

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, May 2, 2022, at 6:30 p.m. in Regular Session at 25 Oak Drive, Lake Jackson, Texas, Lake Jackson City Hall with the following in attendance:

Gerald Roznovsky, Mayor
Buster Buell, Mayor Pro-Tem
Vinay Singhania, Councilmember
Jon "J.B." Baker, Councilmember
Rhonda Seth, Councilmember

Modesto Mundo, City Manager
Sherri Russell, City Attorney
Sally Villarreal, City Secretary
Sal Aguirre, City Engineer
Robin Hyden, Parks, and Rec Director
Pam Eaves, Finance Director
Sabrina England, PW Director
Paul Kibodeaux, Police Chief
David Walton, Building Official
Milford John-Williams, Asst. to the CM
Lora-Marie Bernard, PIO
Eddie Herrera, Project Manager

ABSENT: Councilmember Broaddus

PLEDGE OF ALLEGIANCE

Councilmember Seth led the pledge of allegiance.

INVOCATION

Councilmember Buell led the invocation.

VISITORS COMMENTS

David Walton recognized the Lake Jackson Water Polo team.

PRESENTATIONS

There were no presentations.

DECLARATION OF CONFLICTS OF INTEREST

There were no declarations of conflicts of interest.

CONSENT AGENDA

1. Approval of minutes – April 18, 2022
2. Accept board and commission minutes:
 - a) LJDC 011322
 - b) Traffic 020822
 - c) KLJB 021522
 - d) Parks 030122
3. Ordinance amending Ch. 120 Utilities for a rate increase for roll offs and compactors – second reading
4. Ordinance amending Ch. 120 Utilities to add water well clearance restrictions for livestock – second reading
5. Ordinance amending Ch. 98 Traffic and Vehicles to the designated truck routes to include Oyster Creek Drive from Dixie Drive to Old Angleton Road – second reading

6. Approve an amendment to the lease between T-Mobile and the City for space on the Eucalyptus water tower - Sherri Russell
7. Accept resignation from Josie LaChance from the Lake Jackson Development Corporation

On motion by Councilmember Seth seconded by Councilmember Buell with all present members voting "aye," the consent agenda was approved as follows:

1. Approval of minutes – April 18, 2022 – *approved*
2. Accept board and commission minutes: *accepted*
 - a) LJDC 011322
 - b) Traffic 020822
 - c) KLJB 021522
 - d) Parks 030122
3. Ordinance amending Ch. 120 Utilities for a rate increase for roll offs and compactors – second reading - *adopted*
4. Ordinance amending Ch. 120 Utilities to add water well clearance restrictions for livestock – second reading - *adopted*
5. Ordinance amending Ch. 98 Traffic and Vehicles to the designated truck routes to include Oyster Creek Drive from Dixie Drive to Old Angleton Road – second reading - *adopted*
6. Approve an amendment to the lease between T-Mobile and the City for space on the Eucalyptus water tower - Sherri Russell – *approved*
7. Accept resignation from Josie LaChance from the Lake Jackson Development Corporation - *accepted*

CONSIDERATION AND APPROVAL OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF LAKE JACKSON, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2022"; ENTERING INTO A PAYING AGENT/REGISTRAR AGREEMENT AND APPROVING ALL OTHER MATTERS RELATED THERETO FOR PARK RESTROOMS AND PLAYGROUND EQUIPMENT

Mr. Morrow with Hilltop Securities presented this item.

He stated the current 20-year average of debt is at a 3.21% as of Thursday, April 28, 2022. Although rates have gone up from the 2% level during the pandemic, we are still in very good shape.

There were seven firms that bid on the bonds. The winner is from FHN Financial Capital Markets at 2.85%.

The S&P Global Ratings assigned its 'AA+' long-term rating to Lake Jackson, Texas' anticipated \$3.2 million series 2022 certificates of obligation (COs). Mr. Morrow stated the city does a very good job. The anticipated closing date will be May 26, 2022.

Councilmember Baker asked where the city sits on bond ratings. Mr. Morrow said the city is at the top of the ratings. There is only one spot to go higher and that is AAA. Mr. Morrow noted there are not many ratings equivalent to the AA1 over AA+.

Councilmember Singhania asked if the interest rate is frozen. Mr. Morrow said the action tonight will lock in the interest rates.

Mr. Mundo read the ordinance caption and informed the audience it was for a \$3.5 million issuance with the interest rates just above 2.85%. This is for restrooms, park playgrounds and pathways that will be paid back by the ½ cent sales tax. This sales tax is restricted to this type of use.

Mr. Mundo explained the reason the city is doing a CO instead of a regular bond is because the ½ cent sales tax was approved by the voters in 1995 and state law prohibits the city from going out to the voters and asking for their approval each time there is a debt issuance. The general obligation is set by the tax rate and the ½ cent tax has been approved by the voters once and after that you just must follow the state law on what it can be used for.

Councilmember Seth noted that the city has other CO debt obligations that are about to be paid off.

Mr. Mundo stated the city has enough in the bank account to pay next year's debt even if there were no sales tax collected.

On motion by Councilmember Singhania seconded by Councilmember Baker with all present members voting "aye," the ordinance authorizing the issuance of "City of Lake Jackson, Texas Certificates of Obligation, Series 2022"; entering into a paying agent/registrar agreement and approving all other matters related thereto for park restrooms and playground equipment including the pathways as presented was approved on first and final reading.

DISCUSS AND CONSIDER REQUEST FROM THE FILL STATION TO CLOSE THE WESTBOUND LANE OF PARKING WAY FROM OAK DRIVE TO PARKING PLACE FROM 2:00 P.M. TO MIDNIGHT ON SATURDAY, MAY 14, 2022 FOR THEIR ANNUAL CRAWFISH BOIL

Kevin Rosenbohm was present for this request.

Mr. Rosenbohm stated in the past they have noticed it is safer to close that portion of the street directly in front of their building. All their staff will be on duty and working that night. The tickets are sold for \$20 at the Fill Station. There will be live music. Tickets have been on sale for about three weeks. The largest boil they have had, had 500 people.

The city will provide barricades for the street partial street closure. Mr. Rosenbohm stated they will power wash everything after the event.

On motion by Councilmember Baker seconded by Councilmember Buell with all present members voting "aye," the request from The Fill Station to close the westbound lane of Parking Way from Oak Drive to Parking Place from 2:00 p.m. to midnight on Saturday, May 14, 2022 for their annual crawfish boil was approved.

DISCUSS RECYCLING SERVICE STUDY AND RECOMMENDATIONS BY NEW GEN STRATEGIES – MODESTO MUNDO

Dave Yanke with New Gen Strategies was present for this item.

Mr. Mundo explained that in June 2021 the city was informed that Seabreeze would no longer be receiving recycling material beginning in June 2022. In October 2021, the city hired New Gen Strategies to help the city explore recycling options.

Mr. Yanke will present five options for continuing service and the associated cost of each. Staff is recommending Scenario 6 for the short-term and building a Recycling Staging Facility at the Service Center for its long-term solution.

Below are the scenarios that were shared:

Scenario 1 – This is what it costs the city right now to provide recycling services to citizens.

SCENARIO 1 – STATUS QUO

Scenario 1 – Total Cost for Recycling Services

	Costs
Equipment Costs	\$108,737
Labor Costs	\$78,299
Contractual Costs	\$48,000
Total Scenario 1 Costs	\$235,036

Scenario 2 – If the city garbage trucks and recycling trucks were to directly haul the material to the MRF’s in the Houston area. This scenario cost between \$30,000 to \$70,000 more than the status quo. This increase is for workers overtime on Friday and Monday as well as the processing fees costing more.

Mayor Roznovsky asked about the escalated cost for the wear and tear on the trucks. Mr. Yanke said it is embedded in the report in the detailed schedules under repair and maintenance cost which includes capital costs, repair & maintenance, and fuel.

SCENARIO 2 – DIRECT HAULING

Scenario 2 – Total Recycling Costs for Direct Haul

Collection Type	Friday Haul		Monday Haul	
	FCC Environmental	Waste Management	FCC Environmental	Waste Management
Rear Load Curbside Recycling				
Equipment Costs	\$107,913	\$107,911	\$107,913	\$107,911
Labor Costs	\$102,133	\$102,133	\$83,066	\$83,066
Contractual Processing Costs	\$55,080	\$70,380	\$55,080	\$70,380
Total Rear Load Costs	\$265,126	\$280,424	\$246,059	\$261,356
ASL Recycling (Apartments)				
Equipment Costs	\$7,563	\$7,562	\$7,563	\$7,562
Labor Costs	\$9,534	\$9,534	\$9,534	\$9,534
Contractual Processing Costs	\$5,400	\$10,800	\$5,400	\$10,800
Total ASL Costs	\$22,497	\$27,896	\$22,497	\$27,896
Total Recycling Costs	\$287,624	\$308,320	\$268,556	\$289,253

Scenario 3 – If the city builds a facility where the city garbage trucks come in and drop the recyclables to load onto an 18-wheeler. The total cost depending on if the city goes to FCC or Waste Management. In looking at the average of 700 tons of recyclables per year. A 5000 sq. ft., 3-sided facility should have sufficient room for the number of recyclables the city processes. This would also include room for an 18-wheeler. The City of Temple just bid out their recycling center and it has come in at just under \$300 a square foot.

Councilmember Baker asked if this would include the City of Lake Jackson building and managing the facility.

Mr. Yanke explained that they factored in a person’s time working 20 hours a week to help load the vehicles and based this cost on the current salaries that are paid now. It was also noted by staff that there is always a concern of being able to staff the operation.

Mayor Roznovsky asked if compaction would be of value. Mr. Yanke stated it would have to go into a conveyor belt and dropped into a trailer that handles 100 cubic yards. If in a transfer station where there is an elevated floor and it is dropping it down, a front-end loader can used to smash it down. A MRF does not want it compacted because they must sort it.

Mr. Yankee stated the \$433,628 a year to haul to Waste Management, it assumes the city issued a bond for he \$1.5 million. This includes all the costs of the collection listed in the table below.

Scenario 3 – Total Costs for Constructing and Operating a Recycling Staging Facility

	Total Costs	
	Process at FCC	Process at WM
Construction and Operation & Maintenance Costs at New Facility		
Construction Costs	\$1,500,000	\$1,500,000
Annual Principal and Interest Payments	\$91,203	\$91,203
Amortized Facility Equipment Costs	\$14,484	\$14,484
Labor Costs	\$100,422	\$100,422
Collection Vehicle & Maintenance Costs	\$108,414	\$108,414
Fuel Costs	\$305	\$305
Annual Capital and O&M Costs at New Facility	\$314,828	\$314,828
Contract Costs (Hauling and Processing)		
Hauling Costs		
Cost per Haul	\$500	\$500
Annual Number of Hauls	72	72
Annual Hauling Cost	\$36,000	\$36,000
Processing Costs		
Annual Tonnage	720	720
Processing Cost per Ton	\$90	\$115
Annual Processing Costs	\$64,800	\$82,800
Total Contract Costs	\$100,800	\$118,800
Total Recycling Staging Facility Cost	\$415,628	\$433,628

Scenario 4 – Builds off recycling staging facility. Instead of using the current rear loader trucks with blue bags and taken to recycling, this would be a semi-automated system where the current rear loader trucks are equipped with a tipper that would lift can and dump materials in.

For this scenario, the costs will go up.

Scenario 4 – Total Recycling Costs using SemiAutomated Vehicles

	Total Costs	
	Process at FCC	Process at WM
Capital Costs		
Total Cart Cost	\$663,600	\$663,600
Total Tipper Cost	\$80,000	\$80,000
Amortized Capital Costs	\$86,163	\$86,163
Collection Vehicle Costs	\$108,719	\$108,719
Labor Costs	\$78,299	\$78,299
Total Capital, Operation, and Maintenance Cost for Semi-Automated Collection	\$273,181	\$273,181
Processing Costs		
Annual Tonnage	904	904
Processing Cost per Ton	\$50	\$100
Annual Processing Costs	\$45,180	\$90,360
Additional Recycling Staging Facility Costs	\$163,810	\$163,810
Total Recycling Staging Facility Cost	\$482,171	\$527,351

Scenario 5 – This is a fully automated where an arm comes out of the side of truck, picks up the can and puts the recyclables in truck. This is cheaper than the Semi-Automated Vehicles in Scenario 4.

Mr. Mundo noted this is one scenario to keep in mind when city equipment is due for change. This could give the city a small labor savings and could also help increase recycling rates. This would also go to a cart and eliminating the need for blue bags for recycling. Mr. Mundo stated this is not the scenario that is being recommended at this time because it is too costly. If this is what council recommends, it will need to go to the public. Back in the 1990’s the citizens of Lake Jackson were surveyed on recycling services. At that time, they were very emphatic about not wanting containers for recycling. If there is a change proposed, the citizens should be aware of it because it does change the way collections are completed.

Scenario 5 – Total Recycling Costs Using FullyAutomated Vehicles

	Total Costs	
	Process at FCC	Process at WM
Capital Costs		
Total Cart Cost	\$663,600	\$663,600
Total Automated Vehicle Cost	\$700,000	\$700,000
Amortized Capital Costs	\$158,004	\$158,004
Additional Collection Vehicle Costs	\$38,719	\$38,719
Labor Costs	\$40,164	\$40,164
Total Capital, Operation, and Maintenance Cost for Semi-Automated Collection	\$236,887	\$236,887
Processing Costs		
Annual Tonnage	904	904
Processing Cost per Ton	\$50	\$100
Annual Processing Costs	\$45,180	\$90,360
Additional Recycling Staging Facility Costs	\$163,810	\$163,810
Total Recycling Staging Facility Cost	\$445,877	\$491,057

Scenario 6 – Because of the time crunch this would be a good option locally.

In this scenario, Vernor Material & Equipment (VME) would have a building available. Materials would be hauled in 40 cubic yard roll off containers with VME charging \$600 per haul.

Scenario 6 – Total Recycling Costs with VME Partnership

	Total Costs	
	Process at FCC	Process at WM
Capital, Vehicle, and Operation Cost		
Construction Cost	\$3,000	\$3,000
Vehicle Cost	\$108,830	\$108,830
Labor Cost	\$78,299	\$78,299
VME Leasing Fee	\$60,000	\$60,000
Annual Capital, Vehicle, and Operation Cost	\$250,129	\$250,129
Hauling Costs		
Annual Number of Hauls	144	144
Cost per Haul	\$600	\$600
Annual Hauling Cost	\$86,400	\$86,400
Processing Costs		
Annual Tonnage	720	720
Processing Cost per Ton	\$90	\$115
Annual Processing Costs	\$64,800	\$82,800
Total Annual Cost (First Year)	\$401,329	\$419,329

Mr. Yanke reported on the findings and recommendations below:

FINDING AND RECOMMENDATIONS

Financial Analysis Summary

	Total Annual Cost	
	Process at FCC	Process at WM
Scenario 1: Status Quo	\$235,036	\$235,036
Scenario 2: Direct Hauling	\$287,624	\$308,320
Scenario 3: Recycling Staging Facility	\$415,628	\$433,628
Scenario 4: Semi-Automated Collection with Recycling Staging Facility	\$482,171	\$527,351
Scenario 5: Fully-Automated Collection with Recycling Staging Facility	\$445,877	\$491,057
Scenario 6: Partnership with VME	\$401,329	\$419,329

FINDINGS AND RECOMMENDATIONS (CONT.)

Cost per Month per Household

	Cost per Month per Household	
	Process at FCC	Process at WM
Scenario 1: Status Quo	\$1.78	\$1.78
Scenario 2: Direct Hauling	\$2.18	\$2.34
Scenario 3: Recycling Staging Facility	\$3.15	\$3.29
Scenario 4: Semi-Automated Collection with Recycling Staging Facility	\$3.65	\$4.00
Scenario 5: Fully-Automated Collection with Recycling Staging Facility	\$3.38	\$3.72
Scenario 6: Partnership with VME	\$3.04	\$3.18

In summary, Mr. Yanke recommended the city contract with VME to haul recyclables to MRF for a short-term solution. For a long-term solution, building a recycling staging facility would be recommended.

Mr. Mundo shared that the city has been in discussion with Clute because they are in the same situation. Vernor has a large enough space to accept their material as well. The percentage of material Clute sends would need to be figured out for them to pay their cost of the transport.

The one thing Mr. Yanke was not asked to look at was to stop the service. This is something that council would need to consider as well. If recycling services were to go away, the recycling fee would not go away. This fee would transfer to the sanitation side to now pick up that material.

Ms. Seth asked when recycling started. Mr. Mundo said it started in 1994.

DISCUSS A DRAFT OF AN ORDINANCE THAT REGULATES MASSAGE ESTABLISHMENTS - SHERRI RUSSELL

Ms. Russell stated she went back to research the laws from the last meeting. Massage parlors cannot be treated differently than medical facilities. The choice is to group medical facilities together and have a list of things that need to be inspected for or go through the actual state laws. Ms. Russell pulled out items the city's inspectors can check for. These are basic items such as cleanliness, keeping massage oils covered and making sure licenses are visible with photos attached.

Ms. Russell noted she would add the following items:

1. Keep all interior doors unlocked during business hours
2. Maintain clear and unobstructed view from outside
3. Operate only between the hours of 6:00 a.m. and 10:00 p.m.

Mayor Roznovsky appreciated Ms. Russell's approach and research in looking for the best solution for the city.

Mayor Roznovsky stated it is suggested to add these establishments as a conditional use in the zoning code. By doing so, they would be required to come to city council for approving their business in the city. If they are in violation of the ordinance, the CO can be pulled if the license is not current.

Councilmember Seth asked if the ordinance addresses nude or partially nude persons providing massages. Ms. Russell said it does not, but she can come up with something addressing that.

Councilmember Seth also noted occasionally there could be a minor. Ms. Russell stated the law is that parents must give written consent or be with the minor.

Mayor Roznovsky also stated businesses are changing their names from massage parlors to reflexology.

Mayor Roznovsky said to keep pressing forward with the ordinance.

DISCUSS AND CONSIDER A RESOLUTION DENYING CENTERPOINT ENERGY HOUSTON ELECTRIC'S INTENT TO INCREASE RATES

Ms. Russell stated every few years electric companies like CenterPoint can increase rates and it doesn't get contested and is automatic. The Gulf Coast Coalition of Cities hires consultants to study the filings to make sure they are not overcharging.

Ms. Russell stated this increase is very important to study as it is a \$145,680,810 increase. The city has jurisdiction over this as a city and can deny the increase and it automatically goes to the PUC for a hearing.

Councilmember Singhania stated this is the regulated part of the bill everyone gets. This is the distribution part of the bill that is regulated by the PUC such as poles and wires.

Mr. Mundo read the resolution caption.

On motion by Councilmember Seth seconded by Councilmember Buell with all present members voting "aye," the resolution denying CenterPoint Energy Houston Electric's intent to increase rate was approved.

AWARD BID TO CERES ENVIRONMENTAL FOR HAULING STORM DEBRIS TO BURN SITE IN AN AMOUNT NOT TO EXCEED \$202,530

Mr. Mundo stated bids were opened on February 15, 2022.

Mr. Mundo stated this is for the hauling cost component costing approximately \$300,000. Ceres came in with the lowest bid.

The funding for this project would come from the General Fund.

It is expected to take 90 days to get this done and then get extensions if needed. Ceres Environmental will take four to five weeks for hauling with the burning taking a little more time. Once the contract is signed the hauling will start. Companies were asked to do their own measurement of material. The city estimated 45,000 cubic yards. It will all be hauled for the \$202,530 regardless of how many cubic yards.

On motion by Councilmember Buell seconded by Councilmember Seth with all present members voting "aye," the bid to Ceres Environmental for hauling storm debris to burn site in an amount not to exceed \$202,530 was awarded.

APPROVE CHANGE ORDERS 1-4 AN INCREASE OF \$142,445.82 FOR PHASE 3 OF THE DOWNTOWN REVITALIZATION PROJECT – MEAGAN BORTH

Ms. Borth stated this has been budgeted for as part of the contingency just not part of the contract. Mr. Aguirre budgeted for a contingency.

Below is a list of the change orders that were discussed.

Change Order	Description	Amount
1	Prevent damage to existing utility lines at sewer crossing	\$2,946.05
2	Install temporary u-turns on That Way to allow traffic to access parking that has been blocked off due to restricted egress during pavement replacement.	\$14,229.27
3	To replace aging inferior drainage system to new standards beneath and along new street pavement on That Way between Oyster Creek Drive and the service alley	\$129,326.84
4	To remove aging inferior drainage system beneath proposed street pavement at Oyster Creek Drive and That Way	(\$4,056.34)

Councilmember Singhania asked if the dip in front of Walgreens off Oyster Creek Drive could be lessened. Mr. Aguirre stated part of the instruction to the engineers was to lessen the dip.

On motion by Councilmember Singhania seconded by Councilmember Baker with all present members voting “aye,” change orders 1- 4 an increase of \$142,445.82 for Phase 3 of the Downtown Revitalization Project was approved.

UPDATE ON NEW BUSINESS COMING TO THE CITY – DAVID WALTON

Mr. Walton went over the new business.

- Taco Bueno will open soon
- McAlister’s Deli, Chicken Salad Chick and La Madeline are well under construction
- Julia’s Donuts are coming in behind CVS
- Coastal Cages will open soon
- Grazia’s Italian Kitchen is in plan review
- Lakewood Manor is moving along
- Harbor Freight is pending review

CITY MANAGER UPDATES

CIP Workshop – May 12, 2022 at 5:30 p.m. with dinner provided.

CONSTRUCTION UPDATES

Mr. Herrera gave a brief update on projects.

Mayor Roznovsky asked if the contractor could do a little clean up downtown since it is Mother’s Day weekend. Mr. Herrera stated he would ask them about it.

Mayor Roznovsky noted there is a weekend issue with people leaving beer cans downtown.

PIO Lora-Marie Bernard stated KLJB is doing an adopt a spot and that will be a major focus of the group this coming year with clean ups once a month.

Ms. Borth stated she met with Carriage Flowers, and she felt there was not adequate walkway space to their building. Meagan asked council to give any feedback to her with suggestions on improving accommodations for the downtown businesses.

Mayor Roznovsky asked about the shuttle downtown. Mr. Mundo stated bus routes will remain normal, but they will increase their presence and move to Saturdays. Business hours have remained the same for downtown businesses.

Councilmember Singhania has seen metal plates used for walkways during construction. Mr. Herrera stated the walkways will require handrails. Eddie mentioned the areas that have walkways with handrails. The contractors are spending a little more money using black rock and asphalt mix for patching.

Councilmember Seth has received a lot of compliments for the level of communication.

Mr. Herrera stated that the canopy project is moving forward. There are issues with materials, so it is taking longer than expected.

Ms. Borth announced the library is ahead of schedule and below budget. The library will hesitate with the opening to do a deep cleaning and opening within the next couple of weeks.

Ms. Hyden stated everything is going well except for the metal roof as they are still waiting on material.

ITEMS OF COMMUNITY INTEREST

Mr. Buell reminded everyone that early voting is still going on.

Councilmember Seth reminded everyone that Sunday is Mother's Day.

Mayor Roznovsky has received calls about the stumps being left behind on Oyster Creek Drive. Ms. Hyden said there were trees that needed to come down due to a safety issue but will look into the stumps and have them removed.

Mayor Roznovsky mentioned a moving Memorial Wall with signs moving throughout the city during Memorial month. Other cities have created a moving memorial for soldiers and people who have served and passed away during service. This is something that the city may think about in the future.

ADJOURNMENT

There being no further business the meeting adjourned at 8:11 p.m.

These minutes read and approved this 6th day of June, 2022.

Gerald Roznovsky, Mayor

Sally Villarreal, City Secretary