

CITY OF ROCKPORT

MINUTES

CITY COUNCIL BUDGET WORKSHOP

1:30 p.m., Monday, August 16, 2021

Rockport Service Center, 2751 State Highway 35 Bypass and
Via Video Conferencing Application ZOOM

A temporary suspension of the Open Meetings Act to allow telephone or video conference public meetings was granted by Governor Greg Abbott. These actions were being taken to mitigate the spread of COVID-19 by avoiding meetings that bring people into a group setting and in accordance with Section 418.016 of the Texas Government Code.

Due to the COVID-19 pandemic, the attorney general has said: "statutes that may be interpreted to require face-to-face interaction between members of the public and public officials are suspended; provided, however, that the governmental bodies must offer alternative methods of communicating with their public officials." Public participation is valued and citizens wishing to express their views on any topic or agenda item can electronically submit a Citizen Participation Form in order to register to speak by going to <https://rockport.seamlessdocs.com/f/CouncilCitizenParticipation> or scanning the QR code provided on the Agenda, or if attending the meeting in person register at the meeting. Using the same form, citizens can also provide written comments to the City Secretary by 4:00 p.m. on the day of the meeting. The Mayor will read the comments and they will be summarized in the minutes of the meeting.

On the 16th day of August 2021, the City Council of the City of Rockport, Aransas County, Texas, convened in Budget Workshop at 1:30 p.m., at the Training Room of the Rockport Service Center and via video conferencing application ZOOM, 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 Patrick R. Rios
Mayor Pro-Tem J.D. Villa, Ward 2
Council Member Katy Jackson, Ward 1
Council Member Brad Brundrett, Ward 3
Council Member Andrea Hattman, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

STAFF MEMBERS PRESENT

City Manager Kevin Carruth
Assistant to City Manager Kimberly Henry
City Secretary Teresa Valdez
Director of Finance Katie Griffin
Parks & Leisure Services Director Rick Martinez
Director of Public Works and Building & Services Director Mike Donoho
Police Chief Greg Stevens
Information Technology Director Bob Argetsinger

ELECTED OFFICIALS PRESENT

Mayor Rios stated Council had asked staff to rework the budget numbers and show Council the financial impact of the no-new-revenue tax rate and Council does not want to get tied down with anything else so if a person wanted to address the Council regarding the proposed budget, they should fill out the card at the back of the room and give to the City Secretary. This is a Council Workshop and the Council will not be having back-and-forth dialogue with citizens.

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Budget Workshop of the Rockport City Council was called to order by Mayor Rios at 1:49 p.m. on Monday, August 16, 2021, in the Training Room of the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas, and via video conferencing application ZOOM.

Workshop Agenda

2. Hear and deliberate on the proposed Fiscal Year 2021-2022 Budget.

Mayor Rios said he had received a citizen participation form from Kristie Rutledge, 1411 Dana Drive. Mayor Rios read Ms. Rutledge's comments stating it is critical regular drainage maintenance be included in the budget and a taxing entity or assessment fee for drainage is not necessary; amounts spent on drainage maintenances in previous years; items to eliminate in the proposed budget; and sell the sports complex and apply revenue to drainage maintenance and add selling the land to the Council agenda.

Jeff Hutt, 2201 Prairie Road, addressed the Council and distributed a handout to the Council citing Local Government Code Section 551.042 said he wanted to address some items: 1) officially placing the gas company up for sale and 2) selling of City owned property including the 40.83 acres on 35 bypass and the old City Hall property.

Mayor Rios stated those two items were not on the City Council Agenda for discussion.

Jeff Hutt asked that they be added to a future agenda. Mr. Hutt suggested Council look into raising service fees for the Aquatic Center, charging for swimming lessons, and let a vendor run the concession as the Aquatic Center and also in Memorial Park. Mr. Hutt stated the Aquatic Center was supposed to be an Enterprise Fund.

Adelaide Marlatt, 456 Augusta, addressed the Council. Ms. Marlatt commented there is \$23 million dedicated to improving Concho Street drainage and she asked if Aransas County has been asked to pay for any part of these improvements since it will also benefit the new Courthouse project.

Mayor Rios answered this was not on the City Council Agenda for discussion.

City Manager Kevin Carruth stated as staff was preparing the information requested by Council,

Ms. Griffin stated Council had asked staff to show the impact of a “No New Revenue Tax Rate” and with that tax rate it reduced Maintenance and Operations by approximately \$277,039. Ms. Griffin said the trick is what line items does the Council want to reduce. Ms. Griffin added that what is going to happen is that future years will be impacted and we would be three years out before we could get back to where we are; once you go back on tax rate, it is almost impossible to get back.

Mr. Carruth stated the Legislature passed a law that says you cannot defund a police department so the current 41.9% Police & Public Safety portion of the budget is off limits. Mr. Carruth expressed we are limited in making reductions because this 41.9% is already off the table. Mr. Carruth said Ms. Griffin was going to review the list of cuts staff has prepared for Council consideration.

Ms. Griffin stated staff was able to identify the following cuts:

- 1) Accountant position - \$60,000 annually
- 2) Mobile Surveillance Cameras - \$45,000
- 3) Body Cameras - \$30,000
- 4) Unsafe Building Abatement -\$100,000
- 5) Access Control at Service Center - \$78,000
- 6) Canopies at Memorial Park - \$ 50,000

Discussion was held among Council, Ms. Griffin, Police Chief Stevens and Mr. Carruth.

Council took a brief recess from 2:53 a.m. until 3:05 p.m.

Ms. Griffin reminded everyone the “No New Revenue Rate” is about \$400,000 shy of the rate the budget was prepared at and presented to Council on August 10, 2021.

Mayor Pro-Tem Villa commented he did not want to set up the streets and drainage for failure but now it looks as if the entire City is set up for failure.

Mr. Carruth said if you cut back on revenue then you have to cut back on expenditures; we cannot touch the Police Department 41.9% of the budget and assuming streets and drainage is off the table with their 12.2% portion of the budget, unless you add to it – that is 54% off the table; there is 12% for Parks & Recreation and 6% for Building and Development that is right now getting overrun and we cannot cut back there – actually need to add; leaves Administration, City Council, City Manager, City Secretary, Information Technology, Finance, Building Maintenance, and Non-departmental with 22% - the Charter calls for the position of City Manager and City Secretary and if you cut IT or Building Maintenance you could get by a little while, but it would come back to bite you; the only thing that becomes a discretionary expense is Parks and Recreation.

Mayor Rios stated he spends a lot of time in this building (Rockport Service Center) and the budget process starts in January and City staff is professional – the Finance Department is educated and experienced in preparing budgets and there are some folks on the outside that may have some experience in doing budgets, but they are not here and see day-to-day operations and I think we may have lost sight of this – this recommendation is coming from our professional staff. Mayor Rios added that we can reduce expenses, but he thought Council was taking the wrong approach

to the tax rate – we are not looking over the horizon like we need to. Mayor Rios expressed if it was up to him, he would see what could be cut out and still go with staff’s recommended tax rate.

Council Member Jackson then asked several specific line-item budget questions which were answered by Ms. Griffin.

Council Members Hattman and Brundrett asked some budget questions which were answered and explanations given by Ms. Griffin.

Council Member Brundrett commented if the Council went with the “No New Revenue Tax Rate” they would be hamstringing future councils and if they did the other rates, it seems the tax rate could get pretty high.

Ms. Griffin stated that was a correct statement, but we are not keeping up with inflation with the “No New Revenue Tax Rate”, and Council does not have to choose the highest rate.

Mr. Carruth commented that is the hole that the City got into nine years ago that did not allow us to accommodate for inflation – Council chose the effective tax rate for several years; we started to dig ourselves out of that hole and build up the fund balance and if we retreat, we will get into dangerous territory real quick – especially with the growth rate that we are in right now.

Council Member Jackson asked if there was a happy in between? Council Member Jackson suggested not cutting the body cameras and accountant which would be just shy of \$180,000 and then maybe nickel and dime it from there. Ms. Jackson asked if the Community Disaster Loan was still available to draw on to bridge the gap.

Ms. Griffin answered that is doable; rather than the \$0.208434 for the M&O Rate, do \$0.226 M&O Rate. Ms. Griffin said makes a conservative effort.

Council Member Brundrett asked if staff could prepare those numbers for Council.

Kimberly Henry, Assistant to the City Manager stated there are requirements for publicizing proposed tax rates, and we could meet the 72-hour requirement for posting a Council Agenda for Council to consider the new numbers if we posted today for a Council Meeting on Thursday. Ms. Henry explained the Public Hearing could be held at a Council Special Meeting on September 8, 2021.

Council Member Brundrett stated he did not think it was right for the City to raise taxes, raise appraisals and then go out for bond.

Ms. Griffin stated the current tax rate is \$0.42 and essentially the rate is decreasing to \$.39 depending on your appraisal your taxes may or may not go down. Ms. Griffin expressed we need to look at the future of our organization and not limit our abilities and number of employees to do what you are asking us to do.

Mayor Pro-Tem Villa stated when he voted last Tuesday, he goofed – he was thinking something different regarding the tax rate, and he would not have voted the way he did.

Mayor Rios asked Ms. Griffin what the Council could do to help from here.

Ms. Griffin stated she would like to see the “do in the middle” which would give us a \$0.410432 tax rate which is still less than the current rate.

Mike Probst, Publisher of *The Rockport Pilot* addressed the Council and stated the incorrect tax rate had been published in the newspaper and that was his error and not the City’s.

Council Member Jackson stated she would like to see the \$125,000 left in the Community Disaster Loan used for the demo of the old nursing home; Ward 1 would appreciate that – it is an unsafe building.

It was the consensus of the Council to schedule a Special meeting for Thursday, August 19, 2021, at 5:00 p.m.

3. Adjournment.

At 4:07 p.m., Mayor Pro-Tem Villa moved to adjourn. Motion was seconded by Council Member Brundrett. Motion carried unanimously.



APPROVED:



Patrick R. Rios, Mayor

ATTEST:



Teresa Valdez, City Secretary