



City Council Special Meeting Minutes

July 16, 2026 at 6:00 PM

Keene City Hall - Robert G. Cooper Council Chamber
1000 N. Old Betsy Rd., Cleburne, Texas 76031

Recorded Live Stream at <https://www.youtube.com/@cityofkeenetexas>

Members present: Samantha Gillin, Mayor Pro Tem; and Council Members Chuck Easley, Rob Foster, Johnny Shaw, and Troy Smith.

Members Absent: Council Member Bob Chapman

City Staff present: Jonathan Seitz, City Manager; Holly Russell, City Secretary; Don Martin, Director of Development & Neighborhood Services; Mira, Lam, Director of Finance; Chief James Kidd, Keene Police Department; Chief Dan Warner; Keene Fire & Rescue; Derek Malone, Public Works Director; Cari Warwick, Management Assistant; and Keith Barrow, Digital Marketing Coordinator.

1. Call to Order, Invocation, Pledge of Allegiance, Pledge to Texas Flag

Mayor Pro Tem Gillin called the meeting to order at 6:00 p.m. and Council Member Smith gave the invocation.

2. Mayor Announcements

Mayor Pro Tem Gillin thanked all those in attendance for participating in the meeting, and announced that these meetings are also streamed on YouTube. Two more budget workshops will be held in July, and those dates decided later in this evening on the agenda.

3. Public Comments

Chelsea Brown & Omar Jones, Cheldan Homes, wanted to invite the public to open house showings in the new Sunset Ridge development. They have many incentives and assistance for new home buyers. End of September is the planned opening date for this development. The development will have a pickleball court, dog park, and possibly even a playground for children.

Audrey Bayne, 113 W 4th Street, voiced her concerns on the lack of sidewalk on Fourth Street, that four years of water issues have not been fixed. It was asked what the water issues were, and she answered that the water tower needs to be repaired or replaced. Mr. Martin answered the water was fixed three years ago, and she asked about the others. It was asked if she meant the water wells, to which Mr. Seitz spoke to one of the wells being repaired recently and the other is just waiting on a part to arrive. Ms. Bayne urged Council to be more proactive rather than fixing issues when the issue gets bad.

Owen Larson and Eddie Arellano, residents on Shelly Drive, spoke to the drainage issue - Mr. Larson spoke as to his open records request and the items he received. Mr. Arellano, also spoke to the water runoff ruining their homes and wants the city fix the wall. Mayor Pro Tem Gillin asked that this item be added to another Council Meeting agenda.

4. General

General business items for discussion:

- A. Review, discuss, and take action on a resolution to award the bid to McMahon Contracting, LP, for the improvements to County Road 317, for the total contract amount of \$1,174,884.34.**

Don Martin, Director of Neighborhood and Development Services, introduced the item to Council. The City's contract engineering firm, Jacob & Martin, handled the call for bids to manage the County Road (CR) 317 Improvements. Several Bids were received, and they recommend McMahon Contracting, LP, for the total contract amount of \$1,174, 884.34. It was explained that this project will be funded by the Keene Economic Development (Type A) Board, which is why Council needs to approve of the project by resolution. The EDC (Type A) Board has already made the approval of this contractor by Resolution No. 2026-501 at their July 15, 2026 meeting. It will be a concrete road and include an acceleration and deceleration lane on Hwy 67, as well as drainage improvements. A motion was made to approve Resolution No. 2026-502 award the bid to McMahon Contracting, LP, for the improvements to County Road 317, for the total contract amount of \$1,174,884.34, and was seconded. The motion carried.

Motion made by Foster, Seconded by Smith.

Voting Yea: Mayor Pro Tem Gillin, Easley, Foster, Smith, Shaw

RESOLUTION NO. 2026-502

A RESOLUTION BY THE CITY OF KEENE, JOHNSON COUNTY TEXAS, APPROVING THE AWARD OF A CONSTRUCTION SERVICES CONTRACT FOR COUNTY ROAD (CR) 317 RECONSTRUCTION PROJECT FUNDED BY KEENE ECONOMIC DEVELOPMENT CORPORATION (TYPE A), PROVIDING FOR RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE.

B. Review, discuss, and take action to award the bid to A&M Construction and Utilities, Inc., for the improvements to a 10" Sewer Pipe Improvement project, with total contract amount of \$138,000.00.

Mr. Martin introduced the item to Council. The City's contract engineering firm, Jacob & Martin, handled the call for bids to manage the relocation of the 10" Sewer Line within the Canyons Development site, which was part of the 380 Agreement with the developer. Keene ISD gave the easement at no cost for this project. The Fiscal Year 2026 Budget include \$100,000 for this project, and the next budget will pay the remaining. The funds will come from the Water/Sewer Fund. They recommend awarding the bid to A&M Construction and Utilities, Inc., for the total contract amount of \$138,000.00. A motion was made to award the contract to A&M Construction and Utilities, Inc., for the total contract amount of \$138,000.00, and was seconded. The motion carried.

Motion made by Easley, Seconded by Smith.

Voting Yea: Mayor Pro Tem Gillin, Easley, Foster, Smith, Shaw

5. BUDGET WORKSHOP: Fiscal Year 2027

Informational reports only; no action to be taken.

A. Receive information and discuss operational expenses and Capital Improvement Projects (CIP) regarding the Fiscal Year 2026-2027 (FY27) Proposed Budget.**

Jonathan Seitz, City Manager opened the workshop with Council, and discussed the various expenditures proposed by the departments; except for personnel and benefits which will be discussed at another workshop. He began with showing the change in city demographics. Even though type of households has changed, the city continues to grow. Mira Lam, Director of Finance, spoke to the proposed expenditures for the next Fiscal Year. She explained that many cities are preparing to meet Government Accounting Standards Board (GASB) 103 standards, which required a much more detailed reporting of government finances. She explained the different funds that make up the City's budget, such as General, Water/Sewer, Capital

Improvement Projects (CIP), etc. She explained the requests for the various Improvement Projects. There was some discussion about what should be budgeted for the 10" Sewer Line Relocation for FY27. Administration said they would make sure to accurately represent the amounts being spent in FY26 and FY27 for this project. Derek Malone, Public Works Director, explained the need for the belt press for the sewer plant. Mr. Martin spoke to the EDC-B Board projects. Ms. Lam covered the requested costs and changes in each department budget. There was a question about the police building, and Mr. Seitz explained that the money needed to move forward will have to be discussed when the city is able to move forward on the building when the legal matters are resolved. Lastly, Ms. Lam spoke about the Water/Sewer Fund Expenditures and CIPs. There was discussion about how the Water/Sewer Fund can support the General Fund up to 10 percent. The largest increase requested is in Sewer because of the transfer to the CIP Fund for water/sewer projects.

Mr. Seitz asked Council if they were available to meet on Tuesday, July 28, at 6:00 p.m. for the second workshop meeting since too many Council Members were not available next week on July 16. Council was agreeable to Tuesday and Thursday meetings at 6:00 pm.

**** Taxpayer Impact Statement**

Property Tax Due on Median Valued Homestead 2024 Rate vs 2025 Rate vs 2025 No New Revenue Rate

	Rate per \$100 of Value	Median-Valued Homestead Property	Tax Due
2024 Adopted Tax Rate	\$0.834134	\$ 196,567	\$ 1,639.63
2025 Adopted Tax Rate	\$0.828978	\$ 213,409	\$ 1,769.11
2025 No New Revenue Rate	\$0.816257	\$ 213,409	\$ 1,741.97

*****The 2025 tax year property tax rate listed above as the "2025 Proposed Rate" was adopted on September 25, 2025, and is currently in effect. The information provided above is required by State law. The agenda discussion posted for this meeting is a preliminary discussion regarding projected revenues and expenses necessary to begin and proceed with the preparation of a budget for Fiscal Year 2026-2027 as required by law. In accordance with State law, information necessary for the City to provide a proposed 2026 tax rate will be available from Johnson County Appraisal District on or after July 25, 2026; however, when a proposed budget has been prepared and the City has received the Appraisal District information necessary to provide a proposed 2026 tax year rate, the table above will be updated with information regarding the 2026 tax year proposed rate, and a proposed budget will be posted online and accessible from the City of Keene homepage at www.keenetx.com.***

6. Executive Session

Pursuant to the Texas Open Meetings Act, Chapter 551, Texas Government Code, the City Council may recess to Executive Session at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to any posted item and by the following authority:

- A. 551.072 - DELIBERATION REGARDING REAL PROPERTY** to deliberate the purchase, exchange, lease, or value of real property (Keene Industrial Park)

Mayor Pro Tem Gillin read the Executive Session agenda item and recessed the meeting at 7:34 p.m.

7. Reconvene into Open Session

To take action on the above-listed Executive Session item(s), if any.

Mayor Pro Tem Gillin reconvened the meeting at 7:59 p.m., and asked Council if there was any action to be taken on the Executive session item. There was a motion to authorize the City Manager to continue negotiations with the purchaser of the remaining acreage of the Keene Industrial Park, and was seconded. The motion carried.

Motion made by Smith, Seconded by Easley.

Voting Yea: Mayor Pro Tem Gillin, Easley, Foster, Smith, Shaw

8. Requests for Future Agenda Items

Shelly Drive retaining wall issue.

9. Adjourn

There being no further business to discuss, mayor Pro Tem Gillin adjourned the meeting at 8:01 p.m.

Approved on this the 6th day of August 2026.

APPROVED:



Samantha Gillin, Mayor Pro Tem

ATTEST:



Holly Russell, City Secretary