

**REGULAR MEETING AND PUBLIC HEARING  
CITY COUNCIL  
CITY OF NASSAU BAY, TEXAS  
JULY 26, 2021  
6:00 PM**

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

**MEMBERS OF COUNCIL ABSENT:** Councilmember Matt Prior

**OTHERS PRESENT:** 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, 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 6:03 p.m. and announced a quorum of Council was present with six elected officials in attendance.

**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 6:04 p.m.**

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

**Presentation and discussion regarding the City Manager's proposed budget for Fiscal Year 2022**

City Manager Jason Reynolds began the workshop by providing an agenda overview for the Budget Workshop, which will include a discussion on Council's vision, long-range financial plan, the City's CIP list, Water / Sewer Fund, Tourism Fund, and the City's Debt Service. He announced that the tax rate will not be established or discussed at this meeting. Additionally, Mr. Reynolds stated there will be additional meetings for continued discussion of the CIP.

Overviewing the long-range financial plan, Mr. Reynolds noted that by Fiscal Year (FY) 2024, the City will maintain a 90-day working capital reserve of \$1.55 million. The reserves continue to be healthy moving towards FY2031.

Mayor Pro Tem Don Matter inquired on the amount of \$100,000 allocated to capital and one-time projects beginning in FY23. Mr. Reynolds noted that the amount is an estimated amount and is only considered a placeholder, as it is unknown what future CIP projects are needed. Mayor Pro Tem Matter requested details on the average amount of funds

allocated to the CIP, with Finance Director Csilla Ludanyi responding that it varies depending on available reserves. There was a brief discussion on reserves.

City Manager Reynolds continued by detailing the General Fund revenue and expenses, describing the Fund to have an updated CIP of \$923,840. City Manager Reynolds provided the notable changes for expenses for the FY2022 Budget, which include targeted salary increases, 3% merit increases, a retirement expense decrease, a health insurance increase of 5%, worker's compensation and general liability increases, and expenses for an upgraded cybersecurity system.

Accounting for the revenue and expenditures with the proposed CIP, the expected end of year balance for FY2022 is projected at \$1,637,489. Referencing the Charter requirement of 90 days of working capital, the City is above 105 days of reserves. He indicated that Council could choose to utilize parts of the reserves above 90 days for additional projects.

Mr. Reynolds continued to the Capital Infrastructure Plan (CIP). Total CIP, accounting for all funding sources, is \$7,640,060, which is more than the total General Fund. Two of the bond projects, the new ambulance purchase and the back-up power generator, will be pushed to FY2023. Within the discussion, Mr. Reynolds also highlighted all of the FY22 bond projects.

Mr. Reynolds provided details on the CIP projects within the proposed budget, totaling \$214,840. City Manager Reynolds also described possible CIP additions, including repainting the City Hall walls, awnings over all exterior doors, replacement of the public safety boat at \$265,000, NASA median landscaping savings, Space Park lighting, Police Department software conversion, and a dredging study. There was additional discussion on the landscaping plan, Space Park lighting, and the software conversion. The possible additions total \$709,000.

Mr. Reynolds provided an alternate view of the CIP, displaying a breakdown of CIP by department funding sources. He began with the projects within the Public Safety Departments. There was in-depth discussion on the Axon In-Car Camera System and Axon Body Cameras, specifically why the need for the conversion to the new software. Also, Councilmember Phil Johnson inquired if the Department had the adequate tools for protection, as he supported as many video and audio systems to capture evidence during crime scenes or traffic stops. Chief Tim Cromie indicated the requested camera systems would be standard protocol. It was suggested to explore as many safeguards as possible to enhance the Department's protection on an active scene.

Mr. Reynolds continued by reviewing the administrative CIP projects, including repainting of all City Hall walls, the fleet fund, and awnings over the exterior doors at City Hall. Councilmember Ashley Graves inquired on the painting project, with Mr. Reynolds noting the walls to be six years old, therefore painting was needed for regular upkeep. City Manager Reynolds also summarized the fleet fund, stating it is for lease payments for the fleet replacement fund.

City Manager Reynolds detailed the Parks CIP projects, including projects that will be funded by the recent bond passage, such as restoration of the baseball fields, playgrounds, and Founder's Park. The total of the parks projects is \$483,810. Councilmember Sandra Mossman inquired upon the Point Lookout esplanade, with Public

Works Director Paul Lopez indicating the recent freeze to affect the area. He is working with the Interim Parks Supervisor for future beautification.

City Manager Reynolds reviewed the City's Infrastructure projects, including the livestream camera at the Upper Bay Stormwater Station, storm water line improvements, a drainage study, portable pump unit, and street rehabilitation. Moving forward, Mr. Reynolds indicated a need for Council's discussion and input on several projects for consideration.

There was a brief discussion on the implementation of license plate readers within the City. The initial cost is approximately \$60,000, with ongoing costs of approximately of \$55,000. The benefits of the system is that it alerts the Police Department when it is triggered with invalid license plates. Mayor Wartens did not voice support for the system, as neighboring communities do not utilize similar systems, which can make Nassau Bay's ineffective in the wider region. Chief Cromie indicated that the City of Webster will begin installation of the camera system shortly. There was continued discussion on the pros and cons of the system, along with any potential liabilities, and general use of the system in the area.

City Manager Reynolds continued with an overview of the possible purchase of a ladder truck, citing a possible need due to the increase in elevated homes, the recent Bayfront Towers fire, and the construction of six-story buildings within the City. Councilmember Klug inquired whether the Finance Department could start a fleet fund for the purchase of a truck, with Council allocating smaller funds each budget year until the full funds for the ladder truck are saved. Councilmember Graves inquired whether Houston Methodist Hospital Clear Lake could provide funding for the truck, as it would directly impact their six-story building. Mayor Pro Tem Matter voiced his support for this approach. There was a discussion on whether ladder trucks were available in the region, with Chief George indicating Nassau Bay to be the only city in the region without a ladder truck.

There was a brief discussion on the proposed cul-de-sac near Methodist Hospital, specifically which entity would fund the construction of the project. City Manager Reynolds indicated this type of street was adopted by Council in the Living Center Study in 2010. It is anticipated that Houston Methodist Hospital would contribute funding towards the project.

The comments transitioned to the art monument on NASA Parkway and Space Center Boulevard. Mr. Reynolds noted support for removing the monument, or possibly relocating it to the Nassau Bay Town Square. Mayor Wartens argued against the monument in general, and didn't believe it to be well-regarded by the general public. Councilmember Klug agreed, believing the design and concept to be better than the actual implementation.

Mr. Reynolds overviewed the street striping project, with several Councilmembers providing comments. Councilmember Klug indicated there to be a confusion factor with certain striping patterns, with Councilmember Johnson noting he has received compliments on the current striping pattern on Space Park Drive.

There was a brief discussion on the reconfiguration of the Council Chamber, with Mayor Wartens voicing support for a circular dais. Most agreed it was a "nice-to-have," but not a priority project. Comments continued to the Mayoral and Council office, with Mayor Wartens and Mayor Pro Tem Matter citing a need for a Mayoral office in City Hall. City

Manager Reynolds also briefly commented on the need for exterior painting of City Hall and an air conditioning system replacement for the building.

City Council held a long discussion on the purchase of the proposed Kid Course 1800, a ninja-style playground equipment system. In a previous Special Council meeting, Council agreed for an RFP for the Kid Course 1800 to be delivered to Council by December 2021. The course was originally proposed for placement in Swan Lagoon Park. Current estimates for the equipment is over \$100,000, which does not include dirt work or configurations within the park. Mayor Warters recalled that at the previous Special Meeting, Council would wait until the Stadium playground equipment was installed in David Braun Park, a similar, but smaller playground equipment system. He indicated he was not convinced that the current Swan Lagoon playground equipment was needing to be replaced.

Councilmember Sandra Mossman commented on the community feedback she received in regards to Kid Course 1800, a ninja style course, in Swan Lagoon Park. She noted the feedback to indicate that the targeted age range for the Kid Course 1800 may be too difficult to monitor in the small Swan Lagoon Park. Additionally, the course would cause parking issues, as there is no dedicated parking lot for the park, only street parking.

There was discussion on the appropriate location for installation of the Kid Course 1800, and Councilmembers acknowledged that Swan Lagoon Park would not be the appropriate park. Councilmember Johnson indicated strong community support for this ninja course, although he acknowledged there was adequate criticism for placement in Swan Lagoon Park. Parks & Recreation Committee Chairman Roscoe Lee commented that the soon to-be-installed Stadium should be an adequate substitution for the ninja course.

Councilmember Klug indicated that the Kid Course 1800 was not contingent on the Stadium course, and any delays were only to allow for City staff to complete other more pressing projects prior to the installation of the ninja course. Mr. Reynolds emphasized that the Stadium will serve the same age range as the Kid Course 1800, and if Council is seeking to serve older children, perhaps there should be consideration for a skate park or comparable, as a skate park would utilize the same budget, but could be an additional value for the City.

Mr. Reynolds discussed the budget for the Kid Course 1800, noting it to be currently at \$120,000 for installation and equipment, but did not include other project variables such as dirt work. Councilmember Graves urged Council to be responsible in the consideration of allocating approximately \$300,000 for the playground equipment and requested Council's consideration to evaluate the use of the Stadium prior to the installation of the Kid Course 1800. Councilmember Klug countered, and noted it was not too much money to spend on the City's children, especially as there is a lot of community support for the equipment. Councilmember Johnson agreed, noting there to be more support for the installation of the equipment than against the placement of the course in Swan Lagoon Park.

Councilmember Graves agreed, but stated if the goal was to serve older children, then it would be prudent of Council to consider a variety of amenities for the children. Mayor Warters agreed Swan Lagoon Park was not the ideal location for the Kid Course 1800.

City Manager Reynolds overviewed additional projects for consideration from the Parks & Recreation Committee, including an updated Parks Master Plan. The last update of the plan was in 2003, and most of the plan's objectives have been completed. Chairman Lee was in favor of the updated plan, but noted the City has recently been moving in a reactionary approach regarding the parks system, rather than following the previously formed plan.

There was a brief discussion on the walking trail and the use of HOT Funds to pay for park upgrades. Additionally, feedback had been received for the desire of the installation of a ramp on the Upper Bay boardwalk, which is difficult for strollers and wheelchairs to exit on the south end of the boardwalk. Mr. Reynolds didn't believe funding needed to be allocated at the moment for this project, but perhaps in a future budget. He emphasized the difficulties with creating a ramp, as it would need to be ADA compliant.

Mr. Reynolds continued with details on the Water / Sewer Fund, with revenue for Fiscal Year to be \$2.7 million. Councilmember Klug inquired on the 20% decrease in revenue for the Fund, with Finance Director Ludanyi indicating to be a result of the one-time \$500,000 transfer from the General Fund and Water / Sewer Fund in FY21. Mr. Reynolds indicated that with the bond proceeds, the end of year balance for FY22 will be \$1.1 million.

Mr. Reynolds reviewed the completed projects in the Water / Sewer Fund, with a substantial number of projects already completed. The sand filter project has mobilized. Councilmember Klug also highlighted the water / sewer line rehabilitation project. City Manager Reynolds overviewed the projected items for consideration, include the hardening of water lines at the water plant, with a possibility for this project to be funded by grant funds.

Council continued with a discussion on the Southeast Water Purification Project, in which the City owes past debt payments. Councilmember Klug inquired whether the City could allocate funds for future payments, with Finance Director Ludanyi stating the City is currently saving \$785,355 for the Southeast Transmission Line project, and any extra funds not for debt will continued to be saved for this payment. Mr. Reynolds concluded that in FY22 the City will complete an additional water utility study, which will provide funds for the SETL project. The discussion ended on possible future projects, including the water tower painting, water well, and electronic meter reads.

City Manager Reynolds transitioned to the Tourism Fund, and stated the Fund is budgeted at a 33% increase. The Fund is projected to end FY22 with a \$1.6 million balance, which factors in the reduced BACVB participation fee. He continued with the proposed projects for the Fund, including the wayfinding signage to better brand the Nassau Bay Town Square. Additional projects include more branding at the Nassau Bay entrances, so that visitors believe they are leaving Nassau Bay upon visiting Space Center.

City Manager Reynolds ended the Tourism Fund discussion by describing an exciting new partnership with Space Center Houston, the holiday Galaxy Lights. This feature will expand outside of Space Center into the Nassau Bay Town Square, and will be a good tourist attraction. Mr. Reynolds expressed appreciation to Director of Tourism and Communications Kristin Edwards for her efforts in expanding the Galaxy Lights tourist attraction into the Nassau Bay Town Square.

The workshop discussions ended by Mr. Reynolds providing details on the City's Debt Service fund. He overviewed the debt levels from FY22 through FY40. This overview included the recent FY21 bond issuance. He noted the next roll-off of debt would be in 2028. Currently the City is at 16% debt capacity, which is under the City's 20% policy. Until 2028, the City can afford an additional payment of \$250,000 per year, which is approximately a \$2 million debt tranche, should the City wish to accrue additional debt for projects.

Mayor Pro Tem Matter inquired on the cost estimates to replace the water transmission line from the Clear Lake Water Authority to the City's water plant. Public Works Director Paul Lopez responded by stating the cost to be approximately \$1 million. Mr. Reynolds noted this expense will be captured in the upcoming water utility study. There was a brief discussion on funding Water / Sewer Fund projects from the General Fund, with most in agreement that if the project is for infrastructure, then a transfer of funds would meet Council's priorities.

The workshop ended with a brief conversation on the upcoming Coronavirus funds allocation of \$1 million, and how they will be expended. Mr. Reynolds indicated the funds would contribute to the upcoming water line rehabilitation project.

**ADJOURNMENT**

There being no further business, the meeting adjourned at 8:20 p.m.

Minutes approved as submitted and/or amended this 13th day of September A.D. 2021.

CITY OF NASSAU BAY, TEXAS



Robert L. Warters  
Mayor

ATTEST



Sandra V. Ham  
City Secretary