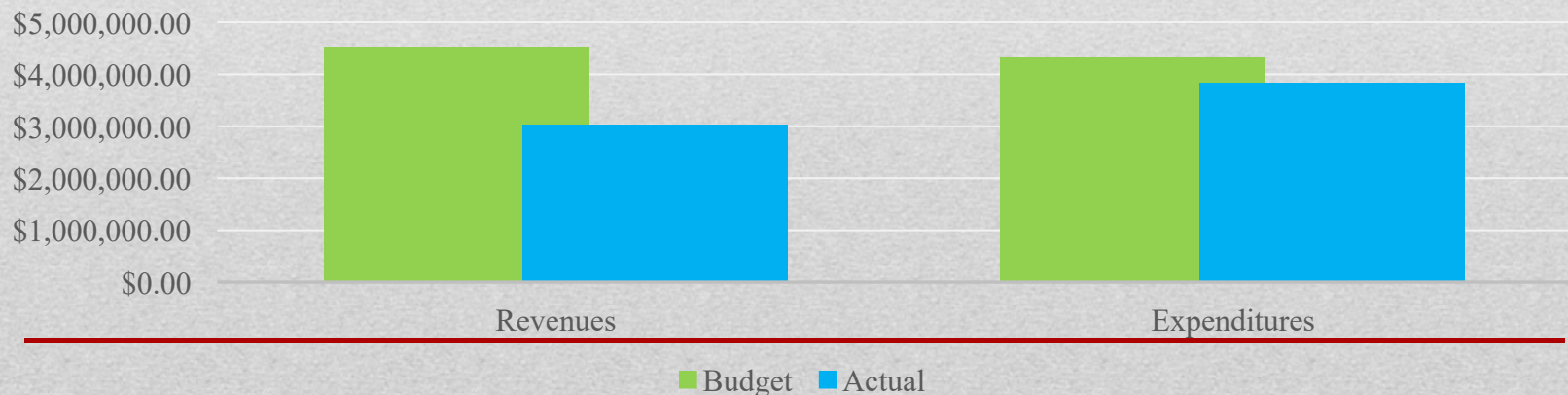
Revenues	\$1,512,500
Base Expenditures	<u>\$1,585,123</u>
Difference	(\$ 47,623)
Decision Package Requests	<u>\$ 14,082</u>
Total Difference	(\$ 86,705)

Medical Insurance Fund Summary Revenues & Expenditures: FY 25-26

79% of the budget period

Revenues -Budget	\$ 4,517,999
Expenditures -Budget	<u>(\$4,313,629)</u>
Balanced Budget	\$ 204,370

Revenues – Actual as of 6.16.26	\$ 3,019,109 – 67%
Expenditures – Actual as of 6.16.26	(\$ 3,836,458) – 89%



*Planned use of fund balance in FY 26

Medical Insurance Fund - Preliminary FY 27 Budget

Revenues	\$4,408,639
Base Expenditures	<u>\$4,954,307</u>
Difference	\$(545,668)
Decision Package Requests	<u>\$ -0-</u>
Total Difference	\$ - 0 -

SRO Fund Summary Revenues & Expenditures: FY 25-26

79% of the budget period

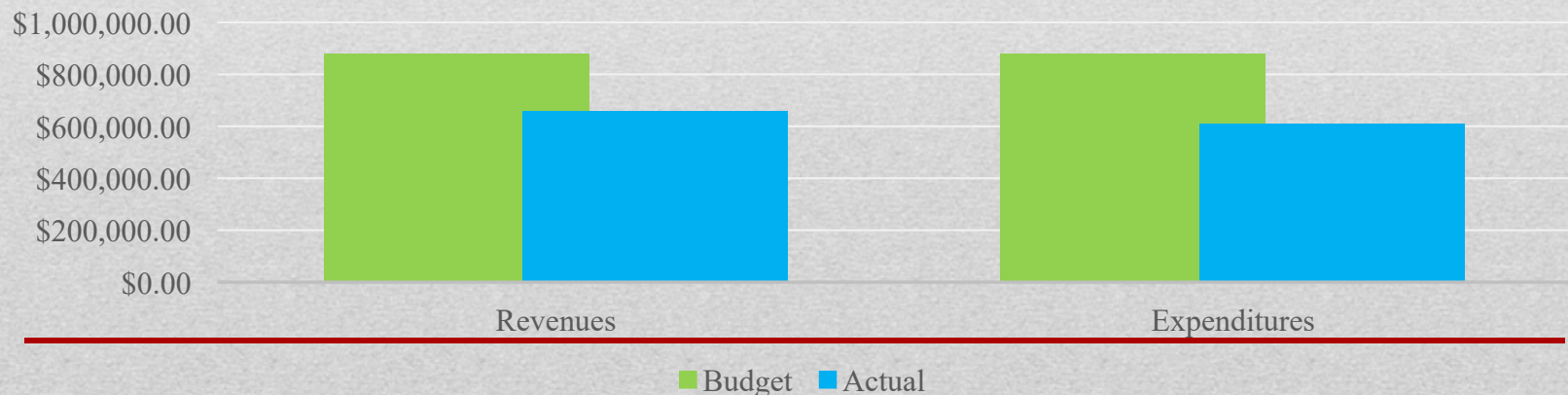
Revenues -Budget \$ 876,770

Expenditures -Budget (\$876,770)

Balanced Budget \$ - 0-

Revenues –Actual as of 6.16.26 \$ 657,047 – 75%

Expenditures –Actual as of 6.16.26 (\$608,083) – 70%



SRO Fund - Preliminary FY 27 Budget

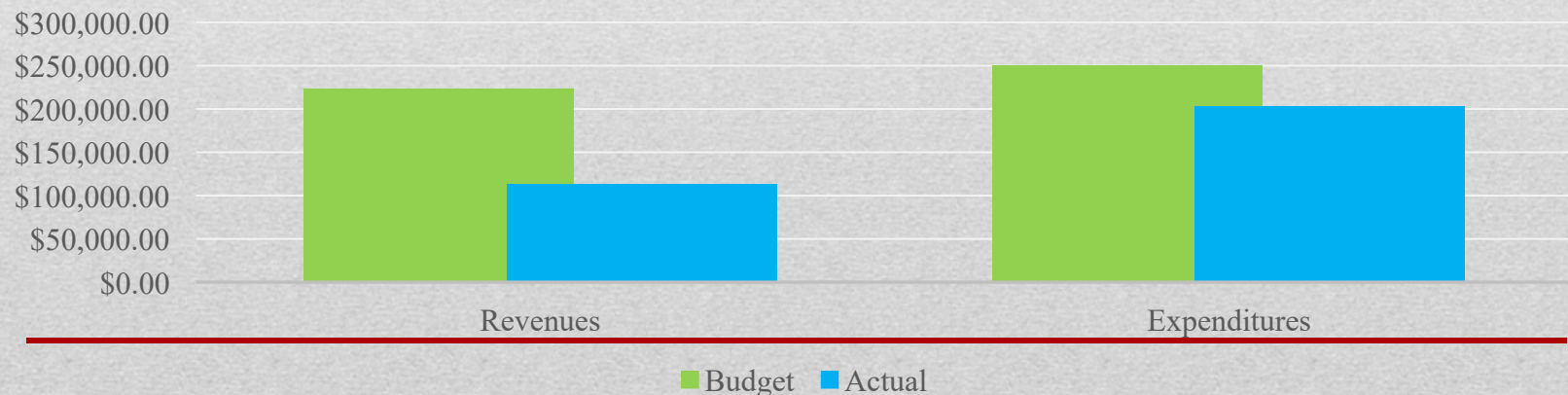
Revenues	\$ 880,824
Base Expenditures	<u>\$ 858,752</u>
Difference	\$ 22,072
Decision Package Requests	<u>\$ 12,072</u>
Total Difference	\$ 10,000

Art (Hotel/Motel Tax) Fund Summary Revenues & Expenditures: FY 25-26

79% of the budget period

Revenues -Budget	\$ 223,340
Expenditures -Budget	<u>(\$249,619)</u>
Balanced Budget*	\$ 26,279

Revenues –Actual as of 6.16.26	\$ 113,528 – 49%
Expenditures –Actual as of 6.16.26	(\$202,770) – 36%



*Planned use of fund balance

Art (Hotel/Motel Tax) Fund - Preliminary FY 27 Budget

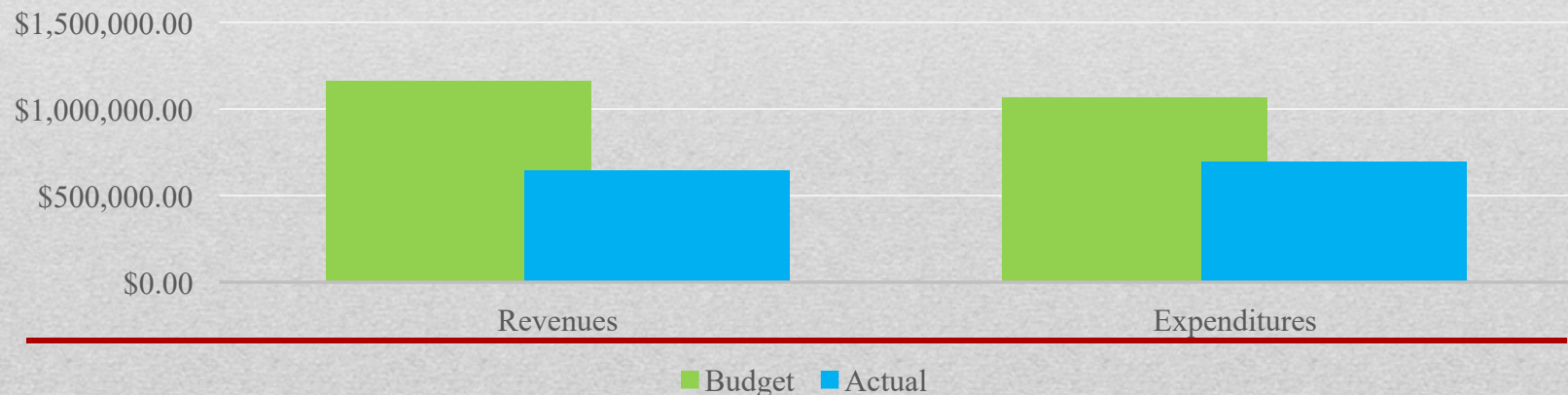
Revenues	\$ 212,700
Base Expenditures	<u>\$ 271,308</u>
Difference	(\$ 58,608)
Decision Package Requests	<u>\$ 1,416</u>
Total Difference	(\$ 60,024)

Hotel/Motel Tax – Visitor Ctr. & Tourism Fund Summary Revenues & Expenditures: FY 25-26

79% of the budget period

Revenues -Budget	\$ 1,160,500
Expenditures -Budget	<u>(\$1,066,039)</u>
Balanced Budget*	\$ 94,461

Revenues –Actual as of 6.16.26	\$641,114 – 55%
Expenditures –Actual as of 6.16.26	(\$695,321) – 64%



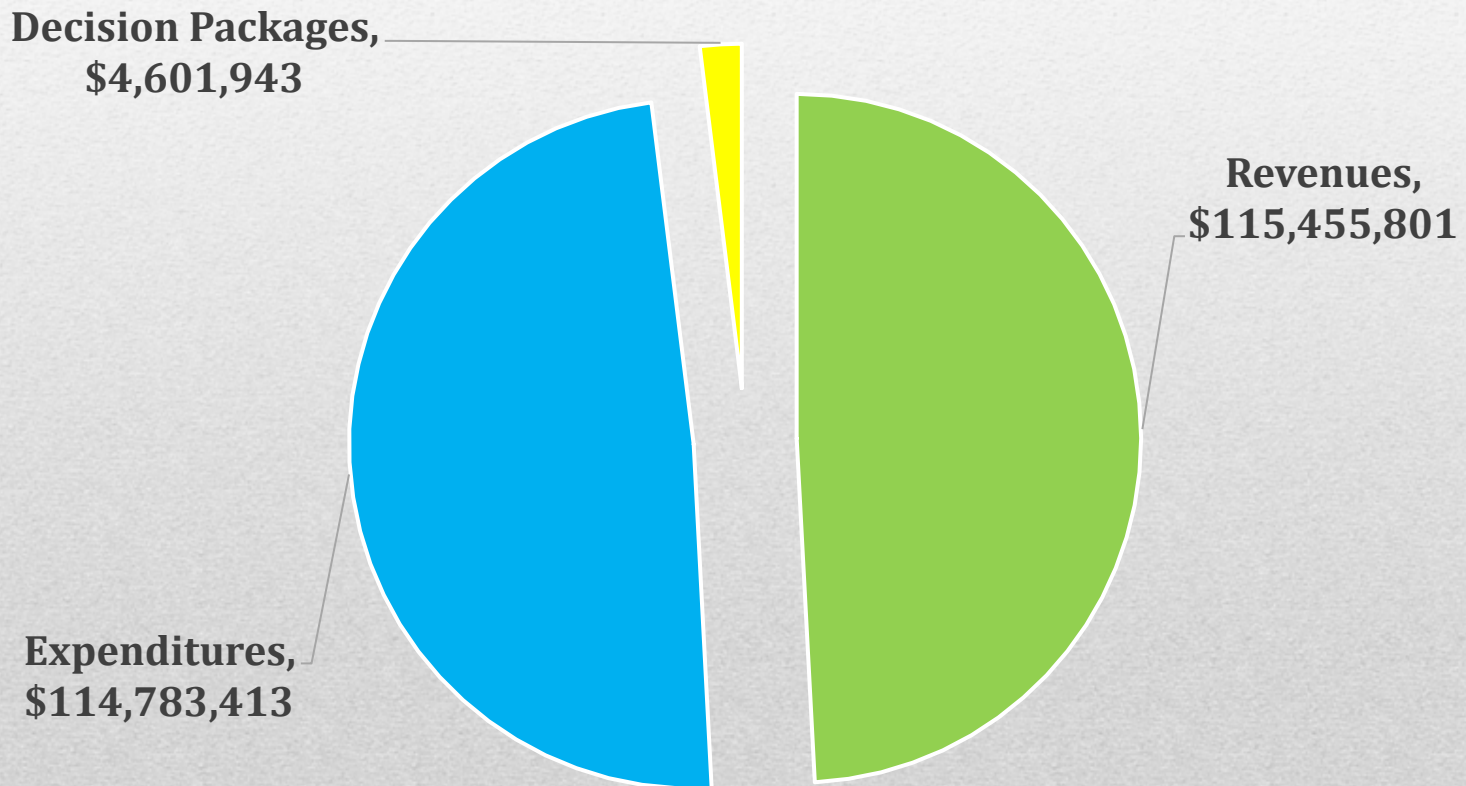
*Planned use of fund balance

Hotel/Motel Tax- Visitor Ctr./Tourism-Fund Preliminary FY 27 Budget

Revenues	\$1,160,000
Base Expenditures	<u>\$1,211,073</u>
Difference	(\$ 51,073)
Decision Package Requests	<u>\$ 97,676</u>
Total Difference	(\$ 148,749)

Total Preliminary FY 27 Budget

Total Revenues -Budget	\$ 115,455,801
Total Expenditures –Budget*	<u>(\$114,783,413)</u>
Total Budget	\$ 672,388



Budget Calendar - Working

- ❖ July 17th – Projected date Certified Totals rec'd from WCAD
- ❖ August 7th – City Manager delivers Recommended Budget to City Council.
- ❖ August 11th – Council Budget Workshop # 2 –Full proposed budget review
Agenda Item for Tax Rate – Intent and Public Hearing
- ❖ August 18th – Notice of Public Hearing on the budget posted in newspaper
- ❖ September 1st – Public Hearing for Budget & 1st reading of Budget-related
Ordinances (move to postpone approval of Budget to 9/15/26)
- ❖ September 15th –Public Hearing on Proposed Tax Rate. Adoption of Budget
and Tax Rate



Questions?



CITY COUNCIL FINANCE COMMITTEE AGENDA

7/7/2026

Agenda Item Number: 2.c.

Agenda Item: Discussion of TPWD Grant Applications for Emancipation Park.

Initiating Department/Presenter: Finance

Presenter:

Christina Bodin-Turner, Grants Manager

Discussion: Staff is currently developing two Texas Parks and Wildlife Department (TPWD) Local Park Grant applications for improvements at Emancipation Park and is seeking Finance Committee feedback and concurrence to continue moving forward with the applications before initiating the public hearing process required for submission.

Non-Urban Outdoor Recreation Grant

The proposed outdoor recreation project would fund construction of an enclosed basketball pavilion and related site improvements at Emancipation Park. The pavilion is designed as an outdoor recreation facility and will not be air-conditioned. The structure will include roll-up doors that can be opened to provide an open-air recreational environment during normal operations and closed during inclement weather to improve usability and protect users from the elements. Because the facility is designed and operated as an outdoor recreation amenity, it is eligible for consideration under the TPWD Non-Urban Outdoor Recreation Grant Program.

Staff is developing an application for grant funding in an amount not to exceed \$750,000, which would require a minimum local match of up to \$750,000, resulting in a minimum total project value of up to \$1,500,000.

Non-Urban Indoor Recreation Grant

The proposed indoor recreation project would fund construction of the second building originally planned as part of the Martin Luther King, Jr. Recreation Center renovation project. This facility was included in the original project design but was value-engineered out of Phase I due to budget constraints. Engineering and design documents for the facility have already been completed, positioning the project to move directly toward construction if funding is secured.

Staff is developing an application for grant funding in an amount not to exceed \$1,500,000, which would require a minimum local match of up to \$1,500,000, resulting in a minimum total project value of up to \$3,000,000.

Together, these projects would expand recreational opportunities at Emancipation Park while building upon the City's previous investment in the Martin Luther King, Jr. Recreation Center improvements.

Funding Considerations

If both applications are submitted at the maximum funding levels, the City's combined grant request would total up to \$2,250,000, with a corresponding minimum local match commitment of up to \$2,250,000, resulting in a combined minimum project value of up to \$4,500,000.

TPWD evaluates applications through a competitive scoring process. Additional scoring consideration may be available for projects that provide funding above the required minimum local match. As project scopes, budgets, and potential funding sources continue to be evaluated, staff will also consider whether opportunities exist to provide additional local investment beyond the minimum match requirement.

Public Hearing Requirement

TPWD requires applicants to conduct a public hearing and obtain governing body authorization prior to submitting a grant application. The public hearing provides an opportunity for residents and stakeholders to review the proposed projects and provide comments. Subject to Finance Committee feedback, staff anticipates bringing both applications to the City Council on July 21, 2026, for the required public hearing and consideration of resolutions authorizing submission of the applications. Both applications remain under development and are subject to refinement based on public input, technical review, cost estimates, and grant program requirements.

Financial Implications:

Associated Information:

1. TPWD Local Parks Grant Project Information

TPWD Local Parks Grant Applications – Emancipation Park

Purpose

Provide the Finance Committee with an overview of two proposed Texas Parks and Wildlife Department (TPWD) Local Parks Grant applications for Emancipation Park and request feedback on moving forward with the application process.

Application Deadline: August 1, 2026

If the Committee supports moving forward, staff will complete the applications and prepare the required resolution for City Council consideration.

Background

The Texas Parks and Wildlife Department (TPWD) Local Parks Grant Program provides competitive matching grants to help local governments improve public parks and recreational facilities.

Over the past several weeks, City staff have reviewed the City's planning documents, evaluated potential projects, and met with the City's TPWD Grant Coordinator to better understand the program requirements and identify projects that align with the grant's objectives and scoring criteria.

Based on that work, staff identified the two projects presented below as the most competitive opportunities to pursue during this funding cycle. Both projects support the City's long-term vision for Emancipation Park, address identified community recreation needs, and align well with the goals of the TPWD Local Parks Grant Program.

Grant Program	Proposed Project
Non-Urban Outdoor Recreation Grant	Enclosed Basketball Pavilion
Non-Urban Indoor Recreation Grant	Community Building (Phase II)

Both projects continue to be refined as staff develop the application materials.

Proposed Projects

Outdoor Recreation Grant - Enclosed Basketball Pavilion

Project Highlights

- Enclose the existing basketball pavilion with permanent walls and roll-up doors

- Remain naturally ventilated (no air conditioning)
- Increase year-round use
- Expand opportunities for recreation programs and community events

Funding

Maximum Project Cost	\$1,500,000
TPWD Grant (50%)	\$750,000
City Match (50%)	\$750,000

Actual costs will depend on the final project scope and cost estimates.

Indoor Recreation Grant - Community Building (Phase II)

Project Highlights

- Construct the next phase of improvements at Emancipation Park
- Flexible community meeting and programming space
- Youth activities and recreation programming
- Indoor/outdoor restroom access
- Designed to maximize public access

Funding

Maximum Project Cost	\$3,000,000
TPWD Grant (50%)	\$1,500,000
City Match (50%)	\$1,500,000

Actual costs will depend on the final project scope and cost estimates.

Funding Overview

Project	Grant	City Match	Total Project
Outdoor Recreation	\$750,000	\$750,000	\$1,500,000
Indoor Recreation	\$1,500,000	\$1,500,000	\$3,000,000
Combined Maximum	\$2,250,000	\$2,250,000	\$4,500,000

Please Note

Submission of an application does **not** obligate the City to accept grant funding or proceed with construction.

If either application is selected for funding, staff will return to City Council with the final project budget, grant award, and any required budget amendments for consideration.

Requested Action

Staff is seeking the Finance Committee's feedback on moving forward with the preparation and submission of these two TPWD Local Parks Grant applications.



CITY COUNCIL FINANCE COMMITTEE AGENDA

7/7/2026

Agenda Item Number: 2.d.

Agenda Item: Discussion of Apache Corporation Tree Grant Application.

Initiating Department/Presenter: Finance

Presenter:

Christina Bodin-Turner, Grants Manager

Discussion: The Parks & Leisure Department has identified an opportunity to apply for the Apache Corporation Tree Grant Program. If awarded, the City would receive fifty (50) five-gallon native trees for a beautification and green space enhancement project. The grant provides the trees and delivery at no cost to the City; however, the City would be responsible for planting and ongoing maintenance, with an estimated in-kind project cost of \$5,000. Staff would like to discuss whether the City should pursue this opportunity and whether the application should be presented to the City Council prior to submission.

Financial Implications:

Associated Information:

1. Apache Tree Grant Program Finance Committee Brief

Apache Corporation Tree Grant Program – Emancipation Park

Purpose

The purpose of this item is to discuss a potential application to the Apache Corporation Tree Grant Program and obtain the Finance Committee's feedback on whether the City should pursue this opportunity and whether the application should be presented to the City Council prior to submission.

Background

APA Corporation (formerly Apache Corporation) offers an annual Tree Grant Program that provides native trees to nonprofit organizations and government agencies for projects that enhance public green spaces, support conservation efforts, improve wildlife habitat, and promote community beautification. Since the program's inception in 2005, more than five million trees have been donated to over 1,000 organizations throughout the United States.

The Parks & Leisure Department has identified this program as a potential opportunity to support future tree planting and beautification efforts within the City of Huntsville.

Proposed Project

If approved for submission and selected for funding, the City would receive fifty (50) five-gallon native trees, delivered at no cost to the City.

The Parks & Leisure Department proposes utilizing the trees at Emancipation Park to support ongoing beautification efforts and enhance the park's tree canopy through the planting of native species appropriate for the site. Final tree selection and planting locations within the park would be determined by the Parks & Leisure Department.

The grant application indicates the trees would be planted during the **February–April 2027** planting season.

Benefits

Participation in the program would:

- Enhance the tree canopy at Emancipation Park.
- Improve the park's appearance and provide additional shade for visitors.
- Increase the use of native tree species on City property.
- Provide environmental and wildlife habitat benefits.
- Leverage private-sector resources to improve a public park with minimal financial impact to the City.

Funding Overview

Funding Source	Amount / Description
Apache Corporation Tree Grant Program	Fifty (50) five-gallon native trees and delivery
City of Huntsville (In-Kind Contribution)	Approximately \$5,000 for staff labor, equipment, planting materials, watering, and ongoing maintenance
Cash Match Required	None

Requested Action

Staff would like to discuss whether the City should pursue this grant opportunity and whether the application should be presented to the City Council prior to submission.



CITY COUNCIL FINANCE COMMITTEE AGENDA

7/7/2026

Agenda Item Number: 2.e.

Agenda Item: Consider a recommendation to the City Council to authorize the City Manager to approve a change order to O&J Coatings for additional work performed on the Two Million Gallon Elevated Storage Tank Project at the Palm Street Water Plant.

Initiating Department/Presenter: Finance

Presenter:

Kim Kembro, Public Works Director

Ricardo Villagrand, Assistant City Manager

Discussion:

The Two Million Gallon Elevated Storage Tank (EST) is an above-ground potable water storage tank located at the Palm Street Water Plant. A complete blast and repaint were performed on this tank during the 1st quarter of 2026. The planned scope of work for the elevated storage tank included complete exterior and interior (wet) sandblasting and repainting with a three-coat finish. Other work included the replacement of the condensation catch pan, updated Sam Houston State University logo, updated Huntsville Hornet logo and the City of Huntsville logo.

We were not aware that the bid specifications required the **interior dry** area of the tank to be explicitly identified. It was during the course of the project that we discovered this portion of the work had not been specifically included in the bid scope. Our intent during bid preparation was to include all interior pressure-washing and recoating work, and we believed the bid documents adequately conveyed that scope. As a result, all bidders submitted pricing for pressure washing and recoating the tank interior; however, the specifications did not expressly identify the **interior dry** area. Despite this oversight, O&J remained the lowest responsive bidder based on the overall bid. Because the omission did not affect the competitive standing of the bids, we did not believe it was necessary or in the City's best interest to reject the bids and rebid the project. Since the remainder of the tank was already being abrasive blasted and recoated, we determined it was appropriate to have the interior dry area pressure-washed and recoated as well. Completing this work concurrently ensured the rehabilitation project was finished to a consistent standard while avoiding the additional mobilization costs and delays that would have resulted from performing the work under a separate contract at a later date.

City staff utilized sealed bid proposals for rehabilitation to the Palm Street 2MG Elevated Storage

Tank to achieve optimal results at a competitive price. Multiple vendors were invited to bid, and the invitation to bid was advertised as required. A mandatory site visit was conducted on December 9, 2025, and four bids were received and opened on December 18, 2025. Staff checked references for O&J Coatings INC and recommended approval to provide the necessary services, as outlined in the quote, for \$897,300.00. This item was presented to the Finance Committee on February 3, 2026, and was recommended for presentation to the full council. City Council approved this item on February 3, 2026.

Financial Implications:
Associated Information:



CITY COUNCIL FINANCE COMMITTEE AGENDA

7/7/2026

Agenda Item Number: 2.f.

Agenda Item: Consider a recommendation to the City Council to authorize the City Manager to enter into a contract with McKinney & Moore of Texas, LLC to rehabilitate the Chlorine Building at the AJ Brown Wastewater Treatment Facility (WWTF).

Initiating Department/Presenter: Finance

Presenter:

Kim Kembro, Public Works Director

Ricardo Villagrand, Assistant City Manager

Discussion:

On May 29, 2024, the Chlorine Building at the AJ Brown WWTF experienced a major chlorine gas leak. The leak occurred so rapidly and in such high volume that it disabled the building's ventilation system, trapping the gas inside. This resulted in catastrophic corrosion and failure of almost every piece of equipment and electrical component within the building.

Since the incident, plant staff have relied on manual chlorine dosing. While this temporary workaround keeps the plant operational, it is neither efficient nor reliable. Furthermore, the leak destroyed the building's SCADA system, which is critical for transmitting emergency alarms and allowing the dosing system to automatically adjust based on real-time flow meters.

To address these vulnerabilities, the City partnered with the engineering firm Lockwood, Andrews & Newnam, Inc. (LAN) to design and draw up a formal scope of work for the complete rehabilitation of the building.

Using LAN's engineered scope, city staff initiated a competitive sealed bid process to achieve optimal results at a competitive price. The project was formally advertised in accordance with procurement requirements, and a site visit for potential bidders was conducted. The first solicitation was posted on January 12, 2026, with only one (1) vendor attending the site visit and only one (1) bid opened on February 10, 2026. In an effort to attract more vendors, the solicitation was reissued on March 12, 2026, with eleven (11) vendors attending the site visit, and one (1) bid was opened again on April 7, 2026.

Public Works staff has evaluated the bid received to determine the best value to the City. Staff

recommends approving McKinney & Moore of Texas LLC to rehabilitate the Chlorine Building at the AJ Brown Wastewater Treatment Facility (WWTF) in the amount of \$806,672.21. Funding for this item will require a Budget Amendment to allow combining the CIP funds and the division line item.

Financial Implications:

Associated Information:



CITY COUNCIL FINANCE COMMITTEE AGENDA

7/7/2026

Agenda Item Number: 2.g.

Agenda Item: Budget Amendments.

Initiating Department/Presenter: Finance

Presenter:

Lance Hall, Finance Director

Discussion: Discussion and possible action on proposed Budget Amendments.

Financial Implications:

Associated Information:

1. 06.07.2026 Council Meeting Budget Amendment Summary
2. BA Chlorine Room CIP Project

Fiscal Year 2026-27 Budget Amendments

July 7th, 2026

a.

Increase: Library Grant Revenue	\$ 2,500
Increase: Library Purchases Special Monies	\$ 2,500

Explanation: This amendment is for the Texas Book Festival 2026 Library Grant awarded to the Huntsville Public Library. The City has received an award for \$2,500 to purchase e-books and e-audiobooks for the library's digital collection. This budget adjustment records the grant revenue This amendment is for the Texas Book Festival 2026 Library Grant awarded to the Huntsville Public Library. The City has been awarded \$2,500 to purchase e-books and e-audiobooks for the library's digital collection. Grant funds are anticipated to be received by July 10, 2026.

Budget Amendments FY 25-26 June 16, 2026 Finance Committee and City Council
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Exhibit B

Decrease Purchased Services Contracts -Utility Fund -AJ Brown WWTP		\$ 506,672
Increase: Chlorine Room Repairs -FY 26 CIP Project		\$ 506,672
Explanation:	This amendment moves funds from the department budget to a CIP project that came in over the CIP budgeted amount of \$ 300K. With this amendment, the project will have a total of \$806,672.21 to rehabilitate the Chlorine Building at the AJ Brown WWTP.	