

**REGULAR MEETING AND PUBLIC HEARING
CITY COUNCIL
CITY OF NASSAU BAY, TEXAS
SEPTEMBER 9, 2019
7:00 PM**

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

MEMBERS OF COUNCIL ABSENT: Councilmember Bryce Klug

OTHERS PRESENT: City Attorney Dick Gregg Jr., City Manager Jason Reynolds, City Secretary Sandra Ham, Assistant City Manager Mary Chambers, Finance Director Csilla Ludanyi, Public Works Director Paul Lopez, Fire Chief Tom George, Emergency Management Coordinator Dena Mahan, 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 Father Wencil Pavlovsky of St. Paul the Apostle Catholic Church. The Pledges to the American and Texas flags were led by members of the Nassau Bay Volunteer Fire Department.

APPOINTMENTS, PROCLAMATIONS, PRESENTATIONS AND AWARDS

Presentation of Proclamation for Fire Prevention Week

Mayor Mark Denman proclaimed the week of October 6-12, 2019 as Fire Prevention Week. Volunteer Fire Department President Matt Roper accepted the proclamation on behalf of the Nassau Bay Volunteer Fire Department. This year's Fire Prevention Week theme is "Not Every Hero Wears a Cape. Plan and Practice Your Escape!™" which effectively serves to remind us that we need to take personal steps to increase our safety from fire. Mayor Denman posed for a photo with Mr. Roper and the Nassau Bay first responders present.

Presentation of a Proclamation to Joyce Abbey and Suzanne Flair in recognition of their Apollo 50th Anniversary Volunteer Efforts

Joyce Abbey and Suzanne Flair, both Nassau Bay residents, were both key parts in Nassau Bay's 50th Anniversary celebration weekend in July 2019. Mayor Denman expressed his appreciation for their efforts which helped ensure Nassau Bay properly celebrated the 50th Anniversary occasion. Mayor Denman presented both a proclamation recognizing their efforts and posed for a photo.

Presentation by the Clear Creek Education Foundation's *The Leader in Me* Program

Principal Ann Thornton of Space Center Intermediate provided an overview of the Clear Creek Education Foundation's *The Leader in Me* Program. Student Taylor Blankenship was introduced and gave details on the impact the program has made on her academic success. Ms. Thornton closed her comments by thanking the City for their monetary generosity for *The Leader in Me* program.

Presentation of the City Manager's Proposed Budget for Fiscal Year 2020

City Manager Jason Reynolds presented his final draft of the Budget for Fiscal Year 2020. He indicated his presentation would include a summary of the General Fund, Water & Sewer Fund, and Capital Requests. Mr. Reynolds continued by citing an overview of the City's general priorities, which include a Budget which balanced and in accordance with the City's financial principals. The Budget also maintains core services with targeted investments in public safety and infrastructure. The Budget includes a \$0.01 tax rate decrease from FY2019, with a proposed tax rate of \$0.732120 / \$100, which is lower than effective and rollback rates. The City Council can choose to adopt the tax rate up to \$0.739790 / \$100.

City Manager Reynolds continued with a detailed long-range financial plan. In previous budget discussions he noted the conference center lease did not have a firm commitment, but he is happy to report the lease has been confirmed, and those funds are now incorporated in this budget.

Continuing his comments, Mr. Reynolds indicated the General Fund is the largest fund, comprising 43% of the FY2020 Budget. Special Revenue is larger than expected at 17% due to the inclusion of the Home Elevation project. City Manager Reynolds also provided a summary of expenditure changes from the FY19 Amended Budget to the FY20 Budget. Of significance, he noted the transfer of funds from the General Fund to the Capital and Water/Sewer Funds for debt repayment.

Mr. Reynolds detailed the General Fund budget, which assumes a one penny decrease in the tax rate to \$0.731210. The overall fund revenue is currently projected at a 5.4% decrease from the FY19 Budget and an 8.1% decrease from the Projected Actuals. The overall fund expenses are currently projected at a 3.2% increase from the FY19 Budget and a 4.9% increase from Projected Actuals. Of the total budget, the General Administrative portion comprises 28% of the General Fund, followed by the Police Department at 23%. The largest revenue source for the General Fund is Property Taxes at 62%, followed by Sales Tax at 11%, and Franchise Fees at 8%.

Mr. Reynolds continued his presentation by providing the changes in taxable value for residential, TIRZ, and all other properties within the City. He noted there to be a general increasing trend in values. Additionally, he provided a five-year trend for sales tax, and cited that the City continues to exceed sales tax goals. Lastly, Mr. Reynolds provided a five-year comparison of the General Fund revenue sources, noting many of the sources have remained constant, while property tax revenue has increased over the last five years.

City Manager Reynolds continued by detailing the Maintenance & Operation increases, which includes 3% budgeted for merit increases, an -0.61% medical insurance decrease, 1.5% increase for workers compensation (from actuals), 1.5% increase for property

insurance (from actuals), and a targeted approach to salary adjustments. He also detailed the General Fund one-time expenses, which include a \$100,000 TMRS payment, the Charter driven Comprehensive Plan Review, approximately \$300,000 for capital projects, the Water Sewer Fund transfer, Police Department equipment, the palm tree anti-fungal treatment, and approximately \$100,000 for contingency. On an average home in Nassau Bay, the average property tax will be \$162.93 per month. Mr. Reynolds continued by comparing this cost to different tax rates in surrounding areas.

For Fiscal Year 2020, the projected General Fund Days of Reserve is 120 days, or \$1,850,399. If the General Fund Days of Reserve is lowered to 90 days, an additional \$461,000 of funds are available to be transferred to the Water & Sewer Fund.

Mr. Reynolds overviewed the Capital Projects list and noted the newly requested, but not yet funded, projects to be the Leeward bulkhead, the Founders' Park road replacement / trail project, David Braun Park sundial, the 2,500 square feet peninsula trail loop extension, peninsula drainage engineering and construction, and a pickleball court at David Braun Park. Additionally, he summarized the Hurricane Harvey related FEMA projects, including the David Braun Park Pavilion repairs, the pavement street sealing project, and the sand filter mitigation project. Project planning for the sand filter mitigation is continuing, and upon project approval work will be contracted with 90% funding from FEMA and a City match of 10%.

Mr. Reynolds continued by overviewing the debt service costs from Fiscal Year 2020 to Fiscal Year 2031. The cost of debt remains constant until 2027. He also reviewed the Water & Sewer Fund Capital projects list, which include the Southeast Water Purification Plant FY12-17 and FY19 true-up costs, sand filter mitigation, and a recommendation by the Infrastructure Committee for elevation of the chlorine tank.

Continuing with the Water & Sewer Fund, he remarked on the FY19 rate increase to pay for the water and sewer lines. He also noted that the Texas Water Development Board debt and expenses are not yet included in the budget. Mr. Reynolds also presented on the use of cash flow for capital infrastructure in the Water & Sewer Fund. He provided a 15-year draft of the costs of infrastructure proposals in this fund.

City Manager Reynolds ended his presentation by overviewing the street sales tax and the tourism fund. Both comprise 2% and 9% of the revenue sources, respectively. The next major project for the street sales tax revenue would be the San Sebastian East street replacement.

Councilmember Ashley Graves requested additional information regarding the sand filter mitigation, specifically damages. City Manager Reynolds indicated FEMA would only partially pay for the repairs, as it was difficult to determine which portion was in need of repair due to Hurricane Harvey versus old age. Mayor Mark Denman credited City staff for their efforts in securing FEMA funds for these capital projects, and overall ensuring a healthy financial City budget.

PUBLIC HEARING AND ACTION ITEMS FROM PUBLIC HEARING

Public Hearing on the City Manager's Proposed Budget for Fiscal Year 2020

Mayor Denman announced a Public Hearing for citizens to address City Council regarding the City Manager's Proposed Budget for Fiscal Year 2020.

Public Hearing was opened at 7:38 p.m.

Roscoe Lee, 1631 Antigua Lane, noted his participation in the budget workshops, and indicated his support of this proposed budget. He expressed appreciation for the Park related items listed in the budget. Additionally, he supported the City's targeted approach in salary adjustments and merit increases.

Mayor Denman requested \$2,500 be considered as an amendment to the budget in support of the Galveston Bay Foundation.

Pete Seroka, 18226 Nassau Bay Drive, stated his attendance at the Parks & Recreation Committee meeting, and extended his support of a skate park in the City. He asked for consideration of this request in the FY2021 budget, as he believes nicer communities have this amenity. He supports a skate park as Nassau Bay continues trending towards younger families.

There were no other public comments and the Public Hearing was closed at 7:42 p.m.

Ordinance adopting the Fiscal Year 2020 Annual Budget and appropriating the several sums set therein to the departments and funds therein named (first and only reading)

Councilmember Bob Wartens made a motion to approve the FY2020 Budget as presented but asked for Council to consider a budget amendment with the addition of the General Fund transfer of funds to the Water & Sewer Fund, a sundial for David Braun Park, the chlorine tank elevation project, and Mayor's consideration for sponsorship of the Galveston Bay Foundation.

Mayor Pro Tem Matter indicated he would also like the amendment to provide for the inclusion of a pickleball court.

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, ADOPTING THE FY2020 BUDGET FOR THE CITY OF NASSAU BAY, TEXAS, AND APPROPRIATING THE SEVERAL SUMS SET THEREIN TO THE DEPARTMENTS AND FUNDS THEREIN NAMED.

(Said Ordinance is of record in Ordinance Book No. 13 of the City of Nassau Bay, Texas, being Ordinance No. O2019-789.)

In summary, City Council approved the following additions to the City Manager's Fiscal Year 2020 Annual Budget:

- Funds Transfer to the Water & Sewer Fund
- Founders' Park Road Replacement/Trail Project

- David Braun Park Sundial
- David Braun Park Pickleball Court
- Chlorine Tank Elevation Project
- Galveston Bay Foundation Sponsorship

It was moved by Councilmember Bob Warters, seconded by Mayor Pro Tem Don Matter, to approve the first and only reading of the Fiscal Year 2020 Annual Budget, with the addition of funds for the amendments as summarized above.

Mayor Denman took a roll call vote for the approval of the Fiscal Year 2020 Budget:

Councilmember Prior – Approve
Councilmember Warters – Approve
Councilmember Klug – Absent
Councilmember Mahon – Approve
Councilmember Graves – Approve
Mayor Pro Tem Matter – Approve
Mayor Denman – Approve

Motion passed 6 – 0.

At this time in the Mayor Mark Denman asked to move to New Business, as City Council is required to approve several tax rate agenda items before adopting the tax rate.

NEW BUSINESS

Receive Certification of the 2019 Anticipated Collection Rate from Ann Harris Bennett, Harris County Tax Assessor/Collector

Finance Director Csilla Ludanyi provided an overview of the item, noting the anticipated collection rate for Fiscal Year 2019, which is based on the 2018 tax year, to be 99.86%. This rate indicates the percentage of all property tax collected in Nassau Bay. She indicated this rate needs to be accepted by City Council in order to calculate the effective and rollback rate.

It was moved by Mayor Pro Tem Don Matter, seconded by Councilmember John Mahon, to receive and accept the 2019 Anticipated Collection Rate from Ann Harris Bennett, Harris County Tax Assessor/Collector.

Motion passed 6 – 0.

Receive the Tax Year 2019 Harris County Certified Appraisal Roll for City of Nassau Bay (Jurisdiction 073) and TIRZ No. 1 (Jurisdiction 278)

Finance Director Ludanyi provided an overview of the item, stating the certified appraisal roll was received from the Harris County Appraisal District and informs the City of the values of which the tax rate is based upon. Based on the truth in taxation, the total certified taxable value in Nassau Bay was \$721,399,507. Additionally, she stated \$65,092,366 is the total uncertified taxable value. The total appraised value for the TIRZ was \$347,255,543, with certified taxable value for the TIRZ at \$264,739,480.

It was moved by Councilmember Bob Warters, seconded by Councilmember Ashley Graves, to receive and accept the 2019 Harris County Certified Appraisal Roll for City of Nassau Bay (Jurisdiction 073) and TIRZ No. 1 (Jurisdiction 278).

Motion passed 6 – 0.

Receive the 2019 Effective and Rollback Tax Rate Calculations for the 2019 Tax Year (Fiscal Year 2020)

Finance Director Csilla Ludanyi provided an overview of the item, indicating the Effective and Rollback Tax Rates were received from Harris County. The Effective Tax Rate is \$0.739790/\$100 and the Rollback Tax Rate is \$0.780268/\$100. She noted Council would not be voting on tax rates with this action item, only voting to accept the information received from Harris County.

It was moved by Councilmember Bob Warters, seconded by Mayor Pro Tem Don Matter, to receive and accept the Effective and Rollback Tax Rate calculations for the 2019 tax year (Fiscal Year 2020).

Motion passed 6 – 0.

At this time in the meeting, Mayor Mark Denman asked to return to the Public Hearing portion of the agenda in order to formally adopt the Tax Rate.

PUBLIC HEARING AND ACTION ITEMS FROM PUBLIC HEARING

Public Hearing on the adoption of an ordinance providing for the levy, assessment, and collection of an ad valorem tax for Tax Year 2019 (Fiscal Year 2020)

City Manager Reynolds noted the previously adopted budget is based on the rate of \$0.732120/\$100, which is effectively a 1.0 percent decrease in the tax rate. Mayor Denman opened the Public Hearing for anyone wishing to comment on the adoption of the tax rate for Fiscal Year 2020.

Public Hearing was opened at 7:54 p.m.

Jonathan Amdur, 17 Leeward Lane, expressed his appreciation to Mayor, City Council, and City staff for their good stewardship with the Fiscal Year 2020 Budget. He noted the savings on an average home and thanked the City for their ability to provide more services with less funding.

There were no other public comments and the Public Hearing was closed at 7:55 p.m.

Adoption of an ordinance providing for the levy, assessment, and collection of an ad valorem tax for Tax Year 2019 (Fiscal Year 2020) (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, PROVIDING FOR THE LEVY, ASSESSMENT AND COLLECTION OF AN AD VALOREM TAX FOR THE CURRENT TAX

YEAR OF 2019 AT THE RATE OF SEVENTY THREE POINT TWO HUNDRED TWELVE THOUSANDTHS CENTS (73.2120¢) ON EACH ONE HUNDRED DOLLARS (\$100.00) OF ASSESSED VALUATION OF TAXABLE PROPERTY IN THE CITY OF NASSAU BAY, TEXAS, FOR THE PURPOSE OF MAINTAINING AND SUPPORTING THE CITY AND OF PAYING THE INTEREST ON AND ESTABLISHING A DEBT SERVICE FUND FOR THE REDEMPTION OF BONDED INDEBTEDNESS FOR THE CITY OF NASSAU BAY, TEXAS.

(Said Ordinance is of record in Ordinance Book No. 13 of the City of Nassau Bay, Texas, being Ordinance No. O2019-790.)

It was moved by Councilmember John Mahon, seconded by Councilmember Ashley Graves, for the property tax rate to be adopted at 0.732120, which is effectively a 1.0 percent decrease in the tax rate. This tax rate consists of a Maintenance and Operation Rate of 0.690705 and a Debt Service Rate of 0.041415.

Mayor Denman took a roll call vote for the approval of the tax rate:

Councilmember Prior – Approve
Councilmember Warters – Approve
Councilmember Klug – Absent
Councilmember Mahon – Approve
Councilmember Graves – Approve
Mayor Pro Tem Matter – Approve
Mayor Denman – Approve

Motion passed 6 – 0.

CITIZENS' REQUEST FOR HEARING BEFORE CITY COUNCIL

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

The Public Hearing was opened at 7:57 p.m.

Mike Barrett, 18706 Point Lookout Drive, requested for City Council to reconsider the renaming of the dog park to the "Chris Reed Dog Park." Mr. Barrett described an incident in which a child was attacked by a dog owned by Mr. Reed, and encouraged City Council to consider renaming another area of Nassau Bay in Mr. Reed's honor.

Pete Seroka, 18226 Nassau Bay Drive, provided details on the recent Nassau Bay Homes Association (NBHA) election. He noted that the NBHA accounts for approximately 62% of the homes in Nassau Bay. Continuing, he noted the Association's new website, and indicated the NBHA aspires to mirror much of the transparency of the City of Nassau Bay's website.

Roscoe Lee, 1631 Antiqua, expressed his appreciation and seconded the honor of Suzanne Flair and Joyce Abbey for their volunteer efforts in the Apollo 50th Anniversary celebration.

Jonathan Amdur, 17 Leeward, spoke on the integrity of former City Manager Chris Reed, and recognized Mr. Reed's efforts in making Nassau Bay a great City.

There were no other public comments and the Public Hearing was closed at 8:07 p.m.

COUNCILMEMBERS' COMMENTS/REPORTS

Councilmember Ashley Graves announced the upcoming CANBE event, Stellar Soiree, and encouraged all to purchase their tickets to the event on CANBE's website. Councilmember Graves also introduced two interns who attend Clear Horizons High School, as they will be working with her for the semester.

REPORTS FROM STAFF MEMBERS & COMMITTEES

City Manager

City Manager Jason Reynolds began his comments by announcing several upcoming City events, including the Galveston Bay Foundation Rain Barrel Workshop, National Night Out on October 1st, Street Eatz on October 5th, and Halloween in the Park on October 26th. Mr. Reynolds also recognized Receptionist Cyndi Martinez for her assistance in the recent Apollo 50 banner sale.

Fire Department

President Matt Roper presented the Fire Department's August status report. Mr. Roper stated the Department was not able to currently report on call metrics, but stated that the Department membership is at 39 members, as they recently voted five new members. Additionally, he invited all to attend the Friday, October 11th Fire & EMS Station Open House. Lastly, he recognized the members of the NBVFD who participated in the recent 9/11 Stair Climb with the League City Volunteer Fire Department.

Parks & Recreation

Parks & Recreation Committee Chairman Roscoe Lee remarked on the Committee's recent meeting, which focused on the status of the David Braun Park pavilion. Mr. Lee overviewed the recent progress with the project. He continued by describing the bee pollinator garden and expressed appreciation to Council for the addition of funds for several Park projects. Lastly, he invited all to the upcoming Keep Nassau Bay Beautiful Fall Sweep on October 19th.

CONSENT AGENDA

Approval of second and final reading on an Ordinance amending City of Nassau Bay Ordinance No. O2013-712 by revising Appendix A – Zoning, Article 15. – Zoning Districts for Commercial (C), Mixed Use (U) and Public (PO-1), 15-200. – Urban District, (A). Uses, No. (9)

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

AN ORDINANCE AMENDING CITY OF NASSAU BAY ORDINANCE NO.
O2013-712 BY REVISING APPENDIX A – ZONING, ARTICLE 15. -

ZONING DISTRICTS FOR COMMERCIAL (C), MIXED USE (U) AND PUBLIC (PO-1), 15-200. – URBAN DISTRICT, (A). USES, NO. (9).

(Said Ordinance is of record in Ordinance Book No. 13 of the City of Nassau Bay, Texas, being Ordinance No. O2019-786.)

Authorization of the City Manager to sign a contract between the Texas Water Development Board and the City of Nassau Bay for the 2017 Flood Mitigation Assistance Project Grant – FMA Home Elevations Project

Authorization of the City Manager to sign a contract between the Texas Water Development Board and the City of Nassau Bay for the 2017 Flood Mitigation Assistance Project Grant – FMA Property Acquisition Project

Approval of a resolution nominating Mike Sullivan for a position on the Board of Directors of the Harris County Appraisal District

The caption of the resolution reads as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, NOMINATING A CANDIDATE FOR A POSITION ON THE BOARD OF DIRECTORS OF THE HARRIS COUNTY APPRAISAL DISTRICT.

(Said Resolution is of record in Resolution Book No. 19 of the City of Nassau Bay, Texas, being Resolution No. R2019-2184.)

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

Motion passed 6 – 0.

NEW BUSINESS

Awarding of Bid No. 2019-004 to Saw & Seal of Texas, LLC for pavement joint sealing on various concrete streets located within the City of Nassau Bay

Public Works Director Paul Lopez indicated the City received five sealed bids for this FEMA funded project which involves sealing of the joints in the City's concrete streets. Submitted proposals were reviewed and evaluated based on the following criteria, reputation, past experience, best value and price. Based on the scoring of the proposals, it is the recommendation to award Saw & Seal of Texas, LLC the contract. Saw & Seal of Texas, LLC was the lowest bidder, and also their bid fit within the budget allowance of FEMA.

It was moved by Councilmember Bob Warters, seconded by Councilmember Ashley Graves, to award Bid No. 2019-004 to Saw & Seal of Texas, LLC for pavement joint sealing on various concrete streets located within the City of Nassau Bay.

Motion passed 6 – 0.

EXECUTIVE SESSION

Meeting recessed to Executive Session at 8:19 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 8:43 p.m.

ACTION ITEMS FROM EXECUTIVE SESSION

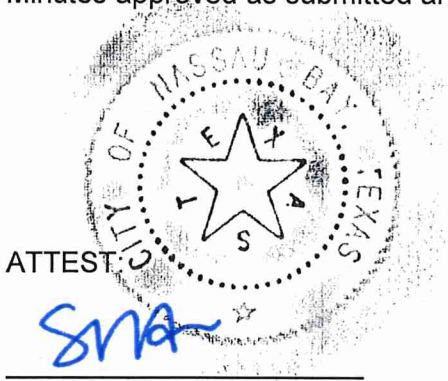
Action regarding personnel matter(s) as discussed in executive session – City Manager

It was moved by Councilmember Ashley Graves, seconded by Councilmember Matt Prior, to approve the action item regarding personnel matters regarding the City Manager as discussed in Executive Session.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:44 p.m.

Minutes approved as submitted and/or amended this 12th day of November, A.D. 2019.



ATTEST

SNA

Sandra V. Ham
City Secretary

CITY OF NASSAU BAY, TEXAS

Mark A. Denman
Mayor