

THE LEVELLAND CITY COUNCIL MET IN A SPECIAL MEETING ON MONDAY, THE 25th DAY OF AUGUST, 2025, AT LEVELLAND CITY HALL, R. O. DENNIS COUNCIL CHAMBERS, 1709 AVENUE H, WITH THE FOLLOWING MEMBERS PRESENT:

Breann Buxkemper	Honorable Mayor	Present
Michael Stueart	Mayor Pro Tem	Present
Bill Powell	Council Member	Absent
Max Ledesma	Council Member	Present
Jaime McCabe	Council Member	Present
Slater Elza	City Attorney	Present
James Fisher	City Manager	Present
Justin Balderas	Asst. City Manager	Present
Andréa Corley	City Secretary	Present

The City Council meeting was called to order at 6:00pm by Mayor Buxkemper.

The Pledge was led by Mayor Breann Buxkemper.

The Invocation was led by Mayor Pro Tem Michael Stuart.

Statements by Citizens:

There was one statement by a citizen expressing concern about the city's level of spending.

FIRST ITEM OF BUSINESS:

Consider all matters incident and related to the issuance and sale of "City of Levelland, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2025A", including the adoption of Ordinance 1096 authorizing the issuance of such certificates of obligation.

City staff presented an overview of the financial impact of the Wastewater Treatment Plant project on Monday, April 28th. On Monday, May 5th, Jason Hughes, Hilltop Securities, presented an overview of the city's current debt status and discussed some options to consider in the award of the bid for the new Wastewater Treatment Plant project. In addition, the city is considering \$3 million bond issuance for the design and construction of a new Animal Services facility.

Following this memo are two spreadsheets; 1) one that shows our current debt situation and 2) one that shows repayment of debt utilizing the Interest and Sinking tax rate and utilizing water/sewer revenue. The spreadsheet discusses two projects for consideration: 1) \$3 million for a new Animal Services facility; and 2) \$7 million for the wastewater treatment plant (additional funds). The city's property tax provides approximately \$3.7 million to the General Fund. The Property tax is measured by the value of a taxpayer's property. It is also

called ad valorem tax, a Latin phrase meaning "according to value." Our property tax rate is made up of two parts, an interest and sinking rate (otherwise known as the debt service rate) and a maintenance/operations rate (this funds the daily operations of the city). Currently (FY 25), the City's Property Tax Rate is .53500/\$100 valuation, maintenance/operations are .498729 and interest/sinking (debt service) is .036271. One penny of property tax generates approximately \$76,000.

The proposed interest/sinking (debt service) rate for FY 26 is .0465/\$100 valuation. This is an increase of .010229.

Staff is also proposing to increase the Wastewater Improvement Fee from \$21.62/ month to \$28.00/month. The WWTP construction bid is \$26,265,000. This amount is approximately \$6,615,000 higher than projected. This fee will need to be reviewed in 3 years to determine if there is an additional increase needed to pay the debt service and to provide reserve funds within the Wastewater Fund.

The 2022 Certificate of Obligation series (original WWTP construction bond) and the proposed 2025 Certificate of Obligation series (additional WWTP construction costs) have an estimated annual payment of **\$2,070,575**. The city has approximately 5200 active utility accounts; **[5200*\$28.00=\$145,600/month; \$145,600*12=\$1,747,200]**. The city receives approximately \$320,000/year from the sale of effluent water. **[\$1,747,200 + \$320,000 = \$2,067,200]** This leaves a shortfall of **\$3,375/year**. We will utilize WW Improvement Fee funds (reserve funds) to cover the difference. Once the WWTP comes online (Winter 2026), we will review our financial status at that time.

***25% of the Series 2025 CO Debt Service for the WWTP is paid for with I & S taxes.

****The city has an additional \$516,000 annual payment in Utility Revenue Supported Debt Service due to the issuance of debt for the replacement of water meters. The funds to pay this debt will come from recovered revenue due to inefficient meters.

Motion by Michael Stueart

Seconded by Max Ledesma

To approve the issuance and sale of "City of Levelland, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Series 2025A", including the adoption of Ordinance 1096 authorizing the issuance of such certificates of obligation

Motion carried unanimously.

SECOND ITEM OF BUSINESS:

Consider all matters incident and related to the issuance and sale of "City of Levelland, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of

Obligation, Taxable Series 2025B", including the adoption of Ordinance 1097 authorizing the issuance of such certificates of obligation.

All information regarding this agenda item was expressed in the previous agenda item. The previous item was for the tax-exempt CO's and this item is for the taxable CO's. (for reference: taxable CO's because effluent water from the wastewater treatment plant is sold to HET Diamond Ethanol, a taxable entity.)

Motion by Michael Stueart

Seconded by Jaime McCabe

To approve the issuance and sale of "City of Levelland, Texas, Tax and Waterworks and Sewer System (Limited Pledge) Revenue Certificates of Obligation, Taxable Series 2025B", including the adoption of Ordinance 1097 authorizing the issuance of such certificates of obligation.

Motion carried unanimously.

THIRD ITEM OF BUSINESS:

Consider and take necessary action to amend the Levelland Main Street Bylaws.

The Main Street Advisory Board would like to recommend to City Council the revision of the Main Street Advisory Board bylaws. The revisions include Article II, paragraph two: change of Board Terms shall begin January 1st and end December 31st. As well as Article III, last statement. Beginning in 2025, officer terms shall begin on January 1st and end on December 31st.

The purpose of the proposed revision is appoint board members and elect officers on calendar year terms, as opposed to the previous fiscal year terms.

Motion by Jaime McCabe

Seconded by Max Ledesma

To approve the amendments to the Levelland Main Street Bylaws.

Motion carried unanimously.

FOURTH ITEM OF BUSINESS:

Consider and take necessary action to extend a Fire Service Agreement with Hockley County to provide fire suppression in the county.

The current contract expires on September 30, 2025. The proposed amendment extends the current Agreement through September 30, 2027.

Motion by Michael Stueart

Seconded by Jaime McCabe

To approve the Fire Service Agreement extension with Hockley County

Motion carried unanimously.

FIFTH ITEM OF BUSINESS:

Consider and take necessary action to award bids for police department vehicles

The City of Levelland issued and RFP for 20 police vehicles:

One ACO Truck

One K9 vehicle

Four Admin vehicles

14 Patrol vehicles

We received bids from six dealerships.

- Sames – Disqualified for failing to include required outfitting in their proposal.
- Smith Auto Family (Admin, K-9, Patrol bids) – Submitted with 3.3L V6 Hybrid and 3.0L EcoBoost engines, which do not meet the RFP requirement of a minimum 3.5L EcoBoost V-6 Interceptor or 5.7L V-8 Interceptor with auxiliary oil cooler. Although lower priced, these units do not meet specifications and are disqualified.

Animal Control Unit

- Smith Auto Family: \$55,219.70
- Silsbee Ford: \$60,999.47
- Premier CDJR: \$63,443.00

Recommendation: Award to Smith Auto Family as lowest qualified bid.

Administrative Units (x4)

- Grapevine CDJR: \$58,701 each / \$234,804 total (includes \$400 delivery fee per unit)
- Premier CDJR: \$58,949.25 each / \$235,797 total
- Levelland Chevrolet: \$72,312 each / \$289,248 total

Grapevine and Premier are within \$993 (\$493 after tint). Grapevine is 350 miles away; Premier is 70 miles and offers warranty pickup/return, service priority, and window tinting (\$500 value).

K-9 Unit

- Grapevine CDJR: \$73,731 (includes \$400 delivery fee per unit)
- Premier CDJR: \$73,999.25
- Levelland Chevrolet: \$84,062

Grapevine and Premier are within \$268.25 (\$143.25 after tint). Grapevine is 350 miles away; Premier is 70 miles and offers warranty pickup/return, service priority, and window tinting (\$125 value).

Patrol Units (x14)

- Grapevine CDJR: \$70,204 each / \$983,256 total (includes \$400 delivery fee per unit & \$400 Contract fee)
- Premier CDJR: \$70,449.25 each / \$986,289.50 total
- Levelland Chevrolet: \$83,162 each / \$1,164,268 total

Grapevine and Premier are within \$3,033.50 (\$1,283.50 after tint). Grapevine is 350 miles away; Premier is 70 miles and offers warranty pickup/return, service priority, and window tinting (\$1,750 value).

Motion by Michael Stueart

Seconded by Max Ledesma

To award ACO Truck bid to Smith Auto Family in the amount of \$55,219.70.

Motion carried unanimously.

Motion by Michael Stueart

Seconded by Jaime McCabe

To award the bid for four Admin Vehicles to Premier CDJR of Lamesa in the amount of \$58,949.25 each

Motion carried unanimously.

Motion by Michael Stueart

Seconded by Max Ledesma

To award the bid for a K-9 Unit to Premier CDJR of Lamesa in the amount of \$73,999.25 each

Motion carried unanimously.

Motion by Michael Stueart

Seconded by Jaime McCabe

To award the bid for 14 Patrol vehicles to Premier CDJR of Lamesa in the amount of \$70,449.25 each

Motion carried unanimously.

SIXTH ITEM OF BUSINESS:

Consider and take necessary action to award bid for lease-purchase financing for police vehicles.

The City of Levelland issued and RFP for vehicles lease-purchase financing. We received four responses. The submissions were scored per the criteria listed in the RFP, and staff contacted references, and did extra homework in order to make a strong recommendation to City Council.

After much consideration, staff recommends awarding the bid to American National Leasing.

- American National Leasing is the only company with an actual bank qualified quoted rate. The other companies will not lock in rates until units arrive.
- American National Leasing allows for one no-cost refinance during the term of the lease.
- American National Leasing is higher cost, but includes fleet sale facilitation at no cost.
- First American is potentially the lowest-cost option, but requires self-handling (or outside coordination) of fleet sales.
- D&M Leasing looks competitive on payments, but service fees push the total higher than American National.
- Smith Auto Family is the most expensive option overall.

Motion by Michael Stueart

Seconded by Max Ledesma

Award the bid to American National Leasing, with a rate of 5.93% bank qualified, and authorize city manager to execute the necessary documents for this lease after consultation of the city attorney, mayor, and financial advisor.

Motion carried unanimously.

SEVENTH ITEM OF BUSINESS:

Consider and take necessary action on Ordinance No. 1095 setting Utility Rates (Wastewater Improvement Fee and Water Improvement Fee) on a second reading.

The proposed Ordinance make several amendments to the existing Code of Ordinances, Appendix A – Fee Schedule, Article 5.00 Utility Related Fees. The wastewater system improvement fee has been increased \$6.32 to \$28.00, per the new wastewater treatment plant construction costs and the water improvement fee has increased from \$1 to \$5 due to increased treatment costs from the City of Lubbock.

Motion by Jamie McCabe

Seconded by Max Ledesma

To approve Ordinance No. 1095 setting Utility Rates (Wastewater Improvement Fee and Water Improvement Fee) on a second reading.

Motion carried unanimously.

EIGHTH ITEM OF BUSINESS:

Discussion about the proposed FY26 Budget.

Discussed the budget letter and potentially utilizing it as a template for future years. Emphasized key areas of expenditure and revenues, including changes made to reflect a 98% collection rate.

No Action Taken

NINTH ITEM OF BUSINESS:

City Manager Report: Staff Updates, Project Updates, Staff/Citizen recognition, Items of Community Interest. No action will be taken.

Made mention that there is a new superintendent for Levelland Independent School District, noted the Labor Day holiday and facility closures. Reminded Council about Levelland Listens on Sept. 2. Noted the SPAG general assembly on the 17th. Said that Leadership Levelland begins on the 9th and we have several applicants. Finally, Council commended the police department on their first ever “Casting with Cops” events.

No Action Taken.

There being no further business, the meeting adjourned.

Respectfully Submitted,

Andréa Corley, TRMC
City Secretary

Breann Buxkemper, Mayor