

CITY OF ROCKPORT

MINUTES

CITY COUNCIL REGULAR MEETING 6:30 p.m., Tuesday, August 25, 2020 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 either electronically submit a **Citizen Participation Form** or 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 entered in the minutes of the meeting.

On the 25th day of August 2020, the City Council of the City of Rockport, Aransas County, Texas, convened in Regular Session at 6:30 p.m., 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 Michael Saski, Ward 1 – *Joined the ZOOM meeting at 6:53 p.m.*

Council Member Bob Cunningham, Ward 3

Council Member Andrea Hattman, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

STAFF MEMBERS PRESENT

City Manager Kevin Carruth

City Secretary Teresa Valdez

Finance Director Katie Griffin

Public Works Director Mike Donoho

Assistant to the City Manager Kimberly Henry

Police Chief Greg Stevens

Police Detective Nathaniel Ward

Police Commander Jerry Lawing

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 Rios at 6:30 p.m. on Tuesday, August 25, 2020, via video conferencing application ZOOM.

2. Pledge of Allegiance.

Council Member Cunningham led the Pledge of Allegiance to the U.S. flag.

Mayor Rios stated this time three years ago the City was watching as Hurricane Harvey was approaching the City. Mayor Rios expressed the City has come a long way since then. Mayor Rios said Hurricane Laura is threatening our neighbors to the north and he asked everyone to keep them in your prayers.

Mayor Pro-Tem Villa echoed Mayor Rio's comments.

3. Presentation: Promotion of Officer Nathaniel Ward to the rank/position of Detective within the Rockport Police Department.

Police Chief Greg Stevens asked Police Officer Nathaniel Ward and his wife to join him at the front of the room. Chief Stevens informed the Council there were two detective positions available in the Police Department and Officer Nathaniel Ward was selected to fill one of those positions. Detective Ward's wife pinned the Detective badge on his uniform. Police Chief Stevens and Council congratulated Detective Ward.

Mayor Rios thanked Detective Ward for his service and commitment to not only the Country, but also the City.

4. Presentation: Spirit of Rockport Award – Rockport Volunteer Fire Department.

The "Spirit of Rockport" award was developed to recognize individuals and organizations who exemplify the unique spirit of Rockport. Nominees are those who go above and beyond to make our community a better place. Nominations are reviewed by the Sesquicentennial Committee with awards presented throughout the year at City Council meetings and other events. Each recipient will receive a limited-edition, commemorative medal that was designed specifically for the Sesquicentennial (below).



Mayor stated awards are going to the Rockport Volunteer Fire Department. Mayor Rios said as their name implies, this is an all-volunteer organization and since 1885, Rockport Volunteer Fire Department has dedicated itself to saving lives and protecting property. Mayor Rios asked Chief Sims to join him at the front of the room. Mayor Rios stated under the auspices of Fire Chief Sims, Assistant Fire Chief Matthews Grimes and Captains Aaron Guerrero, Gillian Cox, Joe Carvajal and Joh Carvajal, the 65 firefighters and members of the Fire Corp provide a vital service to our community, which not only saves lives and property, but also decreases the cost of homeowner and rental insurance for our residents. Mayor Rios stated Chief Sims will present the metals to the Fire Department members at the weekly Thursday meeting. Mayor Rios thanked the Rockport Volunteer Fire Department for their service to the City of Rockport.

Chief Sims stated Hurricane Harvey had downgraded the Fire Department, but it has been built back up and new members have been added.

5. Presentation: Items from 1970 Centennial Time Capsule.

Assistant to the City Manager Kimberly Henry stated this is the sixth presentation of items from the 1970 Time Capsule. Ms. Henry said the items presented this meeting are documents showing ways in which the City and County engaged the public in advance to purchase “shares” to help fund the Centennial event as well as prepare wardrobe and grow facial hair to be engaged within the event. Ms. Henry informed the Council these items are located in her office at the Rockport Service Center if anyone is interested in viewing them.

6. Citizens to be heard.

At this time, written comments received by 4:00 p.m. on the day of the meeting, on any subject matter that is not on the agenda, will be read by the Mayor and entered in the minutes of the meeting. Persons wishing to address the Council and who have registered using the Citizen Participation Form will have up to three minutes to speak. In accordance with the Open Meetings Act, Council may not discuss or take action on any item that has not been posted on the agenda. While civil public criticism is not prohibited, disorderly conduct or disturbance of the peace as prohibited by law shall be cause for the chair to terminate the offender’s time to speak.

Mayor Rios stated two Citizen Participation Forms and one email had been received. Mayor Rios read the following:

- 1) Dave Foster, 36 Curlew Drive:

Mayor Rios and Council Members,

We’re talking a total tax increase of \$3 a year folks. Please read on. In the Minutes of the July 23rd Council meeting, financial advisor to the City Bob Henderson explained: “over the past several years, the City has been able to pay down outstanding debt, resulting in an decrease in the Interest & Sinking (I&S) tax rate and this decrease in tax rate expected in Fiscal Year 2020-2021 provides an opportunity to issue approximately \$20 million in Certificates of Obligation Bonds (COs) in the late summer of 2020 with minimal impact on the City’s I&S tax rate.” Mr. Henderson went on to present that “Fiscal Year 2019-2020

tax rate is approximately \$.1720 and the proposed CO issuance will increase the tax rate approximately \$0.012 to approximately \$0.185, substantially lower than in the previous fiscal year.” Neighbors, let’s put this in context. For a residence with a tax-roll value of \$250,000, that is a \$3.07 annual increase in taxes per year. Three dollars. Let that sink in. Isn’t it worth \$3 a year to help our city build a new City Hall to take us into the future? Isn’t it worth \$3 a year to have a great facility for our youth to house events and keep them safe? Isn’t it worth \$3 a year to support our police with needed equipment? Isn’t it worth \$3 a year to help secure the right of way for utilities to build the new Key Allegro bridge for the safety of our residents? Isn’t it worth \$3 a year to have better storm drainage and street repairs?

Let’s let our elected officials do their job. They’ve done it responsibly in our best interest for years. Derailing this bond issuance will hurt our city and our residents.

I strongly support the City of Rockport in its efforts to responsibly raise needed funds through the bond issuance process.

Thank you,
Dave Foster

2) George Riekers, 802 E. Market St.:

Dear Mayor & Council Members, South Rockport Neighbors Board of Directors met and voted unanimously to have zoning in south Rockport remain the same as is. Only several years ago we worked with Mayor Todd Pearson to have it changed from hotel/motel to residential. Since then the growth in residential homes has been amazing. There is no definition for "Mixed Use" zoning (sounds like) anything goes. We don't want a can recycle business opening next to or across the street from us or a game room either. Please leave our zoning alone. If a Tea-room or Bed & Breakfast or anything else wants to open, let them apply for a special use permit. We are happy with our currant zoning.

Thank you,
Jim Godfrey, President; Sharon Smith, Vice President; Beth Simth, Secretary; George Riekers, Treasurer; Reba Kindel, Director, Maureen Winkelman, Director, Pitma Meza, Director; Raymond Appel, Director

3) Kathy Snyder, 7 Pelican Drive:

I support our City Officials and the bond which will enable Rockport to build a much needed Courthouse and City Hall, as well as allow the City to move forward with The Key Allegro Bridge, an area of tremendous concern for public safety.

Please have this note read into the City Council meeting records on Tuesday. Thank you so much.

Kathy Snyder
7 Pelican Dr.
Rockport Tx. 78382

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.

- 7. Deliberate and act on approval of Regular Meeting Minutes of August 11, 2020, and Special Meeting Minutes of August 18, 2020.**
- 8. Deliberate and act on 3rd quarter report from the Rockport Cultural Arts District for Fiscal Year 2019-2020 marketing expenditures.**
- 9. Deliberate and act on 3rd quarter report from the Mission Aransas National Estuarine Research Reserve & The University of Texas Marine Science Institute for Fiscal Year 2019-2020 Bay Education marketing expenditures.**
- 10. Deliberate and act on a Resolution authorizing professional service provider selection for Community Development Block Grant-Mitigation programs through the Texas General Land Office; and finding and declaring that the meeting at which this Resolution is adopted was open to the public, that the public notice of time, place, and the subject matter of the public business to be considered was posted as required by law, including this Resolution.**
- 11. Deliberate and act on acceptance of Certification of Petition for petition received by the City Secretary on August 18, 2020, determined to be sufficient.**

Mayor Rios called for requests to remove any item from the Consent Agenda for separate discussion.

MOTION: Mayor Pro-Tem Villa moved to approve the Consent Agenda, as presented. Council Member Hattman seconded the motion. Motion carried unanimously.

Public Hearing

- 12. Conduct a Public Hearing on the extension of a Moratorium on the submission, acceptance, processing, and approval necessary for the creation of development plats, construction or facilities related to recreational vehicle parks for land within the City of Rockport.**

At 6:58 p.m., Mayor Rios opened the Public Hearing.

There were no public comments.

At 7:00 p.m., Mayor Rios closed the Public Hearing.

Regular Agenda

- 13. Deliberate and act on first reading of an Ordinance extending a Moratorium for 120 days on the submission, acceptance, processing, and approval necessary for the creation of development plats, construction or facilities related to recreational vehicle (RV) parks or manufactured housing parks for land within the City of Rockport, providing a savings clause; providing a severability clause; finding and determining that the meetings at which the Ordinance was passed were open to the public as required by law; and providing an effective date.**

Mayor Rios stated this Ordinance is an extension of the current moratorium.

Public Works Director Mike Donoho stated staff anticipates this will be the last extension to the Moratorium because staff will be bringing the Comprehensive Plan to Council for adoption.

Council Member Cunningham stated with respect to the Comprehensive Plan, a big component is giving the public plenty of time to review the Plan and he did not see anything in the Plan about recreational vehicle parks.

Mr. Donoho said there is a section in the Plan on recreational vehicles and it is not exclusively tied to the Future Land Use map.

MOTION: Mayor Pro-Tem Villa moved to approve the first reading of an Ordinance extending a Moratorium for 120 days on the submission, acceptance, processing, and approval necessary for the creation of development plats, construction or facilities related to recreational vehicle (RV) parks or manufactured housing parks for land within the City of Rockport, providing a savings clause; providing a severability clause; finding and determining that the meetings at which the Ordinance was passed were open to the public as required by law; and providing an effective date. Council Member Saski seconded the motion. Motion carried unanimously.

- 14. Deliberate and act on an Ordinance of the City Council of the City of Rockport, Texas, extending a Declaration of Local Disaster (Hurricane Hanna) for the period of August 25 – September 22, 2020; establishing rules and regulations for the duration of the disaster;**

restricting certain activities; and establishing penalties for violations.

Mayor Rios explained this is the extension of the Declaration of Local Disaster (Hurricane Hanna) for the period of August 25 – September 22, 2020. Mayor Rios said this is the second extension, to ensure the City stays in compliance and is eligible to receive FEMA monies for disaster related expenses.

MOTION: Council Member Cunningham moved to adopt an Ordinance of the City Council of the City of Rockport, Texas, extending a Declaration of Local Disaster (Hurricane Hanna) for the period of August 25 – September 22, 2020; establishing rules and regulations for the duration of the disaster; restricting certain activities; and establishing penalties for violations. Council Member Saski seconded the motion. Motion carried unanimously.

15. Deliberate and act on a Resolution authorizing the City Manager to prepare, post, and publish for auction the 0.55 acre of land embracing fractional Lots 21 and 22, Block 28, Denver Heights, City of Rockport, Aransas County, Texas, according to the plat recorded in Volume 1, Page 9, Plat Records of Aransas County, Texas; also known as 1628 Omohundro Street.

City Manager Kevin Carruth said the City had been approached, by the adjoining property owner, requesting purchase of the property known as 1628 Omohundro Street. Mr. Carruth stated the extension of Enterprise Boulevard left 0.055 acre of the original four lots was not used for the extension. Mr. Carruth explained in order for the City to sell, we have to put up for auction.

MOTION: Mayor Pro-Tem Villa moved to adopt a Resolution authorizing the City Manager to prepare, post, and publish for auction the property located at 1628 Omohundro St., described as 0.055 acres of land embracing fractional Lots 21 and 22, Block 28, Denver Heights, City of Rockport, Aransas County, Texas according to the plat recorded in Volume 1, Page 9, Plat Records of Aransas County Texas. Council Member Saski seconded the motion. Motion carried unanimously.

16. Deliberate and act on selection of Region 11 candidate for Texas Municipal League Health Benefits Pool Board of Directors.

Mayor Rios said the City has received a ballot from the Texas Municipal League Health Benefits Pool requesting the City submit a signed certified ballot for the 2020 Board of Trustees for our region's designated position.

City Manager Carruth informed the Council that Mr. Blake Petrash had been appointed to fill a vacancy on the TML Health Benefits Pool.

Mayor Rios stated Mr. Petrash has been active in TML and has a medical background that may be helpful.

Council Member Cunningham asked Mr. Carruth if everything had been working well on this Board; is it broke, does it need fixing?

Mr. Carruth answered he would be fine with Mr. Petrash continuing to serve.

MOTION: Mayor Pro-Tem Villa moved the City cast its ballot for Blake Petrash, Mayor Pro-Tem, City of Ganado, for the 2020 Board of Trustees for our region's designated position. Council Member Cunningham seconded the motion. Motion carried unanimously.

17. Deliberate and act on selection of Board of Trustee candidates Places 1-4 for Texas Municipal League Intergovernmental Risk Pool.

Mayor Rios said the City has received a ballot from the Texas Municipal League Intergovernmental Risk Pool requesting the City submit a signed certified ballot for the 2020 Board of Trustees election for places 1-4. Mayor Rios stated the following were candidates:

Place 1	-	Robert T. Herrera
Place 2	-	Chris Armacost and John Fullen
Place 3	-	George Hyde, Roy E. Maynor and Jeffrey Snyder
Place 4	-	Robert S. Hauck, Dave Martin, Kimberly Meismer and Sean Overeynder

Mayor Rios commented this Board also runs well and he has no issue with returning the incumbents.

Council Member Saski stated he agreed.

Mayor Pro-Tem Villa stated he also agreed. Mayor Pro-Tem Villa said it is hard to make a choice when you do not know the people personally and all you have to base a decision on is the write-up included with the ballot.

Council Member Hattman stated she agreed with Mayor Pro-Tem Villa.

Council Member Cunningham commented Mr. Hyde is an attorney, for which he has a soft spot, and understanding the liability is about protecting the City from lawsuits. Council Member Cunningham said the incumbents have only been serving one or two years and if it isn't broke don't fix it.

MOTION: Mayor Rios moved the City cast its ballot for Robert T. Herrera for Place 1, John Fullen for Place 2, Jeffrey Snyder, for Place 3, and Robert Hauck for Place 4 for the Board of Trustees for the Texas Municipal League Intergovernmental Risk Pool. Mayor Pro-Tem Villa seconded the motion. Motion carried unanimously.

18. Deliberate and act on proposal by Aransas County to transfer Fulton Beach Road Hazard Mitigation Project to the City of Rockport.

Mayor Rios said this project originated in the Long-Team Recovery Team and is part of the 2015 Shoreline Resiliency Initiative. Mayor Rios stated the project had been out for comments for

months and months and some residents looked at it and were not happy with how it was going to look (barriers in the water). Mayor Rios explained the County has already spent quite a bit of money on this project, and they have sent a letter to other entities offering them the opportunity to assume the portion of the project within their respective jurisdictions. Mayor Rios said he talked to John Strothman with the County, and the Texas Department of Emergency Management is willing to shelve the project until funding is available. Mayor Rios stated the County is looking for an answer by September 14, 2020 and there is no way the City could mobilize that quickly.

Public Works Director Mike Donoho said staff has looked at this and does not believe they have time with all the other projects going on. Mr. Donoho stated this is the third anniversary of Hurricane Harvey and our community received so much and went through the process to receive grants and such and it is a shame we are at this point and our roadblock is our own citizens. Mr. Donoho expressed his concern is that we are giving our community a bad name and handicapping ourselves for the future; this could prevent us from getting future grants. Mr. Donoho commented he never thought our roadblock would be our own citizens.

Mayor Rios commented we are seeing that in other things as well. Mayor Rios stated opposition is coming from people who have never spent any time and the hours and hours of numerous meetings.

Council Member Cunningham said the City has no property owners who raised the problem in the portion within the City. Council Member Cunningham stated with the County handing to us and asking us to respond within 30 days, we don't have time to break out our portion of the project and work with the Navigation District and there are no matching funds to put in the budget or certificates of obligation. Council Member Cunningham expressed the best option is to shelve the project that is sorely needed, and this is very disappointing. Council Member Cunningham added the reason the project engineering was planned this certain way was to lower the velocity of the wakes – putting up a seawall won't do that.

Mayor Pro-Tem Villa said the Council should not have waited until the eleventh hour. Mayor Pro-Tem Villa expressed this does not look good for Aransas County, period.

MOTION: Mayor Pro-Tem Villa moved to recommend to Aransas County that the Texas Division of Emergency Management shelve the project until funding is available. Council Member Saski seconded the motion. Motion carried unanimously.

19. Deliberate and act on request for assistance by Aransas County for in-kind assistance for their Aransas County Workforce Development and Entrepreneur Center proposal to the Economic Development Administration Public Works and Economic Adjustment Program.

Mayor Rios said he had received a Citizen Participation Form from Jeffery Hutt requesting he address this Agenda item. Mr. Hutt stated he lives out in Lamar, 1306 Eight Street and he was present at the County meeting where they first started to and got this passed again for the second time, or third time and he brought up the fact that within the memo that was given to Council it says that ACISD already has signed a MOU with Del Mar. Mr. Hutt said a MOU, as you guys

know is different than a resolution of support, so we're talking about something that is very much kind of a solid concrete wheel. Mr. Hutt expressed he was worried about our community is buying a pig in a poke; this is the second time this grant has come back to us - the first time it was supposed to go out with "x" amount of dollars, and no matching funds, and now it has come back as a lower bid and the reason it has come back is because as Ms. Foutz explains the grant applications process is more competitive than they thought. Mr. Hutt declares we are talking about grants here, so look at it this way, Aransas County has two grants they are seeking from the EDA; a marina grant, and this workforce training grant. Mr. Hutt stated in Austin and Washington, Aransas County and Rockport has a bad name because we've all gone around saying "woe be is me" after Hurricane Harvey to get us grant money. Mr. Hutt said anybody who has talked with any of our government leaders will agree with this. Mr. Hutt stated Michael Cloud jokes about it when he comes to campaign stops here, it's an obvious fact. Mr. Hutt said the Council is faced with deciding do they want a marina grant that has been the focus for a lot of years, or do they want the workforce training program. Mr. Hutt asked what will be done about the Bass property. Mr. Hutt said they now are going to have to go out for a JET grant which is a workforce training grant to make it work, so it's a grant upon a grant and if that happens the Navigation District does not get its grant, and they are going to have to look at making money different ways; they will be forced to look at turning Rockport Harbor into a commercial harbor which he personally thinks is a great idea. Mr. Hutt declared the Council has one choice, and they cannot have it both ways.

Mayor Rios recognized Jatin Bhakta who asked to address this Agenda item.

Jatin Bhakta, 224 Reserve Lane in Lamar, addressed the Council. Mr. Bhakta said he is the Chair for the Economic Development Corporation (EDC). Mr. Bhakta said the EDC was chartered and a committee was formed to pursue this grant and in doing this the airport property was originally looked at for a workforce training center; 20,000 square feet rough estimate. Mr. Bhakta expressed that some of the information has been twisted a little; that was a brand new building that was going to be developed from the ground up. Mr. Bhakta stated when they talked to the EDA it was their understanding there would be no required match because of COVID-19. Mr. Bhakta said the application at that point was for almost six million dollars and since then a lot of things have changed. Mr. Bhakta informed the Council they looked at other options, other property, but when the County's plan for a micro hospital at the Little Bay Primary property changed, they had an opportunity to look at that existing property which would not take that much funds to develop it, so their focus was moved to that. Mr. Bhakta said that entailed asking for a lesser amount of funding from EDA and found out this month that matching funds were required and we also dropped our budget. Mr. Bhakta stated they are coming to Council to let them know the application is for \$2.5 million with \$500,000 match; we fund raised in one week and that shows you the amount of support in the community. Mr. Bhakta added this takes a building off of the vacant building list in Rockport and he thinks this is a great opportunity to redevelop this site. Mr. Bhakta stated the County approved it yesterday and the EDA is asking the City to do an in-kind donation with its services to help get this grant. Mr. Bhakta explained the in-kind will magnify the amount they can request.

Mayor Rios recognized John Jackson who asked to address this item.

John Jackson, 312 Olympic, addressed the Council. Mr. Jackson said Mr. Bhakta explained this very well and the thing to remember about the City's \$15,000 match translates to about 80% leverage – about a \$75,000 boost to the budget. Mr. Jackson stated this has all been driving by the EDA not knowing how competitive this will be and everytime they talked to them the numbers got tougher. Mr. Jackson explained in the end it forced them to look at one of the two buildings in Little Bay and in close collaboration with Del Mar, they are happy with the fact that we got that one building and we can always expand for more. Mr. Jackson said everybody is in sync with this; the County has \$20,000 - \$25,000 in it; Aransas County Independent School District is proposing \$17,000 – we have a temporary commitment from them and will be formalized on Thursday night; and Del Mar has put in another \$45,000. Mr. Jackson expressed \$87,000 of governmental entities has already put monies and they would like the City of Rockport to be part of it. Mr. Jackson explained it does not have to be cash and can be in-kind services and it does not become payable until 2021 over a two-year period and could have very minimal impact on a budget.

Mayor Rios said the \$15,000 does not have to be cash but can be in-kind labor. Mayor Rios asked Mr. Donoho about the building.

Public Works Director Mike Donoho said he has walked the building with the Fire Marshall and the Building Official and they are both satisfied the building is in good shape and will require minimal remodeling.

Council Member Hattman stated this is a very important project and will be cost efficient for Rockport children to get to college, help them get better paying jobs; easier way to get to college. Council Member Hattman added there is a retirement community in Rockport that like to take classes. Council Member Hattman said her one concern is that we were told it would not cost any extra and now there is extra cost, will this change in the future or is this pretty much it.

Mr. Bhakta stated they don't foresee anything from what Del Mar has said. Mr. Bhakta said they were looking at a 20,000 square foot building and now it is a 16,000 square foot building and the second building they have they will grow into. Mr. Bhakta explained by us using the north building they have plenty of time to ramp up the other space. Mr. Bhakta said the other thing Del Mar has added are their construction programs that require outdoor space and there will be plenty of room for that.

Mayor Rios asked if they are contemplating bringing their self-contained mobile training units.

Mr. Jackson said he was at a meeting yesterday where this was discussed and that is part of the plan as well. Mr. Jackson stated there are no additional cost to the City that he knows of and even the County will be covered well because Del Mar covers the operational cost.

Council Member Cunningham stated he wanted to put aside the merits of the project because he does not think anyone argues that it would be a nice thing to have. Council Member Cunningham said the question is: "Whose responsibility is it and why should the City participate in this and how much?" Council Member Cunningham reminded everyone that we were told the City is running super lean, anorexic; not adding any new personnel in our budget despite our Public Works Department being so overworked that Parks & Leisure Services department is doing work for them

maintaining space that would otherwise be Public Works responsibility. Council Member Cunningham stated his understanding is that \$15,000 is essentially one-third of a full year salary of a person employed by the City to do this kind of work; your talking about four months' worth of someone's labor or group devoted to this project that is not being devoted to a City project because we are already understaffed. Council Member Cunningham expressed the EDC is making these plans and it is a County project; they are receiving the grant; the County is owning the building and the land; the County is going to be responsible for the major maintenance of the building; it is going to come off the tax roles so the City will not have any revenue, nor will the County; every citizen of the City of Rockport is already paying taxes to the County which is going to pay for the County doing all that, and on top of that the County is devoting \$20,000 in-kind towards the parking lot. Council Member Cunningham stated he is a little bit distressed as is Ward 3 Council Member. Council Member Cunningham stated Mr. Bhakta is exactly accurate that the announced plan, or proto-plan because it keeps changing, will need expansion because there is only one building instead of the two, they were planning, to do outdoor education, and carpentry and welding was specifically mentioned. Council Member Cunningham said that would require a Conditional Use Permit which would require that whatever kind of operation happens there is conducive to its surroundings which is a residential neighborhood. Council Member Cunningham said your talking about expansion being planned for power tools and carpentry and welding on a street where the other side is a strip of homes. Council Member Cunningham said this is not a Local Government Corporation (LGC) project that was brought through the Alliance that we are a member of, which is our conduit for economic development as a City. Council Member Cunningham said they have known about this since July 6th and it was a completely different project, and nobody has talked about matching funds and he cannot see our way to devoting four months of a personnel salary load to this project, especially since the Rockport taxpayers are already contributing to it. Council Member Cunningham stated what the school district does is their own business, and this is an educational program to the extent the school district takes two-thirds of tax money anyway decides this is a good program for them and maybe makes some sense; I don't see it as our charge to do it. Council Member Cunningham added we have supported this program as well as the marina program, and he is not talking about withdrawing that support, it is just we are in the position to offer in-kind services and our taxpayers are already supporting it. Council Member Cunningham said he was hoping Council would address this issue after the next Agenda item which is going to talk about the budget situation, but he would remind everybody that our budget situation will be extremely weak if we are having to pull funds out of this year's budget and next year's budget and who knows how many year's budgets, in order to pay for things that were on the Certificates of Obligation that were extremely critical and have to be done but we don't have the funds, and add on top of that four months of salary load to contribute to the program seems out of line for our City taxpayers. Council Member Cunningham expressed that seemed out of line for our responsibility to the City taxpayers.

Mayor Pro-Tem Villa stated he understands what Council Member Cunningham is saying but Aransas County entities need to act as one body sometimes to all come to the same conclusion in what we are trying to do, and I think this project is something that has to include all entities to make it happen. Mayor Pro-Tem Villa said he understands it is an in-kind donation using our City personnel, but it would help the children and adults. Mayor Pro-Tem Villa expressed it is a great thing and it should happen.

Council Member Saski said this is a County project, but it benefits the entire community and we will all reap the rewards and see dividends for the years to come. Council Member Saski stated when the fundraising was done it was evident there was great community support; we need to let the barriers down.

Council Member Hattman stated this is about benefit versus what we are going to pay. Council Member Hattman said in the long-run it will pay back taxpayers ten-fold, and the future benefits to our City and our youth. Council Member Hattman said this is a great project and we have to work together. Council Member Hattman said her only concern was if the City would be asked to keep adding support in the future, but she does support this request.

MOTION: Mayor Pro-Tem Villa moved to authorize the City Manager to designate up to \$15,000 worth of in-kind contributions consisting of a combination of painting, demolition, sheetrock, and permit fee waivers. Council Member Hattman seconded the motion. Motion carried 4:1.

FOR MOTION: Mayor Pro-Tem Villa, Council Member Hattman, Council Member Saski and Mayor Rios.

AGAINST MOTION: Council Member Cunningham.

20. Deliberate on FY 2020-2021 Budget.

City Manager Kevin Carruth said this is not an action item, but on the Agenda to initiate a discussion. Mr. Carruth stated the successful petition accepted earlier at this meeting has disrupted the recently proposed Fiscal Year 2020-2021 budget. Mr. Carruth explained there were items on the Certificates of Obligation list that were necessary, like the Key Allegro Bridge easements. Mr. Carruth said Council and staff need a dialogue to confirm or discuss any changes to taxes, fees, expenditures, and budget priorities; there is time left on the budget calendar to make some changes. Mr. Carruth added Council's decision will be driven by the discussion held in Executive Session and he did not think a lot of discussion was needed now.

Mayor Rios stated the petition does put the City's budget in a precarious situation. Mayor Rios expressed the City was looking for some very needed project money for City Hall and Key Allegro Bridge, drainage Downtown, Police items – appears to be defunded now, and the youth facility. Mayor Rios said while Council is looking at this, we need to come up with another approach.

Mayor Pro-Tem Villa asked if Council will need to conduct another budget workshop.

Mr. Carruth answered: "possibly." Mr. Carruth stated he provided the Certified *Ad Valorem* Tax Rate Comparison table in the Agenda packet to provide some guidance and remember where we were at the budget session. Mr. Carruth reminded Council the City can go up to the De Minimis amount of \$500,000 without requiring an automatic election. Mr. Carruth explained the different columns show the different rates and impacts. Mr. Carruth said it was discussed during the budget workshop if we look at "cuts" the most capital items were in the Certificates of Obligation and the only place to make up any kind of significant expenditures is in personnel whether that is eliminating people or making big changes in personnel line items. Mr. Carruth added if you look at departments, the Police Department and the Parks Department are the only two big departments. Mr. Carruth expressed there is no one around here clamoring for fewer police.

Mayor Rios said he did not know if it was intended or unintended consequence of the petition, and he is not sure how much of the background information the organizers took into consideration before starting the petition. Mayor Rios informed the Council that he and Mr. Carruth did offer to sit and talk to them to talk about how it would impact the budget and show them what we were looking at. Mayor Rios stated he does respect the public's right to petition but he wishes they would have come to us and looked at the business side, not the emotion side. Mayor Rios went back to the analogy Mr. Donoho gave earlier in the meeting; we have been pushing this rock up hill for three years working with our State and Federal partners, meetings after meeting – open to the public, no one came to attend these meetings, and then when we get to the summit and ready to push that rock over and we are ready to start, we find people pushing against us, our citizens, but not all of them, only five percent. Mayor Rios commented he is not sure what their motivation was.

Council Member Hattman stated she wants to have all the facts and then decide what we need to do.

Council Member Cunningham stated he appreciates what the table says; if he goes across it, the total revenue and the column that shows the De Minimis rate of \$500,000 generates 7.5% more revenue and that is more than increasing the tax rate by 9%. Council Member Cunningham said that only gets us \$500,000 and the budget was based on the need for \$480,000 and the De Minimis rate would only get us \$20,000 more. Council Member Cunningham expressed the right-of-way alone is a single item in the Certificates of Obligation list and it is a \$650,000 item; so that item is already \$150,000 over the most we would be able to get if we took the De Minimis rate. Council Member Cunningham said if we were to go forward with the bridge project, we would have to forgo all the \$480,000 projects and come up with \$150,000 out of reserve fund or personnel cuts. Council Member added if we draw down the reserves that has an affect on the City's bond rating and since we live in a hurricane zone we are already behind the eight ball with underwriters on bonds who look at cities like ours and ask how they can be guaranteed the security of their investment; they can look at a City like Rockport and they have built up a reserve capable of sustaining after a hurricane. Council Member Cunningham stated if the City no longer has that reserve because we use it to pay for right-of-ways our bond rating will be lowered, and our borrowing rate will increase.

Mr. Carruth said with the last bond rating for this issue, the rating was affirmed, and it did not go down, however Standard & Poor's did make note that we have been drawing down on reserves and that was cause for concern, so we cannot continue to do that without their being an impact on our rating. Mr. Carruth stated that could lead to a lower rating, higher interest rate, and more costs for our citizens. Mr. Carruth said it was discussed that one quarter difference in interest rate, on this particular issue for 20 years, translates to \$450,000 more costs for the taxpayers.

Council Member Cunningham said the earliest the Certificate of Obligation would come up for a vote would be May 2021 and we would have drawn down our reserves by then and we would be facing higher bond interest rates and lowered security rating and the taxpayers would be paying that over the next 20 years. Council Member Cunningham expressed that does not include whatever may happen in the November election which could also affect the interest rate and has

nothing to do with the City.

Mayor Rios declared if we were to have another storm come through, we could become Indianola from a financial standpoint.

Council Member Cunningham said he wanted to walk through the consequences if we do not fund the right-of-way for Key Allegro. Council Member Cunningham stated his understanding is if the City does not fund the rights-of-way, we can't close on them and we cannot go forward with our contractor to remove the utilities that are currently on the bridge, bore underneath the channel and bring them up into Key Allegro. Council Member Cunningham declared until we have finished that contracting work TxDOT will not start the project; currently TxDOT has put out the project twice because of delays we have had and now it is currently set for January 2021 – obviously that will not happen if we don't pay the rights-of-way. Council Member Cunningham said TxDOT stood up to take this project under some political pressure for us in our blight from the hurricane; it's not a State highway, they don't have to do it and it's not part of their normal charge. Council Member Cunningham said because they build bridges all the time, they can build it for about \$2.5 million, but if the City has to do it, we're not bridge builders, and we don't have economy of scale and we don't have contractors we work with everyday that does that, it would cost us close to \$4 million.

Mayor Rios stated the original FEMA estimate was \$4 million for a temporary bridge and total temporary project about \$16 million which the City could not afford the match for that. Mayor Rios said we worked with friends in Austin and we were able to get the attention of some key people in Austin who sat down and got TxDOT to agree to take this project. Mayor Rios said this was a high-level decision. Mayor Rios said TxDOT has been good to work with; they put divers in the water about a month ago.

Council Member Cunningham expressed TxDOT builds highways and bridges all over and we would have to be on a list for the next opportunity. Council Member Cunningham said we are currently on that list, but we would lose that opportunity. Council Member Cunningham stated TxDOT could say we have not lived up to our part of the bargain, sorry they are not interested anymore; there is nothing that requires them to keep this on their list.

Mayor Rios expressed this petition has also jeopardized a \$285,000 Department of Agriculture grant that we also used political capital on. Mayor Rios said after being told “no” three or four times we were finally able to get to a commissioner who recognized our plight, had some money and committed the money to us. Mayor Rios explained because of a delay in their department that project has to be complete in one year and we have already passed that deadline and have asked for an extension and we were told last Friday, once we realized the impact of the petition, they probably were not going to be able to help us; they are not saying “no” but “don't count on us.”

Public Works Director Mike Donoho stated we stand to jeopardize our relationships for the future; we literally have TxDOT in a bind statewide – they can only let so many projects within each region of TxDOT. Mr. Donoho said this project has been in the queue for two years and each time there is a letting on contracts they are calling us and asking us where we are at with the utility relocation project and asking whether or not they have to take it out of the queue for funding and

we have had to do that numerous times. Mr. Donoho expressed they could put it down and walk away; he does not believe they would do that, but we are holding up TxDOT statewide with our inability to move forward. Mr. Donoho declared all the favors we called in Austin, we expended a lot of political clout with Texas Department of Emergency Management and the Governor's office to rebuild this bridge in our small community. Mr. Donoho stated he does believe we would be helped again if we reject what was given to us, plus if we do not do this now, it is going to cost our community much, much more in the future if we don't move forward; we need to move forward and utilize all the opportunities we have.

Mr. Carruth emphasized it is not the potential to lose the money, it is the loss in the political capital. Mr. Carruth said those that were not here at that time when we finally got TxDOT to accept this bridge project, there were 42 people in this room that eventually came around the table that included the Executive Director of TxDOT, the Chancellor and Vice Chancellor of A&M system, our State Senator, our State Representative. Mr. Carruth declared that did not happen because they just happened to be in the neighborhood; they were here because we pulled strings for them to be here and that's happened not only for that project but also for City Hall, the Courthouse Downtown Anchor project. Mr. Carruth expressed that comes at a cost, not dollars but in political capital; if we squander that, people remember that.

Mayor Pro-Tem Villa stated Council Member Cunningham was at the petition site, but did he tell the organizers the potential consequences of what could happen.

Council Member Cunningham answered that he did, and they agreed to let people know and to include some of the consequences to the people signing the petition. Council Member Cunningham said his experience was not many people wanted to talk the big particulars; they were there because they wanted to vote.

Council Member Cunningham said he wanted to take a few more minutes to talk about what the bridge means; it's the one-way access to Key Allegro. Council Member Cunningham stated Key Allegro has 800 homes and provides 25% of *ad valorem* tax revenue that runs the City. Council Member Cunningham said Hurricane Harvey undermined pilings and the new bridge is intended to make that stronger if we have another storm. Council Member Cunningham expressed if we have another storm as big as Harvey and the current bridge goes down then there is no access to Key Allegro and the property values go down which means revenue for City services decreases. Council Member Cunningham added there are a lot of second homes in Key Allegro that does not require a lot of services and they are even taxed more because they are not homesteads. Council Member Cunningham said Key Allegro is a critical part of the City, it is a critical piece of infrastructure and he does not see what ever other decisions the Council makes budget wise or revenue wise he does not see any other way but to find a way to move forward so it gets built by TxDOT.

Mayor Rios said he was going to look at the numbers on who was holding the City up on this. Mayor Rios stated the following: The City has 6265 active voters in the City, so in order for the Petition to be valid there had to be 313 verified signatures. They turned in the Petition with 489 signatures and he has heard comments where they claimed to have gotten the required number of signatures on Day 1, and in going through the Petition they only had 383 signatures verified. On

Day 1 they had 18 signatures, Day 2 – 26 signatures, Day 3 – 242 verified signatures, Day 4 – 142 signatures and Day 5 – 2 signatures. The petitioners Roland Rios, Andrew Kane, April Clark – not a registered voter in the City, Anna Marie Monroe – not a registered voter in the City, Jeff W. Hutt – not a registered voter in the City, Keith W. Allen, Candace Sargent, Kathleen E. Jackson, Sheryl Matlock and Wayne Severson. These community organizers went out without having the facts or presenting the facts to the people they asked to sign the petition. I had several friends and business leaders in this community sign this petition and I asked them if they realized what was on the petition and they said they wanted a chance to vote on the County Courthouse. I told them it was for the City Hall and I asked if that was explained to them, some said yes, and some said no. I started asking them if they realized this is now defunding the Police in Rockport, Texas, and it's also defunding a youth facility, defunding a drainage project Downtown. I got a call from some Downtown merchants that are furious that this project that would help get the water off South Austin Street has been stopped by 5% of the people, actually a little more 5.8%. That's what we're dealing with. We offered to meet with the Petition organizer, and he said he wasn't interested in meeting with us and he sent me correspondence saying he was happy with what the City was doing and told me once he finished the project for the County he did not have a problem with the City. I told him to be careful, there was a fringe element out there that could try to highjack this. He said oh no, he liked what we were doing. Then on Wednesday before the Council Meeting on Tuesday, I got an email and given an ultimatum that we had to accept this petition or put it on the ballot and that deadline was Monday. I was being pressured to call an emergency meeting on Monday and jump through all the hoops so they could get their petition in by 4:00 p.m. and it would be eligible to put on the ballot in November. We didn't have time, actually if we would have called a meeting, we could have called it early and voted to pass the Certificates of Obligation, but I felt that would have been wrong – we're required to play by the rules. Our Charter has a provision for petitions, that how much we recognize the citizens right to vote, but that calls for a petition committee of 10 registered voters to meet with the City Secretary and she has to take a look at the petition and the language to make sure it is legal and sufficient and provide numbers of required signatures and give them a deadline when the petition has to be returned to allow for verification. None of that happened. They presented us a petition on Tuesday morning before our meeting. Our City Secretary took all day long to work on the verification of signatures and by the meeting at night had not finished the complete verification. In Executive Session she said the petition contained enough verified signatures, but the complete verification was not completed until the next day. What is holding up the progress of the City of Rockport is a small group of our own citizens. I've gotten calls, in the last couple of days from people that signed the petition apologizing because they did not know what was in there, they weren't told, maybe it's their fault, I don't know; they weren't aware of what they were signing. One of them said he signed it because he wanted to get rid of the individual, he was scared.

Council Member Saski stated it was sad that nobody was around when the budget was being worked on and all of this was being discussed. Council Member Saski commented it was sad to see this happen.

Mr. Carruth said we have discussed the City Hall project since 2018, 25 times.

21. Deliberate and act on a Resolution authorizing certain actions including proceedings in eminent domain to acquire fee simple title and temporary construction easement to

certain property in connection with the Key Allegro Bridge Project, authorizing the City Manager to execute all necessary documents to institute eminent domain proceedings, and directing the City Attorney to initiate condemnation proceedings.

City Manager Kevin Carruth said this is also listed for discussion under Executive Session so Council may want to consider this item after Executive Session.

NOTE: Council took action after Executive Session.

22. Hear and deliberate on status of COVID-19 and response efforts.

Mayor Rios said the COVID-19 case numbers have dropped; today there were no new cases reported and the recovery numbers moved upward. Mayor Rios stated he hopes that trend continues but there is another holiday coming up and we will see what happens to the numbers when we have a lot of visitors in town.

Mayor Pro-Tem Villa stated it is great to see the numbers going down, but reminded everyone not to get complacent; especially when Labor Day is coming up.

Council Member Saski agreed with Mayor Pro-Tem Villa. Council Member Saski said we cannot take this for granted especially with Winter coming.

23. Reports from Council.

At this time, the City Council will report/update on all committee assignments, which may include the following: Aransas County Alliance Local Government Corporation; Aransas Pathways Steering Committee; Building and Standards Commission; Coastal Bend Bays and Estuaries Program; Coastal Bend Council of Government; Park & Leisure Services Advisory Board; Planning & Zoning Commission; Rockport-Fulton Chamber of Commerce; Aransas County Storm Water Management Advisory Committee; Rockport Cultural Arts District, 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.

Council Member Cunningham stated the Commissioners' Court authorized Judge Mills to sign the contract with the Texas Commission on Environmental Quality to go forward with Bay Shores Drive revetment project. Council Member Cunningham gave Chief Stevens kudos for meeting with a group of his constituents that were concerned about an abandoned house. Council Member Cunningham said Chief Stevens brought the Code Enforcement Officer and Commander Sinclair to the house and they are working on the problem.

Council Member Hattman stated last week for online classes for three weeks and it looks like a lot of children will be going back; seems to be about 50/50 of whose will be attending in person and who will be doing online classes. Council Member Hattman said she has received some comments

about the Comprehensive Plan, so if anyone else in her Ward has some comments please let her know because she would love to hear your input.

Mayor Rios said he and Mayor Pro-Tem Villa were very busy last week and the weekend with National Weather Service hurricane calls regarding Hurricanes Marco and Laura. Mayor Rios stated it looks like we are out of the area. Mayor Rios added an abbreviated formation of the Emergency Operation Center where various stakeholders in the community were on that call evaluating information received from the National Weather Service; it was handled very well.

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:

- 24. Section 551.071(2) Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter – Legal matters related to available options for funding Hurricane Harvey damaged property and infrastructure.**

- 17. Section 551.072 Deliberation Regarding Real Property - To deliberate the purchase, exchange, lease, or value of real property: Right of way and easement acquisitions necessary for the Key Allegro Bridge project.**

At 8:36 p.m., Mayor Rios 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 551.071(2) Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this Chapter – Legal matters related to available options for funding Hurricane Harvey damaged property and infrastructure; and Section 551.072 Deliberation Regarding Real Property - To deliberate the purchase, exchange, lease, or value of real property: Right of way and easement acquisitions necessary for the Key Allegro Bridge project.

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 9:51 p.m., Mayor Rios 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.

Mayor Rios stated the Council was going to consider Agenda Item 21.

Public Works Director Mike Donoho stated staff recommends Council move forward with the eminent domain proceedings.

MOTION: Mayor Pro-Tem Villa moved to adopt the Resolution and that the City of Rockport City Council authorize the use of power of eminent domain to acquire the following properties: **Parcel No. 1:** Being approximately a 0.1071 acre tract (4,667 sq/ft) of land, out of Block "C" of the Harbor Oaks Subdivision, Unit 1, located in the City of Rockport, Aransas County, Texas. **Parcel No.1-A Temporary Construction Easement:** Being approximately 0.5976 acre (26,031 sq/ft) of land, out of Block "C" of the Harbor Oaks Subdivision, Unit 1, located in the City of Rockport, Aransas County, Texas; as more fully described in Exhibits "A" and "B" of Resolution for the rehabilitation, construction and improvement of the Key Allegro Bridge (a/k/a Carl C. Krueger Memorial Bridge) for the public purpose of maintaining a safe ingress and egress to Key Allegro Island and for public use by the City of Rockport, residents of Key Allegro Island, and surrounding communities. Council Member Cunningham seconded the motion. Motion carried unanimously.

26. TABLED – August 18, 2020: Deliberate and act on an Ordinance authorizing the issuance, sale and delivery of "City of Rockport, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2020"; securing the payment thereof by authorizing the levy of an annual *ad valorem* tax and a pledge of certain surplus revenues of the City's waterworks and sanitary sewer system; and approving and authorizing the execution of a paying agent/registrars agreement, a purchase contract, an official statement and all other instruments and procedures related thereto.

MOTION: Council Member Cunningham moved to remove this item from the table. Mayor Pro-Tem Villa seconded the motion. Motion carried unanimously.

Mayor Rios stated this item is considered mute because the City accepted the petition filed with the City Secretary. Mayor Rios said that finishes this item.

27. Adjournment.

At 9:54 p.m., Council Member Villa moved to adjourn. Motion was seconded by Council Member Sasaki. Motion carried unanimously.



ATTEST:


Teresa Valdez, City Secretary

APPROVED:


Patrick R. Rios, Mayor