

City Council Regular Meeting Minutes

August 06, 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 Bob Chapman, Chuck Easley, Rob Foster, and Troy Smith. Council Member Johnny Shaw arrived at 6:33 p.m.

Members Absent: none

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; 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 called Chieff Kidd forward to present a Citizen's Valor Award to Cody Ratto for his quick actions in assisting a young resident when she was in immediate danger of being kidnapped. Council presented flowers as a heartfelt thank you to Mira Lam and her staff for all the hard work and hours they have given to complete the audits and properly report the City's finances in a more transparent manner. Mayor Pro Tem Gillin recognized Dr. Ricky Stephens, Keene ISD Superintendent, for being named the Region 11 Superintendent of the Year, and wished him all the best in October since he is now one of the candidates for Superintendent of the Year at the state-level. Lastly, she reminded residents that August 17 is the deadline to file for a place on the ballot.

3. Public Comments

Jameye Jones, Vice President of the Johnson County Pioneers Reunion Association, noted that the event this year will be October 7-10. It kicks off with a parade, and then is filled with carnival activities, various competitions, many vendors, and other celebration events. A cowboy shoot-out event was added to Saturday's line up, and then at 4:00 p.m. will be the First Responder tributes.

4. Reports

Informational reports only; no action to be taken.

A. City Manager's Comments – Keene Director wins award at state conference, Industrial Park Update, County Road 317 Construction Update, O'Reilly Auto Parts, TXDOT Road Project Updates, Canyon Development Sewer Line Contract, Canyons Development Update, Sunset Ridge Development Update, Stonehurst Development Update, Ashton Homeplace Development, Covington Acres Update, Elisa Carver Park and North Hill Estates lighting, IRS Audit, Chamber Luncheon August 27th

Jonathan Seitz, City Manager, recognized Sandra Overstreet, HR Director, for her accomplishments achieving an award to Keene from TMRS. It is the first year that TMRS has offered the award, and we are proud to have been selected from many other cities in Texas for this honor. He announced that the City's portion of the 2021-2024 IRS audits are complete. He

updated council on the CR 317 improvements, O'Reilly Auto Parts is coming to Keene and already in the process of filing permits and plans, shared updates on TxDOT road projects in the area, and gave updates on all of the housing developments that are currently on-going. He announced that the additional lighting to Elisa Carver Park and to North Hills Estates has been secured and will be installed soon. Finally, Mr. Seitz will be the speaker at the August Chamber Luncheon to share all the progress and growth of the city with local businesses in attendance.

B. Receive the Certified Appraisal Tax Roll for Fiscal Year 2027 (FY27) issued from the Johnson County Chief Appraiser, and discuss the tax rate for Fiscal Year 2026-2027, if received prior to the meeting date.

Mira Lam, Director of Finance, and Mr. Seitz presented on the Certified Appraisal Tax Roll that was received from the Appraisal District and presented the tax rate calculations to Council. It was discussed about the city being required to adopt the No New Revenue Tax Rate due to the audit filing being behind.

5. Consent Agenda

All items listed below have been previously discussed, require no deliberation, or are routine by the City Council and will be enacted with one motion. There will be no separate discussion of the items. Items to be withdrawn from the Consent Agenda for separate discussion by the City Council. If discussion is desired, the item will be removed from the consent agenda and considered separately. Otherwise, approval of the consent agenda authorizes the City Manager to implement each item in accordance with the staff's recommendation.

- A. Consider approval of the minutes of the regular Keene City Council meeting held on July 02, 2026.**
- B. Consider approval of the minutes of the special-called Keene City Council meeting held on July 16, 2026.**
- D. Consider approval of the minutes of the special-called Keene City Council meeting held on July 30, 2026.**
- E. Consider approval of the Amendment to the Communications System Agreement between Johnson County and the Keene Police Department for Fiscal Year 2026-2027 (FY27).**
- F. Consider approval of an ordinance calling a general election to elect the offices of Mayor, a City Council Member for Place I, a City Council Member for Place III, and a City Council Member for Ward II; of which will take place on November 3, 2026.**

A motion was made to approve Consent Agenda Items A, B, and D-F as presented, and seconded. The motion carried.

Motion made by Foster.

Voting Yea: Mayor Pro Tem Gillin, Chapman, Easley, Smith

C. Consider approval of the minutes of the special-called Keene City Council meeting held on July 28, 2026.

Holly Russell, City Secretary, asked for this item to be pulled for discussion. She explained that a Council Member had contacted her and questioned the statement on both Medicare and Medicaid participants not being able to use MASA services, as stated in item 4A of the minutes. After consulting the recorded livestream and verifying with Rodney Dryden, who presented on the item, it was determined that the statement was incorrect, and a correct set of minutes have been presented to Council for consideration. The correction now states that only Medicaid participants are not eligible for MASA services, but that Medicare participants are. A motion was made to approve the minutes of the special-called Keene City Council meeting held on July 28, 2026 with corrections as presented, and seconded. The motion carried.

Motion made by Shaw, Seconded by Foster.

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

6. Budget Workshop: Revenue

A. *Receive information and discuss revenue sources, demographics and metrics regarding the Fiscal Year 2026-2027 (FY27) Proposed Budget, including general fund and utility fund revenue.***

Mr. Seitz and Ms. Lam presented the projected revenue for Fiscal Year 2026-2027 (FY27) and explained the various revenue sources available to the City. There was a three-year comparison of the different revenue sources and projected income for each for FY27. Ms. Lam explained that some of the revenue showed a decrease because new financial standards require items to be reported in a different fund, such as the Capital Project Fund, Water/Sewer Capital Project Fund (W/S CIP) and Fleet Fund. In Development Revenue, the decrease is due to the engineering fees of all the big developments coming in are near completion and so those fees are decreasing. Overall, there is a projected increase budgeted in revenue for FY27 over FY26. Revenue in Water and Sewer is conservative for FY27. Options to cover the deficit the General Fund and Water/Sewer Fund revenue include (i) holding off on the new ambulance, getting a grant to cover Sewer CIP projects, and using TWDB funds to reimburse for the costs of meters replacements; or (ii) reduce the percentage of personnel cost increases by one to three percent. There was discussion of keeping the Sewer CIP projects for the Canyons and replacing the belt press from reserves, keeping the personnel costs increase as-is, not budget for an ambulance at this time, and cover the Old Betsy Sewer Line Replacement by grant. Mr. Seitz is hesitant to remove the ambulance. Council still directed to remove the ambulance from the budget.

**** 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.***

7. General

General business items for discussion:

A. *Review, discuss, and take action on adoption of the Keene Economic Development Corporation (Type A) Board budget for fiscal year 2026-2027 (FY27).*

Don Martin, Director of Neighborhood and Development Services, presented the Keene Economic Development (Type A) Board's Proposed Budget for FY27. The Board approved the budget at their July meeting. There was question about the large increase to their interest

income, to which was answered that the sale of land increased their account balance and so more income will be given from the interest earned. There was question about the costs for the Agenda Management Suite, and the City Secretary explained the migration to a new software that also includes the livestreaming component that will update the current set up. A motion was made to approve the Keene EDC (Type A) Board FY27 Budget, and seconded. The motion carried.

Motion made by Foster, Seconded by Easley.

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

B. Review, discuss, and take action on adoption of the Keene Economic Development Corporation (Type B) Board budget for fiscal year 2026-2027 (FY27).

Don Martin, Director of Neighborhood and Development Services, presented the Keene Economic Development (Type B) Board's Proposed Budget for FY27. The Board approved the budget at their July meeting. There were questions for clarification on the B Board's CIP expenditures. A motion was made to approve the Keene EDC (Type B) Board FY27 Budget, and seconded. The motion carried.

Motion made by Smith, Seconded by Shaw.

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

C. Review, discuss, and consider a resolution approving a negotiated settlement between the Atmos Cities Steering Committee, of which the City of Keene is a member, and Atmos Energy regarding the Company's 2026 Rate Review Mechanism Filing and adopting tariffs that reflect rate adjustments consistent with the negotiated settlement.

Ms. Russell presented this item to Council, noting that since the City is a member of the Atmos Cities Steering Committee (ACSC), they must consider approval of the negotiated settlement between ACSC and Atmos Energy by resolution. A motion was made to approve Resolution No. 2026-503 approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy regarding the Company's 2026 Rate Review Mechanism Filing and adopting tariffs that reflect rate adjustments consistent with the negotiated settlement, and seconded. The motion carried.

Motion made by Foster, Seconded by Shaw.

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

RESOLUTION NO. 2026-503

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KEENE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2026 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS

RESOLUTION TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

8. Executive Session

There was no recess into Executive Session at this meeting.

9. Reconvene into Open Session

There were no items that needed action.

10. Requests for Future Agenda Items

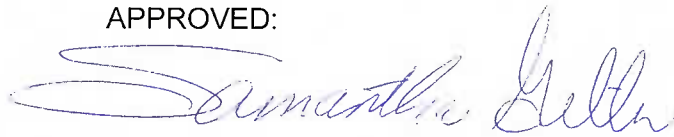
There were no requests made.

11. Adjourn

There being no further business to discuss, May Pro Tem Gillin adjourned the meeting at 8:20 p.m.

Approved on this the 03rd day of September 2026.

APPROVED:



Samantha Gillin, Mayor Pro Tem

ATTEST:



Holly Russell, City Secretary