

**REGULAR MEETING AND PUBLIC HEARING  
CITY COUNCIL  
CITY OF NASSAU BAY, TEXAS  
SEPTEMBER 14, 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, 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 7:00 p.m. and announced a quorum of Council was present with all elected officials in attendance.

**APPOINTMENTS, PROCLAMATIONS, PRESENTATIONS, AWARDS**

**Presentation of a Proclamation for Fire Prevention Week**

*Prior to the presentation, a moment of silence was held in remembrance of September 11th.*

Mayor Mark Denman presented a proclamation honoring October 4, 2021 to October 10, 2021 as Fire Prevention Week. President Matt Roper provided an overview of the Volunteer Fire Department's activities for Fire Prevention Week, which includes many changes due to COVID. Although this year will not include school visits or a Fire Station open house, the Department is still performing awareness activities, including an online Fire Station tour.

**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 2020 (Fiscal Year 2021)**

Finance Director Csilla Ludanyi began the discussion by indicating that tax rates are set by the governing board of a taxing entity, such as a City, County, or School District. This proposed tax rate is associated with the FY2021 Budget which was approved by City Council at a Special Meeting on August 31st.

The Texas Tax Code Chapter 26 requires that all taxing entities calculate the No-New-Revenue (formerly Effective) and the Voter-Approval-Rate (formerly Rollback) tax rates. All tax rate setting activities are made relative to these two calculations.

Ms. Ludanyi stated with the No-New-Revenue Tax Rate individual taxpayers may see a change on their tax bill due to their value change, but the City collects the same total amount of revenue from the same properties taxed in both years. She provided a visual example based on \$100,000 taxable value for last year.

Finance Director Ludanyi continued with a description of the Voter-Approval-Rate, which provides the entity with a maximum increase of 3.5% for operating funds and sufficient funds to pay debts. Additionally, she detailed the De Minimis Tax Rate, which provides the entity with the No-New-Revenue plus \$500,000 plus the Debt Service Rate. Ms. Ludanyi overviewed the Nassau Bay tax rates and detailed the proposed tax rate of 0.722120 versus the various rate options for the City. The proposed rate is lower than last year's rate, but higher than the No-New-Revenue.

Finance Director Ludanyi ended the discussion by detailing the publication and Public Hearing requirements. Both the No-New-Revenue (NNR) and Voter-Approval-Rate (VAR) Tax Rates must be calculated and published each year based on the Certified Tax Roll or Estimated Taxable Value. If an entity adopts a budget that requires a tax rate that exceeds the NNR or VAR, whichever is lower, the entity must publicize the proposed tax increase and hold one public hearing before the tax rate can be adopted. The FY2021 Proposed Tax Rate is higher than the VAR at 3.5% and the NNR, so there is a requirement for the public hearing.

She indicated the Tax Rate must be adopted by the 60th day after the receipt of the Certified Tax Roll. Setting a tax rate higher than the No-New-Revenue rate must be a record vote and 60% of the Council must vote in favor of it (5 members). Any tax rate at or below the notice of \$0.722120 may be adopted at today's Council meeting without requiring new public hearings or notifications.

Mayor Mark Denman emphasized that the No-New-Revenue rate is the same as the previous language used of Effective Rate. Although the City is lowering the tax rate, home values have risen, which is significant for this Fiscal Year budget as there is an increased focus on funding the Police and EMS Departments.

**Public Hearing was opened at 7:19 p.m.**

Councilmember Ashley Graves expressed appreciation to Finance Director Ludanyi for her efforts with the budget process. She applauded Council and staff who worked hard to ensure this budget included the salary priority for the City's first responders, yet done so in a fiscally responsible manner.

Councilmember Bryce Klug highlighted the many thoughtful budget workshops held to deliver this budget, which included many robust discussions in order to financially prioritize the City's public safety elements.

Roscoe Lee, 1631 Antigua Lane, applauded Finance Director Ludanyi for the thorough budget process, in which Ms. Ludanyi clearly detailed the tax rate process. Mr. Lee commended her for taking advantage of the new proposed rates, which helped ensure the

funding for the Police Department salary increases. He noted it was a difficult budget year and concessions were made to produce this exceptional budget that will preserve the City's services and contribute to the needed departments.

There were no other public comments and the Public Hearing was closed at 7:22 p.m.

**Adoption of an ordinance providing for the Levy, Assessment, and Collection of an Ad Valorem Tax for Tax Year 2020 (Fiscal Year 2021) (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 2020 AT THE RATE OF SEVENTY TWO POINT TWO HUNDRED TWELVE THOUSANDTHS CENTS (72.2120¢) 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. O2020-803.)

It was moved by Councilmember Bob Warters, seconded by Mayor Pro Tem Don Matter, that the property tax rate be increased by the adoption of a tax rate of 0.722120, which is effectively a 1.43 percent increase in the tax rate. This tax rate consists of a Maintenance and Operation Rate of 0.702801 and a Debt Service Rate of 0.019319.”

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

**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.

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

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

Public Hearing was opened at 7:23 p.m.

Pete Seroka, 18226 Nassau Bay, provided an update from the Nassau Bay Homes Association. He noted the pool was opened, and the NBHA will begin wrapping up the pool season. The NBHA experienced increased costs due to the pool cleaning service, as the pool remained opened for light use. The Association is in the process of naming the pool in honor of Mary Joe Thibeaux. The NBHA is planning to install a flag on the point of the marina, thanks to a generous donation. The next Association meeting will be Thursday, September 17th. Continuing with upgrades, the Board is acquiring quotes for an electronic gate. With a targeted focus, the Association financials continue to improve. Additional improvements include the NBHA's updated website. Lastly, the Association is preparing for the election, with four candidates vying for two open positions.

There were no other public comments and the Public Hearing was closed at 7:26 p.m.

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

Councilmember Matt Prior provided a thoughtful comment in honor of September 11th and applauded the NBVFD for their efforts in the remembrance march on that solemn day.

Councilmember Bob Warters echoed the sentiments of Councilmember Prior.

Councilmember Ashley Graves also echoed the previous comments and expressed appreciation to the City's first responders, emphasizing the City would not be the exemplary City it is without those public safety departments. She continued her comments by promoting CANBE's "I heart NB" hats, legacy bench, and legacy brinks. Councilmember Graves ended by highlighting the Community in Schools partnership and thanking Special Events Committee Chairman Stacey Amdur for taking over the leadership of those volunteer efforts.

Mayor Pro Tem Don Matter wished to echo the sentiments of the previous Councilmembers in regard to September 11th.

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

Mayor Mark Denman began his comments by describing the changes to National Night Out, which due to COVID will result in no official City participation in residential block parties. He noted there are many exciting activities still happening in the City, including new home construction on empty lots. The City continues to move forward with the Texas Water Department Board bond with the forthcoming water and sewer line project. He ended his comments by noting the art spire project is still in process, with a light on top of the structure yet to be installed.

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

#### **City Manager**

City Manager Jason Reynolds began his comments by expressing his appreciation to the public safety departments for honoring those fallen on September 11th. He continued by encouraging those still hosting block parties to do so in a safe, socially distant, responsible manner. Current active COVID cases have lowered to zero cases. He highlighted the election and mentioned City Secretary Sandra Ham's efforts in the process. He cautioned

residents on the long election ballot, and noted voters should expect to see the Nassau Bay options towards the end of the ballot.

Mr. Reynolds ended his comments by recognizing three new Public Work employees and asked citizens to provide a warm welcome to Emory Bragg, Matthew Deering, and Garrett Halphen. Mayor Denman expressed appreciation to the City for filling those much-needed positions for Public Works.

### **Police Department**

Chief Tim Cromie provided the Police Department monthly report. For August, the Department responded to 372 calls, made 22 reports, issued 40 warnings, and issued 41 citations. He continued by remarking on the City's marine operations, which concluded on Labor Day. Due to bad weather conditions, the past three weekends there has been limited time on the water.

He continued by congratulating Sgt. Glenn Sharp and Sgt. Jerel Crowder for attaining their Master Peace Officer Certification from the Texas Commission on Law Enforcement, the highest level of certification awarded. The certification is awarded when officers reach a required combination of years of service, college degree, military service, and/or in-service training hours. Chief Cromie noted Sgt. Sharp has more than 20 years of law enforcement service and acquired over 1600 hours of in-service training. Sgt. Crowder has almost 11 years of law enforcement service, five years of military service in the US Navy, and more than 1400 hours of in-service training. He acknowledged both officers as leaders in the Department and a great example of the high expectations the City has for all of the officers.

Chief Cromie ended his comments by thanking the Nassau Bay Volunteer Fire Department, specifically Lt. Robert Chapman, for organizing and inviting the Police Department to participate in the march in honor of first responders lost on 9/11.

### **Fire Department**

Fire Department President Matt Roper thanked volunteer Robert Chapman for organizing the 9/11 remembrance march. President Roper continued by presenting the Fire Department's August status report. Mr. Roper stated the Department responded to 33 calls with 1,814 man hours, which is largely attributed to Hurricane Laura. From April 1st to September 13th, the Department volunteered over 400 hours on the water. Membership numbers remain at 41 members.

Mayor Denman expressed appreciation to the members of the NBVFD for their extraordinary volunteer hours.

### **CONSENT AGENDA**

**Acceptance of the Tax Year 2020 Harris County Certified Appraisal Roll for City of Nassau Bay (Jurisdiction 073) and TIRZ No. 1 (Jurisdiction 278)**

**Authorization of the City Manager to execute an agreement with the Bay Area Houston Convention & Visitor's Bureau (BAHCVB)**

It was moved by Councilmember Bob Wartens, seconded by Councilmember John Mahon, to approve the Consent Agenda.

Motion passed 7 – 0.

## **NEW BUSINESS**

### **Update, discussion, and possible action on the rehabilitation of Founder's Park**

Public Works Director Paul Lopez provided an update on Founder's Park, stating his recent work with a landscape designer to provide City Council two options for the future of Founder's Park. This project's new landscaping or design concept will improve the appearance of Founders Park. Additionally, Public Works Director Lopez is seeking Council's opinion on the deteriorating road, with options to replace with a new road or walkway path.

Public Works Director Lopez described the first landscape and design option, which includes repairing the street with concrete and incorporates four parking spaces. There are various options for greenery, dependent on the budget. Project cost estimates are approximately \$70,000, including approximately \$56,000 for street repairs and \$14,000 for landscaping costs.

Public Works Director Lopez described the second landscape and design option, which includes a pedestrian sidewalk trail. This option removes the asphalt road and replaces the road with a six-foot wide concrete walking path, for an approximate cost of \$24,000. Landscaping costs are similar to the first option at \$16,000 for total approximate amount of \$40,000.

Mr. Lopez noted a budget of \$35,000 was allocated for the project in a previous budget year. The Public Works Department will perform irrigation work in-house.

Park & Recreation Chairman Roscoe Lee indicated the Committee has reviewed the project, and the Committee has recommended the park be primarily for pedestrian use. At the last Committee meeting in February, the Parks & Recreation Committee unanimously agreed it should be restricted for pedestrian use, as it will serve as a memorial park. For the two design options, there is a visible difference in the amount of concrete, and many members desire less concrete in the park. Lastly, Mr. Lee commented that the Committee has a preference for asphalt over concrete and suggested cut-in parking spots off the street, but not in the park.

Councilmember John Mahon inquired on further details on the walking trail design and asked if there will be benches and tables within the park. Chairman Lee indicated the park does currently have legacy benches and two wooden tables. Public Works Director Lopez stated at this time these items are not included due to budget constraints.

Councilmember Ashley Graves expressed appreciation to Chairman Lee for seeing this park renovation come to fruition. Councilmember Graves acknowledged the cost differences and inquired if there would be differences in maintenance costs. Public Works Director Lopez indicated for the walking trail option there would be no entrance on the southwest side and that the existing sidewalk would tie into the trail. He concluded that a concrete walking trail would have fewer maintenance costs, versus granite which would

need to be replaced after every major storm event. Mr. Lee stated that although the Parks & Recreation Committee suggested granite, they acknowledge that this type of surface would be washed away during heavy rains.

Councilmember Bryce Klug inquired whether the decision point was based on the allowance of vehicular traffic or the restriction for pedestrian use only. He requested further opinions from Chairman Lee, as he believes there is ample parking at Howard Ward Park. Should Founder's Park not provide parking spots, he questioned whether it would be an issue as he does not believe there are any issues due to lack of parking at Howard Ward Park.

Mr. Lee indicated he believes there will be one or two vehicles at a time utilizing the park. He noted the Committee did have concerns about street parking and any issues that may arise for nearby residents. He acknowledged that Swan Lagoon Park does not have dedicated parking spots, and that the Parks & Recreation Committee would be amendable to cut-in spots. This is not desired, but the Committee would concede as a compromise for this issue.

Councilmember Bob Warters argued that parking would not be an issue, and doesn't believe it to be a valid concern for moving forward with the walking path option. As Founder's Park is a small park, street parking should suffice. He strongly supports the walking path option only. Councilmember Klug was in agreement. A question arose on the distance from David Braun Park to Founder's Park, as a parking remedy, and Mr. Lopez indicated approximately 100 yards. Mayor Denman expressed his concern about the street serving as parking for the park, as the comparable parks have more expansive streets.

Councilmember Warters motioned to approve the walking path option, with the path to be comprised of concrete. Councilmember Klug seconded. Councilmember Graves inquired on the additional costs to the budget, and Mayor Denman indicated this project could be placed in the CIP. City Manager Reynolds noted the costs for landscaping would be phased in later budgets, with the path being constructed first in the renovation. As presented, this project would not sacrifice other CIP projects.

Councilmember Klug requested further details on all three phases. Councilmember Warters commented his motion was to approve the first phase of the concrete walking path only and suggested later phases could be presented to Council at a later time. Councilmember Klug was in agreement and seconded.

It was moved by Councilmember Bob Warters, seconded by Councilmember Bryce Klug, to approve phase one of the Founder's Park project, which includes the concrete walking path option and landscaping for a total amount of \$41,000.

Motion passed 7 – 0.

**Award Bid No. 2020-004 Demolition and Removal Project to Arkitektura Development, Inc. for a total amount of \$54,777.10**

City Manager Jason Reynolds indicated Bid No. 2020-04 Demolition and Removal Project involves the demolition and removal of the townhomes along Leeward Lane that were acquired through the 2017 FEMA FMA Acquisition Grant. The homes were considered

repetitive loss properties. They were originally to be elevated, but soil was not adequate for the elevation process. The City began coordinating with the homeowners to voluntarily evacuate the homes for the buyout. This project was the culmination of years of the acquisition process.

In addition, an additional home at 18 Leeward, a part of the Leeward Lane townhomes, was considered for demolition and removal as a separate project outside of the 2017 FEMA FMA Acquisition Grant. Costs for the demolition of 18 Leeward will be paid for by the City.

Mr. Reynolds noted that based on the scoring of the proposals, it is the recommendation to award the bid to Arkitektura Development, Inc. for a total amount of \$54,777.10. The low bidder, Arkitektura Development, Inc, has experience with several federally funded hazard mitigation grants and projects similar in nature. Staff has not learned of any reason for the City to not award the project to Arkitektura Development, Inc.

Mayor Denman inquired on the project timeline. Mr. Reynolds estimated demolition could begin very shortly, with all homes demolished by end of October. There should be no disruption to residents on Leeward Lane. Once the project is complete, a Public Safety boathouse and storage facility will be constructed on the southern end of Leeward. Crews will work with contractors so that proper water taps are maintained.

It was moved by Mayor Pro Tem Don Matter, seconded by Councilmember Bob Warters, to award Bid No. 2020-004 Demolition and Removal Project to Arkitektura Development, Inc. for a total amount of \$54,777.10.

Motion passed 7 – 0.

## **FIRST READING OF ORDINANCES**

**Approval of an Ordinance Authorizing Issuance of the City of Nassau Bay, Texas, Water and Sewer System Revenue Bonds, Series 2020; prescribing the terms thereof; providing for the payment thereof; awarding the sale thereof; making other provisions regarding such Bonds and matters incident thereto (first and only reading as per City Charter)**

Finance Director Csilla Ludanyi stated City Council has approved a Five-Year Capital Improvement Plan (CIP) as part of the FY2020 and FY2021 Budgets. In order to fund Phase 1 of the approved Water and Sewer Line Rehabilitation Project, the City has pursued funding through the Texas Water Development Board (TWDB).

This debt issuance is the final phase to commencing the water and sewer line rehabilitation project. The City completed the application process and was approved for funding by the TWDB. The True Interest Cost for the \$3 million bond is 1.97897% and will finance the replacement of approximately 21,000 linear feet of water line and 12,000 linear feet of sewer line. Additionally, there will be fire hydrant replacements and manhole rehabilitation.

In order to proceed with the TWDB-approved bond sale, and to begin projects in the first quarter of FY2021, the ordinance authorizing the issuance and sale of these Certificates of Obligation must occur at the September Council meeting. Closing and delivery of funds

will be on October 9th. The bond is a 20-year term, with a maturity of October 1, 2040. The debt issuance will be attributed to the Water and Sewer fund.

Councilmember Bryce Klug expressed his appreciation to City Manager Reynolds for the commencement of this rehabilitation project. He emphasized this investment in the City's core infrastructure to be a priority of the City. Councilmember Matt Prior also echoed Councilmember Klug's comments.

City Manager Jason Reynolds thanked Finance Director Ludanyi, Public Works Director Paul Lopez, and Engineer Dave Kasper for their efforts in the project.

The caption of the ordinance reads as follows (first and only reading as per City Charter):

ORDINANCE AUTHORIZING ISSUANCE OF CITY OF NASSAU BAY, TEXAS, WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2020; PRESCRIBING THE TERMS THEREOF; PROVIDING FOR THE PAYMENT THEREOF; AWARDING THE SALE THEREOF; MAKING OTHER PROVISIONS REGARDING SUCH BONDS AND MATTERS INCIDENT THERETO.

(Said Ordinance is of record in Ordinance Book No. 13 of the City of Nassau Bay, Texas, being Ordinance No. O2020-804.)

It was moved by Councilmember Matt Prior, seconded by Councilmember Ashley Graves, to approve an ordinance authorizing and ordering the issuance of the City of Nassau Bay, Texas combination Tax and Revenue Certificates of Obligation, Series 2020 and awarding the sale thereof.

Motion passed 7 – 0.

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

Meeting recessed to Executive Session at 8:14 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 – Discussion on the reappointment and appointment of members to the Board of Adjustment.
2. §551.074 Personnel – Discuss the employment, evaluation, compensation, goals, and duties of the City Manager.

Meeting returned to Open Session at 8:58 p.m.

*Councilmember Bryce Klug and Councilmember Matt Prior did not return to Open Session.*

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

**Resolution appointing an Alternate Member to the Board of Adjustment as discussed in Executive Session**

No action was taken on this agenda item.

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

No action was taken on this agenda item.

**ADJOURNMENT**

There being no further business, the meeting adjourned at 8:59 p.m.

Minutes approved as submitted and/or amended this 11th day of January A.D. 2021.

CITY OF NASSAU BAY, TEXAS



Robert L. Warters  
Mayor

ATTEST:



Sandra V. Ham  
City Secretary

