

**REGULAR MEETING AND PUBLIC HEARING
CITY COUNCIL
CITY OF NASSAU BAY, TEXAS
JANUARY 13, 2020
7:00 PM**

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

MEMBERS OF COUNCIL ABSENT: Mayor Mark Denman, and Councilmembers John Mahon and Bryce Klug (arrived 7:12 p.m.)

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 Pro Tem Don Matter

CALL TO ORDER AND ROLL CALL OF MEMBERS

Mayor Pro Tem Don Matter called the meeting to order at 7:01 p.m. and announced a quorum of Council was present with four elected officials in attendance.

INVOCATION AND PLEDGES OF ALLEGIANCE

The invocation was given by Dick Gregg, Jr., the City Attorney since Nassau Bay's incorporation in 1970. Mr. Gregg shared a moving invocation celebrating Nassau Bay's 50th Anniversary. The Pledges to the American and Texas flags were led by Park Place Commandery #106. Mayor Pro Tem Matter presented Park Place Commandery #106 a certificate of appreciation and posed for a photo.

APPOINTMENTS, PROCLAMATIONS, PRESENTATIONS AND AWARDS

Presentation of a Check to the Clear Creek Environmental Foundation

Mayor Pro Tem Matter presented a check in the amount of \$4,000 to the Clear Creek Environmental Foundation (CCEF). Representative AJ O'Donnell was present to accept the check. Mr. O'Donnell continued the presentation by describing CCEF's past clean-up efforts of the Nassau Bay peninsula and invited residents to join this year's peninsula cleanup efforts on February 8th at 8:30 a.m.

CITIZENS' REQUEST FOR HEARING BEFORE CITY COUNCIL

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

The Public Hearing was opened at 7:14 p.m.

Pete Seroka, 18226 Nassau Bay Drive, provided an update from Nassau Bay Homes Association (NBHA). He noted the Annual HOA dues are being processed, with a current 65% collection rate. He expressed appreciation to Building Official Mark Stelly for attending the December HOA meeting, specifically for his discussion on the ARA process and home elevations. Lastly, he noted the Association's audit process is underway, as it has been five years since the last audit. He emphasized the current Board's focus on overall improving the HOA.

There were no other public comments and the Public Hearing was closed at 7:17 p.m.

COUNCILMEMBERS' COMMENTS/REPORTS

Councilmember Matt Prior commented on Sergeant Kaila Sullivan's recent passing, and cited examples of her dedication and character. He stated he was encouraged by the community response and how the City came together in the wake of the tragic incident.

Councilmember Bob Wartens wished to echo Councilmember Prior's sentiments.

Councilmember Bryce Klug also wished to echo Councilmember Prior's sentiments.

Councilmember Ashley Graves began with the same sentiments regarding Sergeant Sullivan. She recounted a story of joining Sergeant Sullivan on a police ride-along, in which they transported contraband to Houston. She continued by sharing the story of her loyal to the community, dedication to the Police Department and City, and her example of leadership. She ended her statement on Sergeant Sullivan by requesting that the Police Department review for possible policy updates in response to the incident. Councilmember Graves also noted that CANBE will be honoring Sergeant Sullivan with a Legacy Bench and stated for those who wished to donate to the purchase can contact her. Lastly, Councilmember Graves introduced student Tony Nguyen who will be joining her for the semester for a student mentorship.

Mayor Pro Tem Don Matter echoed the same sentiments as all of the members of Council. He indicated he received a call from Sister Edwin of the original St. John's Hospital, who will be creating a knitted afghan for a raffle, with proceeds to the family.

REPORTS FROM STAFF MEMBERS & COMMITTEES

City Manager

City Manager Jason Reynolds began his comments by expressing his appreciation to the community for their outreach after Sergeant Sullivan's passing. He continued by announcing several upcoming City events, including the upcoming CCEF Peninsula Clean-up, Beautification Day, and the 50th Anniversary celebration and gala. He noted that the City has begun the purchase process of the Leeward homes, and the demolition process for these homes will be underway. Lastly, he thanked IT Administrator Tom George for the relaunch of NBTv, which includes a variety of city-centric videos on Channel 16.

Fire Department

President Matt Roper presented the Fire Department's December status report. Mr. Roper stated the Department responded to 32 calls and logged approximately 1,555 man hours. Current membership is at 40 members, with 37 members considered active and 3 members considered administrative members. For the calendar year 2019, volunteer members contributed 12,442 volunteer hours, which is approximately the equivalent of six full-time employees.

Parks & Recreation

Parks & Recreation Committee Chairman Roscoe Lee overviewed the recent Parks & Recreation Committee meeting on December 18th. He expressed his appreciation to Public Works, as he believes the parks to be in great shape. He spoke of recent volunteer activities and the Committee's partnership with the Houston Zoo. Mr. Lee invited all to participate in an informal bird survey, which will help promote the peninsula as a birding site. The group will meet on the fourth Tuesday of every month. Lastly, he noted that Keep Nassau Bay Beautiful participated in an online webinar in regards to the City's Scenic City certification. The City is due for renewal in March and it is an extensive application. Nassau Bay is currently at the bronze level, and he hopes to improve the City to a higher level.

CONSENT AGENDA

Approval of Minutes of Regular Meeting on November 12, 2019

Approval of a resolution authorizing the Mayor to enter into a joint agreement with CCISD to share the City's polling place on May 2, 2020

The caption of the resolution reads as follows:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, AUTHORIZING THE MAYOR TO ENTER INTO A JOINT ELECTION AGREEMENT WITH CLEAR CREEK INDEPENDENT SCHOOL DISTRICT TO SHARE THE CITY'S POLLING PLACE AT CITY HALL ON ELECTION DAY, MAY 2, 2020.

(Said Ordinance is of record in Ordinance Book No. 19 of the City of Nassau Bay, Texas, being Resolution No. R2019-2191.)

It was moved by Councilmember Bryce Klug, seconded by Councilmember Bob Warters, to approve the Consent Agenda.

Motion passed 5 – 0.

NEW BUSINESS

Presentation on debt funding scenarios for the City's participation in the TMRS system and creation of a Task Force to examine plan options

Finance Director Csilla Ludanyi provided an overview of Nassau Bay plan participation in the TMRS system. She provided a review of possible funding options for the unfunded liability, and well as considerations and impacts of the various options.

Ms. Ludanyi began by detailing the plan, stating the City's contribution rate to be 16.21%, which includes prior service. This is made up of valuations, annual experiences, and actuarial changes. For 2020, the City will pay approximately \$170,000. For Plan Year 2022, the amortization period will become 20 years, which then coincides with number of years for retirement eligibility. The unfunded liability for Fiscal Year 2020 is 2.8 million. The 2020 contribution rate is 16.03%, although the City holds payment at 16.21%. The additional portion assists in paying down the unfunded liability.

Finance Director Ludanyi indicated the City is examining ways to pay down the unfunded liability. Currently, the City contributes an extra \$100,000 per year, which will shorten the current amortization of 25 years to 15 years. This will equate to 1.3 million in savings. The current option for paying down the unfunded liability is continuing to hold the flat contribution rate and the additional lump-sum payment. An additional option would be to issue debt to pay a large portion of the unfunded liability. Lastly, the City could opt to simply pay the annual TMRS required rate with a 25-year amortization period.

Finance Director Ludanyi continued by describing the issuance of a debt option. The current 2020 annual debt obligation to general fund expenditures is 14.6%. City policy suggests a limit on the annual debt obligation to 20% of the General Fund Expenditures, leaving 5.4% debt capacity available. Additionally, she indicated issuing pension obligation debt moves the Unfunded Actuarial Accrued Liability (UAAL) cost to the Debt Service (I&S) portion of the tax rate from the Maintenance and Operations (M&O) portion. She stated the effective tax rate will increase to maintain current M&O levels and allow for the increase debt obligation. Therefore, if Council desired to hold tax rate levels even, there would have to be a decrease in the M&O funding. Lastly, the Net Pension Liability would appear in the CAFR as a General Obligation Bond instead of a Net Pension Liability on the long-term debt portion of the financial statements

Finance Director Ludanyi noted timing for issuing debt from an interest rate perspective to be positive and that long term there will be financial savings to the City. She did note issuing debt to pay off the UAAL will place the burden of the employee pension on current residents at the expense of less debt capacity available for Infrastructure during the same period. There would be approximately seven years where the City could be limited for additional future debt issuance.

Mayor Pro Tem Matter remarked on the savings if the City were to issue debt. Councilmember Matt Prior requested an additional opportunity to examine the details of the options. Mayor Pro Tem Matter suggested the creation of a committee to review the plan options, as he believed the savings of paying the unfunded liability to be greatly beneficial, but felt concerns about the complications with a reduced debt capacity.

Councilmember Bob Warters remarked on TMRS' projections of a guaranteed annual earning rate. He requested additional details on TMRS' earnings last year. Ms. Ludanyi indicated the guaranteed rate to be 6.75%, but for 2019, the earnings rate was 14%.

Councilmember Ashley Graves requested additional information on how debt issuance impacts the Water & Sewer Fund. Finance Director Ludanyi indicated there are City employees who are completely paid by this particular fund, ergo portions of the pension debt would need to be paid by the Water & Sewer Fund.

It was moved by Councilmember Ashley Graves, seconded by Councilmember Bryce Klug to create a Task Force to examine the options to pay down the unfunded liability, and to name Councilmember Bryce Klug, Councilmember Matt Prior, City Manager Jason Reynolds, and Finance Director Csilla Ludanyi to the Task Force.

Motion passed 5 – 0.

Discussion of the possible addition of a City ordinance for the enforcement of dilapidated boats/vessels in the City

Police Chief Tim Cromie began his comments by noting the City is reviewing the addition of a possible ordinance for the enforcement of dilapidated boats and vessels within the City. He is proposing this addition and reintroduced the subject for continued guidance moving forward. He indicated other cities have some type of ordinance in place that addresses boats and vessels, and Nassau Bay does have some statues already in place regarding boats on the water.

Councilmember Ashley Graves requested additional details on the costs associated with enforcement. Police Chief Cromie indicated the ordinance does not include taking ownership of a boat or vessel, so there would be no costs associated in that manner. He continued by noting the maximum penalty to a boat owner would be determined by the municipal court.

Councilmember Bob Warters indicated he was sympathetic to the goal of the ordinance, but cautioned on the definition of dilapidated, as the appearance and opinion of the condition of the boat could be subjective. Police Chief Cromie recognized the difficulty of the subjective manner of the condition of a derelict boat, and also implied enforcement could even be subjective from officer to officer.

Councilmember Bryce Klug inquired on the involvement of the Texas Parks & Wildlife Department, with Police Chief Cromie noting their enforcement is not valid for the City's municipal court.

Councilmember Matt Prior inquired whether the ordinance was a proactive measure, or if there were certain vessels in consideration for enforcement. Police Chief Cromie indicated it to be a proactive measure but noted the issue did stem from two previous boats.

There was additional discussion on the Law of Salvage, with City Attorney Dick Gregg, Jr. providing an overviewing the law. Discussion also ensued regarding boats on land on private property, with City Manager Reynolds indicating the ordinance would only apply to boats on the water. Police Chief Cromie indicated the primary goal is not confiscation, but to issue citations to owners to encourage them to remedy the appearance of the vessel.

Councilmember Klug continued with concern regarding a homeowner in the process of cleaning their boat and being cited prior to completion. He believed the penalty portion of the ordinance to be harsh. He inquired whether civil penalties could be imposed. City Attorney Gregg indicated there would need to be a creation of a subset of laws for civil penalties for boats.

Mayor Pro Tem Matter inquired on how surrounding cities handle this matter. Police Chief Cromie noted that the Lakeview and Seabrook Police Departments have ordinances in place, and that he would provide samples of their code.

Councilmember Klug emphasized the need for balancing homeowner's rights. He understood the intent of the ordinance but would request for a less intrusive method. The discussion ended with comments on how surrounding cities handle derelict boats, including any pending lawsuits and liability issues.

Authorization of the City Manager to sign a lease renewal agreement with Barrios Technology LTD

Assistant City Manager Mary Chambers indicated Barrios Technology LTD has an existing lease that will expire in April of 2020. The City approached Barrios in October 2019 about renewing the lease. The proposed contract is currently in draft form with negotiations ongoing. The agreement would not be signed until a final review by the City Attorney.

A brief discussion was held on the current lease rate, years of occupancy, and any rate increases.

It was moved by Councilmember Bob Warters, seconded by Councilmember Bryce Klug to authorize the City Manager to sign a lease renewal agreement with Barrios Technology LTD in a form accepted by the City Attorney.

Motion passed 5 – 0.

Appointments to the Comprehensive Plan Advisory Committee

Assistant City Manager Mary Chambers indicated the Comprehensive Plan Citizen Advisory Committee to be a team representing the residents, businesses, neighborhoods, community organizations, and other stakeholders in Nassau Bay. This advisory committee brings in representatives from various boards, commissions, and the community, and broadens the participation in updating the Comprehensive Plan. She requested for City Council to appoint the proposed recommendations listed in the City Council meeting packet.

Mayor Pro Tem Don Matter requested to be placed on the committee as the Infrastructure Committee representative. It was noted that as Matt Prior is no longer a member of the Economic Development Corporation that he should be removed as that representative.

It was moved by Councilmember Bryce Klug, seconded by Councilmember Ashley Graves, to appoint the recommended list of individuals, as amended in discussion, to the Comprehensive Plan Advisory Committee.

Motion passed 5 – 0.

FIRST READING OF ORDINANCES

Approval of the first reading of an ordinance calling the May 2, 2020 City General Election for the purpose of electing a Mayor and three Councilmembers, Positions 2, 4 & 6 and for the purpose of presenting propositions to the voters pertaining to

various amendments to the City Charter (as noted in full in the ordinance); said election to be held jointly with Clear Creek ISD

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

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NASSAU BAY, TEXAS, ORDERING A REGULAR CITY & SPECIAL ELECTION TO BE HELD IN SAID CITY ON THE 2ND DAY OF MAY 2020, FOR THE PURPOSE OF 1) ELECTING A MAYOR AND THREE MEMBERS OF COUNCIL; AND IF THE SAME IS REQUIRED, A RUNOFF ELECTION TO BE HELD ON THE 30TH DAY OF MAY 2020; DESIGNATING THE DAY(S) OF THE ELECTION(S) AND THE POLLING PLACE; PROVIDING THAT ALL DULY QUALIFIED RESIDENT ELECTORS SHALL BE QUALIFIED TO VOTE; PRESCRIBING A FORM OF THE BALLOT; PROVIDING A NOTICE OF ELECTION; AND 2) PRESENTING TO VOTERS VARIOUS CHARTER AMENDMENTS AS NOTED IN FULL IN THE EXHIBIT OF THIS DOCUMENT; CONTAINING OTHER PROVISIONS RELATING TO SAID ELECTION; AND PROVIDING FOR SEVERABILITY.

(Said Ordinance is of record in Ordinance Book No. 13 of the City of Nassau Bay, Texas, being Ordinance No. O2020-792.)

There were no objections to holding over the first reading of the ordinance for a second reading at the February 10, 2020 City Council meeting.

EXECUTIVE SESSION

Meeting recessed to Executive Session at 8:26 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 8:45 p.m.

ACTION ITEMS FROM EXECUTIVE SESSION

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

No action was taken.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:45 p.m.

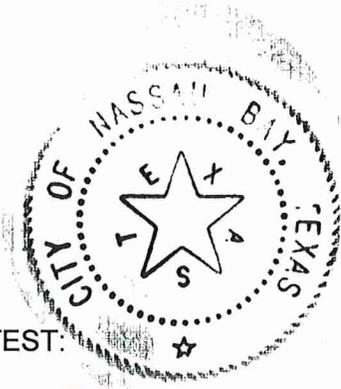
Minutes approved as submitted and/or amended this 10th day of February, A.D. 2020.

(January 13, 2020 Regular Meeting Minutes)

CITY OF NASSAU BAY, TEXAS



Mark A. Denman
Mayor



ATTEST:



Sandra V. Ham
City Secretary