

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN that the City Council of the City of Lake Jackson met on Monday August 15, 2016 at 6:00 p.m. for photos and at 6:30 p.m. in Regular Session at 6:30 p.m. at 25 Oak Drive, Lake Jackson, Texas, in the Council Chambers at the Lake Jackson City Hall with the following in attendance:

Joe Rinehart, Mayor  
Ralph Buster Buell, Council member  
Heather Melass, Council member  
Gerald Roznovsky, Council member  
Will Brooks, Council member  
J. B. Baker, Council member

William P. Yenne, City Manager  
Modesto Mundo, Asst. City Manager  
Alice A. Rodgers, City Secretary  
Sherri Russell, City Attorney  
Jeremy Bubnick, Parks & Rec Director  
Pam Eaves, Finance Director  
Sal Aguirre, City Engineer  
Michael Coon, Asst. to City Manager  
David Van Riper, Public Works Director  
Rick Park, Police Chief  
Terri Cardwell, Volunteer Coordinator  
Athelstan Sanchez, Asst. City Engineer

#### PLEDGE OF ALLEGIANCE

Zack and Madeline Merritt led the pledge of allegiance to the United States flag and the Texas Flag.

#### INVOCATION

Council member Buell led the invocation.

#### VISITORS

There were no visitors present.

#### PRESENTATIONS - PROCLAMATION – LAKE JACKSON YOUTH ADVISORY COMMISSION 20<sup>TH</sup> ANNIVERSARY TIME CAPSULE

Mayor Rinehart issued a proclamation for the Youth Advisory Commission's 20<sup>th</sup> Anniversary Time Capsule and presented it to Zack and Madeline Merritt, members of the Youth Advisory Commission.

#### CONSENT AGENDA

- A. Approval Of Minutes – August 1, 2016
- B. Minutes Of Boards And Commissions
- C. Approve As Performing Party Of The Southern Brazoria County Clean Cities Coalition, Donation Of \$5,500 Received From The Sale Of Equipment At Recycling Center To The Brazoria County Environmental Center
- D. Approve Annual Interlocal Agreement With Brazoria County For Construction, Improvement, Maintenance, And/Or Repair Of Streets Or Alleys Located In The City
- E. Approve Road Closure On Circle Way At The Civic Center For The 2017 Concerts On The Plaza On The Following Dates: April 28, May 5, May 12, May 19, May 26, June 2, June 9, June 16, June 23, June 30, From 6:00 P.M. -10:30 P.M. And July 4 From 5:00 P.M. – 10:00 P.M.

On motion by Council member Brooks second by Council member Roznovsky with all members present voting “aye” the consent agenda was approved as follows:

- A. Approval Of Minutes – August 1, 2016 - approved
- B. Minutes Of Boards And Commissions - accepted
- C. Approve As Performing Party Of The Southern Brazoria County Clean Cities Coalition, Donation Of \$5,500 Received From The Sale Of Equipment At Recycling Center To The Brazoria County Environmental Center - approved
- D. Approve Annual Interlocal Agreement With Brazoria County For Construction, Improvement, Maintenance, And/Or Repair Of Streets Or Alleys Located In The City - approved
- E. Approve Road Closure On Circle Way At The Civic Center For The 2017 Concerts On The Plaza On The Following Dates: April 28, May 5, May 12, May 19, May 26, June 2, June 9, June 16, June 23, June 30, From 6:00 P.M. -10:30 P.M. And July 4 From 5:00 P.M. – 10:00 P.M. - approved

PUBLIC HEARING ON THE PROPOSED TAX RATE OF \$.3375 (PER 100) WHICH IS 3.7% GREATER THAN THE EFFECTIVE RATE FOR THE CITY OF LAKE JACKSON

Mayor Rinehart opened the public hearing at 6:39 p.m.

The proposed budget was based on lowering the tax rate from \$.36 to \$.3375. Even though this is a tax rate decrease, it is still an increase above the effective tax rate of 3.7% due to increased values:

Total Certified Net Taxable Value \$1,890,022,405

New Taxable Value \$79,718,610

Effective Tax Rate \$.325355

Rollback Rate\$.338739

Proposed Tax Rate \$.3375 (\$.111990 for debt service) + (.225510 for maintenance and operation)

There was no one to speak on this item.

Mayor Rinehart closed the public hearing at 6:40 p.m.

DISCUSS AND CONSIDER RESOLUTION AMENDING PROCEDURES OF THE DISTRIBUTION OF THE HOTEL MOTEL OCCUPANCY TAX FUNDS

Modesto Mundo presented the following information for Council packets:

*At Council’s last meeting, staff presented a list of possible City projects that could be funded using Hotel Occupancy Tax funds. After review and discussion, Council requested that a resolution be prepared for Council’s consideration that outlined the distribution of HOT funds using two funding levels.*

*The first level of funds would receive a maximum allocation of HOT funds of \$512,500 for fiscal 2016-17 and would be distributed to the following organizations and/or activities:*

- *Brazosport Convention & Visitors Council; and or individual contractors who will advertise and promote the City - As much as 29%;*
- *Brazosport Fine Arts Council – as much as 14%*
- *Museum of Natural Science at the Center for Arts and Sciences – as much as 21%*
- *Lake Jackson Historical Museum – as much as 21%*
- *Festival of Lights and other types of festivals or events that promote tourism – as much as 14%*
- *Tourism marketing material – as much as 1%*

*Any HOT funds collected in excess of \$512,500 would be allocated to Level 2 and could fund projects and/ or activities that were lawful under the Hotel Occupancy Tax provisions. If the City did not collect more than the maximum set for level 1, then there would be no allocation to Level 2 for that fiscal year.*

Council member Brooks stated he had concerns with the information presented and how the new hotels coming into Lake Jackson would have a representative on this committee.

Mr. Mundo stated that the subcommittee thought representation from the hotels would serve this committee well. The committee discussed terms of 2 years for the appointments.

Council member Roznovsky stated this was his recommendation to the subcommittee. He asked if the hotels in the area had a hotel association, which they don't. Jim Mahon with Staybridge Suites would like to serve in this capacity until a hotel association was formed.

Council member Brooks asked what the timeframe would be in putting a group together. He did not want to push too fast.

Mr. Mundo stated that if Council wanted to press to put a group together they could begin the process in the fall. The revenue would not be great enough to fund projects in the level 2 funding in the beginning. The committee could begin the process of how they would review projects and possibly coming up with project lists. They could go back to their respective groups for lists. It would be a year or two before there was a buildup of funds in level 2. The first year they would probably be doing strategic planning very similar to the Development Corporation and how to choose projects to recommend to City Council. He stated the city would need to collect more than \$512,000 for there to be level 2 funds.

Council member Roznovsky stated that in the beginning they would come up with the procedures on how the projects were chosen until funding was in place. They would set the structure for the committee. It does not prevent them from meeting and discussing the spread (for the monies) that Council has set and come back and make recommendation to adjust it.

Mayor Rinehart asked for clarification for when the Marriott and Staybridge Suites come on, their HOT would go back to the hotels.

Mr. Mundo said yes 70% of their HOT would go back to the hotels.

Council member Melass said she remembered that Staybridge Suites and Courtyard by Marriot would have a representative on the committee.

Mr. Mundo said they were mentioned as a possibility to fill the one hotel representative as well. Council can make the committee larger if you wish.

Council member Roznovsky said that even though there is no funding available this year, there is a process of looking forward and setting a process of where we want to spend these dollars as they become available.

Mr. Mundo stated the subcommittee understood that there would be a year before the funds would be available.

Council member Brooks expressed concerns of this council establishing something and another council having to establish the details.

Council member Roznovsky stated this will be very similar to the 4B monies where this council sets the plans for where the money will be spent in the future and any council could come in and change that. He stated his reason for suggesting this process is to have open discussion with these groups that meet the

criteria for these funds. Council can then make a decision on how to use those funds instead of a pass through of monies. There has not been any change to the numbers since 1998.

Mr. Mundo stated that the biggest challenge will be in the first several years until any additional hotels come on line is that if there is something big the group would like to do, for them to hold off and save for it.

Council member Melass stated that they will spend the first year setting up the process. She felt that was a good idea while waiting for the funds to build.

Mayor Rinehart expressed reservations on this change.

Sherri Russell stated she felt it would be awkward for someone to be on the committee and to ask for funds.

Mr. Mundo stated this would be very similar to how the County handles the CDBG funds.

Mayor Rinehart had asked if the groups could all receive equal funds. Mr. Mundo stated that legislation put a cap on what the Fine Arts group could receive of 15%.

Council member Roznovsky stated this group could meet once a year or as needed if a project was presented.

Mr. Mundo stated that staff is not usually on a committee like this and if council wanted to remove the staff position that would give room for an "at large" position.

Mayor Rinehart stated he felt strongly that there needed to be a city staff member on this board. He asked Mr. Mundo if this could be successful if the board was made up of citizens that did not have any ties to any of the groups receiving funding.

Council member Roznovsky stated he felt it could be successful.

Mr. Mundo stated the thought was it could be hard to find a citizen that was not connected to any of these groups.

Council member Roznovsky asked everyone to remember that this board will only make a recommendation to the City Council.

Robert Rule, Lake Jackson Museum said his concern was finding consensus (on the projects submitted) on the committee as they all have very different interests. The goals are different for each of the groups.

Council member Melass stated she liked this option as it gives council say in how the money is spent.

Robert Rule stated he liked that other projects could be brought forward for approval that would not be funded in the past.

Mayor Rinehart stated he was skeptical especially about the committee. He felt there needs to be a way to have two members on board that in no way have an interest in the groups receiving monies.

Mr. Mundo stated staff could pull their positions from the committee. There will be a staff liaison to this board.

Council asked to amend the resolution to have two at large members added that are not involved in the groups receiving money.

Council member Roznovsky thanked Council for being willing to openly discuss this.

On motion by Council member Roznovsky to accept the resolution with the addition of two at large members of the Hotel Occupancy Tax committee, second by Council member Melass with all members present voting "aye" resolution passed.

AWARD BID FOR SUPPLYING ZINC ORTHOPHOSPHATE TO NAPCO FOR THE AMOUNT OF \$9.50 PER GALLON

David Van Riper stated that this chemical is fed into the city's water system to keep copper and lead from leaching out of the system.

The City of Lake Jackson uses Zinc Orthophosphate as a sequestering agent in the drinking water distribution system to prevent the leaching of lead and copper. The City has been using this chemical since June of 2015 to meet the EPA and TCEQ Lead and Copper Requirements. The addition of this chemical has resulted in satisfactory lead and copper levels with EPA/TCEQ regulations.

The Contract is for delivering approximately 500 gallons to the City's water plants per month. The bid is for one year with the option to extend the contract for three (3) one-year terms.

With this award council would have authorized the bidder to supply the City with this chemical. Payment would be funded by the Water Production General Supplies (Chemical) account. The successful bidder will supply the chemical and also sample for results as needed.

Sealed bids were received and opened on August 11th, 2016. Bid tabulation is attached. Staff's recommendation is in order of lowest price bid per 500 gallons per month.

On motion by Council member Melass second by Council member Buell with all members present voting "aye" bid was awarded to Napco for the amount of \$9.50 per gallon for Zinc Orthophosphate.

DISCUSS AND CONSIDER AN ORDINANCE ADOPTING THE 2015 RESIDENTIAL ENERGY CODE – FIRST READING

David Walton presented the following information for Council packets:

This agenda item has 2 separate parts:

1. Amend Chapter 14 Sec 14-1 Adoption of technical codes to transition from the 2012 to 2015 International Energy Conservation Code – Residential Provisions.
  - 2015 International Residential Code (IRC) – Replace chapter 11 (Energy Efficiency) of the 2012 IRC with chapter 11 of the 2015 IRC as required by House Bill 1736
  - 2015 International Energy Conservation Code (IECC) – Residential Provisions.

On June 16, 2015, Texas Governor Greg Abbott signed HB 1736 into Texas law. This will move the state's single-family residential code from the 2009 code to the 2015 International Energy Conservation Code (IECC). All local jurisdictions must comply with the new code by September 1, 2016.

The new Texas code includes an Energy Rating Index compliance option. The Texas state legislature modified the 2015 IECC required Energy Rating Index scores to a set of scaled scores that increases in stringency over time. The required index scores in Texas for Climate Zone 2

- A 65 or lower score from September 1, 2016, to August 31, 2019
- A 63 or lower score from September 1, 2019, to August 31, 2022
- A 59 or lower score after September 1, 2022

In addition to the Energy Rating Index Score the state's code requires that builders meet the 2009 IECC

standards for insulation.

On motion by Council member Roznovsky second by Council member Brooks with all members present voting “aye” an ordinance adopting the 2015 Residential Energy Code was passed on first reading.

APPROVE TRAFFIC RECOMMENDATION TO RESTRIPE PLANTATION DRIVE AT OLEANDER TO DESIGNATE THE RIGHT LANE AS RIGHT TURN ONLY AND THE LEFT LANE AS LEFT TURN ONLY

Council member Brooks stated Mr. Lee lives on the corner of Oleander and Plantation Drive and made presentation to the Traffic Commission asking for a right turn only and the left lane being a left only. There have been quite a number of near misses with people changing lanes at the last minute.

On motion by Council member Melass second by Council member Buell with all members present voting “aye” approval was granted for an ordinance to be brought back to restripe Plantation Drive at Oleander to designate the right lane as a right turn only and the left lane as a left turn only.

DISCUSS AND CONSIDER PROPOSED FY 2016-2017 ANNUAL BUDGET AND GIVE DIRECTION TO STAFF

Mr. Yenne reviewed the following amendments to the proposed budget:

**PEG FUND**

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Expenditures

Add Funding for Cable Channel Software	\$2,388
NET INCREASE (DECREASE)	\$2,388

***PROJECTED BEGINNING FUND BALANCE*** **\$367,276**

***PEG FUND REVISED REVENUES*** **\$89,800**

***PEG FUND REVISED EXPENDITURES*** **\$4,728**

***PROJECTED ENDING FUND BALANCE*** **\$452,348**

**AMENDMENTS TO PROPOSED BUDGET - AS SUBMITTED 7/05/16**

**UTILITY FUND**

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Expenditures

Increase in BWA Water Prices	\$7,600
Reduce Contract Mowing	(\$7,600)
NET INCREASE (DECREASE)	\$0

***PROJECTED BEGINNING FUND BALANCE*** **\$3,231,363**

***UTILITY FUND REVISED REVENUES*** **\$20,171,297**

***UTILITY FUND REVISED EXPENDITURES*** **\$20,171,297**

***PROJECTED ENDING FUND BALANCE*** **\$3,231,363**

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## AMENDMENTS TO PROPOSED BUDGET - AS SUBMITTED 7/05/16

### GENERAL FUND

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#### Revenue

Increase Property Tax for Higher Values	\$21,062
Increase HEB Property Tax Rebate to Match Certified Values	(\$4,261)
Reduce Municipal Court Fines	(\$16,801)
NET INCREASE (DECREASE)	<u>\$0</u>

#### Expenditures

##### **Humane**

Add Additional Funding for Animal Shelter Contract \$5,500

##### **Non-Departmental**

Reduce Funding for Christmas Lights (\$5,500)

NET INCREASE (DECREASE) \$0

***PROJECTED BEGINNING FUND BALANCE*** **\$5,629,156**

***GENERAL FUND REVISED REVENUES*** **\$20,171,297**

***GENERAL FUND REVISED EXPENDITURES*** **\$20,171,297**

***PROJECTED ENDING FUND BALANCE*** **\$5,629,156**

Mayor Rinehart asked about the contract mowing and Mr. Yenne stated this is just for the utility department and not the contract for the mowing of the street right of ways.

Mayor Rinehart asked about the Christmas lights. Mr. Yenne stated that with some of the additional revenue we received this year there will be a new lighting system installed for the Civic Center, Library and Museum. City Hall, Police Station and the Fire Station will be taken care of after October 1<sup>st</sup> from retainage funds left over from the municipal court building project. The system is a computer operated system that will allow the city to utilize it throughout the year for different events. He mentioned the need to revise our strip lighting restrictions.

#### UPDATE ON DRAINAGE IN THE PARKWOOD SUBDIVISION NEAR MOSS, CHESTNUT AND PALM LANE

Athelstan Sanchez stated there was no update on this project.

#### UPDATE ON CONSTRUCTION PROJECTS

- a. CONSTRUCTION FUNDS FINANCIAL UPDATE
- b. SIDEWALK PROJECTS
- c. UTILITY REPAIR PROJECTS
- d. DRAINAGE REPAIR PROJECTS
- e. SOUTH PARKING PLACE
- f. WAYSIDE PUB UPDATE

There were no construction updates.

ITEMS OF COMMUNITY INTEREST

Mayor Rinehart reminded everyone school starts next Monday remember school zone time changes.

Mr. Yenne reminded everyone of the public hearing on the 29th for budget and tax rate.

Mayor Rinehart recessed the meeting at 7:40 p.m. for a 5 minute break.

EXECUTIVE SESSION IN ACCORDANCE WITH THE TEXAS GOVERNMENT CODE SEC. 551.087(2) TO DISCUSS ECONOMIC DEVELOPMENT NEGOTIATIONS WITH AC BRAZOS MALL PARTNERS, LLC BECAUSE THE CITY DESIRES THAT THE MALL STAY AND/OR EXPAND IN CITY OF LAKE JACKSON

Mayor Rinehart convened the meeting to executive session at 7:46 p.m.

RECONVENE TO REGULAR SESSION

Mayor Rinehart reconvened to regular session at 9:08 p.m.

ADJOURNMENT

There being no further business the meeting adjourned at 9:08 p.m.

These minutes read and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Joe Rinehart, Mayor

\_\_\_\_\_  
Alice A. Rodgers, City Secretary