

**REGULAR MEETING AND PUBLIC HEARING  
CITY COUNCIL  
CITY OF NASSAU BAY, TEXAS  
AUGUST 10, 2020  
7:00 PM  
VIA TELECONFERENCE**

**MEMBERS OF COUNCIL PRESENT:** Mayor Mark Denman, Mayor Pro Tem Don Matter, Councilmembers Ashley Graves, John Mahon, Bryce Klug, Bob Wartens, Matt Prior, and Councilmember-Elect Phil Johnson (all members via teleconference)

**MEMBERS OF COUNCIL ABSENT:** None

**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, Police Chief Tim Cromie, Fire Chief Tom George, Human Resources Manager Chani Honeycutt, Emergency Management Coordinator Dena Mahan, and Planning Commission Chairman Roscoe Lee (all members via teleconference)

**PRESIDING:** Mayor Mark Denman

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

Mayor Mark Denman called the meeting to order at 7:01 p.m. and announced a quorum of Council was present with all elected officials in attendance.

**APPOINTMENTS, PROCLAMATIONS, PRESENTATIONS, AWARDS**

**Presentation of a Proclamation to the Impact Week Youth Volunteers of Gloria Dei Lutheran Church**

Mayor Mark Denman presented a proclamation to the volunteers of Gloria Dei's Impact Week. During the week of July 27th to July 30th, forty-five youth and adult volunteers participated in Gloria Dei's Impact Week, providing over 500 hours of service throughout the Nassau Bay community. These volunteers helped wash the City's First Responder vehicles and picked up trash and debris from an estimated 4,000 linear feet of Nassau Bay shoreline, which was particularly needed after the fringe effects of Hurricane Hanna. Senior Pastor Dan Schepmann accepted the proclamation. Mayor Denman congratulated the youth on their volunteer efforts.

**Presentation of Proclamation to Jett Poskey in Honor of Earning the Prestigious Rank of Eagle Scout in the Boy Scouts of America**

Mayor Denman introduced resident Jett Poskey, who completed all of the requirements to earn the rank of Eagle Scout. Mr. Poskey earned his Eagle Scout with his Eagle Project which helped the American Legion, a Veterans group, acquire quality wooden signs to use at their meetings. Mayor Denman congratulated Mr. Poskey on his accomplishments and presented a proclamation in his honor.

## **Introduction of Nassau Bay Police Officer Randy Reyna and Nassau Bay Police Officer Jacob Arnesen**

Police Chief Tim Cromie introduced new officers Randy Reyna and Jacob Arnesen. He indicated they were both sworn in on August 10th by City Secretary Sandra Ham during a small ceremony at City Hall.

He continued by providing a small overview of each officer's background. Officer Arneson is starting out his law enforcement career here with the Nassau Bay Police Department. He has an Associates Degree in Criminal Justice from San Jacinto Community College. Officer Arneson graduated from the Alvin Community College Law Enforcement Academy in July of this year.

Officer Reyna comes to the Nassau Bay Police Department with 15 years of training and management experience in the field of physical fitness. Officer Reyna has an Associate of Arts Degree in Business from Lone Star College System and a Bachelor of Business Administration Management Degree from University of Houston. He graduated from the Houston Community College Police Academy in April of this year.

Ending his introduction, he noted both officers will complete a Field Training Program over the next three months, where they are paired with an experienced training officer. During the Field Training Program officers are instructed and evaluated on the skills they learned in the police academy, as well as learning the policies and procedures of the Nassau Bay Police Department.

## **Presentation of the City Manager's Proposed Budget for Fiscal Year 2021**

City Manager Jason Reynolds provided an overview of the Proposed Budget for Fiscal Year 2021. Overall, he indicated the City's long-term financial plan is financially sound. The biggest fund within the budget is the General Fund. Currently, revenue is a bit lower than expected, due to the COVID-19 pandemic. The proposed budget does show an increase in the Water and Sewer Fund due to the transfer from the General Fund and EDC into the fund.

He continued by providing a summary of expenditure changes, as expenses are only increasing by \$25,000 in the General Fund. This budget assumes a .72% increase in property tax revenue. The overall Fund revenue is projected at a 7.8% decrease from the FY20 budget, and a 7.8% from projected actuals.

As in previous years, the property tax revenue remains the largest source of revenue for the General Fund. He indicated there is a steady trend upwards in taxable value, as home value continues to increase. Sales tax is projected to decrease due to COVID, and the City is budgeting a very conservative estimate for the proposed budget.

Mr. Reynolds continued by detailing expenditures by department, noting 25% of the General Fund budget comprises the Police Department, followed by the General and Administrative Department at 15% of the Fund. The proposed draft budget maintains increases for merit adjustments, medical insurance, workers compensation, and salary adjustments. The salary adjustments are related to the Police Department, as the draft budget accounts for a 10% to 15% increase in wages to be competitive around the region, an EMS \$2 per hour increase, and targeted Public Works salary adjustments.

Describing the decreases in the draft budget, Mr. Reynolds noted there is a reduction of \$98,650, with the largest reduction the removal of the additional unfunded TMRS liability payment and reduction in staff training costs. For the General Fund one-time expenses, there is a Water & Sewer Fund transfer of \$500,000 and Building Department contract services.

City Manager Reynolds continued and noted the average home value in Nassau Bay is \$272,052, therefore the average resident pays \$156.93 per month, with 31% of that payment directed to the Police Department. General Fund currently maintains 99 days of reserves, for an approximate cost of operations of \$16,682 per day. City Manager Reynolds briefly discussed the capital projects, debt service costs from FY18 to FY31, water and sewer capital projects, and cost of infrastructure proposals.

Highlighting the Water and Sewer Fund, Mr. Reynolds overviewed the water rate increase in FY19 that is funding the water and sewer rehabilitation project. Maintenance and Operations expenditures are stable and debt has decreased. The 2020 Texas Water Development Board debt is not yet captured in the budget.

Mr. Reynolds indicated the Street Sales tax comprises 2% of the budget, with funds utilized only for repairing streets. The funds were not used in FY20, and the starting FY21 balance is \$739,172. If projects move forward as planned, the Street Fund will end at \$557,172 in FY21 and have an ending balance of \$210,00 in FY25.

Ending his presentation, City Manager Reynolds briefly overviewed the Tourism Fund, which generates almost \$1 million dollars for the fund per year. He indicated the FY21 Budget projections are conservative due to COVID, and the budget shows a projection of \$454,000 revenue received.

## **PUBLIC HEARING AND ACTION ITEMS FROM PUBLIC HEARING**

### **Public Hearing on the City Manager's Proposed Budget for Fiscal Year 2021**

Public Hearing was opened at 7:34 p.m.

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

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

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

### **The Public Hearing was opened at 7:35 p.m.**

Spencer Carabajal, 1443 Pirates Cove, provided points of interest for the Nassau Bay Homes Association. He noted NBHA Board Member Don Hollowell has been working tirelessly on the NBHA's financials. Additionally, he indicated there would be a pool assessment, and the NBHA is collecting data and getting quotes on upgrading the bathroom. Additionally, they are collecting data on weather events and costs, working on the marina, and receiving quotes on a new flagpole and gate. Lastly, the NBHA is working on making the ARA process more efficient in addition to the Association's website.

Jim Stoa, 18350 Hereford Lane, expressed appreciation to the Nassau Bay Volunteer Fire Department and Police Department for their presence on the Nassau Bay lagoon throughout the summer. He noted how he came to Council earlier in the year to express his concerns about excessive speeding and acknowledges the work by the City to curb any issues.

There were no other public comments and the Public Hearing was closed at 7:39 p.m.

### **COUNCILMEMBERS' COMMENTS/REPORTS**

Councilmember Bob Wartens cited concerns regarding Founder's Park, which he believes to be in a state of disgrace. He commented on the broken path and compared the quality of the park, which he indicated to be substandard to other City parks. He emphasized that although there are no parking considerations for Founder's Park, there is currently no parking at Howard Ward Park, which serves the City satisfactorily. Ending his comments, he stated there is a need to address the audio levels in the Council Chamber.

Councilmember Bryce Klug appreciated the sacrifice of City Council, citizens, and City staff to present a lowered tax rate for the Fiscal Year 2021 Budget. He acknowledged that the tax rate is proposed at a lower rate even with the increase compensation for the Police Department.

Councilmember John Mahon extended appreciation to all who participated in the budget process. He recognized the thorough process, with a strong emphasis for City staff to make budget cuts.

Councilmember Ashley Graves expressed appreciation to the youth of Gloria Dei for their volunteer efforts during Impact Week. She also thanked City staff for their resiliency throughout the COVID pandemic. Ms. Graves also welcomed the new Police Officers and the soon to be new Public Works employees. Ending her comments, she highlighted CANBE's Legacy Brick price special.

Mayor Pro Tem Don Matter expressed appreciation to the City for filling those employee vacancies and welcomed aboard the new Police Department Officers and Public Works employees. He also asked residents to remain COVID smart, as there are currently 21 COVID-19 cases in the City.

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

Mayor Mark Denman commented on the Budget Workshop process. He noted City Council completed four budget workshops and emphasized the hard work City staff performed to present this Fiscal Year 2021 budget. The process was difficult, specifically with the priority of Police Department and EMS Department increases alongside a need to reduce expenses. Overall, there will still be a reduction in the tax rate, despite the COVID pandemic creating a more difficult financial situation. He noted that property values are dictating the lower rate, highlighting the City's performance in attracting more families to the City. He congratulated the Finance Department on a job well done throughout the process.

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

## **City Manager**

City Manager Jason Reynolds began his comments by acknowledging the code enforcement actions performed recently within the City. He expressed appreciation to several local realtors who were instrumental in removing problem code enforcement homes. He described it as a good partnership to help meet the code enforcement goals of the City.

He continued by welcoming the new employees. Mr. Reynolds expressed appreciation to City staff for the long, arduous budget process, having met several times to present a well-balanced budget. He highlighted the lighting of the art spire and thanked Assistant City Manager for spearheading the four-year project.

Mr. Reynolds noted the Comprehensive Plan was in the final stages, with over nine months of the process completed. He acknowledged the extensive time of the volunteers and Assistant City Manager Mary Chambers for spearheading the process. This plan will assist the City's future over the next five years.

He continued by expressing appreciation to the City's public safety elements, specifically the Police Department and the Nassau Bay Volunteer Fire Department. Both departments have been on the water throughout the summer, with this season more extended than previous years.

## **Police Department**

Police Chief Tim Cromie began his comments by expressing appreciation to Mayor and City Council for the support of the Police Department, specifically related to making salaries a priority to be competitive in the region.

He continued by overviewing the crime statistics for July 2020. The Nassau Bay Police Department responded to 349 calls for service, assisted with four code enforcement cases, and patrolled 5,031 miles in the City. He indicated marine operations continue in conjunction with the Nassau Bay Volunteer Fire Department. On the weekend of July 25th and 26th, there was no boat on water due to weather. In marine operations, the Department made 11 contacts with boats, which includes 1 informational contact, 9 safety checks, 2 wake violations, 2 wake warnings issued.

He continued by highlighted a new junior officer. Officer Clint Brown, along with his wife Brooke, welcomed Kaila Marie Brown into the world on July 23rd. The family is healthy and doing well, especially brother Grayson, who has now been promoted to big brother.

On Wednesday, July 15th, the Nassau Bay Police Department partnered with Houston Methodist Clear Lake Hospital in conducting an Infant Abduction Training Exercise. The purpose of this exercise was to provide participants with an opportunity to evaluate current response concepts, plans, and capabilities for a coordinated response to an Infant Abduction at the Houston Methodist Clear Lake Hospital in the City of Nassau Bay. The drill focused on local emergency responder command and control coordination, critical decisions, notifications, and integration of hospital staff and police assets necessary to save lives and protect public health and safety.

He ended his comments by expressing appreciation to the youth volunteers of Gloria Dei's Impact Week. On Tuesday, July 28th, students from Gloria Dei Lutheran Church washed the Police Department and Public Works vehicles for a community project as part of Impact Week.

### **Fire Department**

President Matt Roper presented the Fire Department's August status report. Mr. Roper stated the Department responded to 26 calls and logged approximately 1,023 man hours. Current membership is expected to near 44 members, as one member recently left the department to join the Airforce. Marine operations remain active, and there is continuous training of new members on the water.

### **Planning Commission**

Planning Commission Chairman Roscoe Lee overviewed the recent virtual Planning Commission meeting. The only topic of discussion was the replat of Bucky's property for McDonald's. The Planning Commission previously approved the plat, but Bucky's returned with modifications to the easements. The changes were approved, as they were not significant. The replat was signed with no impediments to the progress of McDonald's construction. These easements allow access to McDonald's from NASA Parkway, Space Park Drive, and Nassau Bay Drive.

### **CONSENT AGENDA**

#### **Approval of Minutes of Regular Meeting on June 8, 2020**

#### **Approval of the Economic Development Corporation Minutes of February 3, 2020 and EDC Budget for Fiscal Year 2021 as approved by the EDC at its meeting held on August 3, 2020**

#### **Approval of a written proposal for professional services from ARKK Engineers LLC for the design, bidding, management, and construction phases of the water line replacement and sanitary sewer line rehabilitation project in the total amount of \$329,964**

Prior to motioning approval, Mayor Pro Tem Don Matter requested additional information on the Fiscal Year 2021 EDC Budget and asked for this information to be provided in future years.

It was moved by Councilmember Bob Warters, seconded by Councilmember Ashley Graves, to approve the Consent Agenda.

Motion passed 7 – 0.

### **NEW BUSINESS**

#### **Presentation, discussion, and consider and take action on the purchase and location of palm trees within the City of Nassau Bay**

City Manager Jason Reynolds indicated a presentation regarding the palm tree situation was recently provided to the EDC at their last Corporation meeting. He began by proposing that City Council receive a similar presentation and for Council to propose a task force to make future recommendations.

Councilmember Matt Prior inquired on the responsibilities of members of the task force. Mr. Reynolds responded the task force would determine if the palm trees should be replaced, the budget, and the project length. Councilmember-Elect Phil Johnson questioned the restraints of the City in landscaping efforts for the median. Mr. Reynolds indicated one of the largest obstacles remains to be TxDOT, as the City only has a contract with TxDOT to maintain the medians. Mayor Mark Denman emphasized the need of a task force. Members will be selected in Executive Session, as shown on the agenda.

**Consider and take action to receive the Certified Tax Year 2020 Anticipated Collection Rate, the Tax Year 2019 Excess Debt amount, and the Tax Year 2019 Prior Year Tax Refunds amount from Ann Harris Bennett, Harris County Tax Assessor/Collector**

Finance Director Csilla Ludanyi noted this action is related to the anticipated tax collection rate. She indicated the Harris County Tax Assessor-Collector's office has certified the anticipated tax collections for the 2020 Tax Year to be 99.60%, as required by Sec. 26.04(h).

Councilmember Bryce Klug requested for City Council to make a motion to approve all of the agenda items related to the Tax Year value and rates, agenda items 9.B, 9.C, 9.D, and 9.E. City Council was in agreement.

It was motioned by Councilmember Bryce Klug, seconded by Councilmember Ashley Graves to approve or receive the following agenda items:

**Consider and take action to receive the Certified Tax Year 2020 Anticipated Collection Rate, the Tax Year 2019 Excess Debt amount, and the Tax Year 2019 Prior Year Tax Refunds amount from Ann Harris Bennett, Harris County Tax Assessor/Collector.**

**Consider and take action to receive the estimated taxable value required by Texas Tax Code Sec. 26.01(a-1) for Tax Year 2020.**

**Consider and take action to receive the Tax Year 2020 No-New-Revenue-Rate and the Voter-Approval-Rate calculations.**

**Consider and take action on the proposal of the Tax Year 2020 (Fiscal Year 2021) ad valorem tax rate of \$0.705187.**

Mayor Denman took a roll call vote for the approval of these items:

**Councilmember Prior – Approve  
Councilmember Warters – Approve  
Councilmember Klug – Approve  
Councilmember Mahon – Approve  
Councilmember Graves – Approve**

**Mayor Pro Tem Matter – Approve  
Mayor Denman – Approve**

Motion passed 7 – 0.

**FIRST READING OF ORDINANCES**

**Approval of an ordinance calling the November 3, 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 twenty-two amendments to the City Charter said election to be held jointly with Harris County (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, ORDERING A REGULAR GENERAL AND SPECIAL (CHARTER AMENDMENT) CITY ELECTION TO BE HELD IN SAID CITY ON THE 3RD DAY OF NOVEMBER 2020, FOR THE PURPOSE OF 1) ELECTING A MAYOR AND THREE MEMBERS OF COUNCIL; 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; AUTHORIZING THAT THE ELECTION SHOULD BE HELD JOINTLY WITH HARRIS COUNTY; AND PROVIDING FOR SEVERABILITY.

(Said Ordinance is of record in Ordinance Book No. 13 of the City of Nassau Bay, Texas, being Ordinance No. O2020-801.)

It was moved by Councilmember Bryce Klug, seconded by Councilmember Bob Warters, to approve the ordinance ordering the General and Special Election to be held on November 3, 2020, said election to be held jointly with Harris County.

Motion passed 7 – 0.

**Tabling of an ordinance authorizing and allowing, under the Act governing the Texas Municipal Retirement System, “Updated Service Credits” in said system for service performed by qualifying members of such system who presently are members of the City of Nassau Bay; providing for increased prior and current service annuities for retirees and beneficiaries of deceased retirees of the City**

Finance Director Ludanyi indicated that at the July 13, 2020 Council meeting, City Council requested that an ordinance be presented at the August 10, 2020 City Council meeting decreasing the annual COLA for members from 70% of CPI to 50% of CPI effective January 1, 2021.

As discussed, this change is retroactive and impacts all members of the Nassau Bay TMRS retirement plan, whether in a retiree status or active employee status. Upon such a change, all members' plans are recalculated such that this new rate will apply to their entire TMRS participation with the City of Nassau Bay. Retirees will receive a smaller annual COLA increase on their monthly retirement.

This change decreases the City's Unfunded Actuarial Liability, and thereby also decreases the City's required retirement rate contribution. This change also increases the City's funded ratio.

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

AN ORDINANCE AUTHORIZING AND ALLOWING, UNDER THE ACT GOVERNING THE TEXAS MUNICIPAL RETIREMENT SYSTEM, "UPDATED SERVICE CREDITS" IN SAID SYSTEM FOR SERVICE PERFORMED BY QUALIFYING MEMBERS OF SUCH SYSTEM WHO PRESENTLY ARE MEMBERS OF THE CITY OF Nassau Bay; PROVIDING FOR INCREASED PRIOR AND CURRENT SERVICE ANNUITIES FOR RETIREES AND BENEFICIARIES OF DECEASED RETIREES OF THE CITY; AND ESTABLISHING AN EFFECTIVE DATE FOR SUCH ACTIONS.

(Said Ordinance is of record in Ordinance Book No. 13 of the City of Nassau Bay, Texas, being Ordinance No. O2020-802.)

Councilmember Bob Wartens recommended tabling the ordinance, so that Council can had additional time to review. Councilmember Bryce Klug was in agreement, noting this has been a topic of discussion for four years, and there is a need for more time to ensure this is properly done.

It was moved by Councilmember Bob Wartens, seconded by Councilmember Bryce Klug, to table the ordinance.

Table passed 6 – 1, Mayor Mark Denman opposed.

### **EXECUTIVE (CLOSED) SESSION**

Meeting recessed to Executive Session at 8:17 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.
2. §551.074 Personnel – Discussion of appointments to the Palm Tree Landscape Plan Task Force.

Meeting returned to Open Session at 8:34 p.m.

### **ACTION ITEMS FROM EXECUTIVE SESSION**

**Action regarding personnel matter(s) as discussed in Executive Session – City Manager**

No action taken.

**Appointed Chairman Phil Johnson, Bob Warters, Ashley Graves, Cindy Herald-DeWease, Roscoe Lee and a to-be-named Master Gardener to the Palm Tree Landscape Plan Task Force**

It was moved by Mayor Pro Tem Don Matter, seconded by Councilmember Bryce Klug, to appoint Phil Johnson as Chairman, and members Bob Warters, Ashley Graves, Cindy Herald-DeWease, Roscoe Lee and a to-be-named Master Gardener to the Palm Tree Landscape Plan Task Force.

Motion passed 7 – 0.

**ADJOURNMENT**

There being no further business, the meeting adjourned at 8:35 p.m.

Minutes approved as submitted and/or amended this 14th day of December A.D. 2020.

CITY OF NASSAU BAY, TEXAS



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Mark A. Denman  
Mayor

ATTEST:



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Sandra V. Ham  
City Secretary