

**SPECIAL MEETING AND PUBLIC HEARING  
CITY COUNCIL  
CITY OF NASSAU BAY, TEXAS  
MARCH 19, 2018  
7:00 PM**

**MEMBERS OF COUNCIL PRESENT:** Mayor Mark Denman, Mayor Pro Tem Sandra Mossman, Councilmembers Don Matter, John Mahon, Jonathan Amdur, and Bob Warters

**MEMBERS OF COUNCIL ABSENT:** Bryce Klug (arrived 7:12pm)

**OTHERS PRESENT:** City Attorney Dick Gregg Jr., City Manager Jason Reynolds, City Secretary Sandra Ham, Finance Director Csilla Ludanyi, Police Chief Kenneth Campbell, Public Works Director Paul Lopez, and Emergency Management Coordinator Jamie Galloway, and Senior Accountant Jaime Vasquez

**PRESIDING:** Mayor Mark Denman

**CALL TO ORDER AND ROLL CALL OF MEMBERS**

Mayor Mark Denman called the meeting to order at 7:00 p.m. and announced a quorum of Council was present with six elected officials in attendance.

**INVOCATION AND PLEDGES OF ALLEGIANCE**

The invocation was given by Dr. Joey Tombrella of Nassau Bay Baptist Church. The Pledges to the American and Texas flags were led by Public Works Director Paul Lopez.

**APPOINTMENTS, PROCLAMATIONS, PRESENTATIONS AND AWARDS**

**Presentation of a Proclamation to Bal Harbour Homeowners Association**

Mayor Denman presented a proclamation to the Clippers Mooring Homeowners Association. Board President Linda Chauliagon was in attendance to accept the proclamation on the Association's behalf. Mayor Denman commented on the importance of HOAs in Nassau Bay, as associations such as Clippers Mooring help ensure Nassau Bay is an exceptional place to live. A photo was taken of Mayor Denman and Ms. Chauliagon.

**Presentation of a Proclamation for Beautification Day**

Mayor Denman presented a proclamation for Beautification Day to Nassau Bay Garden Club President Betty Armstrong and Garden Club members in attendance. Mayor Denman invited all to the City's annual beautification project on March 24th, which is largely coordinated by the Garden Club. Member Nancee Lynn encouraged volunteers to join in for various projects around the City, including shoreline clean-up and planting of flowers and mulch in various areas around the City. A photo was taken of Mayor Denman and Garden Club members.

**PUBLIC HEARING AND ACTION ITEMS FROM PUBLIC HEARING:** None

## **CITIZENS' REQUEST FOR HEARING BEFORE CITY COUNCIL**

Mayor Denman announced a Public Hearing for citizens to address Council regarding issues and concerns.

The Public Hearing was opened at 7:11 p.m.

There being no one wishing to speak, the Public Hearing was immediately closed.

## **COUNCILMEMBERS' COMMENTS/REPORTS**

Councilmember Bob Warters expressed large support for the tremendous efforts put forth by the Public Works Department, but voiced concerns the Department is overwhelmed with the numerous tasks required upon them daily. Councilmember Warters acknowledged in order for Nassau Bay to maintain its status as a premier City, additional resources are required to ensure the Department's success.

Councilmember Warters read his comments for the record as follows:

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What I am about to say is in support of our Public Works Department. Over the years the City has added amenities that Public Works is required to maintain without augmenting their staff or budgeting for hiring contractors to do the extra work. Public Works is doing a great job, but they are severely overloaded with work. The City's goal is to keep the City cheap and this means that our premier City is not as premier as some think it is.

Public Works has only 14 people (when the new hires come aboard) to do all their work. Three people are required to run the sewer plant and one is animal control officer. That leaves 11 people to do everything else, but Public Works has been low three people for some time. The total number has been unchanged for many years while over the last few years we have added work.

Some examples of work added follow:

- Setting up and removing the stage for Nassau Bay Street Eatz at Town Square. This takes three days total for most of the Public Works employees.
- Moving all street signs to CenterPoint poles and removing the old poles and concrete pedestals. There are approximately 100 of these that need moving now and soon there will be 50 more.
- Maintaining the fountain in front of the Marriott Hotel is a huge job. There are 20 plus nozzles each with its own valve and controller. There are several pumps and filters. This is a very sophisticated fountain and requires a lot of Public Works' time. One solution is to simplify the fountain so that all nozzles are either on or off at the same time.
- Maintain 90 lights and the irrigation system in the Town Square area.
- Public Works has been asked to manage the construction of the decorative tower that the NAMD is installing opposite the Hilton Hotel.
- The new lights for the palm trees in the Parkway median do not work. Among other problems, they have been coming on in the daytime and turning off at night. These lights are supposed to be the responsibility of the NAMD, but they

have no staff and the job will probably ultimately be placed on Public Works. Public Works has already been attending meetings on this project.

- Maintain the solar lights along the waterfront. There are approximately 50 of these lights.
- As our underground pipes age, we are having more breaks.
- We now have two operable sewer plants (both are not operated at the same time, but both must be maintained).
- One Public Works employee is a full-time Animal Control Officer. This reduces the number of Public Works employees available for other work.
- Pump systems that are supposed to keep Upper Bay Road dry have been added. They are complicated and fail often requiring Public Works to fix them. There are solutions to lessen this problem, but they cost money.
- We have more gardens to maintain. All of the plants and irrigation systems in front of the Marriott and in the Saturn median have been added to Public Works' workload.
- The median landscaping on Nassau Bay Drive must be replaced.
- Fire station construction has caused considerable work for Public Works.
- The City is planning on restoring the white lights on the median of the newly paved section of San Sebastian. This will require Public Works to remove the old pedestals and install and maintain the lights. CenterPoint maintains all their lights.

There are many things in Nassau Bay that either need to be done by Public Works or by outside contractors. The City is looking shabby. Some examples follow:

- Clean up area between the walkway south of Lake Nassau and the sewer plant.
- Clean up area south of the sewer plant. This looks like a garbage dump. This area will be very visible from the walkway that is being built along Clear Creek and is already visible from the baseball field and Egret Bay.
- Remove the uprooted tree stump from Howard Ward Park. It has been there for a year or more.
- Move street signs from the old white light poles to the new CenterPoint light poles and remove the white poles and their concrete pedestals.
- Remove light pedestals from the median of the newly paved San Sebastian. Do something about lights and landscaping for the San Sebastian median strip.
- Handrails on the bridge across the Lake Nassau spillway were bent by Harvey and need repair.
- Founders Park looks like a Third Ward park. Fix the pavement or remove it.
- Paint the eaves and ceiling of the pavilion in the park.
- Replace broken shrubbery around pedestal in circle on N. Vinland.

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Councilmember Warters ended his comments in support of the Public Works Department, applauding the Department for their continual hard work, but once again, requested the City's consideration of additional resources to the Department.

Councilmember Don Matter echoed Councilmember Warters' sentiment, noting the unkempt appearance of Nassau Bay may potentially impact future investors in the City. He also commended Public Works Director Paul Lopez for his intuitive thinking in leading the Department every day.

## **MAYOR'S COMMENTS/REPORTS**

Mayor Denman praised volunteers involved with the CCEF Annual Peninsula Cleanup, remarking on the number of volunteers and amount of debris and trash collected. He expressed special appreciation to Parks & Recreation Chairman Roscoe Lee and the Garden Club.

## **REPORTS FROM STAFF MEMBERS & COMMITTEES**

### **City Manager**

City Manager Jason Reynolds began his comments by inviting residents to several upcoming events happening in the City, including Beautification Day on March 24th at 8:00am and Easter in the Park on March 25th at 2:00pm sharp. He also invited all to the upcoming Street Eat Party on Town Square on April 28th.

Additionally, Mr. Reynolds thanked the Public Works Department for their efforts in the installation of the workout equipment in Howard Ward Park. Lastly, he expressed appreciation to those volunteers who participated in the peninsula cleanup. Volunteers collected 76 bags of trash and a trailer full of debris. He ended his comments by also thanking all staff for their efforts towards a successful mid-year Fiscal Year 2018.

### **Fire Department**

President Matt Roper presented the Fire Department's February status report, noting the Department responded to 26 calls and logged 663 standby man hours. Current membership holds at 41 members. Mr. Roper offered additional categorization of Department membership, with 35 members classified as Roster/Responders, and 6 members as Special/Auxiliary. Lastly, Mr. Roper congratulated Fire Fighter of the Year Vic Studer.

## **CONSENT AGENDA**

The Consent Agenda listed the following items for approval:

### **Approval of Minutes of Regular Meeting on February 12, 2018**

### **Resolution Cancelling the May 5, 2018 City Officers' Election Due to Unopposed Races**

The caption of the reads as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, DECLARING EACH UNOPPOSED CANDIDATE IN THE MAY 5, 2018 REGULAR CITY ELECTION TO ELECTED TO OFFICE; ORDERING SAID ELECTION NOT BE HELD; ORDERING POSTING OF THIS RESOLUTION AT CITY HALL AND AT THE POLLING PLACE ON ELECTION DAY; AND MAKING OTHER PROVISIONS RELATED THERETO.

(Said Resolution is of record in Resolution Book No. 19 of the City of Nassau Bay, Texas, being Resolution No. R2018-2133.)

Those unopposed candidates for Mayor and positions 2, 4, and 6 will be filled by Mark A. Denman, Ashley Graves, Bryce Klug, and Matt Prior, respectively. (Candidates will take their Oaths of Office, as tradition, during the June 12th City Council meeting.)

### **Resolution Adopting an Annual Anti-Fraud Policy**

The caption of the resolution reads as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, ADOPTING AN ANNUAL ANTI-FRAUD POLICY DESIGNED TO ENFORCE CONTROLS AND TO AID IN THE PREVENTION AND DETECTION OF FRAUD, THEFT, WASTE, OR ABUSE AGAINST THE CITY.

(Said Resolution is of record in Resolution Book No. 19 of the City of Nassau Bay, Texas, being Resolution No. R2018-2134.)

### **Resolution Updating the Investment Policy**

The caption of the resolution reads as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, ADOPTING AN ANNUAL INVESTMENT POLICY IN ACCORDANCE WITH THE PUBLIC FUNDS INVESTMENT ACT AND THE PUBLIC FUNDS COLLATERAL ACT.

(Said Resolution is of record in Resolution Book No. 19 of the City of Nassau Bay, Texas, being Resolution No. R2018-2135.)

### **Resolution Reappointing Win Weber as Relief Judge of the Municipal Court**

The caption of the resolution reads as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, REAPPOINTING A RELIEF JUDGE OF THE MUNICIPAL COURT.

(Said Resolution is of record in Resolution Book No. 19 of the City of Nassau Bay, Texas, being Resolution No. R2018-2136.)

It was moved by Councilmember Don Matter, seconded by Mayor Pro Tem Sandra Mossman, to approve the consent agenda.

Motion passed 7 – 0.

### **NEW BUSINESS**

**Authorization for Mayor to sign an Interlocal Agreement with the City of Houston to Utilize the City of Nassau Bay's Request for Qualification and Selected Contractors from the 2016 Flood Mitigation Assistance Grant**

The caption of the resolution reads as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, APPROVING THE ATTACHED INTERLOCAL PURCHASING AGREEMENT WITH THE CITY OF HOUSTON.

(Said Resolution is of record in Resolution Book No. 19 of the City of Nassau Bay, Texas, being Resolution No. R2018-2137.)

Emergency Management Coordinator Jamie Galloway stated this Interlocal Agreement to be recommended by the Texas Water Development Board. As the City of Nassau Bay has achieved further progress in the elevation grant program, the Interlocal Agreement allows the City of Houston to use the City of Nassau Bay's Request for Qualification and vetted contractors for their Flood Mitigation Assistance Grant.

Mayor Pro Tem Sandra Mossman requested additional details regarding the Flood Mitigation Assistance Grant program, with Mr. Galloway summarizing the City's history within the program. He also noted the City's grant application has made national review every submission. Mr. Galloway also detailed the City's grant application process after Hurricane Harvey.

Councilmember Jonathan Amdur thanked Emergency Management Coordinator Galloway for his diligence with the grant process, and further inquired on the need for the City of Nassau Bay to approve the Interlocal Agreement. Mr. Galloway noted it was a good gesture towards helping the City of Houston, as Houston is approximately 18 months behind in the process. Additionally, upon questioning, Mr. Galloway noted the agreement was reviewed by City Attorney Dick Gregg, Jr.

It was moved by Councilmember Don Matter, seconded by Mayor Pro Tem Sandra Mossman, to approve the resolution and attached Interlocal Agreement with the City of Houston for their Flood Mitigation Assistance Grant.

Motion passed 6 – 0 – 1, Amdur abstaining.

**Ordinance Amending the FY17 Budget (first and only reading)**

The caption of the ordinance reads as follows (first and only reading):

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, AMENDING THE FY17 BUDGET TO RECOGNIZE RE-ALLOCATIONS IN THE GENERAL FUND OF \$85,000 AND AN INCREASE IN THE DEBT SERVICE FUND OF \$8,200.

(Said Ordinance is of record in Ordinance Book No. 13 of the City of Nassau Bay, Texas, being Ordinance No. O2018-770.)

Finance Director Csilla Ludanyi stated a budget amendment is required to best recognize expenditures for the purposes of the completion of the FY17 Audit. Budget amendment FY17-7, in the amount of \$85,000, reflects an increase in expenditures primarily due to unexpected repair and overtime costs related to Hurricane Harvey. Budget Amendment FY17-8, in the amount of \$8,200, is due to increased administrative costs for the debt service fund.

It was moved by Councilmember Jonathan Amdur, seconded by Councilmember Bryce Klug, to approve the FY17 Budget Amendments.

Motion passed 7 – 0.

### **Presentation of Audited Financial Statements for Fiscal Year Ending September 30, 2017 by Belt Harris Pechacek, LLLP and Acceptance of Same by Council**

Ms. Stephanie Harris of the financial firm presented highlights of the City's annual audit for Fiscal Year ending September 30, 2017. The City has met the highest level of acceptable accounting standards and Ms. Harris recognized the Finance Department for achievement of the Certificate of Achievement for Excellence in Financial Reporting award.

Ms. Harris indicated Belt Harris Pechacek is issuing an unmodified audit opinion on the City's Financial Statements, the highest level of assurance the firm can provide. Providing a brief overview, she continued with the City's statement of net position as of September 30, 2017, stating the City ended the year with \$30.5 million in total assets, \$15.9 million in total liabilities, for an ending net position of \$15.3 million. Of the \$15.3 million, approximately \$11.6 million represents the City's investment in capital assets.

Ms. Harris continued by detailing a full accrual basis of the City's governmental and business type activities. After general revenues, to include property and sale tax, the City saw a positive increase of \$493,000 for the year.

Ms. Harris also provided details of the City's income statement on a modified accrual basis. For 2017, the City's Total Government Funds saw an increase net change in fund balance in the amount of \$3.6 million, from a beginning fund balance of approximately \$5.1 million to \$8.8 million at the conclusion of the fiscal year. The City's ending General Fund ended with a fund balance of \$2 million, which represents approximately 43% of the fund balance held at the end of the year, or approximately 5 months.

Ending the presentation, City Manager Reynolds recognized Senior Accountant Jamie Vasquez for his large efforts in the successful Financial Statements.

It was moved by Councilmember Bob Wartens, seconded by Councilmember Jonathan Amdur, that the Audited Financial Statements for FY17 be accepted as presented.

Motion passed 7 – 0.

### **Resolution Repealing Resolution No. R2005-1686, and Adopting a New Fee Schedule for Fees Charged by the Building Department**

The caption of the resolution reads as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, REPEALING RESOLUTION NO. R2005-1686, AND ADOPTING A NEW FEE SCHEDULE FOR FEES CHARGED BY THE BUILDING DEPARTMENT.

(Said Resolution is of record in Resolution Book No. 19 of the City of Nassau Bay, Texas, being Resolution No. R2018-2137.)

Building Official Mark Stelly led the discussion regarding the proposed changes to the Building Department Fee Schedule. Councilmember Wartens inquired if the proposed change in permit fees would fully reimburse the cost of a subcontractor, if utilized on a project. Building Official Stelly agreed the newly adjusted fees would cover all costs incurred by the City for a subcontractor.

Further discussion proceeded on length of time permits are valid, with Councilmember Matter noting some projects in the City having extended years. Mr. Stelly indicated permits are valid 180 days, with an inspection restarting the time clock on the expiration. This time-period is an industry standard and follows the International Building Code, which City Council previously adopted. Councilmember Wartens also commented on the duration of permits, requesting further review to adherence of the International Building Code. City Attorney Gregg specified since the agenda did not reflect the additional items outside of permit fees, further action on other aspects would not fall under the scope of this agenda item.

Councilmember Klug inquired on the cost offset for the Building Department, specifically if permit fees cover the Department's cost. Finance Director Ludanyi indicated the fees do not cover costs for the entire Building Department.

It was moved by Councilmember Bryce Klug, seconded by Councilmember Don Matter, to approve the resolution adopting a new fee schedule for the Building Department.

Motion passed 7 – 0.

### **EXECUTIVE SESSION**

After a short break, meeting recessed to Executive Session at 7:57 p.m. as authorized by Texas Government Code, Chapter 551, Open Meetings, Subchapter D, Exceptions to Requirement that Meeting be Open, with Mayor Denman reading from the posted agenda the following topic to be discussed in Executive Session:

1. §551.074 Personnel – Discuss the employment, evaluation, compensation, goals, and duties of the City Manager.

Meeting returned to Open Session at 8:22 p.m.

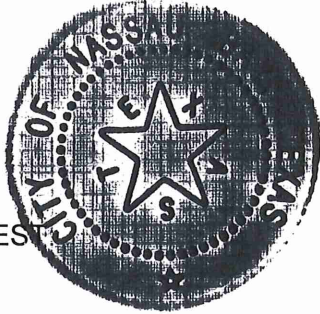
**ACTION ITEMS FROM EXECUTIVE SESSION:** None

### **ADJOURNMENT**

There being no further business, the meeting adjourned at 8:22 p.m.



Minutes approved as submitted and/or amended this 9th day of April, A.D. 2018.



ATTES

Sandra V. Ham  
City Secretary

CITY OF NASSAU BAY, TEXAS

Mark A. Denman  
Mayor