

**REGULAR MEETING AND PUBLIC HEARING
CITY COUNCIL
CITY OF NASSAU BAY, TEXAS
August 10, 2015
7:00 PM**

MEMBERS OF COUNCIL PRESENT: Mayor Denman, Councilmembers Harry Dollar, John Mahon, Bryce Klug, Jonathan Amdur, and Bob Wartens.

MEMBERS OF COUNCIL ABSENT: Mayor Pro Tem Sandy Mossman.

OTHER CITY OFFICIALS PRESENT: City Attorney Dick Gregg, Jr., City Manager Chris Reed, City Secretary Marisela Garcia, Assistant City Manager Mary Chambers, Finance Director Csilla Stiles, Police Chief Joey Cashiola, Public Works Director Paul Lopez, Fire Chief Tom George, Planning Commission Chair Roscoe Lee, and Parks Committee Chair Buck Gay.

PRESIDING: Mayor Denman.

CALL TO ORDER AND ROLL CALL OF MEMBERS

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

INVOCATION AND PLEDGES OF ALLEGIANCE TO THE U.S. AND TEXAS FLAGS

The invocation was given by Bette Johnson.

The Pledges of Allegiance were led by City Manager Chris Reed.

APPOINTMENTS, PROCLAMATIONS, PRESENTATIONS, AWARDS

Presentation honoring late Mayor Pro Tem David Braun

Mayor Denman spoke briefly about the asset that Mayor Pro Tem was for the community.

Area painter Eddie Filer unveiled late Mayor Pro Tem David Braun's rendering to the audience. Mayor Denman posed for a photo with the Braun family.

Presentation of City Manager's Proposed Budget for Fiscal Year 2016

City Manager Reed presented a PowerPoint discussion regarding Fiscal Year 2016 proposed budget. Items discussed were Fiscal Year 2015 accomplishments, FY16 budget highlights, ongoing challenges, revenues and expenditures, and a comparison of where Nassau Bay ranks amongst other communities in regards to monthly costs to residents. (A copy of the presentation is attached to these minutes)

Councilmember Klug noted he had a few questions regarding the budget and found it beneficial to schedule a Council workshop to discuss the budget thoroughly.

PUBLIC HEARING AND ACTION ITEMS FROM PUBLIC HEARING

Mayor Denman announced a public hearing for anyone wishing to comment on the proposed budget.

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

Roscoe Lee, 1631 Antigua, inquired about the TIRZ obligation and the breakout of commercial/residential revenue.

There was brief discussion regarding the breakout of the Griffin Development. The commercial/residential tax abatement was discussed and it was noted that 90% goes to TIRZ and that is all used to pay down the debt.

There being no one else wishing to speak, the public hearing was closed at 7:26 p.m.

CITIZENS' REQUEST FOR HEARING BEFORE CITY COUNCIL

There were no citizens requesting a hearing before City Council.

COUNCILMEMBERS' COMMENTS/REPORTS

Councilmember Wartens spoke briefly about the Street Committee inspections and indicated a report had been submitted to the Public Works Director. He and the Public Works Director Lopez will list the relative priority of all the items listed.

Councilmember Klug thanked staff for preparing the budget. He noted he has received complaints regarding the current waste provider. Another concern is the playground equipment at Lake Nassau Park being in disrepair.

Councilmember Dollar noted after the presentation honoring late Mayor Pro Tem Braun, that it is an honor and privilege to serve this community.

REPORTS FROM STAFF MEMBERS & COMMITTEES

COMMITTEES

City Manager

City Manager Reed indicated the playground equipment has been ordered and will be delivered within the next 20 days and installation will begin. He also informed everyone that Nassau Bay along with 20 other Texas Cities was recognized with a Scenic City Certification which has to do with our strong scenic infrastructure standards.

Fire Department

Fire Department President Roper reported there were currently 38 members. The members logged 943 standby man hours at the station in June and responded to 35 calls.

Planning Commission

Planning Chairman Roscoe Lee gave an update from their Planning Commission meeting noting that they will be preparing a revision to the zoning ordinance which currently lacks the provision which addresses garage apartments. The ordinance will be brought to City Council for consideration at the September meeting.

Councilmember Warters asked that the Planning Commission take into consideration the setback requirements for garages.

Brief discussion was held regarding height restrictions.

Parks Committee

Parks Chairman Buck Gay gave an update from their Parks Committee meeting indicating he had received a proposal from Mrs. Ray to have a marker placed in Howard Ward Park honoring her husband. The Committee has reviewed the proposal and recommends approval by City Council.

CONSENT AGENDA

The Consent Agenda listed the following items for approval:

Approval of Council Minutes:

A. Regular Meeting on July 13, 2015; and

B. HOT Revenue Workshop on July 27, 2015; and

Approve Economic Development Corporation Minutes of April 27, 2015 as approved by the EDC at its meeting held on July 27, 2015

It was moved by Councilmember Amdur, seconded by Councilmember Dollar, that the above items on the Consent Agenda be approved.

Motion passed 6 – 0.

NEW BUSINESS

Award bid for the 2015 Water & Waste Water Improvements Project

Public Works Director Lopez gave an overview of the item noting that this was the water and sewer line replacements. Three bids were received and Lopez Utilities Contractor was the lowest bidder. ARKK Engineering has submitted a letter of recommendation for awarding the bid to Lopez Utilities Contractor, LLC.

It was moved by Councilmember Warters, seconded by Councilmember Amdur, to award the bid to Lopez Utilities Contractor, LLC for the 2015 Water & Waste Water Improvements Project.

Motion passed 6 – 0.

Appoint Jeff Hassan and Kristi Sykora to the Bay Area Houston Convention & Visitor's Bureau Board of Directors

Mayor Denman gave an overview of the item noting Nassau Bay is allowed three members on the Board of Directors and he is presently the only member serving.

Brief discussion was held regarding the appointment of another Councilmember to the board.

It was moved by Councilmember Amdur, seconded by Councilmember Mahon, to appoint Jeff Hassan and Kristi Sykora to the Bay Area Houston Convention & Visitor's Bureau Board of Directors.

Motion passed 5 – 1, Wartens opposed.

ADJOURNMENT

There being no further business, the meeting adjourned at 7:51 p.m.

Minutes approved as submitted and/or amended this 14th day of September, A.D., 2015.



Marisela Garcia

Marisela Garcia, TRMC
City Secretary

CITY OF NASSAU BAY, TEXAS

Mark A. Denman

Mark A. Denman
Mayor



2016 FISCAL YEAR BUDGET



FY15 ACCOMPLISHMENTS

- Passed HOT Revenue Expenditure Legislation
- Solar Street Light Program
- Medication Drop Box
- Instituted Youth Internship with CCISD
- Houston's Best & Brightest Place to Work, GFOA Outstanding Budget Presentation Award, Comptroller's Leadership Platinum Circle Award for Transparency



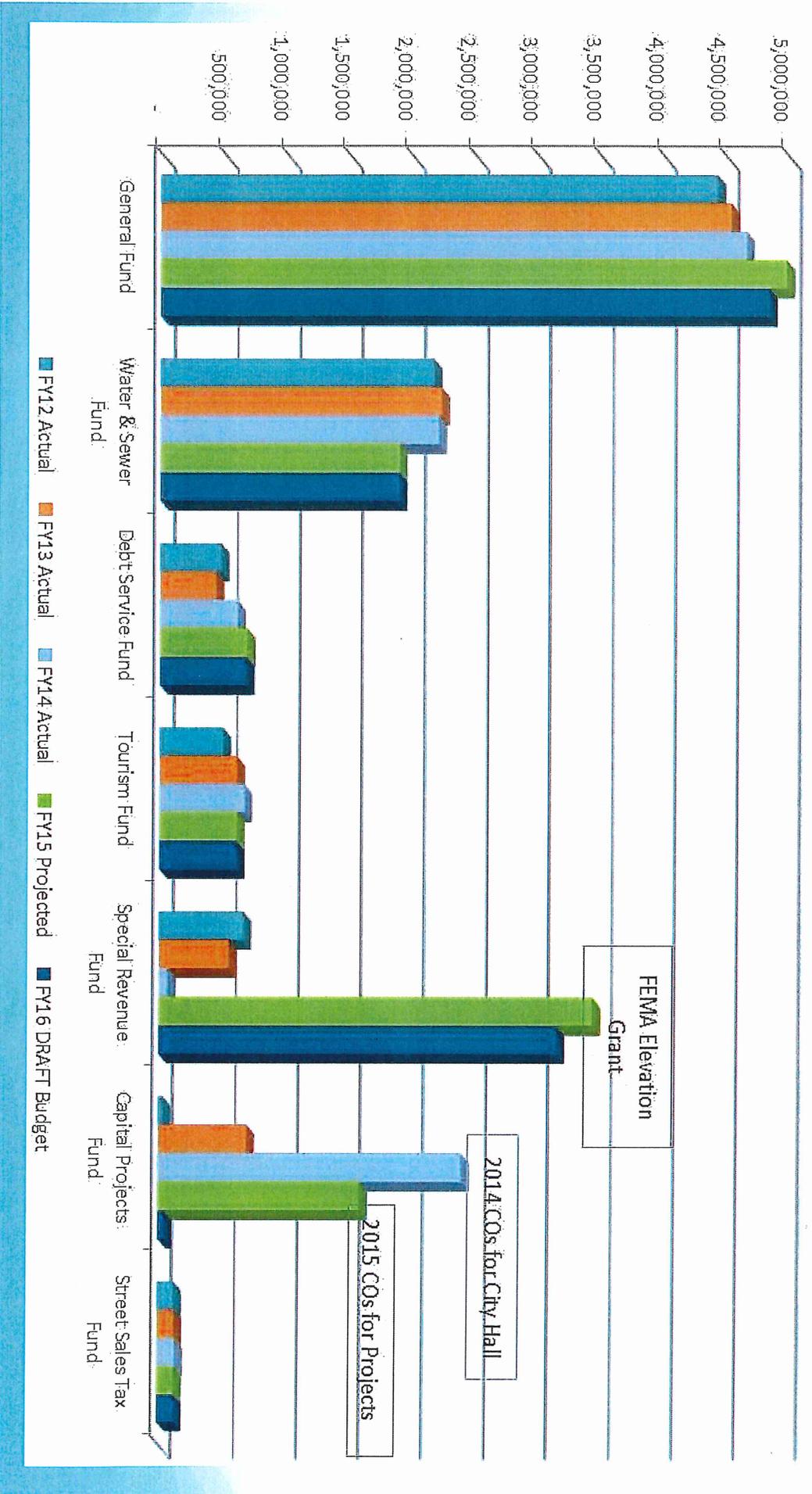
FY16 BUDGET HIGHLIGHTS

- Park and playground improvements
- Re-structure Police Department grade scale to allow for better retention of officers
- Update City Website to make it more accessible and user friendly
- Establish fleet management program and initiate City's first fleet replacement program

ONGOING CHALLENGES

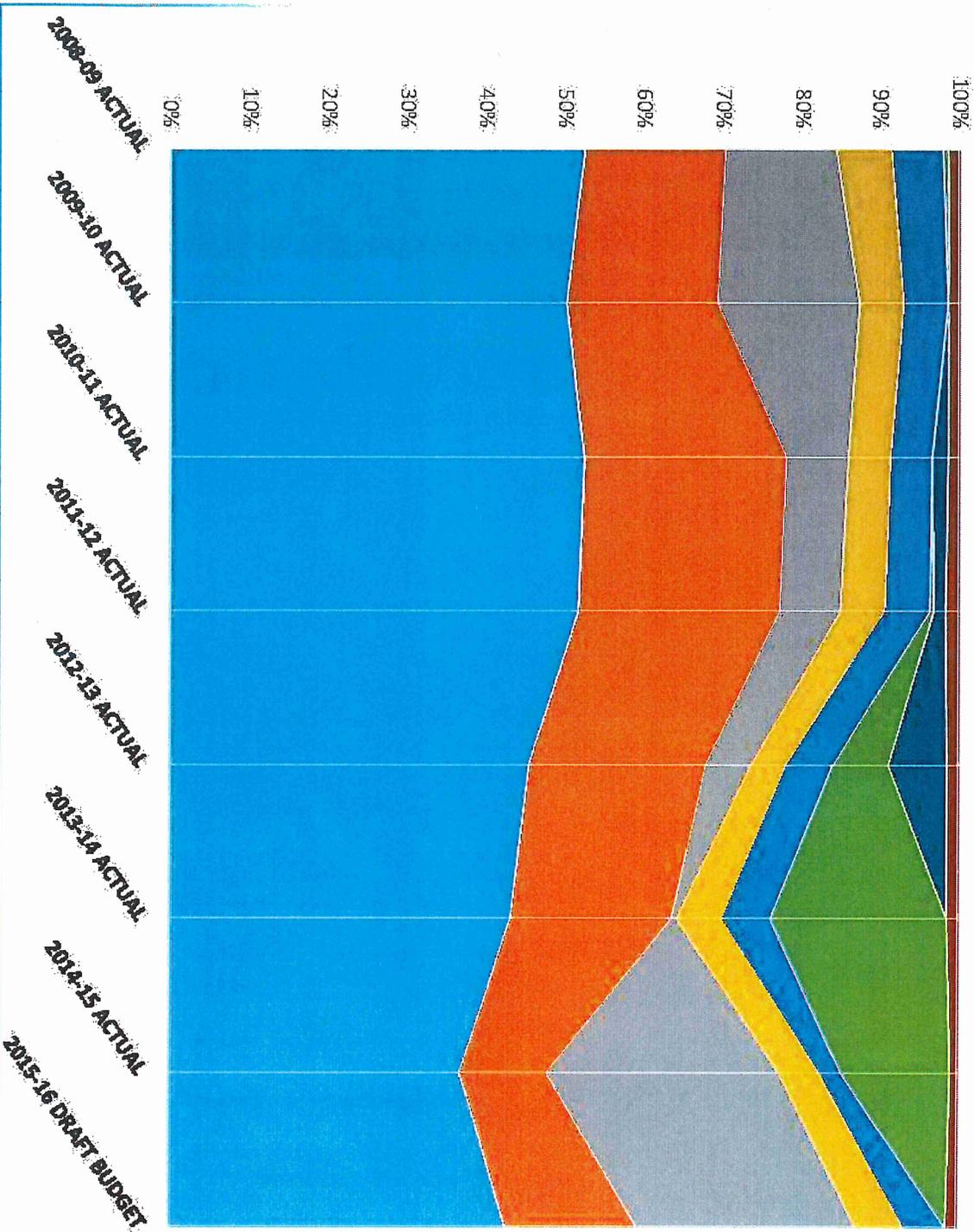
- Maintaining competitive employee compensation
- Within next few years, 28% of existing staff is eligible to retire
 - Succession planning
- Aging City Infrastructure
- General Fund Plateau until TIRZ is reimbursed

ALL FUNDS





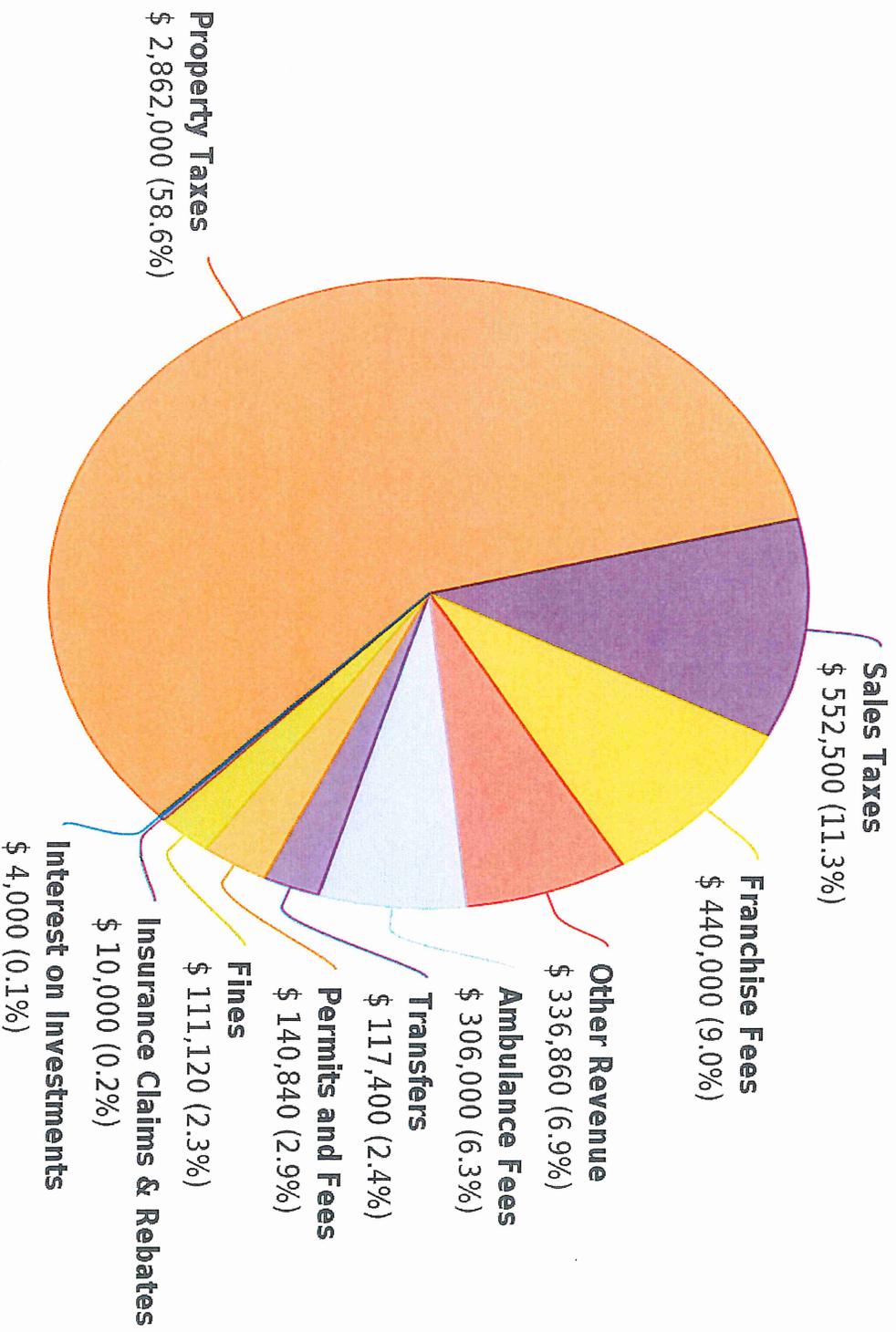
Revenue Sources - Historical Comparison



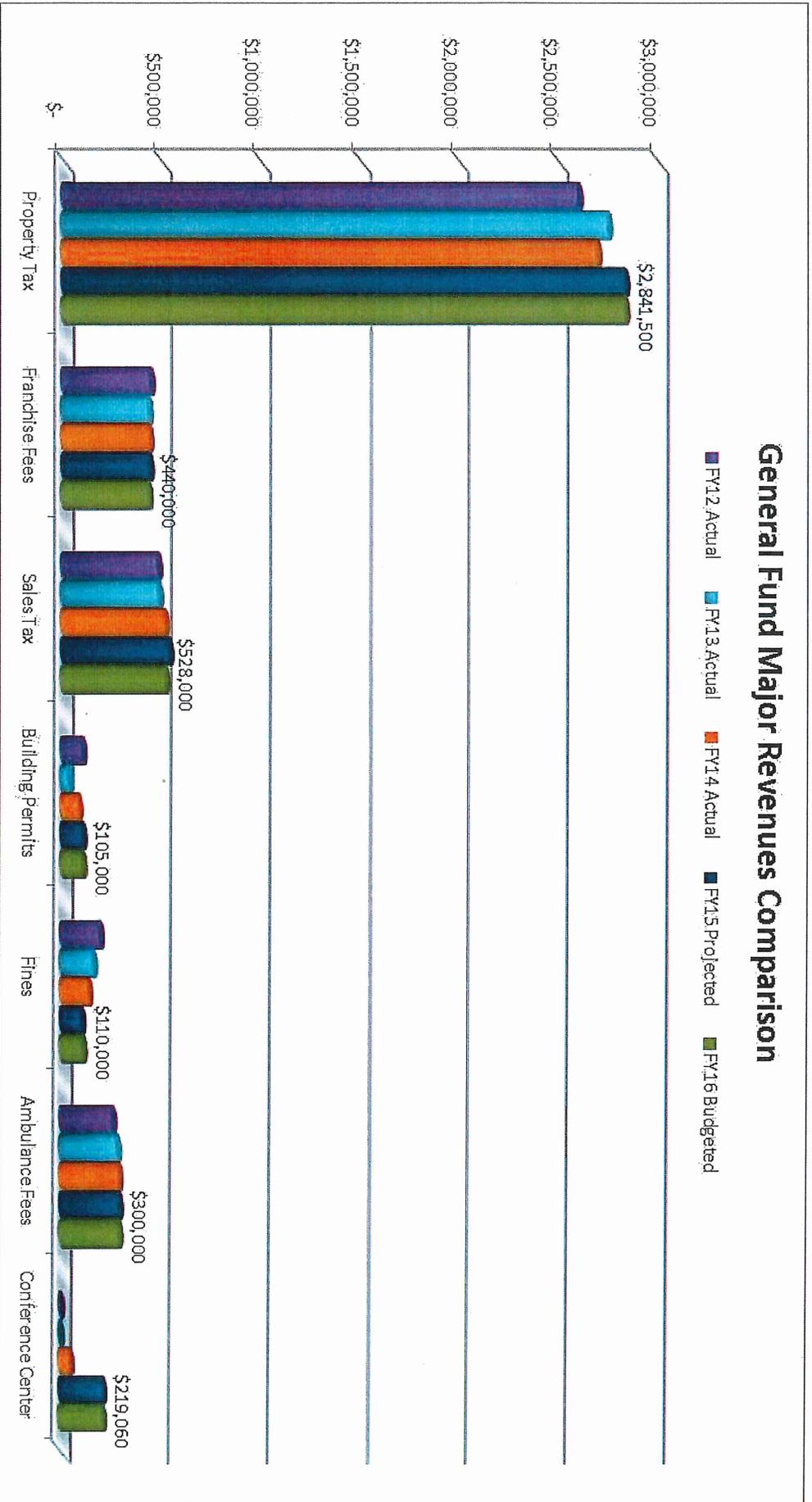
- Street Sales Tax Fund Revenue
- Reserves/Transfers
- Capital Projects Fund Revenue
- Tourism Fund Revenue
- Debt Service & Depreciation
- Special Revenue & Grants Revenue
- Water & Sewer Revenue
- General Fund Revenue

Nassau Bay - Revenues 2015-16 Draft Budget

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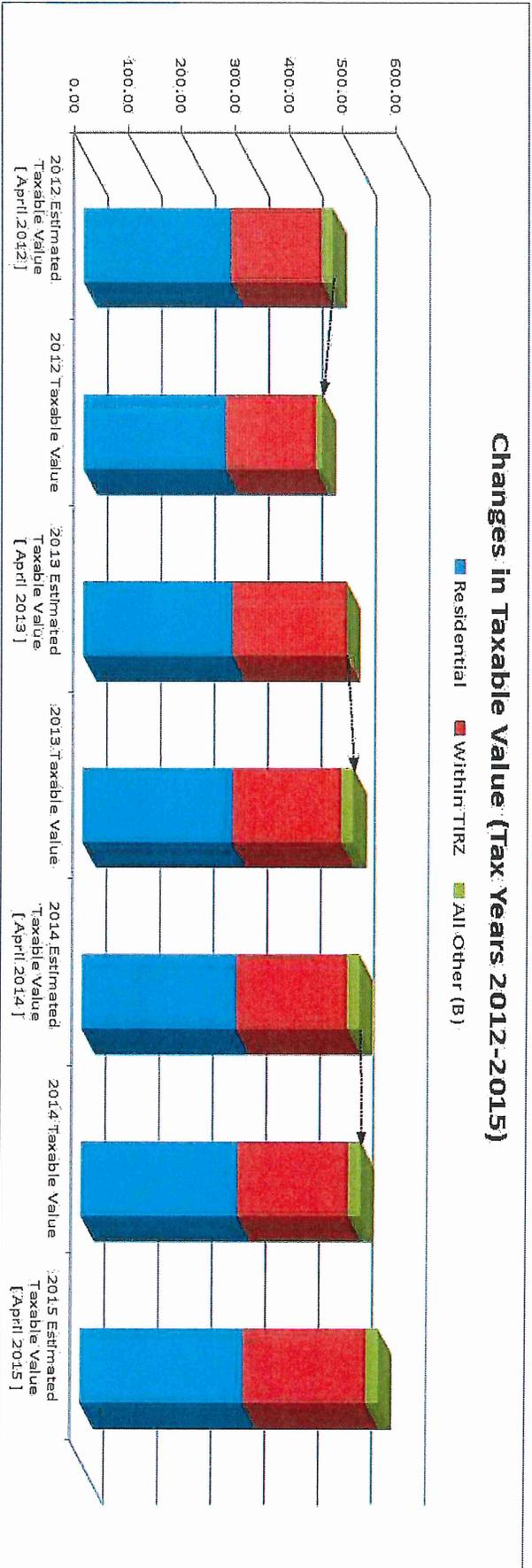


General Fund Major Revenues Comparison

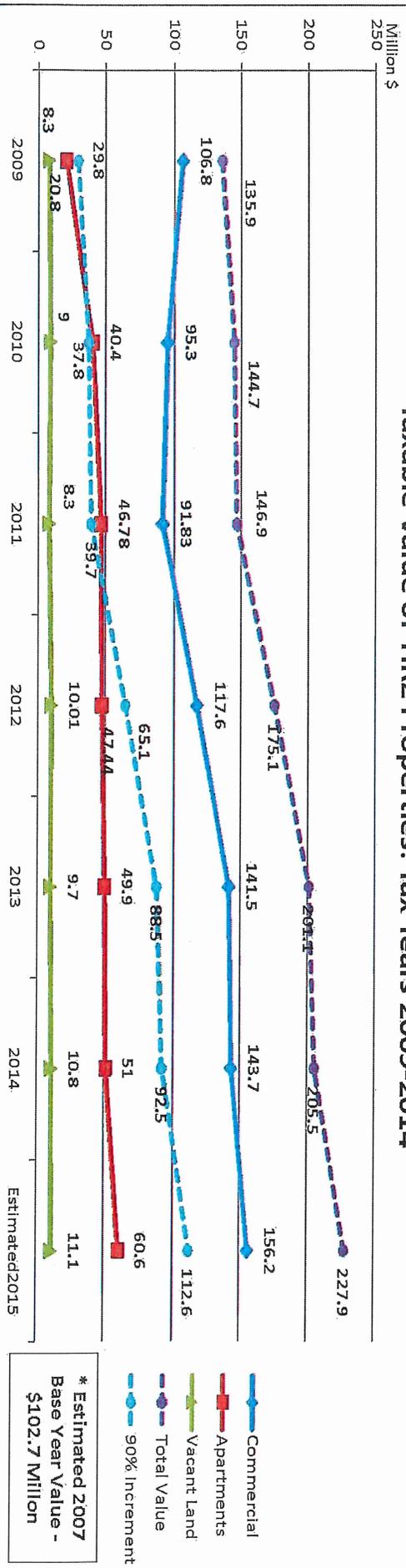


TAX YEAR 2014 -- TAXABLE VALUE

Changes in Taxable Value (Tax Years 2012-2015)



Taxable Value of TIRZ Properties: Tax Years 2009-2014



* Estimated 2007 Base Year Value - \$102.7 Million



FY16 DRAFT Budget Expenditure Summary

Fund	FY15 Projections	FY16 DRAFT Budget	% Change	Explanation
General Fund	\$ 4,814,640	\$ 5,352,300	11.2%	\$160K from HOT, PD parity, Harris Cty Radios
Water & Sewer Fund	\$ 2,676,090	\$ 2,759,670	3.1%	completion of TWDB projects
Debt Service Fund	\$ 643,420	\$ 712,590	10.8%	annual debt service
Tourism Fund	\$ 555,230	\$ 445,095	-19.8%	move wages & utilities to General Fund
Special Revenue & Grants Fund	\$ 2,631,290	\$ 3,292,310	25.1%	2014 FEMA Elevation Grant
Capital Projects Fund	\$ 592,650	\$ 1,114,640	88.1%	FY15 CO projects
Street Sales Tax Fund	\$ 80,000	\$ 350,000	337.5%	Bi-Annual Street Paving Projects
Total Budget	\$ 11,993,320	\$ 14,026,605	17.0%	



FY16 DRAFT Budget Expenditure Summary

Department	FY15 Projections	FY16 DRAFT Budget	% Change	Explanation
01 ~ General & Administrative	\$ 713,800	\$ 942,880	32.1%	Finance salaries from HOT fund
02 ~ Building Department	\$ 122,605	\$ 128,820	5.1%	Training for Building Official
03 ~ Emergency Management	\$ 145,910	\$ 151,310	3.7%	
04 ~ Fire Department	\$ 411,790	\$ 364,830	-11.4%	
05 ~ Public Works	\$ 414,230	\$ 415,920	0.4%	
06 ~ Parks Department	\$ 338,400	\$ 426,230	26.0%	NASA Utilities from HOT fund
07 ~ Police Department	\$ 1,219,790	\$ 1,312,820	7.6%	PD Retention Program
08 ~ Sanitation & Recycling	\$ 236,330	\$ 236,330	0.0%	
10 ~ Contingency Department	\$ 25,000	\$ 100,000	300.0%	
11 ~ Information Services	\$ 253,710	\$ 284,140	12.0%	Harris County Radios, contracts
12 ~ Municipal Court	\$ 126,630	\$ 131,600	3.9%	
13 ~ Emergency Medical Services	\$ 462,790	\$ 488,930	5.6%	
14 ~ Fire Marshal	\$ 111,875	\$ 134,860	20.5%	Fire Marshal salaries from HOT fund
15 ~ Planning & Development	\$ 13,960	\$ 15,000	7.4%	
16 ~ Code Enforcement	\$ 18,220	\$ -	-100.0%	Position not Funded
17 ~ Conference Center	\$ 199,600	\$ 218,630	9.5%	
Total General Fund	\$ 4,814,640	\$ 5,352,300	11.2%	



FY16 REQUESTED AND FUNDED CAPITAL PROJECTS

Department	Description	FY16 Funded Amount	Funding Source
2	Public Works/EMS FY15 temporary housing during Fire Station construction - 2 months	\$ 7,000	General Fund - Public Works, EMS
5	Parks Install 64 LED bulbs along Upper Bay to Lake Nassau	\$ 13,100	General Fund - Parks
1	All Departments Fleet Replacement Transfer - 15% of reserve savings	\$ 18,000	General Fund Transfer to Capital Projects
3	Public Works Dredging of Lake Nassau	\$ 50,000	General Fund Transfer to Capital Projects
6	All Departments CivicPlus - Website Redesign	\$ 17,150	General Fund Transfer to Capital Projects
	Fire Department/EMS Architect plans for New Fire Department	\$ 200,000	EDC
4	Information Technology Replace two-way radios (27 in FY16)	\$ 122,510	H-GAC GRANT (Pending State Approval)
	Public Works Annual Paving Improvements	\$ 350,000	STREET FUND
	Water & Sewer Surf Court/Space Park Lift Station & Utilities - Engineering	\$ 131,440	WATER/SEWER
	Water & Sewer Water Line Rehabilitation	\$ 100,000	WATER/SEWER
	Water & Sewer Wastewater Line Rehabilitation	\$ 300,000	WATER/SEWER
TOTAL FUNDED CAPITAL PROJECTS		\$ 1,309,200	

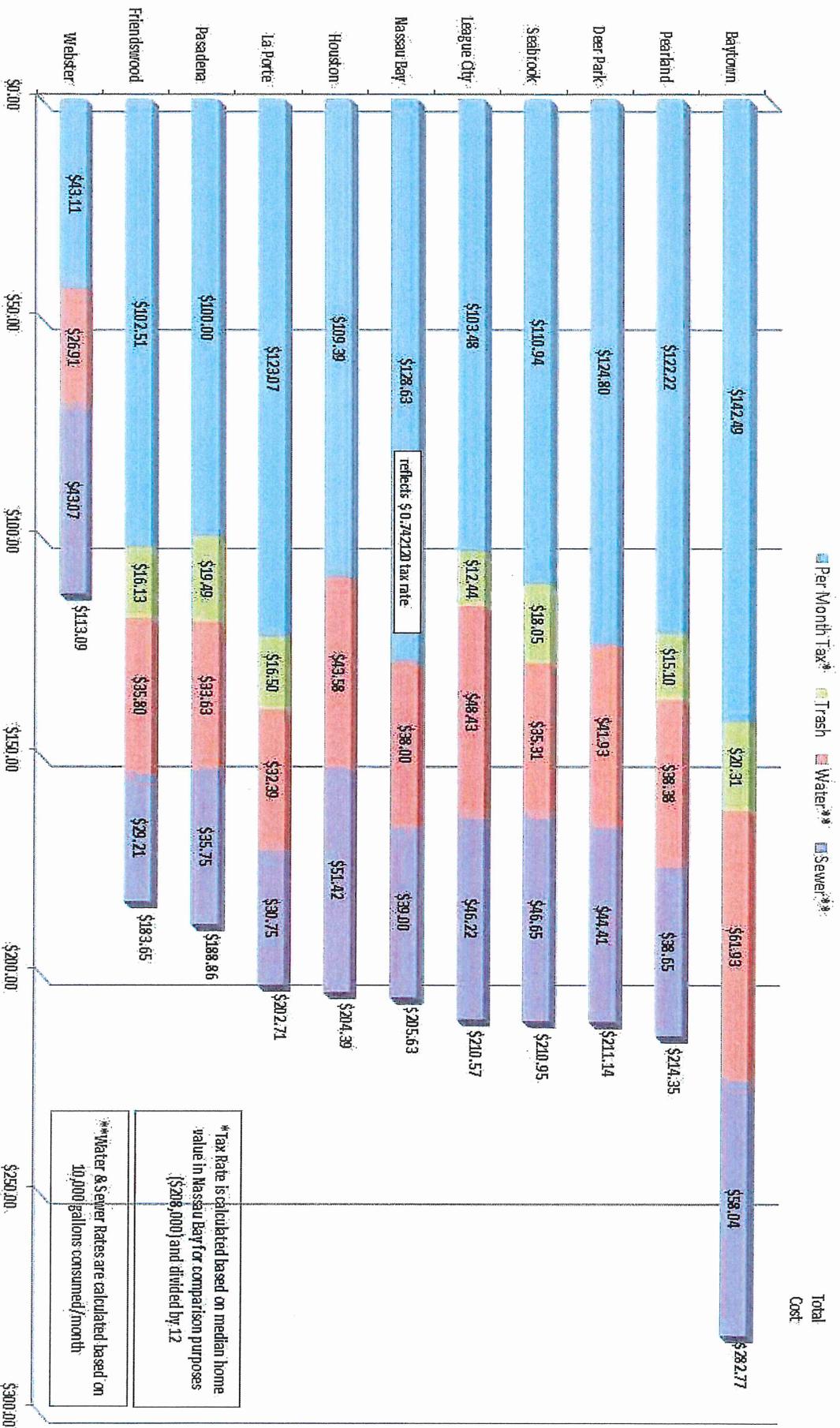


GENERAL FUND -- DAYS OF RESERVES

FY16 Proposed General Fund Budget

# Days	General Fund	
1 day =	\$14,536	
	\$4,880,720	Projected FY16 Revenues
	\$1,556,962	FY15 End of Year Reserves
	\$329,860	Projected Savings from FY15
	-\$5,390,970	Draft FY16 Expenditures
95	\$1,376,572	Fund Balance at 9/30/2016

FY16 Comparison of Cities - Current Monthly Cost to Resident****



****Comparison does NOT include MIDU, IUD, PUD taxes since there are none in Massau Bay; however, these additional taxes could increase monthly resident costs by up to \$345.30 on a comparable property in certain locations throughout Harris County.

*Tax Rate is calculated based on median home value in Massau Bay for comparison purposes (\$208,000) and divided by 12

**Water & Sewer Rates are calculated based on 10,000 gallons consumed/month