

**WORKSHOP
CITY COUNCIL
CITY OF NASSAU BAY
JULY 25, 2016
7:30 PM**

MEMBERS OF COUNCIL PRESENT: Mayor Denman, Mayor Pro Tem Mossman Councilmembers Harry Dollar Bryce Klug, Jonathan Amdur and Bob Warters.

MEMBERS OF COUNCIL ABSENT: John Mahon.

OTHER CITY OFFICIALS PRESENT: City Manager Jason Reynolds, City Secretary Marisela Garcia, Assistant City Manager Mary Chambers, Finance Director Csilla Stiles, and Planning Commission Chair Roscoe Lee.

PRESIDING: Mayor Denman.

CALL TO ORDER AND ROLL CALL OF MEMBERS

Mayor Denman called the meeting to order at 7:36 p.m. and announced a quorum of Council was present with six elected officials in attendance.

APPOINTMENTS, PROCLAMATIONS, PRESENTATIONS, AWARDS

Presentation and discussion regarding City Manager's proposed budget for Fiscal Year 2017.

City Manager Reynolds reviewed some of the items from the previous budget workshop which included the FY2017 goals and highlighted the fact that staff was developing a strategic plan for staff and determining how we are allocating resources going forward. Mr. Reynolds gave an overview of the expected timeline for the budget process.

City Manager Reynolds discussed ongoing challenges as follows:

- Police Shift & Training Coverage
- Funding Capital Projects
- Aging Infrastructure
- Code Enforcement
- Vacant Lots
- Vacant Lots
 - Commercial Corridor
 - Residential
- Demographic Changes
- Aging Housing Stock
- Increased Residential Rentals
- Employee Retirements
- Employee Training

- Rising Cost of Benefits
- Water Rise/Weather

City Manager Reynolds gave an overview of revenues and expenditures. He discussed General Fund highlights which included the homes being built in Nassau Bay and the rehabilitation for existing homes.

Brief discussion was held regarding the proposed process for the revitalization/incentive process. City Manager Reynolds described the process and noted the original idea was the grant money to the individual to build as a rotating balance. If the developer/homebuilder got a construction loan to build the house the City would then grant the money for the closing cost of the construction loan. At the end of the construction loan when the house was sold, the homebuilder would then pay the money back that was borrowed through the grant and keep a portion as an incentive to build the home.

Mayor Pro Tem Mossman stated there were three groups that could benefit from this type of program which included developers, homeowner wanting to revitalize their property, or an owner of a lot who wants to build a home.

Mayor Denman indicated he would like to provide staff with as many tools as needed to make a difference in revitalizing the community post-Ike.

City Manager Reynolds noted there could be safeguards put into the resolution that the process can be stopped at any given time and each application will be reviewed by City Council.

City Council consensus was to explore alternative funding methods for the revitalization program and bring them forward for discussion.

City Manager Reynolds discussed the addition of a police officer for part-time code enforcement position. There has been an opportunity in which an external entity can pay for that portion of the salary. He explained the need to have an additional officer for those periods in which there is only one officer on duty. He also clarified the proposed break down in time between policing and code enforcement and indicated the officer's primary would be as an officer with the understanding that 10-20 hours a week would be spent doing code enforcement.

City Manager Reynolds gave an overview of the special revenues and grant fund, HOT Fund, Debt Service Costs, Capital Fund, Water & Sewer Fund, CIP Funded projects, CIP Unfunded projects, and the Days of Reserves. (See attached PowerPoint.)

Brief discussion was held regarding the increased medical cost for employees.

Discussion ensued regarding aging infrastructure and the cost to replace the existing waterlines and the length of time it would take to replace all the lines.

City Manager Reynolds asked City Council if they would consider issuing debt for the unfunded CIP projects such as recharging the corridor.

Councilmember Amdur and Mayor Pro Tem Mossman agreed that they were not in favor of issuing more debt.

Finance Director Stiles clarified that in 2018 when the property tax rate is calculated there is a good chance that the rollback rate will fall below the effective rate. This will give the Council less flexibility in setting the tax rate. If the Council is interested in the next two to three years in issuing debt, the logical time to do it would be when this amount is rolling off so there is no fluctuation and you do not have to fight the decrease followed by an increase down the road.

Councilmember Warters asked staff to consider rearranging the Council dais and upgrading the microphones.

CITIZENS' REQUEST FOR HEARING BEFORE CITY COUNCIL

No citizens requested a hearing before City Council.

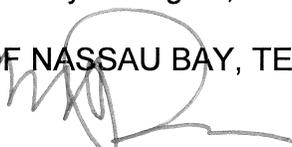
ADJOURNMENT

There being no further business, the meeting adjourned at 9:10 pm.

Minutes approved as submitted and/or amended this 8th day of August, A.D., 2016.



CITY OF NASSAU BAY, TEXAS



Mark A. Denman
Mayor



Marisela Garcia, TRMC
City Secretary