

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 17, 2020 at 6:30 p.m. in Regular Session at 25 Oak Drive, Lake Jackson, Texas, in the Council Chambers at the Lake Jackson City Hall with the following in attendance:

Bob Sipple, Mayor via video
Vinay Singhanian, Mayor Pro-Tem
Matt Broaddus, Council member
Gerald Roznovsky, Council member
Buster Buell, Council member
Jon J.B. Baker, Council member

William P. Yenne, City Manager
Modesto Mundo, Asst. City Manager
Sally Villarreal, Assistant City Secretary
Sherri Russell, City Attorney
Meagan Borth, Asst. to City Manager
Pam Eaves, Finance Director

Staff remained in their offices ready to answer questions if needed.

PLEDGE OF ALLEGIANCE

Council member Baker led the pledge of allegiance.

INVOCATION

Mayor Sipple led the invocation.

VISITORS

Brian Cantrell - 509 Southern Oaks

Mr. Cantrell wanted to bring a situation to light regarding a group that had hacked into police file systems. This is known as Blue Leaks.

PRESENTATIONS

There were no commendations.

CONSENT AGENDA

- A. Ordinance amending Ordinance Nos. 19-2181, 19-2190, 20-2200 to renumber the articles and add a new article in Chapter 62 Offences and Miscellaneous Provisions and to correct Section 98-88 to read Section 98-89 of Chapter 98 Traffic and Vehicles – Second Reading
- B. Ordinance amending Chapter 98 Traffic and Vehicles of the Code of Ordinances to establish school zone times for the 20-21 school year; amend times for prohibited U-turns in front of Rasco Middle School; and deleting turning prohibitions for the old Bess Brannen Elementary School campus – second reading
- C. Ordinance amending Chapter 14 Buildings of the Code of Ordinances of the City of Lake Jackson, Texas, to adopt the 2018 International Swimming Pool and Spa Code and amending Chapter 51 Public Swimming Pools and Spas to delete section 51-1 -second reading
- D. Ordinance amending Ordinance No. 20-2193 Calling the General Election to amend the time and place of early voting – second reading
- E. Ordinance amending Ordinance No. 20-2194 Calling for a Charter Election to amend the time

and place of early voting – second reading

- F. Extend Phase 1 Covid-19 Operating Procedures for the Recreation Center and Civic Center through December 31, 2020

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

- A. Ordinance amending Ordinance Nos. 19-2181, 19-2190, 20-2200 to renumber the articles and add a new article in Chapter 62 Offences and Miscellaneous Provisions and to correct Section 98-88 to read Section 98-89 of Chapter 98 Traffic and Vehicles – Second Reading - passed
- B. Ordinance amending Chapter 98 Traffic and Vehicles of the Code of Ordinances to establish school zone times for the 20-21 school year; amend times for prohibited U-turns in front of Rasco Middle School; and deleting turning prohibitions for the old Bess Brannen Elementary School campus – second reading - passed
- C. Ordinance amending Chapter 14 Buildings of the Code of Ordinances of the City of Lake Jackson, Texas, to adopt the 2018 International Swimming Pool and Spa Code and amending Chapter 51 Public Swimming Pools and Spas to delete section 51-1 -second reading - passed
- D. Ordinance amending Ordinance No. 20-2193 Calling the General Election to amend the time and place of early voting – second reading - passed
- E. Ordinance amending Ordinance No. 20-2194 Calling for a Charter Election to amend the time and place of early voting – second reading - passed
- F. Extend Phase 1 Covid-19 Operating Procedures for the Recreation Center and Civic Center through December 31, 2020 - passed

PUBLIC HEARING TO DISCUSS FISCAL YEAR 2020-2021 ANNUAL BUDGET

Public hearing opened at 6:38 p.m.

Mr. Yenne went over the FY 20-21 Annual Budget presentation.

Pandemic will be the reoccurring theme throughout this budget document. As cases in the US began to multiply, the President declared a national emergency concerning the Novel Coronavirus Disease (COVID-19) outbreak on March 13th. That same day (March 13, 2020) Governor Greg Abbott declared a state of disaster for all counties in Texas under the authority vested in him by section 418.014 of the Texas Government Code.

Mayor Sipple declared a disaster declaration on March 16, 2020. This disaster declaration was approved by City Council at their March 16th City Council meeting. County Judge “Matt” Sebesta declared a county-wide disaster declaration on March 17th.

The shutdown has had significant impact on our city budget. With sales tax as our number one source of General Operating Fund revenue, the closure of businesses had a very negative affect on our sales tax collections. Also, revenue from our Civic Center, and Recreation Center plummeted as citizens were asked to stay at home. On the utility side our revenues were negatively impacted when heavy water users such as our schools, the college, Dow, the mall, and our hotels all were closed or had operations limited.

FISCAL YEAR 2019-2020

GENERAL OPERATING FUND

I am estimating that General Fund operating revenues will be \$1.5 million less than had been budgeted in FY19-20. I expect sales tax revenues alone, to be down \$691,182. Recreation Center revenues are estimated to be \$453,470 less than budgeted; and Civic Center revenues are estimated to be \$117,125 lower than budgeted.

On the expenditure side we froze 8 open positions for the rest of FY19-20 and cut back on expenses across the board. Salary and benefits savings are estimated to be just under \$600,000. We trimmed line items throughout the budget to reduce expenditures by \$1.5 million for FY19- 20.

Some notable cancellations were the concert series on the plaza (\$30,000), we closed the outdoor pool for the year (\$30,000), we cancelled the July 4th fireworks (\$18,000) and we dropped the BISD Busing Assistance Program (\$12,000) in consultation with BISD.

UTILITY OPERATING FUND

I am estimating that revenues in our Utility Operating Fund will be down almost \$715,000 in FY19-20. As noted above, this is primarily due to large water users such as the schools, Brazosport College, the mall, Dow and our hotels closing or limiting their operations. Also, at my suggestion, City Council granted a one-month credit to each utility account equal to their base monthly utility bill. For residents that equaled to \$50.25 per customer. Commercial accounts started at about \$133/account on up depending primarily on their sanitation charge. This credit “cost” the city just shy of \$590,000 in revenue. But this credit was intended to help residents and businesses struggling with their finances because of the COVID-19 pandemic. To help offset this revenue loss, we froze 4 positions for the remainder of FY19-20. That will save us \$599,743 for FY19-20. We also eliminated the budgeted transfer of \$250,000 from the FY19-20 Utility Operating Fund to the Utility Capital Projects fund. We also made various cuts throughout the budget.

FY 2020-2021 BUDGET AT A GLANCE

The fiscal year 2020-2021 budget will be quite austere.

COMBINED OPERATING BUDGET

The combined operating budget (General and Utility Operating funds) is proposed to be \$36,087,633. This is \$925,071 (2.5%) less than the FY19-20 budget of \$37,012,704. FY 2020-2021 - Proposed Budget - The proposed FY20-21 General Operating Fund Budget is proposed to be \$21,636,818. This is \$703,294 (3.1%) less than the FY19-20 budget of \$22,340,112. Much of this savings comes from not funding two authorized positions (a custodian and a lead mechanic) for the entire year and only fund the Public Works Supt. Position for ½ of the year. This comes to about \$134,000 in savings. Other savings include eliminating or reducing: BISD busing contribution; Economic Development Market Study; cut transfer to special events fund; Overtime-Police; vinyl street painting; Slope paving and Property inspection

In the event revenues recover, the budget can be amended to restore some of these expenses.

UTILITY OPERATING FUND

The Utility Operating Fund is proposed to be \$14,450,815 in FY20-21. This is \$221,777 (1.5%) less than the FY19-20 budget of \$14,672,592. This reduction is primarily due to a decrease in the proposed transfer to capital of \$95,000 and a reduction in the transfer to the Utility sinking Fund (debt service) of

\$293,567. Some of this decrease was offset by some increases in categories such as maintenance contracts, chemicals and wood grinding (at the mulch site).

NO PAY RAISES For the first time in 64 years we have not included a pay raise or lump sum payment for employees in this budget. The estimated funds are just not there. However, I will ask Council to consider amending the FY20-21 budget once we get past hurricane season; and, if revenues improve better than anticipated as we start FY20-21. Currently we are holding in our General Operating Fund balance the \$1.4 million positive balance from FY18-19. Normally we would transfer these funds to Capital Improvements. We have held these funds in the event we needed to cover a larger than expected revenue drop because of COVID-19; and to give us a cushion going into hurricane season. If this money is not needed to balance FY19-20 or for storm response, I would like to see City Council consider using some of this money to provide a lump sum of say 2% for each employee's annual salary mid-year. The same applies to the Utility Operating Fund, where we have held onto the FY18-19 positive balance of \$900,000. If not needed to balance FY19-20 or for storm purposes I would like to see some of this money spent on a 2% lump sum mid-year for our utility employees.

NO PROPERTY TAX RATE INCREASE

Based on preliminary assessed values provided by the Brazoria County Appraisal District, we will drop the current 34.82 cent property tax rate to 32.82 cents. This \$32.82 should be equal to the new "no new revenue" tax rate per the State's requirements in SB2. This use to be called the "effective rate". Because the COVID-19 pandemic has caused such damage to the local economy, I/we just did not feel it was right to raise property tax revenues this year. The current 34.82 cent tax rate is one of the lowest tax rates in the State of Texas for cities 10,000 and larger. This new tax rate will put us even lower among cities 10,000 population and above. This proposed rate is subject to change should the BCAD final appraised numbers come in differently than currently projected.

NO UTILITY RATE INCREASE

The Brazosport Water Authority has tentatively indicated they will not raise their rate this year. This will allow us to hold our water, sewer and sanitation rates the same as they are now.

SALES TAX

Sales tax revenues are down drastically because of the COVID-19 pandemic. I am estimating that sales tax revenues for FY20-21 will be some \$620,040 short of what was budgeted in FY19- 20.

FY19-20 OPERATING BUDGET REVIEW

GENERAL OPERATING FUND

I am projecting that revenues for FY19-20 in the General Operating Fund will be \$20,827,135. This is \$1,512,977 (6.8%) lower than the adopted FY19-20 budget of \$22,340,112. As previously discussed, this drop in anticipated revenue is due almost entirely to the lockdown for the COVID-19 pandemic.

On the expenditure side, we have reduced expenditures by \$1,513,243 (6.8%) from the adopted FY19-20 budget of \$22,340,112 in response to the projected loss of revenue due to the pandemic.

General Operating Fund (estimated at 9/3/20)

	FY 19-20 Budget	FY 19-20 Projected	Difference
Revenues	\$22,340,112	\$20,827,135	\$1,512,977

Expenditures	\$22,340,112	\$20,826,869	\$1,513,243
Excess <Deficit>	0	266	<266>

UTILITY OPERATING FUND

I anticipate Utility Operating fund revenues to be \$13,958,293 in FY19-20. This is \$714,299 (4.9%) less than the \$14,672,592 FY19-20 budget. Again, these revenues are down because of the pandemic. Most of this loss of revenue is due to the nearly \$600,000 given as a credit to our utility customers to help them during the pandemic. The credit was a one-time credit to each customer of their base utility bill.

Expenditures have been cut by \$1,062,029 (7.2%) to \$13,610,563 for FY19-20.

Utility Operating Fund (estimated at 9/30/20)

	FY 19-20 Budget	FY 19-20 Projected	Difference
Revenues	\$14,672,592	\$13,958,293	
\$714,299			
Expenditures	\$14,672,592	\$13,610,563	
\$1,062,029			
Excess	0	\$347,730	<347,730>

PREPARING THE FY2020-21 BUDGET GOALS AND OBJECTIVES

For the past fourteen years (since 2007), City Council and staff meet in January and February to go through our formalized goals and visioning process.

City Council reaffirmed our vision statement, which is:

“Our vision is to create an ideal community to live, work and play for all”.

New goals established by City Council:

- Restore panel replacement program
- Implement new CNG compliance standards into garage facility
- Review interlocal agreement with Velasco Drainage District outfalls and prepare Capital Improvement Plan in conjunction with VDD to repair and maintain
- Review sanitation routes and staffing levels to improve efficiency and service
- Earn accreditation from the commission for accreditation of parks and recreation agencies (CAPRA)
- Coordinate new traffic light at BISD exit and Dixie Drive
- Participate in new bi-county transit district • Create program to address homelessness in the city

THE FY 2020-2021 BUDGET MAJOR ISSUES

COVID-19 PANDEMIC

The COVID-19 virus is the largest pandemic since the Spanish Flu back in 1918. It has affected every country on earth and killed hundreds of thousands worldwide. But it has also caused us to delay and cancel a slew of activities.

BOND ELECTION CANCELLED

The Bond Election scheduled for May 2020 was cancelled because of the COVID-19 pandemic.

Following the recommendations of the task force, the City Council called a bond election for May 2, 2020 totaling \$29,435,000. The bond issue was separated into 6 propositions for the voters to consider. They were:

Proposition 1 - City Hall Expansion	\$9,200,000
Proposition 2 - Animal Control Facility	\$3,500,000
Proposition 3 - Police Renovation & Expansion	\$2,300,000
Proposition 4 - Library Flooring	\$300,000
Proposition 5 - Pin Oak, N. Shady Oaks, Forest Oaks Lane, parking/drainage And ADA ramps	\$2,635,000
Proposition 6 - Moss, Chestnut, Wisteria, Palm Lane paving/drainage	\$11,500,000
Total	\$29,435,000

City Council can consider putting these propositions on the May 2021 ballot.

CITY ELECTION POSTPONED

The City Official Election for Mayor, Position 2 and Position 4 was delayed from May 2, 2020 to November 3, 2020 because of the pandemic. Therefore, the current council members, the Mayor, Mr. Sipple; Mr. Singhania; and Mr. Buell continue in office until the November 3rd election.

Highlights of FY 2020-2021 Budget

- The combined General and Utility Operating budget for FY20-21 is proposed to be \$36,087,633. This is \$925,071 (2.5%) less than the FY19-20 adopted budget of \$37,012,704.
- The General Operating Budget is proposed to be \$21,636,818 for FY20-21. This is \$703,294 (3.1%) lower than the FY19-20 budget of \$22,340,112.
- The Utility Operating Budget for FY20-21 is proposed to be \$14,450,633. This is \$221,777 (1.5%) lower than the adopted FY19-20 budget of \$14,672,592.
- The proposed tax rate decreases from 34.82 cents to 32.82 cents in FY20-21. The proposed tax rate is the “no new tax rate” as defined in Senate bill 2.
- Appraised property values, after appeals, are expected to be \$2,564,236,521. This is 8.9% (\$209,021,025) more than the final FY19-20 appraised value of \$2,355,215,496. New values contained within the proposed FY20-21 appraised values is estimated at \$28 million.
- Utility rates will not change in FY20-21.
- The Brazosport Water Authority rate for the water we buy is decreasing slightly from \$3.30/1000 gallons to \$3.28/1000 gallons. • I am recommending no pay raises this year.
- Sales tax revenue to the General Operating fund is estimated to be \$6,300,000 in FY20-21. This is \$620,040 (9%) less than the \$6,920,040 budgeted in FY19-20.
- Industrial District revenues are proposed to be \$5,203,881 in FY20-21. This is 2.0% (the CPI-U for the 12 months from Dec 2018 to Dec 2019) more than the \$5,101,850 collected in FY19-20.
- Municipal Court fine revenue is proposed to be \$471,000 in FY20-21. This is \$44,000 (8.5%) less than the FY19-20 budget of \$515,000.
- Recreation Center fees are proposed to be \$659,500 in FY20-21. This is \$210,400 (24%) less than the FY19-20 budget of \$869,900.
- Civic Center fees are budgeted at \$171,675 in FY20-21. This is down \$59,025 (25.5%) from the FY19-20 budget of \$230,700.

PROPERTY TAX

The Brazoria County Appraisal District has estimated our assessed value at \$2,681,521,781 – 13.8% over last year’s certified tax roll of \$2,355,215,496. I anticipate property owner appeals will reduce the final value (which we generally receive in late July) to \$2,564,236,521 or about 8.9% more than the FY19-20 certified roll.

I have estimated that \$28 million of the values comes from properties or improvements being added to the tax roll. If that is the case, and you remove that \$28 million from the estimate to determine the existing property value for FY20-21 we are talking a 7.7% increase in assessed values on existing properties. The history of value increase and decreases of existing properties from year to year is:

Assessed Value Increase (Decrease) for Existing Property Year to Year

2001	4.60%
2002	3.02%
2003	3.70%
2004	2.65%
2005	1.88%
2006	1.64%
2007	1.21%
2008	0.79%
2009	<0.40%>
2010	<2.40%>
2011	<3.90%>
2012	0.80%
2013	0.60%
2014	3.60%
2015	6.70%
2016	9.77%
2017	4.80%
2018	6.50%
2019	2.40%
2020	7.68%

I am recommending a tax rate of 32.82 cents, down 2 cents from the current 34.82 cent rate.

City	Population	Tax Rate	City	Population	Tax Rate
Galena Park	10,773	1.11	Galveston	45,266	0.58
Alvin	24,200	0.79	La Marque	16,786	0.550764
Pearland	127,500	0.74	Friendswood	40,181	0.5214
Deer Park	33,931	0.72	Katy	19,216	0.48
La Porte	33,736	0.71	Dickinson	18,589	0.46
Baytown	19,565	0.70	Conroe	87,654	0.4375
Angleton	19,565	0.70	Bellaire	18,966	0.4313
Brazoria	3,112	0.68	Rosenburg	38,307	0.42
Richwood	3,510	0.67	Webster	10,159	0.36
Bay City	17,535	0.66	Lake Jackson	27,781	0.3482**
Manvel	11,535	0.64	Tomball	11,761	0.341455

Clute	11,524	0.63	Sugar Land	118,600	0.332
Missouri City	74,705	0.63	Lake Jackson	28,000	0.3282*
Freeport	12,802	0.63	Santa Fe	13,509	0.3262
Pasadena	153,887	0.57	West University	15,741	0.30921
Houston	2,162,000	0.57	Humble	14,895	0.26
League City	83,089	0.55	Stafford	17,362	0.00
Seabrook	11,952	0.55			
Texas City	49,153	0.54			

*Proposed Tax Rate

**Current Tax Rate

SALES TAX

I anticipate sales tax receipts to end FY19-20 at \$6,366,858 down 9.6% from the \$7,040,040 million we budgeted in FY19-20. I am budgeting sales tax revenues to be \$6,500,000 in FY20-21. This is a proposed 2.1% increase over where we expect to finish in FY19-20.

The following chart shows our sales tax collection history since 1999:

Fiscal Year	one cent sales tax	half cent sales tax	one cent sales tax percentage growth
1999	\$3,460,834	\$1,730,417	3.52%
2000	3,601,981	1,800,991	4.08%
2001	3,673,682	1,896,841	1.99%
2002	3,778,512	1,889,256	2.85%
2003	3,726,533	1,863,267	<1.38%>
2004	3,810,459	1,905,230	2.25%
2005	3,914,130	1,957,065	2.72%
2006	4,261,667	2,130,834	8.88%
2007	4,618,469	2,309,235	8.37%
2008	4,553,842	2,337,052	<1.40%>
2009	4,634,553	2,408,688	1.77%
2010	4,432,443	2,277,196	<4.36%>
2011	4,562,725	2,355,777	2.94%
2012	4,772,141	2,457,990	4.59%
2013	5,098,359	2,619,312	6.73%
2014	5,226,636	2,752,237	2.62%
2015	6,276,467	3,138,233	20.00%
2016	6,190,271	3,227,460	<1.3%>
2017	6,377,917	3,188,958	3.0%
2018	6,815,991	3,407,985	6.9%
2019	6,833,831	3,416,925	<0.2%>
2020 (projected)	6,366,858	3,183,429	<6.8%>
2021(budgeted)	6,500,000	3,250,000	2.1%

INDUSTRIAL DISTRICT

This 2.0% is applied to the \$5,101,858 million payment made in 2019-2020 resulting in an increase of \$102,023 for a total of \$5,203,881 for FY20-21.

FRANCHISE PAYMENTS

For FY 2020-2021 franchise fees are decreasing slightly from \$1,837,410 budgeted in FY19-20 to \$1,802,607 in FY20-21, a difference of \$34,803. This decrease is the result of the continued assault on these fees by public utilities and their allies in the state legislature.

PERMIT FEES

I anticipate permit activity will remain the same and have budgeted for \$280,000 in permit fees for FY20-21.

MUNICIPAL COURT FINES

I am budgeting fine revenue at \$471,000 in FY20-21.

GENERAL OPERATING FUND EXPENDITURES

I am recommending a General Operating Budget of \$21,636,818. This is \$703,294 (3.1%) lower than the FY19-20 budget of \$22,340,112.

Here is a summary of the major changes for FY20-21:

- 2 1/2 frozen positions <\$134,000>
 - Custodian at Rec Center
 - lead mechanic
 - public works supt. (1/2 year)
- BISD busing contribution <\$12,000>
- Economic Development market study <\$25,000>
- Reduce transfer to special events <\$30,000>
- Overtime-Police <\$35,000>
- Vinyl street repairs <\$25,000>
- Slope paving <\$70,000>
- Property inspection <\$10,000>

UTILITY OPERATING FUND

The Utility Operating Fund budget for FY 2020-2021 is proposed to be \$14,450,815; \$221,777 (1.5%) less than the \$14,672,592 FY19-20 budget.

UTILITY OPERATING FUND REVENUES

I am proposing to keep to these current utility rates. So, they will remain:

Water	\$13.85/month
Sewer	\$14.00/month
Sanitation	\$17.70/month
Recycle fee	\$3.00/month
Sales tax	<u>\$1.70/month</u>
Total base bill	\$50.25/month

The following chart shows how our rates compared with other cities in our region:

Combined Monthly Rate 5,000 Gals. Combined Monthly Rate 10,000 Gals.

Conroe	\$83.39	Sweeny	\$144.58
Brazoria	\$82.78	Conroe	\$137.64
Sweeny	\$75.30	Houston	\$135.32
West Columbia	\$70.26	Baytown	\$131.83
Baytown	\$68.99	Brazoria	\$128.78
Tomball	\$67.81	West Columbia	\$117.36
Houston	\$65.35	Tomball	\$116.21
Bay City	\$63.62	Deer Park	\$115.50
Angleton	\$63.42	Angleton	\$108.32
Seabrook	\$61.71	Seabrook	\$103.96
Friendswood	\$61.03	Lake Jackson*	\$103.85
Deer Park	\$60.45	Bay City	\$101.62
Clute	\$57.90	Clute	\$97.40
Lake Jackson*	\$56.35	Rosenberg	\$96.08
Rosenberg	\$55.08	Webster	\$90.48
Humble	\$47.25	Friendswood	\$87.53
Freeport	\$47.04	Freeport	\$86.94
Webster	\$44.98	Pasadena	\$77.06
Pasadena	\$41.98	Humble	\$64.85
Katy	\$28.44	Katy	\$51.68

* Indicates Current Rates & Proposed Rates

UTILITY OPERATING FUND EXPENDITURES

I am recommending a Utility Operating Budget of \$14,450,815. This is \$221,777(1.5%) less than the FY19-20 budget of \$14,672,592.

Here is the summary of the changes for FY20-21:

- Decrease in transfer to capital <\$95,000>
- Maintenance contracts \$11,325
- Reduction in debt service <\$293,567>
- Increase in property insurance \$4,820
- Wood grinding contract \$40,000

OTHER FUNDS

CAPITAL PROJECTS FUND

I have recommended suspending most Capital Projects for FY20-21 due to the pandemic and our need to hold onto funds normally transferred into capital funds.

General Projects Fund

- New pumper truck (Fire-2nd payment) \$450,000
- Shy Pond outfall pipe repair \$400,000

• Transit (annual payment)	\$110,000
• A/C replacements	\$65,000
• Huckleberry gate outfall repair (2 nd payment)	\$54,000
• Replace fire bunker gear	\$40,000
• Demo of condemned property	\$20,000
• Misc. golf course repairs	<u>\$20,000</u>
Total	\$1,159,000

Utility Capital Fund

Fire screens at WWTP	\$100,000
Water study required by EPA/TCEQ	<u>\$60,000</u>
Total	\$160,000

BOND PROJECTS

A \$9 million G.O. bond was sold in late 2018 to fund the next phase of downtown. This project will begin in early 2021.

PARKS FUND

The current fund balance is \$96,675 and outside of \$27,000 due for the second phase of The Reserve, there is little prospect for future funding. The Parks board has voted to recommend the following budget for FY20-21:

Kid Fish	\$2,000
Community (matching) Park Improvement Funds	\$20,000
Contingency	<u>\$5,000</u>
Total	\$27,000

This will leave a projected balance of \$69,675 at 9/30/21.

EQUIPMENT REPLACEMENT FUND

This year I recommend the following purchases:

<u>Equipment type</u>	<u>Amount</u>
Replace two patrol Tahoe's	\$110,000
Replace pick up unit #813	\$43,000
Replace tractor #534	\$26,000
Replace two exmark mowers	\$20,000
Replace mowing deck #1012	\$6,500
Replace mowing deck #1010	\$4,000
Replace four post truck lift	\$85,000
New phase 2 camera system (garage)	\$45,000
Replace pickup #1034 (WWTP)	\$55,000
Replace two residential garbage trucks (#810 & #869)	\$651,800
Computer equipment (citywide)	<u>\$252,000</u>
Total	\$1,298,300

MOTEL OCCUPANCY TAX FUND

<u>Recipient</u>	<u>FY20-21</u>
Fine Arts Center	\$59,690
Brazosport Area Chamber of Commerce	123,640

Museum of Natural Science	89,530
Lake Jackson Historical Museum	89,530
Marketing campaign	0
Marketing brochure/items	4,265
Transfer to special events	59,690
Total	\$426,345

ECONOMIC DEVELOPMENT FUND

Because of the COVID-19 pandemic and the significant negative impact it has had on sales tax revenues, no projects have been proposed from this fund for FY20-21.

THE GOLF COURSE FUND

For FY20-21 Kemper Sports estimates revenues for the Golf Course to be 1,179,111 while expenses are proposed to be 1,520,572 (\$341,461 below revenues). The Golf Course stays very busy and Kemper Sports is expecting FY20-21 rounds to be 34,736.

CONCLUSION

I am most appreciative of the valuable assistance provided by my budget staff (comprised of myself; Modesto Mundo, Assistant City Manager; Pam Eaves, Finance Director; Toni Truly, City Controller; and Meagan Borth, Assistant to the City Manager).

While this document gives the appearance of the final budget, it is not. Our City Charter requires that I submit a full and balanced detailed budget proposal to you each year. The final adopted budget will be developed through the hard work and input of the City Council, interested citizens, and our dedicated city employees.

As I have repeated throughout this letter, the COVID-19 pandemic has altered everything. It is all so surreal. I have been proud of our employees and the work they have done under very stressful situations. The pandemic and the resulting lockdowns ordered by the President and Governor rocked the economy.

We simply do not know what next year will bring, but we have made our best guess- FY20-21 will be very austere. We are not raising taxes or utility fees, as our citizens and businesses are struggling mightily.

Before this pandemic began, we, as a city, were in the best financial shape in our city's history. We have strong bond ratings and strong fund balances. These fund balances will help us through this pandemic if it worsens.

Normally we hold an all-day budget workshop with council, staff and interested citizens. With the pandemic ongoing I do not think this will be a good idea. We do have this year's workshop scheduled for July 11th. We recently went over the Capital Projects at your June 15th regular city council meeting.

I would suggest that you review this budget and we will put this on the agendas for your regular July 29th and August 3rd meetings for discussion. I suggest we hold our public hearings and adopt the budget on August 10th.

As you know, I have announced my retirement after 40 years with this wonderful city. My last day will be August 31st. I hope to have this budget adopted prior to my leaving.

This is the 41st budget I have helped prepare in my time in Lake Jackson. This is my 46th budget overall that I have prepared during my city management career.

The City of Lake Jackson is a remarkable city. It is a great city to live in, to work in, to raise a family in. We maintain a high quality of life for our citizens at a very reasonable price. Our tax rate continues to be one of the lowest in the State of Texas. This just has not occurred by happenstance. This has been the result of a lot of hard work by City Councils and city staffs over the 76 years this city has existed.

I have been blessed to have worked with the finest group of employees you will ever find. I have also been blessed to work for an amazing group of Mayors and Councilmembers over these years.

I want to thank A.A. “Mac” MacLean for hiring me to be his Assistant City Manager. Mr. Mac taught me so much. He embodied the essence of a servant leader.

Mr. Yenne was thanked for his service.

Closed public hearing at 6:57 p.m.

Mayor Sipple thanked staff for their tremendous job on the budget. It has been a very difficult year. Mayor Sipple thanked Mr. Yenne for his leadership.

Michael Musquiz –

Mr. Musquiz commended Mr. Yenne and City Council for the work they have done for the city.

DISCUSS AND CONSIDER A RESOLUTION ADOPTING THE FISCAL YEAR 2020-2021 ANNUAL BUDGET

On motion by Council member Baker second by Council member Singhania with all present members voting “aye” the resolution to adopt the Fiscal Year 2020-2021 Annual Budget passed.

DISCUSS AND CONSIDER AN ORDINANCE TO ADOPT THE PROPOSED TAX RATE OF \$0.328977 WHICH IS NOT GREATER THAN THE NO NEW REVENUE TAX RATE OR THE VOTER APPROVAL TAX RATE – FIRST AND FINAL READING

On motion by Council member Baker second by Council member Buell with all present members voting “aye” the agenda was suspended.

On motion by Council member Buell second by Council member Singhania with all present members voting “aye” the ordinance to adopt the proposed tax rate of \$.0329877 which is not greater than the no new revenue tax rate or the voter approval tax rate was approved.

DISCUSS AND CONSIDER BOYS AND GIRLS CLUB PROPOSAL TO USE THE CIVIC CENTER FOR REMOTE LEARNING AND WAIVE FEES

Amber Newman – Rosharon

Ms. Newman stated their request was to use the civic center for all day service during the weeks of the 19th – 28th, before BISD students must return to school. Parents are concerned about not having proper supervision during virtual learning. The Boys and Girls Club does not have the funds to pay for the rental fees.

Jeremy Bubnick stated they initially had worries that there would be too many kids. However, they

feel better about it now that the kids are limited to around 50. There will be social distancing measures taken with quite of bit of open space. The kids would be able to have lunch on the plaza to break away from the ballroom. If it is approved by council, the area would be self-contained, and a portion of the area would be blocked off from the rest of the Civic Center.

Council member Buell asked if someone got sick or hurt would the city be liable.

Ms. Russell stated the Boys and Girls club has a waiver that the parents would sign, and the city would not be responsible.

Council member Baker asked what type of events would take place.

Ms. Newman said they would assist with actual virtual learning between the hours between 8-12:30 to coincide with the school system. Ms. Newman also stated parents would not be allowed to come in and check in. There will be a phone number they can call to check on their child. This will keep people from coming in and out.

Mr. Yenne had a concern that if the school system extends virtual learning, we could run into a problem with the election coming up and they would have to find a new location.

Council member Singhanian asked about the traffic. Mr. Bubnick felt that the traffic would not be a problem at all.

Ronda Seth – 230 Almond

Ms. Seth stated the kids are doing virtual learning, so they are not together in a room, however they are going to the Civic Center to be together with age ranges K – 4th grade. Ms. Seth wanted to bring that up for council to think about.

Council member Baker asked where the kids would be coming from.

Ms. Newman said most kids are from the Clute and Lake Jackson area. Ms. Newman said Freeport did not have as much demand. The parents that are reaching out do not have someone to watch their kids at home to do virtual learning.

Council member Roznovsky asked how many kids per adult. Ms. Newman said an adult per ten kids. There will be six to seven adults. There will be four kids per table. These tables can fit up to ten. The kids will be required to wear a mask except when they are outside. Also, they would keep the same schedule and table all the time.

Mayor Sipple brought up the waiver of fees and mentioned Mr. Yenne's budget presentation.

Mr. Bubnick said the cost to the city would be very minimal. The total amount of fees to waive is \$11,800. The Boys and Girls Club would be doing the cleaning and sanitizing so the city would not have to incur cost. The only cost would be potential loss of revenue for rental. They have a very thorough sanitizing checklist that they would follow. Mr. Bubnick stated having a smaller group of kids makes him feel better. The Boys and Girls Club is doing everything they can to keep them separated. The kids would be separated from public use.

Council member Broaddus asked if there were any other type of events happening at the Civic Center at this time. Mr. Bubnick said there are a few events such as baby showers and such, but there have

not been any big groups or events lately.

Council member Roznovsky asked if there would be a cut off for number of kids. Ms. Newman said yes because they have a limited number of spots per table and are only able to accommodate a certain number of kids.

Council member Broaddus asked where their activities would usually take place. Ms. Newman said at the BISD individual campuses.

Ms. Newman stated the hours are 7:30am – 5:00pm. Most of the kids are already members of the Boys and Girls club so they know the guidelines.

Council member Singhania asked Ms. Russell what would happen if another group wanted to do the same thing here or somewhere else. Ms. Russell stated they would have to fill out the public purpose test and it would come to Council.

Council member Broaddus asked Ms. Newman if the group considered a different venue. Ms. Newman stated because there is a quick strict deadline they just reached out to the city. The Civic Center is a good location because of size and location.

Ms. Seth felt the kids should be able to be in schools. Also, she stated there is a potential cost for the taxpayers if the city must turn someone away from a rental because the Ballroom is being used. Ms. Seth asked if anyone had asked industry such as LNG or Dow for help to offset cost.

Mr. Musquiz asked if the kids would be temperature checked. Mr. Bubnick said yes, they would be checked. Ms. Newman also said a questionnaire would be required to be filled out by parents.

Council member Baker asked if the Civic Center was open. Jeremy said the rentals are open, but there have not been any Ballroom rentals due to the restrictions. Nothing is being moved out because of this request. The building would likely not be used anyway. We are not turning anyone away.

Council member Broaddus asked how far in advance is the ballroom booked.

Mr. Bubnick replied that it is at times up to a year for the Ballroom. Boys and Girls Club is only asking for a couple of weeks, this is not for long term usage.

Council member Roznovsky asked if anyone had insight on the school districts timeline. Basically, this would be going against what the school district is doing. Ms. Russell felt it is because the school district is still working out details.

There was no motion made for this request. This request dies.

DISCUSS HOMEOWNER'S SIDEWALK REPAIR RESPONSIBILITIES – LAURA GARCIA

Ms. Garcia – 304 Dogwood

Ms. Garcia is asking for clarity on whose responsibility it is to fix the sidewalk. Mr. Yenne stated the homeowner is responsible for the sidewalk. The city did not build the sidewalk, the builder did.

Mr. Yenne gave the history of how sidewalks started in the city. Back in the late 40's and early 50's the citizens of the City decided they wanted sidewalks. Citizens approached City Council. The decision was made to allow residents to put sidewalks in the roadway in front of their homes, but it

would be at their expense. Over a period of time, standards were set. If the City replaces a street, everything is being replaced and the citizens are not being charged for that.

Ms. Garcia asked if it is her responsibility, can she replace it with sod? Mr. Yenne said it is the responsibility of the homeowner to maintain and replace with concrete.

REVIEW PROPOSED ALDEN DEVELOPMENT MEMORANDUM OF UNDERSTANDING

Maury Rubin –

Mr. Rubin stated several people have approached him about purchasing or developing the property. Many hours have been spent on working on the development of this property. Mr. Rubin wanted to let council know that they are still in control of the property and in good shape with lenders. His goal is to develop the property into a nice first-class development. Mr. Rubin thanked staff and the Mayor for their dedication. Mr. Rubin also thanked Mr. Yenne for his friendship and his hard work.

Mr. Yenne stated what they have tried to do is to capture what was agreed upon with Mr. Noteware. There is still room for changes. This would go to the Planning Commission and then come back to City Council. This document would be taken to a buyer or developer and it would go from there. Negotiations would go from that point instead of starting all over from the beginning.

Ms. Sue Darcy stated as the last proposal ended, it occurred to her that a lot of good work had been done. All the renditions from the proposals that were made have been noted. Ms. Darcy stated caps have been placed on utilities, the number of potential maximum units has been set and allowable land uses have been set. Everything has been made contingent upon meeting the City's standards as articulated in the City's development manuals. Everything in the proposal is what the City wants. This will not guarantee that a developer would not want something different, but it outlines what the City would like to see.

Council member Singhania did not like billboards and noted it is not in the proposal. Ms. Darcy stated they did not focus on the little things. They did not want to create an issue before it starts. This is an overall picture.

Council member Roznovsky stated the struggles from the last time begin with a few changes leading to more changes and then bigger changes. Things started breaking down from all the changes. This proposal puts us back to a good starting point and puts us all on the same page. Council member would like to see some type of table of what the City wants to see.

Ms. Darcy wanted to reiterate this is just following up with the comprehensive plan. This keeps the development moving forward.

Ms. Darcy thanked Mr. Yenne for his service and friendship.

Mr. Yenne stated again, the Planning Commission will look at it and send their comments before it comes back to City Council.

COVID-19 UPDATE

Mr. Yenne stated that Lake Jackson is back in single digits.

This pandemic has put an enormous strain on our workforce. We have been understaffed, but the people who have been working have been doing a fine job. We are having a hard time finding and keeping employees.

ITEMS OF COMMUNITY INTEREST

Council member Roznovsky stated on August 26th at 7 p.m. there will be a public mayoral candidate forum with Fred Ortiz. It will be on Facebook.

Felicia Harris stated the format will be virtual. The FB page is called Local Brazoria/Ft. Bend Politics. The candidates will appear through Zoom. The Zoom images will be displayed on Facebook live. Questions may be submitted live on the feed.

Council member Singhanian asked about the traffic signals being back on cycle rather than demand. He asked if someone could investigate that.

Council member Buell thanked Mr. Yenne for everything and wished him the best.

Mayor Sipple mentioned mowing's along the ditches. Also, at the intersection of Southern Oaks Dr. and Marigold, there is a tree with a lot of branches hanging below the stop sign. He asked if that could be looked at.

Mr. Yenne thanked the City Council and City Employees. He is very grateful to everyone he has every worked with. He will miss everyone, but he will not miss hurricanes or floods.

ADJOURNMENT

There being no further business the meeting adjourned at 8:00 p.m.

These minutes read and approved this _____ day of _____ 2020.

Bob Sipple, Mayor

Alice A. Rodgers, City Secretary