

**REGULAR MEETING AND PUBLIC HEARING
CITY COUNCIL
CITY OF NASSAU BAY, TEXAS
JULY 12, 2021
7:00 PM**

MEMBERS OF COUNCIL PRESENT: Mayor Bob Warters, Mayor Pro Tem Don Matter, Councilmembers Phil Johnson, Ashley Graves, Bryce Klug, Sandra Mossman, and Matt Prior

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, Director of Communications & Tourism Kristin Edwards, Human Resources Manager Chani Honeycutt and Planning Commission Chairman Roscoe Lee

PRESIDING: Mayor Bob Warters

CALL TO ORDER AND ROLL CALL OF MEMBERS

Mayor Bob Warters called the meeting to order at 7:00 p.m. and announced a quorum of Council was present with all elected officials in attendance.

PLEDGES OF ALLEGIANCE

The Pledges to the American and Texas flags were led by Nassau Bay the Nauticats Champ Meet Swimmers. Mayor Bob Warters presented a certificate of recognition to the Nauticats and posed for a photo.

APPOINTMENTS, PROCLAMATIONS, PRESENTATIONS, AWARDS

Presentation and Update on the Palm Tree Landscaping Task Force

City Manager Jason Reynolds began the presentation by providing an overview of the palm tree situation. Mr. Reynolds indicated the City has been working on the NASA Parkway median since the 2018 freeze. The 2018 freeze caused extensive damage to the 132 palm trees, of which 70 were identified to be removed. To date, 40 palm trees have been removed.

City Manager Reynolds indicated the Palm Tree Landscaping Task Force was created to find solutions for a sustainable replacement of the trees, as NASA Parkway is the City's gateway. He believes it is important to create a great presentation for the City's residents, businesses, and the millions of people that traverse the road each day.

Mr. Reynolds noted the Palm Tree Landscaping Task Force has met to identify the situation and possible solutions. Multiple members of the Task Force have researched regional medians and shared input for consideration. Mr. Reynolds commented that TxDOT has requested the City not remove any additional trees, so that the City's labor contributions can be counted toward the cost share when and if TxDOT can assist. The

Task Force hired a consultant to help summarize a vision and will give recommendations for the best trees and vegetation to plant in the medians. Lastly, Mr. Reynolds indicated the 2021 freeze further complicated the situation, and the Task Force will not have feedback from the arborist until mid-2022 on whether the remaining palms will survive.

Continuing his comments, Mr. Reynolds noted City staff are working under the assumption all 132 palm trees are dead. The City will most likely have to pay for the transformation in phases. The EDC was also contributing \$45,000 a year for replacement trees. Mr. Reynolds highlighted a recent landscape plan from Houston Methodist Hospital showed a cost of \$672,977 for one median.

Councilmember Phil Johnson, the Palm Tree Landscaping Task Force Chairman, summarized the difficulties of connecting with the arborist and consultant, as COVID has placed significant delays in the process. He remarked that in 2001, each tree only cost \$2,500, so the City didn't have the same cost exposure as now. The Task Force is reviewing several options, but a concrete course of action is needed, as the NASA Parkway is a crucial element to the City and Clear Lake.

Mayor Bob Warters agreed the palm trees are a spectacular element to the NASA Parkway median, but unfortunately, they are not compatible with severe winter weather. Mayor Warters requested the Task Force consider new plants that are not susceptible to winter freezes.

CITIZENS' REQUEST FOR HEARING BEFORE CITY COUNCIL

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

The Public Hearing was opened at 7:13 p.m.

Brian Brown, 1454 Davon Lane, commented on the recent complaints of loud, profane music on the Nassau Bay lagoon. He understood there was additional 1st amendment issues, which can make these complaints more difficult to regulate and to enforce noise levels. Mr. Brown encouraged City Council to utilize the "proper lookout" regulation associated with navigation rules. "Proper lookout" ensures that vessels over 20 feet have adequate hearing for navigation, therefore loud music could be considered to be impeding a vessel's lookout. Mr. Brown requested Council to inquire upon the Coast Guard to make a presence on the waters, reminding boaters of the rules of navigation. He believes this could be a useful tool to mitigate noise levels on the water.

There were no other public comments, and the Public Hearing was closed at 7:16 p.m.

COUNCILMEMBERS' COMMENTS/REPORTS

Councilmember Matt Prior expressed appreciation to the volunteers of the Special Events Committee and City staff, as it was a group effort to conduct a successful Fourth of July celebration. He also congratulated the Nauticats on another successful season.

Councilmember Sandra Mossman reemphasized the comments made by Councilmember Prior, noting she heard many compliments on the fabulous parade turnout and fireworks. Councilmember Mossman also congratulated Human Resources Manager Chani

Honeycutt on her completion of the Leadership Clear Lake course. Lastly, she thanked CANBE for the beautiful bench dedication to Sergeant Kaila Sullivan.

Councilmember Ashley Graves also thanked the Special Events Committee and City staff for the Fourth of July event, as she believes it may have been the longest parade in the City's history. She also expressed appreciation to the volunteers of the Fire Department for the barbeque dinner. Councilmember Graves announced CANBE would be bringing back the Reindeer Fun Run fundraiser and stated more information is to come. Lastly, Councilmember Graves indicated an increase of the number of drivers on Upper Bay Road, highlighting the Police Department's increase efforts to keep the citizens of Nassau Bay safe.

Councilmember Phil Johnson also congratulated staff and volunteers on a successful Fourth of July celebration. He also commented on the water activity, citing the difference of the number of boaters from Memorial Day to July 4th. Councilmember Johnson thanked Chief Tim Cromie for the active water patrol. He also expressed appreciation to the NBVFD for the barbeque dinner after the parade.

Mayor Pro Tem Don Matter echoed the previously stated comments regarding the Fourth of July celebration. Mayor Pro Tem Matter also commented on the water activity on July 4th, and commended Chief Cromie for patrol, as noise was almost non-existent. He ended by expressing appreciation to the Special Events Committee and to NBVFD volunteer Rod Molyneau.

MAYOR'S COMMENTS/REPORTS

Mayor Bob Warters wished to echo similar sentiments cited by Council praising the successful July 4th event. Mayor Warters noted he wanted to recognize the Special Events Committee at this Council meeting, but due to the unavailability of several key volunteers, it was requested to wait until the August meeting.

Mayor Warters again cited his concerns on the NASA Parkway palm trees, requesting for damaged trees to be removed, as they remain a liability to the City. He noted after the recent freeze, these trees also contain a small middle core that is alive, which may not be strong enough to keep the tree up in heavy winds. Mayor Warters believes it is best to remove the trees to avoid any potential accidents.

REPORTS FROM STAFF MEMBERS & COMMITTEES

City Manager

City Manager Jason Reynolds began his comments by also expressing appreciation to the Fourth of July volunteers, Special Events Committee, Stacey Amdur, Kathy Prior, Rod Molyneau, Public Works, the NBVFD, and City staff for the successful event. He voiced happiness at the length of the parade and will continue to build the event based on feedback.

City Manager Reynolds announced the upcoming Street Eat Party at Town Square, which is scheduled for October. The City is looking forward to returning to events. Additionally, Coffee with the City Manager will be held in-person on Friday, July 16th, but will also be streaming online.

Mr. Reynolds highlighted the new Kaila Sullivan Legacy Bench in David Braun Park. He expressed appreciation to CANBE for the bench dedication.

For his final topic of discussion, City Manager Reynolds highlighted a series of conversations that Mayor Warters, CenterPoint Energy, and himself have had regarding the electrical outages within the City. Mr. Reynolds stated that 21 additional critical infrastructure addresses were provided to CenterPoint. This will reduce the probability that Nassau Bay will be chosen for an outage. Also, 79 poles will be replaced with 45-foot poles. This three-phase project will begin in approximately three weeks.

City Manager Reynolds emphasized that tree trimming is necessary, and CenterPoint has begun issuing notices for trimming in backyards. The last phase includes an underground line to complete the power circuit. The Infrastructure Committee was already considering this option, but now CenterPoint will be funding the project, which will save the City approximately \$500,000. CenterPoint will also allow the City to hook up the pump system to this new line.

Mayor Warters voiced his support for this project partnership with CenterPoint.

Police Department

Chief Tim Cromie provided the Police Department monthly report. For June, the Department responded to 323 calls, took 55 reports, performed 153 traffic stops, issued 102 written and verbal warnings, and issued 51 citations. Officers patrolled 4,553 miles in the City for the month.

Chief Cromie also provided a marine operations report for the month of June. In June, there were three rainout days on the water. The Department responded with 31.25 patrol hours on water for a total of 96 man hours. The Department completed five safety checks and one call for service. He also thanked the Volunteer Fire Department, as they largely assist in the patrol efforts.

Chief Cromie ended his comments by expressing appreciation to CANBE for the dedication of a memorial bench in honor of Sergeant Kaila Sullivan in David Braun Park on June 23rd.

Fire Department

Fire Chief Tom presented the Fire Department's June status report. Chief George stated the Department responded to 24 calls with approximately 1,567 man hours. Membership numbers remain consistent at 41 members, as one member recently resigned. There are two new applications in the queue.

Planning Commission

Planning Commission Chairman Roscoe Lee provided an overview of the most recent Planning Commission meeting, in which Commissioners reviewed a replat for 18086 Point Lookout. Mr. Lee referenced House Bill 3167, which required the City to render a decision on plats within 30 days of submission. Due to legal publishing requirements, the City did

not meet the 30 days. Fortunately, it was a simple replat, and staff had the ability to review with a checklist.

The Commission was in a situation where they could only approve the plat, due to missing the 30-day requirement. The plat was approved conditionally and is subject to amendments. This 30-day requirement may require the Planning Commission to meet outside of their regular meeting days, prompting many more special meetings.

Parks & Recreation Committee

Parks & Recreation Committee Chairman Roscoe Lee provided an overview of the June 16th Parks & Recreation Committee meeting. Members reviewed the citizen input for the David Braun Park playground equipment selected at the June City Council meeting. The Committee also coordinated CANBE Legacy Bench locations, with CANBE requesting one bench at Tranquility Garden.

Overall, Mr. Lee described the parks to be in good shape. The Sun Dial Committee is finalizing the sun dial location. Mr. Lee noted there to be many visitors to the Nassau Bay Peninsula. Some feedback received is that the Peninsula is unexciting, and it is recommended a loop be added. Lastly, Mr. Lee also provided a summary of birding on the Peninsula.

CONSENT AGENDA

Approval of Minutes of Regular Meeting on May 10, 2021

Approval of Minutes of Special Meeting & Canvass on May 12, 2021

Approval of Minutes of Special Meeting & Planning Retreat on May 21, 2021

Approval of Minutes of Regular Meeting on June 14, 2021

Approval of the nomination of City Manager Jason Reynolds to the TML Health Board of Directors

Action to replace the supporting Attachment A to Ordinance O2021-814 as corrected

It was moved by Councilmember Bryce Klug, seconded by Councilmember Phil Johnson, to approve the Consent Agenda.

Motion passed 7 – 0.

NEW BUSINESS

Directed the City Manager to cut down the damaged palm trees on the NASA Parkway median validated as a safety risk

City Manager Jason Reynolds indicated it was requested he address the damaged palm trees on the NASA Parkway median. Staff received a palm tree assessment from the palm

tree arborist in April 2020, which identified numerous trees that were compromised by the 2018 freeze.

The report included an assessment of 132 palm trees along the NASA Parkway corridor. This report showed if trees were healthy, susceptible to dying, or if dead and need to be removed. Seventy trees were identified to be removed or have already been removed. The most critical trees were removed in 2020. There are ninety-one palm trees east of Upper Bay to the Hilton Hotel. Of these, thirty palm trees have already been removed.

Current cost estimates are \$500 per tree to remove and approximately \$250 per tree to stump grind. The estimated total is \$53,250.00. If Council considers removing the palm trees west of Upper Bay, there are forty-six additional palm trees. Ten of these palm trees have already been removed. This would add an additional \$29,500 to the project cost. A future budget amendment will be required.

Mayor Bob Warters agreed that tree removal was not in the budget, but strongly argued a need to do so due to safety concerns. Mayor Warters recommended removal of the damaged palm trees due to liability risks. Councilmember Phil Johnson inquired whether Mayor Warters was interested in removing all 132 palm trees, or the 70 associated with damage. Mayor Warters indicated his preference to remove all of the trees, as a future freeze is possible, risking future damage.

Councilmember Johnson cited concern that the damage was too early to identify and supported the notion of only removing the palm trees identified as damaged. Councilmember Johnson indicated a need to see the full damage report from the arborists before drastic measures are taken.

Councilmember Matt Prior also agreed removing the trees prior to damage identification was premature. He asked for Council to perform their due diligence and await expert advice. City Manager Reynolds indicated that in the most recent survey the most at-risk trees have already been removed.

There was discussion on the number of trees remaining and how many were needed to still be removed. Councilmember Johnson also commented on the stump grinding process and urged against it. There was brief discussion on the monitoring and assessment time, and whether completing the removal of all of the palm trees at once would result in potential cost savings.

Councilmember Bryce Klug emphasized that even if the palm has prongs, the core integrity of the palm could still be problematic. Public Works Director Paul Lopez agreed, noting that 75% of the trees removed had full green canopies. Councilmember Johnson emphasized that safety trumped aesthetics.

It was moved by Councilmember Phil Johnson, seconded by Councilmember Bryce Klug, to direct the City Manager to only remove damaged palm trees validated as a safety risk, with no stump grinding to be performed.

Motion passed 7 – 0.

Tabled action on directing the City Manager to only use plants and trees with the ability to survive a 10-degree freeze for the NASA Parkway median

Councilmember Bryce Klug indicated he liked the spirit of the action item, but felt it might be too stringent in relation to flowers and plants. Councilmember Phil Johnson suggested tabling the motion until the Palm Tree Landscaping Task Force discussed this topic further. He felt that the action item may limit the option of certain trees and seasonal flowers.

Mayor Bob Warters indicated the intention was only focused on large trees. Councilmember Johnson requested to wait for further guidance from the Task Force, as he did not want to preempt the work and efforts being completed by the members.

It was moved by Councilmember Phil Johnson, seconded by Councilmember Ashley Graves, to table action on directing the City Manager to only use plants and trees with the ability to survive a 10-degree freeze for the NASA Parkway median.

Motion passed 7 – 0.

Directed the City Manager to investigate next steps for possible dissolution of the Street Sales Tax Fund, the Economic Development Corporation, and the NASA Area Management District

The Mayor has requested City Council consider working with the EDC and the NAMD for their respective dissolution. Mayor Bob Warters indicated he has expressed his opinion numerous times on the matter, and he believes two of these committees have considerable administrative expenses. He noted both the EDC and NAMD have legal and accounting expenses that can be absorbed by the City.

Mayor Warters agreed the NAMD can conduct actions that the City cannot, but since 1999, there has never been an effort to vote for a self-assessment on the commercial corridor. It is unknown whether the commercial area ever will. For now, he requested Council's consideration to only investigate and provide the steps of the process. This action item is not a decision to dissolve either committee at this meeting.

City Manager Jason Reynolds indicated that EDC Bylaws, Section XI, allows for the EDC Board to dissolve itself, or 10% of the citizens can request an election to dissolve. The NAMD bylaws, Subchapter F. Dissolution, allows for the NAMD Board to dissolve itself.

City Manager Reynolds noted the background work to investigate this process has begun. He highlighted the fact that City Council does not have final approval to dissolve either committee, as the EDC and NAMD would have to dissolve themselves. However, Mr. Reynolds commented that the NAMD cannot be dissolved while they maintain debt, which they currently will have for the next 10 years.

City Manager Reynolds indicated there are various financial implications to consider with the dissolution of both entities. In addition, there are pros and cons for each of the boards that should be considered. A sales tax election could be held to recapture the sales tax revenue lost from the boards, which would go into the General Fund.

Mr. Reynolds acknowledged that a majority of the administrative expenses is related to the NAMD. He noted the current Chairman and outgoing Chairman are working to mitigate future costs. Councilmember Phil Johnson requested that the scope of the motion include

finding efficiencies and cost-saving mechanisms for both committees. Councilmember Ashley Graves also requested City staff investigate approaches for both committees to reach their full potential.

It was moved by Councilmember Sandra Mossman, seconded by Councilmember Bryce Klug, to direct the City Manager to investigate next steps for possible dissolution of the Street Sales Tax Fund, the Economic Development Corporation, and the NASA Area Management District, and additionally investigate cost-reductions and approaches to maximize each committee's potential.

Motion passed 6 – 1, Johnson opposed.

Reestablished a Fire Subcommittee, with members Mayor Bob Warters, Mayor Pro-Tem Don Matter, Councilmember Ashley Graves, NBVFD President Matt Roper, and NBVFD Fire Chief Tom George

Fire Chief Tom George indicated the Nassau Bay Volunteer Fire Department (NBVFD) would like to propose reestablishing a Fire Subcommittee as an additional mechanism for regular communication between the Fire Department, City Staff, and City Council.

He noted a committee of this type existed years ago and was very beneficial in ensuring all maintained a consistent knowledge of the state, goals, and ambitions of the Nassau Bay Volunteer Fire Department. As a result of varying circumstances, the committee has not been in existence for several years, but the NBVFD believes the increased, consistent communication would be beneficial for all parties.

Chief George indicated the proposed members include three members of City Council, City Manager Jason Reynolds, and two volunteers from the NBVFD. The NBVFD volunteers proposed for the subcommittee are President Matt Roper and Fire Chief Tom George.

It was moved by Councilmember Sandra Mossman, seconded by Councilmember Bryce Klug, to reestablish a Fire Subcommittee, with members Mayor Bob Warters, Mayor Pro-Tem Don Matter, Councilmember Ashley Graves, City Manager Jason Reynolds, NBVFD President Matt Roper, and NBVFD Fire Chief Tom George.

Motion passed 7 – 0.

Received an update from the Short-Term Rental Committee on possible recommendations to strengthen the City's Short-Term Rental ordinance

City Manager Jason Reynolds noted the Short-term Rental (STR) Subcommittee has met multiple times to identify possible amendments to the current STR Ordinance passed by City Council on January 11, 2021. The Subcommittee's recommendations were provided in the Council packet as talking points for Council's review and discussion.

The STR Subcommittee and City staff request additional input from Council to determine if these changes align with Council's vision. Input from the meeting will be sent to City Attorney Dick Gregg, Jr. for review and legality of proposed amendments. City staff is also providing input to the committee on administrative processing and enforcement.

Councilmember Matt Prior indicated the Subcommittee was looking for consistency but acknowledges there is still a lot going on in the City. Councilmember Ashley Graves noted the Subcommittee reviewed the ordinance seriously for ways to tighten the restrictions but wants to ensure that the City is not overstepping bounds.

Councilmember Bryce Klug acknowledged the spirit of any new recommendations is not to prevent homeowners from earning additional income, but to prevent a potential investment banker's overutilization of rentals in Nassau Bay. Council would like individuals invested in the City as well, not just additional income. Councilmember Johnson remarked the amendments would focus on corporations that act as hotels.

Mayor Warters voiced his support of the recommendations, as he wasn't sure if the general public realized one corporation owned three of the short-term rentals in Nassau Bay. Some rentals have huge crowds, parking issues, and noise violations, and the City should do everything in its power to make it uncomfortable for these rentals to operate.

Councilmember Klug expressed his appreciation to the Subcommittee for their efforts in making these new recommendations.

Authorized the City Manager to allocate Coronavirus Local Recovery Funds to water / sewer line rehabilitation projects, in conjunction with the TWDB water / sewer line projects

City Manager Jason Reynolds stated the City will receive approximately \$984,205.79 as part of the Coronavirus Local Recovery Funds. The money will be paid to the City in two phases. In September / October of 2021, the City will receive \$492,102.90. In September / October 2022, the City will receive \$492,102.90.

City Manager Reynolds commented that staff would like to consolidate this payment into one project purchase in an effort to minimize the cost tracking associated with the grant. There are only four categories that this money can be spent on, and the City is considering the fourth option, "to make necessary investments in water, sewer, or broadband infrastructure."

When received, Mr. Reynolds noted this money would run parallel with the TWDB water / sewer line project. The proposed project for the funds is upgrading the water line along NASA Road 1 from Upper Bay Road to the Hilton. This would increase pressure to the east side of the City.

City Manager Reynolds noted if Council accepts this proposal, it will delay the TWDB water / sewer line project by a few months. This could be beneficial on pricing, as the project would increase by a million dollars and the supply lines could potentially loosen by project start.

Mayor Pro Tem Don Matter inquired if there were any strings attached to accepting the funds, as originally there was a caveat that said acceptance would negate zoning laws. City Manager Reynolds responded that that zoning language was not included. Mayor Pro Tem Matter requested that the motion include acceptance based on no caveats included.

It was moved by Mayor Pro Tem Don Matter, seconded by Councilmember Bryce Klug, to authorize the City Manager to allocate Coronavirus Local Recovery Funds to water / sewer

line rehabilitation projects, in conjunction with the TWDB water / sewer line projects, with the assurance there is not additional caveats to fund acceptance.

Motion passed 7 – 0.

Received an update from City Manager Jason Reynolds on the Bay Area Houston Convention & Visitor’s Bureau (BAHCVB)

City Manager Jason Reynolds’ presentation highlighted the activities of the Bay Area Houston Convention & Visitor’s Bureau (BAHCVB) through COVID and what is foreseen over the next year. He noted Nassau Bay led the charge to restructure the BAHCVB business model. The new model works from strategies and goals to create success. The BAHCVB removed Mindecology as the marketing firm and is now using Madden Media.

The BAHCVB recently reformatted annual charges for partner cities from 15% of the annual HOT budget to a flat \$45,000 fee. This creates equity across the partner cities and reduces Nassau Bay’s spend from \$154,000 (pre-COVID) to \$45,000. Mr. Reynolds noted this fee change and cost savings allowed the City to bring back the Director of Communications & Tourism position.

Council has the option to cancel the BAHCVB contract this year, and if so, the decision needs to be made in July, per the contract. Staff recommends staying a partner city in the BAHCVB.

Councilmember Sandra Mossman voiced her appreciation to City Manager Reynolds for the reorganization of the BAHCVB.

Appointed Jason Reynolds, Kristin Edwards, and Melinda Mintz as representatives to the BAHCVB Board of Directors, and Mayor Bob Warters as an ex-officio board member

The City of Nassau Bay can select three individuals to represent Nassau Bay on the Bay Area Houston Convention & Visitor's Bureau (BAHCVB) Board of Directors. It is recommended to appoint City Manager Jason Reynolds, Director of Communications & Tourism Kristin Edwards, and Melinda Mintz of the Hilton Houston NASA Clearlake Hotel. Mayor Bob Warters will serve as an ex-officio board member. This will provide some clarity to those who attend the BAHCVB meetings and the task force which considers appropriations of the City’s hotel / motel taxes each year.

It was moved by Mayor Pro Tem Don Matter, seconded by Councilmember Ashley Graves, to appoint Jason Reynolds, Kristin Edwards, and Melinda Mintz as representatives to the BAHCVB Board of Directors, and Mayor Bob Warters as an ex-officio board member.

Motion passed 7 – 0.

EXECUTIVE (CLOSED) SESSION

Tabled Executive Session as authorized by Texas Government Code, Chapter 551, Open Meetings, Subchapter D, Exceptions to Requirement that Meetings be Open

Mayor Bob Warters respectfully requested that the Executive Session be removed from the Council meeting agenda. The agenda item was posted as follows:

1. §§551.074 Personnel – Discuss the employment, evaluation, compensation, goals, and duties of the City Manager.

Several Councilmembers indicated they wished for the Executive Session to remain as posted, as it involves the City Manager’s evaluation, and several members prepared comments and feedback.

It was moved by Councilmember Matt Prior, seconded by Councilmember Ashley Graves, to table the Executive Session, §§551.074 Personnel – Discuss the employment, evaluation, compensation, goals, and duties of the City Manager, until the August 9, 2021 City Council meeting.

Motion passed 4 – 3, Matter, Johnson, and Klug opposed.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:55 p.m.

Minutes approved as submitted and/or amended this 9th day of August A.D. 2021.

CITY OF NASSAU BAY, TEXAS



Robert L. Warters
Mayor

ATTEST



Sandra V. Ham
City Secretary