

# CITY OF ROCKPORT

## MINUTES

### CITY COUNCIL REGULAR MEETING 6:30 p.m., Tuesday, July 12, 2016 Rockport City Hall, 622 East Market Street

On the 12<sup>th</sup> day of July 2016, the City Council of the City of Rockport, Aransas County, Texas, convened in Regular Session at 6:30 p.m., at the regular meeting place in City Hall, and notice of meeting giving time, place, date and subject was posted as described in V.T.C.A., Government Code § 551.041.

#### CITY COUNCIL MEMBERS PRESENT

Mayor Charles J. Wax  
Mayor Pro-Tem Pat Rios, Ward 3  
Council Member Rusty Day, Ward 1  
Council Member J. D. Villa, Ward 2  
Council Member Barbara Gurtner, Ward 4

#### CITY COUNCIL MEMBER(S) ABSENT

#### PLANNING & ZONING COMMISSION MEMBERS PRESENT

Edward Bellion  
Graham Wilson  
Brian Olsen  
Shawn Johnston  
Diana Severino-Saxon  
Ruth Davis  
W. Kent Howard

#### STAFF MEMBERS PRESENT

City Attorney Terry Baiamonte  
City Secretary Teresa Valdez  
Finance Director Patty Howard  
Police Chief Tim Jayroe  
Public Works Director Mike Donoho  
Park & Leisure Services Director Tom Staley  
Parks Maintenance Superintendent Rick Martinez  
Information Technology Director Brian Jacobs

#### ELECTED OFFICIALS PRESENT

## **Opening Agenda**

### **1. Call to Order.**

With a quorum of the Council Members present, the Regular Meeting of the Rockport City Council was called to order by Mayor Wax at 6:32 p.m. on Tuesday, July 12, 2016, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

### **2. Pledge of Allegiance.**

Council Member Villa led the Pledge of Allegiance to the U.S. flag and Texas flag.

### **3. Citizens to be heard.**

At this time comments will be taken from the audience on any subject matter that is not on the agenda. To address the Council, please sign the speaker's card located on the table outside the Council Chamber and deliver to the City Secretary before the meeting begins. Please limit comments to three (3) minutes. In accordance with the Open Meetings Act, Council may not discuss or take any action on any item that has not been posted on the agenda.

Kay Adams addressed the Council. Ms. Adams provided a Wings Rescue update. Ms. Adams informed the Council that 144 birds have been rescued.

## **Consent Agenda**

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

- 4. Deliberate and act on approval of City Council Workshop and Regular Meeting Minutes of June 28, 2016.**
- 5. Deliberate and act on 3<sup>rd</sup> quarter hotel occupancy tax report from Rockport Center for the Arts for 2015-2016 marketing expenditures.**
- 6. Deliberate and act on Lease Agreement with Aransas County Community Garden, Inc.**
- 7. Deliberate and act on the Texas Municipal League Intergovernmental Employee Benefits Pool Continuation of Coverage Administrative Agreement for the Fiscal Year 2016-2017.**

Mayor Wax called for requests to remove any item from the Consent Agenda for separate discussion. There being no requests, Mayor Wax called for a motion.

**MOTION:** Council Member Villa moved to adopt the Consent Agenda Items as presented. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

## **Public Hearing**

### **8. Call to Order- Rockport Planning & Zoning Commission.**

With a quorum of the Rockport Planning & Zoning Commission present, the meeting of the Rockport Planning & Zoning Commission was called to order at 6:35 p.m. on Tuesday, July 12, 2016, in the Council Chambers of the Rockport City Hall, 622 E. Market Street, Rockport, Texas.

### **9. Conduct and deliberate a Joint Public Hearing with the Planning & Zoning Commission to consider a request for a Conditional Use Permit for a bed and breakfast/multi-family ranch with farm animals on property located at 1515 Sixteenth Street; also known as Lot 76, Block 250 Swickheimer Subdivision (10 acres), Rockport, Aransas County, Texas, currently zoned R-1 (1<sup>st</sup> Single Family Dwelling District).**

Mayor Wax opened the Joint Public Hearing at 6:35 p.m.

Mayor Wax stated the Planning & Zoning Commission will consider this request at their meeting on Monday, July 18, 2016, at 5:30 p.m.

There were no public comments.

Mayor Wax closed the Joint Public Hearing at 6:40 p.m.

### **10. Adjourn – Rockport Planning & Zoning Commission.**

At 6:40 p.m., the Rockport Planning & Zoning Commission adjourned.

## **Regular Agenda**

### **11. Deliberate and act on first reading of an Ordinance affecting participation of City employees in the Texas Municipal Retirement System; granting the additional rights, credits and benefits authorized by Section 852.205 of Title B. Government Code, as amended; and prescribing the effective date of this Ordinance.**

Assistant City Secretary Ruby Beaven stated this Ordinance would move the City from ten (10) year vesting to five (5) year vesting with the Texas Municipal Retirement System.

Mayor Wax stated that in 2001 the Rockport City Council declined five-year vesting. Mayor Wax said staff is recommending the five-year vesting to help the City remain competitive with other cities and help attract and retain employees.

Council Member Day asked how this will affect City finances.

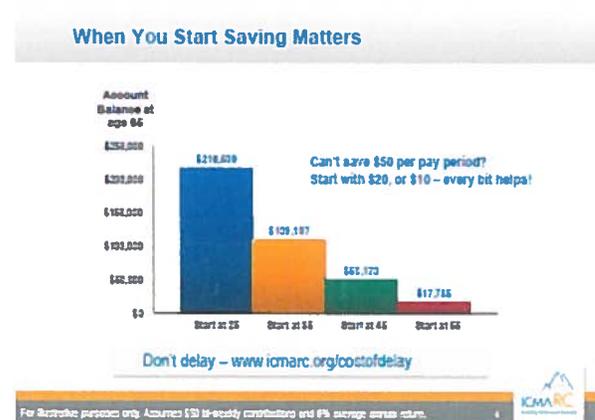
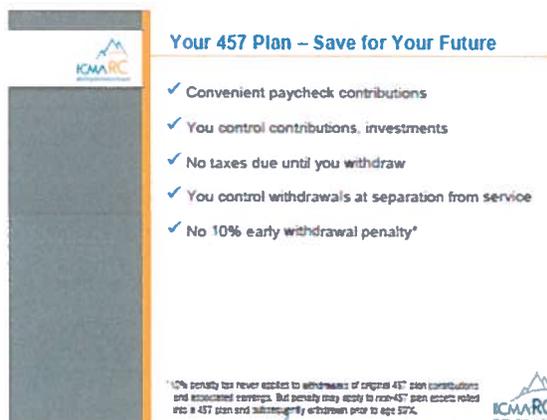
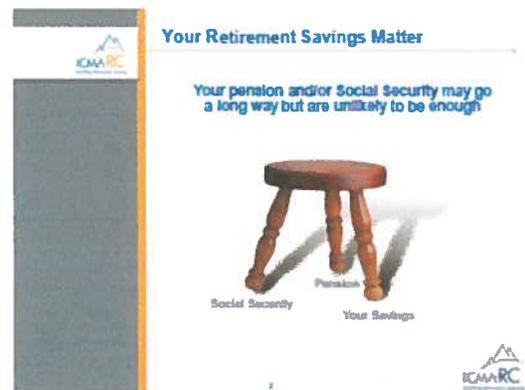
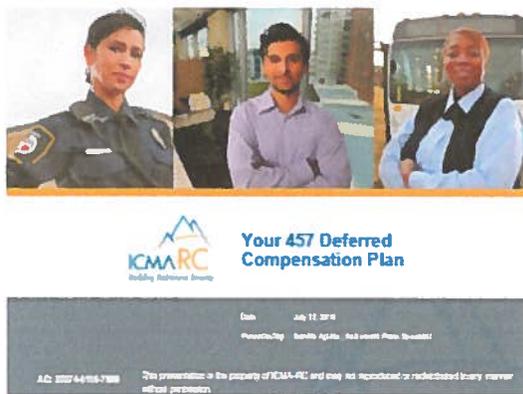
Ms. Beaven stated that changing to five-year vesting will cost approximately \$8,640.00.

Discussion was held among Council and Ms. Beaven.

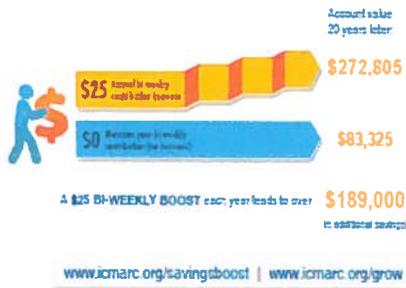
**MOTION:** Council Member Day moved to approve the first reading of an Ordinance affecting participation of City employees in the Texas Municipal Retirement System; granting the additional rights, credits and benefits authorized by Section 852.205 of Title B. Government Code, as amended; and prescribing the effective date of this Ordinance. Council Member Villa seconded the motion. Motion carried unanimously.

**12. Deliberate and act on a Resolution adopting the ICMA-RC 457 Deferred Compensation Plan.**

ICMA-RC Retirement Plans Specialist Sandra Aguilar addressed the Council. Ms. Aguilar gave a PowerPoint presentation (below) on the proposed ICMA-RC 457 Deferred Compensation Plan.



## Increase Your Contributions Over Time



\* For Rollover participants only. Assumes \$10,000 account value and \$20 bi-weekly contributions of age 40 and 8% average annual return.

## 2016 Contribution Limits



Can't save the max? Smaller savings can go a long way, too!

\* Normal retirement age, if set below in the plan and based on order in which maximum contributions are made in plan year. The tax catch-up provision cannot be used more than once.

## Choose Your Investing Approach

- I want to build my own portfolio
- I want a simple, yet diversified portfolio
- I want someone to do it for me

*<Remove #3 if Plan has not adopted Managed Accounts>*

## 1. Build Your Own

### Select individual funds

- Stock Funds
  - U.S. vs. International
  - Large-Cap vs. Mid/Small-Cap
- Fixed-Income Funds
  - Bond
  - Stable Value
  - Money Market

## To Help You Choose

- Target Date Fund: No charge
- Target Risk Fund: \$20 annual fee

Helps you decide how to invest and how much to save

<sup>1</sup> Underlying mutual fund expenses and other administrative fees still apply.  
<sup>2</sup> Investment advice and analysis tools are offered to participants through ICMA-RC, a fiduciary registered investment advisor. Investment advice is the result of researches developed, maintained and overseen by the Independent Financial Analyst, Morningstar Investment Management LLC, a registered investment advisor and subsidiary of Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.

## 2. A Single Diversified Fund

Target Date Fund<sup>1</sup> | Target Risk Fund

- Based on expected initial withdrawal age
- Seeks to reduce risk over time
- Based on desired risk level
- Maintains defined range of risk

*<Remove Target-Date or Target-Risk references if not available in plan>*

<sup>1</sup> A target-date fund is not a complete solution for all of your retirement savings needs. An investment in the fund involves the risk of loss, including the loss of principal, at or after the target date of the fund. There is no guarantee that the fund will provide adequate income at and through an investor's retirement. Selecting the fund does not guarantee that you will have adequate savings for retirement.

### 3. Manage My Account for Me

- Reduce investment expenses
- Increase contributions
- Invest opportunistically
- Invest in public and private
- Keep up on policy and regulations

**Managed Accounts**

Asset-based fee<sup>1,2</sup>  
Can opt out any time

*\*Remove slide if plan has not adopted Managed Accounts\**

<sup>1</sup> Underlying mutual fund expenses and plan administration fees apply in addition to the Managed Accounts advisory fee.  
<sup>2</sup> Placement advice and advisory fees are offered to participants through ICMA-RC, a federally registered investment adviser. Investment advice is the result of methodologies developed, maintained and overseen by the Independent Financial Board, Morningstar Investment Management LLC, Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Morningstar, Inc. and Morningstar Investment Management LLC are not affiliated with ICMA-RC. All rights reserved. The Morningstar name and logo are registered marks of Morningstar, Inc.




### Choose Beneficiaries

- Your assets paid per your wishes
- Avoid probate costs, delays
- Avoid creditor claims
- Loved ones can receive more tax benefits

Review periodically and after a major life event




### Withdrawals

- Upon separation from service
- While still working, subject to IRS/plan rules
  - ✓ Emergencies
  - ✓ Age 70 1/2

Can maintain account with ICMA-RC after you retire, continue tax advantages




### Get Help – Your ICMA-RC Representatives

Retirement Plans Specialist	CERTIFIED FINANCIAL PLANNER™
<ul style="list-style-type: none"> <li>• Sandra Aguilar               <ul style="list-style-type: none"> <li>▪ (361) 334-2105</li> <li>▪ <a href="mailto:saguilar@icmarc.org">saguilar@icmarc.org</a></li> </ul> </li> <li>• Retirement account questions</li> </ul>	<ul style="list-style-type: none"> <li>• Rick Stern CERTIFIED FINANCIAL PLANNER™ professional</li> <li>• Help with your overall finances</li> </ul>

### Get the Most from Your Account Online



Access your account wherever you are  
[www.icmarc.org/login](http://www.icmarc.org/login) | Our mobile app



Get tips and tools to help you save, invest, and retire – [www.icmarc.org/realize](http://www.icmarc.org/realize)



### Questions?



**THANK YOU**

For over 40 years, ICMA-RC has focused exclusively on helping public sector employees build a well-deserved retirement – [www.icmarc.org/about](http://www.icmarc.org/about).



Ms. Aguilar explained that a 457 deferred compensation plan is designed to supplement an employee’s retirement income. Ms. Aguilar stated this is a voluntary program; employees choose

Whether they want to participate and employees choose their levels of contribution that are made pre-tax. Ms. Aguilar said unlike other retirement accounts, participants do not have to qualify for an exception to avoid the 10% IRS penalty tax on withdrawals before age 59½.

Discussion was held among Ms. Aguilar and Council Member Day.

Mayor Wax stated that there is no direct cost to the City. Mayor Wax said that the City may see a slight savings because the employees' contributions are made pre-tax, reducing the City's payroll tax liability.

Public Works Director Mike Donoho addressed the Council. Mr. Donoho stated he came from a municipality that had a 457 deferred compensation plan and he believes this would be a benefit for City employees. Mr. Donoho added that a thorough explanation of the plan will have to be provided to employees to educate them on the plan.

**MOTION:** Mayor Pro-Tem Rios moved to approve a Resolution adopting the ICMA-RC 457 Deferred Compensation Plan. Council Member Villa seconded the motion. Motion carried 4:1.

FOR MOTION: Mayor Wax, Mayor Pro-Tem Rios, Council Member Villa and Council Member Gurtner.

AGAINST MOTION: Council Member Day.

### **13. Reports from Council.**

At this time, the City Council will report/update on all committee assignments, which may include the following: Aransas Pathways Steering Committee, Building and Standards Commission; Coastal Bend Bays and Estuaries Program; Coastal Bend Council of Government; Environmental Committee for Water Issues; Parks & Leisure Services Advisory Board; Planning Zoning Commission; Rockport Heritage Board; Rockport-Fulton Chamber of Commerce; Aransas County Storm Water Management Advisory Committee; Swimming Pool Operations Advisory Committee; Tourism Development Council; Tree & Landscape Committee; YMCA Development Committee; Texas Maritime Museum; Fulton Mansion; Rockport Center for the Arts; Aransas County; Aransas County Independent School District; Aransas County Navigation District; Town of Fulton; and Texas Municipal League. No formal action can be taken on these items at this time.

Mayor Wax extended compliments to the Police Department, Public Works Department and Parks & Leisure Services Department for their work to ensure a successful Independence Day celebration in Rockport. Mayor Wax expressed that there were approximately 40,000-45,000 people in Rockport on that weekend.

Council Member Day stated he met with seven (7) downtown merchants to discuss the Tropical Christmas parade route. Council Member Day said it was the consensus that safety was the reason the parade route had been moved to Magnolia Street. Council Member Day informed the Council that everyone agreed that in order to have the parade on Austin Street: 1) Austin Street would be closed on the afternoon of the parade – vehicle towing enforced; and 2) Nothing would be allowed to be thrown from floats – if caught throwing items from float, they will be removed from the parade and not allowed to participate in other parades. Council Member Day expressed that the merchants stated they would distribute flyers and inform their customers that Austin Street would be closed in the afternoon on the day of the parade.

Mayor Wax asked when the group will have the plan finalized to bring back to Council for consideration.

Council Member Day said the next meeting to discuss the Tropical Christmas parade route is scheduled for July 19, 2016.

### **Executive Session**

**City Council will hold an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:**

- 14. Section 551.071(1)(A) Consultation with Attorney on pending or contemplated litigation: (A) Bay Education Center, (B) Texaz Construction and AZ Southwest Properties.**
- 15. Section 551.072 Deliberation regarding real property – deliberate the purchase, exchange, lease, or value of real property: (A) Red Fish, and (B) Project Cobia.**
- 16. Section 551.074 Personnel Matters: deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee – (A) Director of Parks and Leisure Services, and (B) City Attorney.**
- 17. Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.**

At 7:11 p.m., Mayor Wax convened the Rockport City Council into an executive session pursuant to provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in Section 551.071910(A) Consultation with Attorney on pending or contemplated litigation: (A) Bay Education Center, (B) Texaz Construction and AZ Southwest Properties; Section 551.072 Deliberation regarding real property – deliberate the purchase, exchange, lease, or value of real property: (A) Red Fish, and (B) Project Cobia; Section 551.074 Personnel Matters: deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee – (A) Director of Parks and Leisure Services, and (B) City Attorney; and Section 551.087 Deliberation Regarding Economic Development Negotiations: Project Cardinal.

### **Open Session**

**City Council will reconvene into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.**

At 7:41 p.m., Mayor Wax reconvened the Rockport City Council into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any necessary actions related to the executive sessions noted herein, or regular agenda items, noted above, and/or related items.

**MOTION:** Mayor Wax moved that Council authorize the Mayor to execute necessary documents to secure Greg Harlan, in an amount not to exceed \$1,000, to prepare a grant for Project Cobia. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

**MOTION:** Mayor Wax moved that Council supports Rick Martinez becoming the Parks & Leisure Services Department Director. Mayor Pro-Tem Rios seconded the motion. Motion carried unanimously.

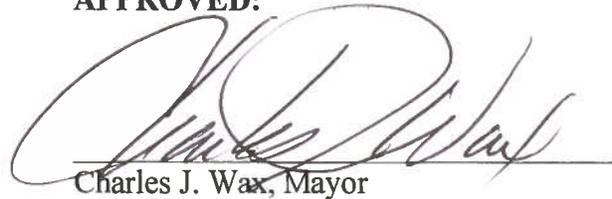
**MOTION:** Mayor Wax moved to renew the contract with City Attorney Terry Baiamonte for a period of three (3) years beginning December 5, 2016. Council Member Villa seconded the motion. Motion carried unanimously.

**18. Adjournment**

At 7:42 p.m., Council Member Villa moved to adjourn. Motion was seconded by Mayor Pro-Tem Rios and carried unanimously.

**APPROVED:**



  
Charles J. Wax, Mayor

**ATTEST:**

  
Teresa Valdez, City Secretary