

**MINUTES
SPECIAL JOINT MEETING
CITY OF NASSAU BAY
CITY COUNCIL
AND
ECONOMIC DEVELOPMENT CORPORATION
OCTOBER 28, 2019
7:00 PM**

(Note: The main purpose of the meeting was to conduct the EDC's quarterly meeting. The City Council was asked to participate in a joint Special Meeting at the beginning of the agenda.)

MEMBERS OF COUNCIL PRESENT: Mayor Mark Denman, Councilmembers Ashley Graves, John Mahon, Bryce Klug, Bob Wartens, and Matt Prior

MEMBERS OF COUNCIL ABSENT: Mayor Pro Tem Don Matter

MEMBERS OF EDC PRESENT: President Mark Denman, Bob Wartens, Bryce Klug, Cindy Harreld-DeWease, John Mahon, Bill Quinn and Tony Quezada

MEMBERS OF EDC ABSENT: None

OTHERS PRESENT: City Manager Jason Reynolds, Assistant City Manager Mary Chambers, City Secretary Sandra Ham, Finance Director Csilla Ludanyi, Public Works Director Paul Lopez, and Planning Commission Chairman Roscoe Lee

PRESIDING: Mayor Mark Denman

CALL TO ORDER AND ROLL CALL OF MEMBERS

The meeting was called to order at 7:00 p.m.

A quorum of City Council was present with six Councilmembers in attendance.

A quorum of the EDC was present with all Board Members in attendance.

CITIZENS' REQUEST FOR HEARING BEFORE CITY COUNCIL

Public Hearing was opened at 7:01 p.m.

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

CITY COUNCIL NEW BUSINESS

Presentation and discussion on the purchase and location of palm trees within the City of Nassau Bay

City Manager Jason Reynolds introduced Public Works Director Paul Lopez to provide an overview of the palm tree situation in Nassau Bay. Mr. Lopez indicated that since 2016, the City's palm trees have been in decline. Coming highly recommended, the City has

been utilizing the tree experts of Palm Professionals Tropical Nursery to evaluate the health of these trees. Mr. Lopez stated in 2016 the Department of Agriculture quarantined several palm trees in surrounding cities, and since then the City has been aggressively working towards disease prevention with continuous soil samples and treatments.

Mr. Lopez continued by stating to date there are 129 palm trees in the City, comprising of approximately 1.7 million dollars in value. Recently, the City lost several palm trees and has considered alternative options for replacement.

Councilmember John Mahon inquired on the quarantine process. Gary Kennemer of Palm Professionals Tropical Nursery indicated the process involves the Department of Agriculture, which sets a one-mile radius in which trees cannot be removed from the area. Additionally, it is recommended that trees within a two-mile radius be inoculated for disease prevention.

Mr. Kennemer continued by providing an overview of the spread of the palm tree disease, specifically detailing that an insect called a treehopper carries the disease from tree to tree. Additionally, extreme weather conditions have affected the health of the trees in Nassau Bay. He specified that a targeted disease management approach could increase the longevity of these trees during extreme weather conditions.

Mr. Kennemer provided details on the current regimen for the palm trees and described the current state of the trees. Public Works Director Lopez added of the 129 trees total, there are approximately 12 of them of concern to the City. Mr. Lopez also provided various tree alternatives for replacement and a cost analysis of those options. Mr. Kennemer recommended one of the less expensive palm tree varieties for Nassau Bay, but noted concern of how the view of NASA Parkway would change.

Councilmember Bob Warters agreed that the palm tree issue was an overwhelming problem for the City. He cited concern on spending more money on expensive palms trees. He believed continuing the current maintenance treatment to be not as effective, as not all trees that received treatment are immune to the disease. Councilmember Warters requested the City look at alternatives for trees, although some options may not be as aesthetically pleasing as the current trees.

Mr. Kennemer indicated currently the City spends approximately 1% of the valuation of the total trees in the City on treatment and maintenance. He noted the current trees are simply surviving, rather than thriving as they would in their natural habitat. Councilmember Ashley Graves inquired whether date palms would be better suited for the area, and Mr. Kennemer responded yes. Councilmember Graves followed up by requesting pictures and additional price information on the tree alternatives.

Councilmember Graves continued the discussion by asking if there are tree alternatives that deter the treehopper. Mr. Kennemer indicated there is no cure for the disease carried by the treehopper. He continued by noting there is a certain systemic spray not currently being used that could be utilized to deter the treehopper. Mr. Kennemer voiced concern with use of the spray, as it is not safe to use near waterways. He also indicated the City could choose the option of utilizing insecticide, but cautioned on the impact of other bugs, ladybugs, and bees.

Councilmember Matt Prior asked for clarification on the current treatment, specifically if the treatment prevents the infestation of treehoppers. Mr. Kennemer responded by stating the trees receive injections, which are proven to slow down the bacteria spread by the treehoppers. Overall the injections prolong the life of the tree.

City Manager Reynolds inquired on the protocol forward should two to three trees become infected with this disease. Mr. Kennemer stated it would be recommended to remove the tree as soon as possible.

Councilmember Klug requested more details on the goal for the future of the City's trees. Mr. Lopez indicated the proposed recommendation may be based on the severity of the upcoming winter season. Any replacement trees should be considered after the winter. He recommended the discussion continue over the course of six months, in order to make a better determination after the winter season.

Discussion continued on the tree alternatives, costs, and aesthetics of the trees. City Manager Reynolds emphasized the need for Council and the Economic Development Corporation's philosophy on the aesthetics versus costs in order to design a plan for future trees. Councilmember Klug agreed it would be a wise investment to maintain the current trees but moving forward it would be prudent to consider transitioning to a more cost-effective option.

Mr. Reynolds ended the discussion by indicating the City's desire to find a method for utilizing the Hotel Occupancy Tax for the replacement of the palm trees. Considerations include utilizing state leverage to assist in redirecting HOT funds to pay for tree replacement.

Authorization of the City Manager to sign an interlocal agreement in the amount of \$10,000 between the City of Nassau Bay and the City of League City regarding cost sharing for the development of a flood mitigation plan for lower Clear Creek and Dickinson Bayou

City Manager Jason Reynolds requested support for the approval of the proposed interlocal agreement, as the agreement provides for the development of a comprehensive flood mitigation plan for the lower Clear Creek and Dickinson Bayou watersheds. The project's goal is to identify vulnerabilities in the watersheds, then develop and refine concepts to reduce flooding. Examples include detention basins, channel modifications, pump stations, and property buyouts. The project is expected to be 18 months in duration. The total cost of the plan is \$1,490,000, with Nassau Bay to contribute \$10,000 (from the TIRZ) for the City's share of the project.

Councilmember Bryce Klug inquired whether the results of the study would be available for the City's use with the Infrastructure Committee. Mr. Reynolds responded positively and advocated for the City to create a Task Force specifically focused on flood mitigation. Mr. Reynolds additionally recommended Mayor Pro Tem Don Matter, Councilmember Bob Warters, Councilmember Bryce Klug, Public Works Director Paul Lopez, City Engineer Dave Kasper, and himself to be nominated to this committee.

Councilmember Ashley Graves requested more information on the partners involved in the study. City Manager Reynolds noted the participants to be the US Corps of Engineers, Harris County Flood Control, Galveston County Drain District, Galveston County, Clear

Lake Council of Cities, City of Houston, Dickinson, Texas City, Pasadena, Pearland, BAHEP, TxDOT, and HGAC. Councilmember Graves continued by inquiring if there would be a liaison from the Task Force that would be working with the project partners. Mr. Reynolds indicated he would be the primary contact.

It was moved by Councilmember Bob Warters, seconded by Councilmember John Mahon, to authorize the City Manager to sign an interlocal agreement for an amount of \$10,000 between the City of Nassau Bay and the City of League City for the development of a flood mitigation plan for lower Clear Creek and Dickinson Bayou, and to create a Task Force with members Mayor Pro Tem Don Matter, Councilmember Bob Warters, Councilmember Bryce Klug, Public Works Director Paul Lopez, City Engineer Dave Kasper, and City Manager Jason Reynolds.

Motion passed 6 – 0.

APPROVAL OF MINUTES

The minutes of the joint City Council and EDC meeting on July 22, 2019 were presented for approval.

It was moved by Councilmember Ashley Graves, seconded by Councilmember Bob Warters, that the joint meeting minutes be approved as amended and presented.

Motion passed 6 – 0.

CITIZENS' REQUEST FOR HEARING BEFORE EDC

Public Hearing was opened at 7:49 p.m.

There being no one wishing to speak, the public hearing was immediately closed.

EDC NEW BUSINESS

Annual Election of EDC Officers

It was moved by Board Member John Mahon, seconded by Board Member Bill Quinn, to maintain the current slate of EDC officers.

Motion passed 6 – 0.

For purposes of clarity, the officers are:

Mark Denman, President
Bob Warters, Vice President
Bryce Klug, Treasurer
Cindy Harreld-DeWease, Secretary
John Mahon, Director
Bill Quinn, Director
Tony Quezada, Director

Approval to update the signature cards for the EDC bank accounts at Texas Citizens Bank

Finance Director Csilla Ludanyi indicated this to be a housekeeping item, in which the EDC By-Laws require there be three signers on EDC accounts as specified by the Board. Currently, the Texas Citizens Bank account is set-up to have a minimum of two signatures on any transaction. Designating three signers will provide for timely and efficient record-keeping and financial transactions. EDC Members listed as signers are President Mark Denman, Vice President Bob Wartens, and Treasurer Bryce Klug.

It was moved by Board Member Bill Quinn, seconded by Board Member Tony Quezada, to approve the update of the signature cards for the EDC bank accounts at Texas Citizens Bank.

Motion passed 7 – 0.

Approval of Orders for Payment to Reimburse the City for Invoices Paid on Behalf of the EDC

Finance Director Ludanyi discussed the expenditures listed below. She specifically noted the reimbursements were for two fiscal years, with the biggest portion related to a business retention grant which was approved at the last EDC meeting.

The invoice amounts to be reimbursed were:

Reimbursements to the City of Nassau Bay for FY19:

- a. Promotions & Consulting (Bluehost & MindEcology) - \$1,928.04
- b. Legal - \$900.00
- c. Advertising/Printing (Facebook) - \$175
- d. Economic Dev. Projects Undesignated - \$3,328.09
- e. NASA Parkway Projects (Palm Tree Professionals) - \$8,500
- f. Drainage Projects (Hahn) - \$30,000
- g. Fire Department (Landscape Professionals & HJK Group) - \$17,735
- h. Tax Incentive (FY19 3rd Qtr) - \$3,487.62

TOTAL FY19 – \$66,053.75

Reimbursements to the City of Nassau Bay for FY20:

- a. Clear Lake Area Chamber – FY20 Membership - \$10,000
- b. BAHEP – FY20 Membership - \$20,000
- c. Sherrariums – Town Square Holiday Decorations - \$5,525
- d. Tax Incentives – Business Retention Grant – ENC - \$62,000

TOTAL FY20 – \$97,525

Board Member Bryce Klug voiced his support for the recently approved business retention grant, as he believed it was a well thought out tax incentive.

It was moved by Board Member Bill Quinn, seconded by Board Member Tony Quezada, to approve the FY19 and FY20 items for reimbursement.

Motion passed 7 – 0.

Development of EDC’s Annual Report and Authorization for Report to be Furnished to City Council by November 12, 2019

Finance Director Csilla Ludanyi and City Secretary Sandra Ham briefly covered portions of the Annual Report. Finance Director Ludanyi noted the Annual Report is designed to keep the City Council and citizens informed of the activities and contributions of the EDC.

Ms. Ludanyi provided an overview of the un-audited financial statements for fiscal year ending September 30, 2019 and indicated the projected year end expenditures to total \$314,804. The budgeted anticipated year end cash position was \$201,018. Finance Director Ludanyi overviewed the Corporation’s investment portfolio, with most investment funds in TexPool.

Continuing her report, she remarked on the impressive sales tax figures, which are largely due to one single payer. After September, Ms. Ludanyi projects the sales tax figures to end at \$391,000, which is 112% of the budget, with the October sales tax figures to be greater than average. At this time, she does not believe this unexpected increase can be utilized for predicting future trends. Board Member Bryce Klug inquired on the sales tax figures from October and November, specifically if they were “soft” numbers or real figures received. Ms. Ludanyi indicated the October number is a “hard” figure, but the November sales tax figure was simply a projection.

City Secretary Sandra Ham summarized the report detailing the major EDC activities and decisions for the recent fiscal year, including the EDC’s current officer slate. Mrs. Ham ended her review by noting the report will be presented at the November 12th City Council meeting for acceptance.

It was moved by Board Member Bryce Klug, seconded by Board Member Tony Quezada, for the Annual Report as drafted by staff be approved and furnished to Council.

Motion passed 7 – 0.

Receival of the Nassau Bay Housing and Retail Study

Assistant City Manager Mary Chambers provided a brief overview of the Housing and Retail Market Assessment prepared by CDS Community Development Strategies. She recommended the Corporation establish a sub-committee to further examine the implications of the study. Mrs. Chambers proposed President Mark Denman, Board Member Cindy Harreld-DeWease, Board Member John Mahon, and City Councilmember Ashley Graves.

City Manager Jason Reynolds indicated the findings of the study will impact the City’s upcoming Comprehensive Plan and will overall assist the City in determining its own future in regards to economic development.

It was moved by Board Member Bryce Klug, seconded by Board Member Cindy Harreld-DeWease, to receive the Nassau Bay Housing and Retail Study and to appoint President Mark Denman, Board Member Cindy Harreld-DeWease, Board Member John Mahon, and City Councilmember Ashley Graves to a sub-committee to further review the publication.

Motion passed 7 – 0.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:21 p.m.

Minutes approved as submitted and/or corrected this 3rd day of February, 2020.



CITY OF NASSAU BAY, TEXAS
ECONOMIC DEVELOPMENT CORP.

Mark A. Denman
President

ATTEST:

Cindy Harreld-DeWease
Secretary

Sandra v. Ham
for Cindy Harreld-DeWease