

**REGULAR MEETING AND PUBLIC HEARING
CITY COUNCIL
CITY OF NASSAU BAY, TEXAS
MARCH 11, 2019
7:00 PM**

MEMBERS OF COUNCIL PRESENT: Mayor Mark Denman, Mayor Pro Tem Don Matter, Councilmembers Ashley Graves, John Mahon, Jonathan Amdur, and Matt Prior

MEMBERS OF COUNCIL ABSENT: Councilmember Bryce Klug

OTHERS PRESENT: City Attorney Dick Gregg Jr., City Manager Jason Reynolds, Councilmember-Elect Bob Warters, City Secretary Sandra Ham, Finance Director Csilla Ludanyi, Police Chief Tim Cromie, Public Works Director Paul Lopez, Building Official Mark Stelly, Fire Chief Tom George, and Planning Commission Chairman Roscoe Lee

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 Finance Director Csilla Ludanyi. The Pledges to the American and Texas flags were led by Eagle Scout Sharif Amr Abouleish.

APPOINTMENTS, PROCLAMATIONS, PRESENTATIONS AND AWARDS

Presentation of Proclamation to Sharif Amr Abouleish in Honor of Earning the Prestigious Rank of Eagle Scout in the Boy Scouts of America

Mayor Mark Denman congratulated Sharif Amr Abouleish for completing all the requirements to earn the rank of Eagle Scout. Additionally, Mayor Denman read a proclamation declaring July 26, 2019 as “Sharif Amr Abouleish Day” in the City of Nassau Bay. Sharif provided a brief overview of his Eagle Scout project, in which he hosted a neighborhood book drive and free book fair at Brookwood Elementary School for English Language Learner students. With his project, Sharif collected over 3,100 books, of which almost 2,700 were elementary school level books. Mayor Denman presented Sharif the proclamation and posed for a photo.

Presentation of a Proclamation for Beautification Day

Mayor Denman presented a proclamation for Beautification Day to Nassau Bay Garden Club President Nancee Lynn and Garden Club members in attendance. Mayor Denman invited all to the Garden Club’s annual beautification project on March 30th at 8:00am. 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.

Introduction of Nassau Bay Police Officer Clint Brown

Chief Tim Cromie introduced new Police Officer Clint Brown to Nassau Bay. Chief Cromie overviewed Officer Brown's previous work experience and noted Officer Brown has already completed 1,500 hours of in-service training prior to joining the Nassau Bay Police Department. Mayor Denman, Chief Cromie and Officer Brown posed for a photo.

At this moment in the meeting, Mayor Mark Denman requested City Council permission to move two financial-related agenda items to the beginning of the meeting. There were no objections, and 11.A and 10.A were subsequently presented.

FIRST READING OF ORDINANCES

Adoption of an Ordinance amending the Fiscal Year 2018 Budget (first and only reading)

This item was originally presented on the City Council agenda as 11.A.

Finance Director Csilla Ludanyi began the discussion by noting this agenda item is a housekeeping item related to the Fiscal Year 2018 Budget. This budget amendment needs to be approved prior to the presentation and acceptance of the audit documents. Finance Director Ludanyi highlighted the two amendments, which included a transfer of funds from the General Fund to the Water & Sewer Fund for Hurricane Harvey insurance reimbursements. Additionally, there were minor Fire Department overages in several line items which require an amendment. Lastly, an amendment is needed in the Street Fund due to delays in street construction projects, where more funds were spent in Fiscal Year 2018 than originally anticipated.

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 FY18 BUDGET TO RECOGNIZE INCREASES IN THE GENERAL FUND TOTALING \$34,450 AND IN THE STREET SALES TAX FUND TOTALING \$1,900.

(Said Ordinance is of record in Ordinance Book No. 13 of the City of Nassau Bay, Texas, being Ordinance No. O2019-783.)

It was moved by Councilmember Jonathan Amdur, seconded by Councilmember Matt Prior, to approve by first and only reading an ordinance amending the Fiscal Year 2018 Budget.

Motion passed 6 – 0.

NEW BUSINESS

This item was originally presented on the City Council agenda as 10.A.

Presentation of Audited Financial Statements and Accompanying Documents for Fiscal Year Ending September 30, 2018 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, 2018. The City has met the highest level of acceptable accounting standards and Ms. Harris recognized the Finance Department for receiving 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 of the Statement of Activities, she stated in Fiscal Year 2018 the City incurred \$12,449,850 in expenses. General Revenue source of funds included approximately \$3.1 million for services, approximately \$3.5 million in grant funds, and approximately \$350,000 in capital contributions. In summary, the City ended the Fiscal Year with net expenses of approximately \$5.5 million. After general revenues, to include property and sale tax, the City saw a positive net position of \$628,000 for the year.

Ms. Harris also provided details of the City's income statement on a modified accrual basis. For Fiscal Year 2018, the City's Total Government Funds were at \$11,593,224, with Total Expenditures of \$14,649,122. The City saw a decreased net change in fund balance in the approximate amount of \$3.0 million, with an ending Total Governmental Fund balance of approximately \$5.8 million at the conclusion of the Fiscal Year. The City's General Fund ended with a fund balance of \$2.4 million, which represents approximately 50% of the fund balance held at the end of the year, or approximately 6 months.

Additionally, Ms. Harris provided an overview of a long-term liability of \$121,000 for retiree life insurance. Reporting requirements now necessitate disclosure of this life insurance liability. Additionally, for entities receiving more than \$750,000 in federal funding, a single audit of those federal funds must be performed by an independent auditor. Belt Harris Pechacek is issuing an unmodified audit opinion of City compliance with this federal funding requirement.

Mayor Denman congratulated the Finance Department and Finance Director Csilla Ludanyi for another successful audit. Additionally, Finance Director Ludanyi recognized Senior Accountant Jamie Vasquez for his large efforts towards the process.

It was moved by Mayor Pro Tem Don Matter, seconded by Councilmember Ashley Graves, that the Audited Financial Statements for Fiscal Year 2018 be accepted as presented.

Motion passed 6 – 0.

At the conclusion of this action item, the City Council meeting resumed according to the posted agenda.

PUBLIC HEARING AND ACTION ITEMS FROM PUBLIC HEARING

Public Hearing on the provision of regulations and the registration for the operation and use of short-term rentals in the City of Nassau Bay

City Manager Jason Reynolds began the discussion on the topic of short-term rentals, specifically examining operations such as Airbnb and similar rental companies. Currently, there are no regulations for short-term rentals in the City of Nassau Bay. The proposed ordinance would also stipulate health and safety protections within these rental properties. Additionally, it would require registration in the City, and subsequently a requirement for the rental properties to pay hotel occupancy taxes. Overall, the ordinance would allow for the same restrictions placed upon a hotel in the City to be placed on a short-term rental property. City Manager Reynolds also provided details on the safety and parking requirements.

Continuing his overview, Mr. Reynolds noted the City is expecting the introduction of state legislation which would preempt the City on this issue. If the City does pursue regulations on short-term rental properties, there could be a possibility of future litigation.

Councilmember Jonathan Amdur suggested tabling any action on regulating short-term rental properties. The motion was seconded by Councilmember John Mahon.

Public Hearing was opened at 7:25 p.m.

Roscoe Lee, 1631 Antigua Lane, stated he had an opportunity to preview the proposed ordinance, and expressed concerns with passage of the ordinance as it was written. Additionally, he believed it would be time consuming for staff to enforce registration of these short-term rental properties. He indicated a clearer definition of the word “unit” was needed throughout the ordinance and questioned other technicalities throughout. He also inquired on the clarity of the parking requirements. Lastly, Mr. Lee clarified he was speaking as a resident, and not as the Planning Commission Chairman.

Jim Stoa, 18305 Hereford, provided comments on the branding of the City of Nassau Bay. He cited concerns about the City of Nassau Bay being incorrectly confused Houston, Texas, and additionally noted visitors often do not recognize Nassau Bay as a city, but rather as a suburb. He recommended additional signage upon entering Nassau Bay on NASA 1.

There were no other public comments and the hearing was closed at 7:33 p.m.

Tabled an Ordinance providing for the regulation and the registration for the operation and use of short-term rentals in the City of Nassau Bay

It was moved by Councilmember Jonathan Amdur, seconded by Councilmember John Mahon, to table action on an ordinance providing for the regulation and the registration for the operation and use of short-term rentals in the City of Nassau Bay.

Motion passed 6 – 0.

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 7:34 p.m.

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

COUNCILMEMBERS' COMMENTS/REPORTS

Councilmember Matt Prior welcomed new Police Officer Clint Brown, and commended Chief Tim Cromie for bringing talent to Nassau Bay from other areas. He also thanked all those who participated in the recent annual peninsula cleanup.

Councilmember Jonathan Amdur echoed Councilmember Prior's comments and welcomed Officer Brown to Nassau Bay. He continued by providing his reasoning for quick action to table the short-term rental property ordinance. The City anticipates future issues regarding short-term rental property regulations from the State of Texas, and overall, he wanted to protect the City from any likely future litigation. Councilmember Amdur also commented on the Police Department 2018 Racial Profiling Report, and he applauded Chief Cromie for the comprehensive report. Overall, he believes racial profiling is not an area of concern within the City. Of the 1,237 traffic stops listed within the report, Councilmember Amdur noted approximately two-thirds of the stops resulted in a written or oral warning. He commended Chief Cromie on the Department's use of discretion in traffic stops.

Councilmember John Mahon appreciated the comments of the previous Councilmembers and wished to echo those same sentiments.

Councilmember Ashley Graves also welcomed Officer Brown. Additionally, she congratulated the City for being awarded another Best and Brightest Companies to Work For honor, and recognized Nassau Bay as the only municipality in the Greater Houston area given this award. She continued by noting any individuals interested in contributing to the Space Center Intermediate "needs" list, can contact her to be placed on the distribution list. Ending her comments Ms. Graves announced CANBE's fall fundraiser, which will be held on September 20th in the Council Chamber. The fundraiser will be an epicurean styled event, and anyone interested in sponsoring can also contact her for more information.

Mayor Pro Tem Don Matter spoke briefly on a meeting held by Chief Cromie for the Sea Cove Court homeowners and thanked him for explaining police activity in the area. Mayor Pro Tem Matter also thanked Mayor Denman for traveling to Austin with eight area Mayors to help petition for more local control, rather than State intervention into City policies.

MAYOR'S COMMENTS/REPORTS

Mayor Mark Denman introduced Nassau Bay resident John Steiger, remarking on Mr. Steiger's recent feature in the Nassau Bay Compass Rose newsletter. John Steiger retired from Delta over 20 years ago. Both his sons Pat and Mike were in the Air Force and are now commercial pilots. His grandson is currently a B1 Bomber pilot.

REPORTS FROM STAFF MEMBERS & COMMITTEES

City Manager

City Manager Jason Reynolds began his comments by welcoming new Officer Clint Brown. Mr. Reynolds continued by thanking all involved in the annual peninsula cleanup

on February 23rd. He also congratulated staff and the City on another Best and Brightest Companies to Work For award. He proceeded by announcing several upcoming events, including a Small Business Workshop on March 21st, Easter in the Park on April 7th, a new Prescription Drug Take Back program coordinated with the NBPD and the DEA on April 27th, and the Street Eat Party on Town Square the evening of April 27th. Ending his comments, he acknowledged the City of Nassau Bay will be celebrating its 50th anniversary of incorporation in 2020.

Fire Department

President Matt Roper presented the Fire Department's February status report. Mr. Roper stated the Department responded to 21 calls and logged 1,010 man hours. Current membership holds at 35 members, with two applications in process. The NBVFD also recently held their annual award banquet, and Mr. Roper congratulated Firefighter of the Year Vic Studer and Rookie Firefighter of the Year Mike Riley.

Parks & Recreation

Parks & Recreation Committee Chairman Roscoe Lee noted the Parks & Recreation Committee meeting in February was cancelled due to the peninsula cleanup event. He expressed appreciation to the 45 volunteers who participated, including 10 participants under the age of 18. He presented a PowerPoint presentation highlighting the volunteer activity. Mr. Lee also noted he coordinated with Keep Texas Beautiful to secure additional supplies for the cleanup.

CONSENT AGENDA

The Consent Agenda listed the following items for approval:

Approval of Minutes of Regular Meeting on February 11, 2019

Approval of Minutes of Special Meeting on February 16, 2019

Approval of a resolution canceling the May 4, 2019 City Officers' Election due to unopposed races

The caption of the resolution reads as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, DECLARING EACH UNOPPOSED CANDIDATE IN THE MAY 4, 2019 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. R2019-2166.)

Approval of a resolution supporting a Criminal Justice Division / Office of the Governor Grant application for the Nassau Bay Police Department for body-worn cameras and designating the City Manager as the authorized grant official

The caption of the resolution reads as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, SUPPORTING A CRIMINAL JUSTICE DIVISION / OFFICE OF THE GOVERNOR GRANT APPLICATION FOR THE NASSAU BAY POLICE DEPARTMENT FOR BODY-WORN CAMERAS AND DESIGNATING THE CITY MANAGER AS THE AUTHORIZED GRANT OFFICIAL.

(Said Resolution is of record in Resolution Book No. 19 of the City of Nassau Bay, Texas, being Resolution No. R2019-2167.)

Approval of an annual resolution accepting the Anti-Fraud Policy designed to enforce controls and to aid in the prevention and detection of fraud, theft, waste, or abuse against the City

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. R2019-2168.)

Acceptance of a Proposal for Professional Services from ARKK Engineers, LLC for the TWDB water and sewer line project

Approval of a resolution authorizing the Mayor to sign an updated Contract for Fines and Fees Collection Services for Municipal Court fines with Linebarger Goggan Blair & Sampson, LLC

The caption of the resolution reads as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, AUTHORIZING THE APPROVAL OF A CONTRACT WITH LINEBARGER GOGGAN BLAIR & SAMPSON, LLP FOR FINES AND FEES COLLECTION SERVICES.

(Said Resolution is of record in Resolution Book No. 19 of the City of Nassau Bay, Texas, being Resolution No. R2019-2169.)

It was moved by Mayor Pro Tem Don Matter, seconded by Councilmember Matt Prior, to approve the Consent Agenda.

Motion passed 6 – 0.

NEW BUSINESS

Awarded a bid to Dynamic Signs Systems & Marketing, LLC for the construction of a fixed structural landscape artwork amenity to be located on NASA Parkway

City Manager Jason Reynolds began the discussion by emphasizing the importance of branding for the City of Nassau Bay. He overviewed the several projects implemented to help travelers recognize they are in Nassau Bay, including the palm tree light project and pending installation of illuminated traffic signs on NASA 1.

Mr. Reynolds continued by stating the landscape artwork amenity will be located across from the Hilton hotel. The project has been ongoing since 2016, as the art piece will become a gateway to Nassau Bay. In the future, there are plans to construct a Nassau Bay welcome sign on the Hilton side of NASA Parkway.

This project, Bid No. 2019-02, received six bids, with amounts ranging from \$411,000 to \$850,000. SWA Architects has interviewed each of the companies and has recommended awarding the bid to Dynamic Signs Systems & Marketing, LLC for a total of \$411,000.

Mr. Reynolds emphasized the funding for the project comes from the Hotel Occupancy Tax (HOT) Fund, and not property taxes. Mayor Pro Tem Matter added that the City has a considerable amount of funds in the HOT fund, which has a restricted use for tourism.

Councilmember Jonathan Amdur requested further information on Dynamic Signs Systems & Marketing's total base bid of \$310,000 versus the total base bid with alternates and extra work items of \$411,000. Mr. Reynolds clarified the recommendation to be the total base bid with alternates and extra work, as the additional funds provide AISC certifications for the structural steel fabrication. Although the AISC certification is not necessary to complete the project, it does provide a warranty of proper engineering work, overall providing a "peace of mind" for the project completion. Councilmember Amdur questioned if the steel would rust, with ARKK Engineer Dave Kasper noting that the steel is galvanized. Additionally, Councilmember Amdur inquired on the one year of cleaning fee included in the additional add-on price. City Manager Reynolds explained current specifications show the art piece as 50 feet tall, and the City does not have the capability of cleaning it at that height.

It was moved by Councilmember Jonathan Amdur, seconded by Mayor Pro Tem Don Matter, to award the bid to Dynamic Signs Systems & Marketing, LLC for the construction of a fixed structural landscape artwork amenity to be located on NASA Parkway.

Motion passed 6 – 0.

Approval of a resolution repealing Resolution No. R2018-2138 and adopting a new fee schedule for fees charged by the Building Department

Building Official Mark Stelly began discussions by noting this resolution allows the City to revise the fee schedule to adequately cover the actual costs of the Building Department. The Building Department's fee schedule was last adjusted and adopted at the March 19, 2018 City Council meeting. As inspections and permits have increased over the past year,

the most significant change proposed is to the minimum fees charged. Additionally, the fee schedule proposes new resident and commercial administrative fees to adequately cover the clerical time for entering the permit information, issuing the permit, and other administrative costs. With the increase in the number of permits, the City utilizes a third-party company to perform inspections, and current customer fees charged do not cover the cost to pay this third party.

Councilmember Amdur emphasized his dislike of increasing fees overall, and rather, inquired whether the City should consider hiring additional personnel for the Building Department. Building Official Stelly noted it would cost the City approximately the same amount as paying the third-party, but adding personnel would increase benefit liabilities. City Manager Reynolds agreed, noting contracting with the third-party is essentially the same as a second person, but without benefits. Although the workload is high now, Mr. Reynolds hesitates adding personnel, as it is a long-term commitment to that person. Mr. Reynolds agreed the Building Department could revisit the fee structure in the future should the workload decrease.

The caption of the resolution reads as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, REPEALING RESOLUTION NO. R2018-2138, 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. R2019-2170.)

It was moved by Councilmember Jonathan Amdur, seconded by Councilmember Ashley Graves, to approve the resolution repealing Resolution No. R2018-2138 and to adopt a new fee schedule for fees charged by the Building Department.

Motion passed 6 – 0.

FIRST READING OF ORDINANCES

Adoption of an Ordinance correcting non-substantive errors such as misspellings, punctuation, grammar and sentence structure in the City Charter (first of two readings)

City Manager Jason Reynolds indicated this item to be a housekeeping item as a result of City Council approving the Charter Review Commission's recommended amendments at the January 14, 2019 Council meeting. As some proposed amendments were non-substantive in nature, they are allowed to be adopted by ordinance.

The caption of the ordinance reads as follows (first of two readings):

AN ORDINANCE AMENDING PART 1 – CHARTER, ARTICLE III. CITY COUNCIL, SECTION 3.08. - PROHIBITIONS, ARTICLE V. – ELECTIONS, SECTION 5.02. – FILING FOR OFFICE, ARTICLE VII. – MUNICIPAL FINANCE, SECTION 7.03. – BUDGET, 7.04. – AMENDMENTS AFTER ADOPTION, ARTICLE VIII. – TAX ADMINISTRATION, SECTION 8.01. –

TAX ASSESSOR, ARTICLE XI. – GENERAL PROVISIONS, SECTION 11.03. – OFFICIAL NEWSPAPER, AND ARTICLE XII. – TRANSITIONAL PROVISIONS, SECTION 12.03. EFFECT OF THE CHARTER ON EXISTING LAW; AND PROVIDING FOR CODIFICATION.

(Said Ordinance is of record in Ordinance Book No. 13 of the City of Nassau Bay, Texas, being Ordinance No. O2019-784.)

It was moved by Mayor Pro Tem Don Matter, seconded by Councilmember Ashley Graves, to approve the first reading of an ordinance correcting non-substantive errors such as misspellings, punctuation, grammar and sentence structure in the City Charter.

Motion passed 6 – 0.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:09 p.m.

Minutes approved as submitted and/or amended this 8th day of April, A.D. 2019.



ATTEST

Sandra V. Ham
City Secretary

CITY OF NASSAU BAY, TEXAS

Mark A. Denman
Mayor