

City Council
July 14, 2025

A special meeting of the Mayor and City Council of the City of Waxahachie, Texas was held at the Waxahachie Civic Center, 2000 Civic Center Lane, Meeting Rooms A and B, Waxahachie, Texas, on Monday, July 14, 2025 at 3:30 p.m.

Council Members Present: Billie Wallace, Mayor, Council Member Place 4
Patrick Souter, Mayor Pro Tem, Council Member Place 2
Tres Atkins, Council Member Place 1
Chris Wright, Council Member Place 3
Travis Smith, Council Member Place 5

Others Present: Ricky Boyd, Interim City Manager
Albert Lawrence, Deputy City Manager
Terry Welch, City Attorney
Amber Villarreal, City Secretary

1. Call to Order

Mayor Billie Wallace called the meeting to order.

2. Invocation

3. Pledge of Allegiance and Texas Pledge of Allegiance

Interim City Manager Ricky Boyd gave the invocation. Mayor Wallace led the Pledge of Allegiance and the Texas Pledge of Allegiance.

4. Public Comments

None.

5. Consider a resolution to call a public hearing to consider approval of the 5-Year Update to the City of Waxahachie's Land Use Assumptions, Capital Improvement Plans and associated Impact Fees

Justin Stoker, Senior Director of Public Works and Engineering, presented the Item. In Section 395 of the Texas Local Government Code, the requirement is set forth for the impact fees land use assumptions, the capital improvement plan, and the adoption of the updated water, sewer and roadway impact fees. The impact fee analysis and report needs to be updated every five years. The code requires a resolution establishing a public hearing date a minimum of 30 days prior to council adoption of the impact fees. The water, sewer and roadway impact fee report is included on the packet and will be available on the city website after approval of the resolution. A resolution setting August 18, 2025, as the public hearing date is submitted for your consideration.

RESOLUTION NO. 1381

**A RESOLUTION OF THE CITY COUNCIL OF WAXAHACHIE, TEXAS
ESTABLISHING A PUBLIC HEARING DATE TO CONSIDER APPROVAL OF LAND
USE ASSUMPTIONS, CAPITAL IMPROVEMENT PLANS AND IMPACT FEES FOR**

ROADWAYS, WATER, AND WASTEWATER FACILITIES; AND PROVIDING AN EFFECTIVE DATE

Action:

Chris Wright moved to adopt a resolution establishing August 18, 2025 as the date of a public hearing on land use assumptions, capital improvements plan and adoption of water, sewer and roadway updated impact fees. Motion was seconded by Patrick Souter and carried unanimously (5-0).

- 6. Discuss and consider proposed Ordinance amending Chapter 2, “Administration,” of the Code of Ordinances, by adding a new Article X, “Waxahachie Cultural Arts and Heritage Commission”**

City Attorney Terry Welch presented the proposed ordinance, noting that staff and council had discussed adding it back in February. Since then, the ordinance has been drafted and reviewed by staff.

ORDINANCE NO. 3641

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WAXAHACHIE, TEXAS, AMENDING CHAPTER 2, “ADMINISTRATION,” OF THE CODE OF ORDINANCES OF THE CITY OF WAXAHACHIE, TEXAS, BY ADDING A NEW ARTICLE X, “WAXAHACHIE CULTURAL ARTS AND HERITAGE COMMISSION”; PROVIDING FOR THE APPOINTMENT OF COMMISSIONERS; ESTABLISHING TERMS OF OFFICE; AUTHORIZING RULES OF PROCEDURE; REQUIRING OPEN MEETINGS; ESTABLISHING DUTIES AND RESPONSIBILITIES; PROVIDING FOR EXPENSES AND ADMINISTRATIVE SUPPORT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Action:

Patrick Souter moved to approve the ordinance amending Chapter 2, “Administration” of the Code of Ordinances, by adding a new Article X, “Waxahachie Cultural Arts and Heritage Commission.” Motion was seconded by Travis Smith and carried unanimously (5-0).

- 7. Hear presentation and discuss update of the City Hall redevelopment and renovation project**

Dustin Deel, Senior Director of Administrative Services, introduced Jon Vidauri, Vidaurri Management Group, LLC, who provided an update on the City Hall redevelopment and renovation project.

Mr. Vidauri explained that VMG typically manages \$300–\$400 million in construction costs annually and has observed significant price increases across their projects since the beginning of the year. The data shown reflects trends from their own projects to provide context for cost changes in the current project.

He reviewed the budget history for the City Hall Renovation project managed by Turner Construction (the CMAR). The approved construction cost budget as of January 22, 2024, was \$12.2 million. Initial budgetary estimates during the design phases remained within an acceptable range: the schematic design estimate on July 31, 2024, was \$12.36 million; the design development estimate on October 22, 2024, was \$12.43 million; and the 50% construction design estimate on January 29, 2025, was \$13.52 million. However, by the time the 100% Construction Documents (CD) Guaranteed Maximum Price (GMP) was forecasted on May 16, 2025, the cost had risen significantly to \$16.28 million, exceeding the original budget by \$4.1 million. The finalized 100% CD GMP on May 30, 2025, further increased to approximately \$16.93 million, resulting in a total budget overrun of \$4.7 million. By May 30, the final guaranteed maximum price (GMP) came in at \$16.9 million—\$4 million over the original budget. At that point, recovering the budget would have required severe scope reductions.

During a recent meeting between the City Council and the project management team, significant concerns were raised regarding the sharp rise in construction costs for the new municipal building. The project manager expressed that such dramatic increases—rising from \$13.5 million to \$16.9 million—are rare, comparable only to the pricing chaos during early COVID-19. He attributed the spike to ongoing market instability, including labor shortages, commodity price swings, and contractor fears about tariffs. Contractors are increasingly inflating bids to protect themselves from future cost shocks, even when such events—like tariffs—never occur. Council members noted that this speculative pricing behavior has become standard across the industry, leading to persistent budget overruns.

Council Member Travis Smith asked the team on why COVID and tariffs were being cited as justifications, stating that these were not valid excuses for what he saw as mismanagement. He questioned the project team's role, asking why they were so deeply involved with subcontractors when that should be the general contractor's responsibility. The project team explained that as owner's representatives, they oversee all aspects of the project—including coordination between the city, the architect, the general contractor, and stakeholders. Mr. Smith contended that the \$4.7 million overrun reflected a lack of proper oversight and transparency. The team clarified that they are working under a fixed lump-sum contract with no additional fees or performance-based incentives, and noted they had already implemented \$270,000 in cost-saving measures.

One major cause of the cost overrun, Mr. Viadauri explained, was an unexpected foundation redesign stemming from inaccurate as-built drawings from a 2000 addition. Additional costs came from contaminated soil due to the site's prior use as a gas station and unforeseen fire sprinkler requirements. These surprises led to approximately \$1.7 million in added costs. When asked why demolition started before subcontractor contracts were finalized, the team explained that the project used a Construction Manager at Risk (CMAR) approach, which allows incremental construction phases to begin earlier—especially for long-lead items like steel and switchgear.

Council Member Tres Atkins compared the process to private-sector standards. He said no bank would approve funding for a project with such a fluid scope and rising costs and declared he would not support further funding. The original \$12.2 million budget has ballooned to \$16.9 million, in part due to overlapping scopes carried by both the city and its contractor. While some council members acknowledged the legitimacy of supply chain and procurement challenges, others remained highly critical, especially of the architect, who was faulted for previous oversights, such

as a \$900,000 asbestos miscalculation. Council Member Smith note he was in support to terminate the architect's contract.

Mr. Viaduri reiterated that the final decision rests with the Council. If the goal is long-term staff consolidation and facility modernization, continuing the project may be worthwhile. But if the priority is fiscal restraint, the City could cancel the current contracts, recover what value it can from already-procured materials, and re-scope a smaller facility. The Guaranteed Maximum Price (GMP) currently protects against future price increases, but it is only valid until the week of July 21. After that, prices may rise again.

Mayor Pro Tem Patrick Souter questioned why contractors are allowed to inflate prices based on projected or speculative cost increases—such as tariffs or global events—without any mechanism to later adjust those prices based on actual prevailing market rates. He expressed frustration over the practice of adding large contingency percentages upfront, even when the projected events may never occur.

Council members noted that they had not seen final interior renderings or design specifications, and expressed concern that the public might perceive the project as an attempt to build a luxurious council chamber. Council Member Chris Wright clarified that the original purpose was to expand courtroom and office space, and the council chamber component was secondary.

Mayor Wallace noted that more internal discussions were necessary and Council may hold a special work session soon. The project team pledged to work with the design team to explore scaled-down options—such as building only the new council chamber—and will provide updated information to assist the Council in evaluating next steps. Staff also confirmed they would resend the list of departments originally planned to occupy the new building, which includes roughly 10 to 12 city functions such as the utility department, municipal court, and marshal's office.

8. Convene into Executive Session to deliberate the appointment of an Interim City Manager as permitted by Texas Government Code, Section 551.074, and consultation with the City Attorney regarding legal issues related to the city manager transition, as permitted by Texas Government Code, Section 551.071, and all matters incident and related thereto

Mayor Wallace announced at 4:25 p.m. the City Council would convene into Executive Session to deliberate the appointment of an Interim City Manager as permitted by Texas Government Code, Section 551.074, and consultation with the City Attorney regarding legal issues related to the city manager transition, as permitted by Texas Government Code, Section 551.071, and all matters incident and related thereto.

9. Reconvene and take any necessary action

The meeting reconvened at 7:17 p.m.

Action:

Tres Atkins moved to authorize the Mayor to execute a Separation Agreement and General Release. Motion was seconded by Travis Smith and carried unanimously (5-0).

10. Comments by Mayor, City Council, City Attorney and City Manager

Council Member Chris Wright clarified that he did not support or vote to terminate City Manager Mr. Scott. He emphasized that, while he can't disclose executive session details, he never advocated for termination without first giving Mr. Scott a chance to address any performance concerns. In open session, a vote was taken to approve a "separation" that had been negotiated between Mr. Scott, the Mayor, and the City Attorney. Councilman Wright stated that the term "separation" was agreed upon to avoid labeling it as either a termination or a resignation, and although it was clear Mr. Scott's employment was ending, he did not vote to terminate him.

Mayor Pro Tem Patrick Souter emphasized that the City Council is committed to being responsible stewards of taxpayer money. He noted that there are many factors to consider in the City Hall renovation project and raised important questions that remain unanswered. He reiterated the Council's strong commitment not to spend public funds on matters like this without careful evaluation. He asked the public to recognize that the Council is proceeding with caution and due diligence in regard to all financial decisions.

Council Member Travis Smith expressed full agreement with both Council Member Wright and Mayor Pro Tem Souter. He offered a public apology, acknowledging the frustration surrounding the City Hall renovation project, particularly the fact that the Council has not yet seen any building renderings. Despite a challenging week, he commended the Council for handling the situation well. He echoed Mayor Pro Tem Souter's sentiment, emphasizing that the Council is committed to spending taxpayer dollars only on what is absolutely necessary.

Council Member Tres Atkins expressed strong frustration with the current funding situation facing the Council. He voiced his dissatisfaction with the lack of information and the number of unknowns, emphasizing that it is unreasonable to expect the Council to proceed without full transparency. He stated firmly that the practice of keeping the Council uninformed must come to an end.

Interim City Manager Ricky Boyd expressed his appreciation for the opportunity to serve in his current role. He noted that he is actively exploring ways to improve operations and thanked the Council for their support. He added that he looks forward to collaborating closely with City staff moving forward.

11. Adjourn

There being no further business, the meeting adjourned at 7:18 p.m.

Respectfully submitted,

Amber Villarreal
City Secretary