

CITY OF ROCKPORT

MINUTES

CITY COUNCIL SPECIAL MEETING 6:30 p.m., Monday, August 31, 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 31st day of August 2020, the City Council of the City of Rockport, Aransas County, Texas, convened in Special Session at 6:33 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
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
Parks and Leisure Services Director Rick Martinez

ELECTED OFFICIALS PRESENT

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Special Meeting of the Rockport City Council was called to order by Mayor Rios at 6:33 p.m. on Monday, August 31, 2020, via video conferencing application ZOOM.

Special Agenda

2. **Deliberate and act on an Ordinance authorizing the issuance, sale and delivery of up to \$14,720,000 in aggregate principal amount of “City of Rockport, Texas Tax Notes, Series 2020”; securing the payment thereof by authorizing the levy of an annual *ad valorem* tax; and approving and authorizing the execution of a paying agent/registrar agreement, a purchase contract, an official statement and all other instruments and procedures related thereto.**

Mayor Rios stated Citizen Participation Forms and an email had been received and he will read them in the order they were received:

- 1) Bonni Randall, did not give address:

Mayor Rios,

As a county resident, I do not have a vote in the city matters. As a school board member, I am concerned about the effect the city council will have on bringing families into our community. Driving up property values and taxes can have a double-whammy effect on the school district. Student population drives what is received in federal funding and what is sent back to the state in recapture. Property values climbing without an increase in student population could be very detrimental to the district budget. Please allow the residents to vote on the new city hall project. If only 5% of the city is against this, passing it should not be a problem. It would be a show of good faith, and it would allow the city residents to take some ownership in what happens in Rockport.

Sincerely,
Bonni Randall

- 2) Hartley Carpenter, 519 N. Hood Street – Mayor Rios noted this was outside the City and the Agenda Item she asked to address was “ County courthouse funding” and that is not on the City’s Agenda tonight:

Using a loophole to do as one wishes is contrary to the democracy process, the taxpayers are stuck w this bill for a courthouse that is not needed at this time, the water plant the city council forced on us is a total flop and a waste of money that is still struggling to come on line to be enjoyed by the tax payer who again was stuck w this

financial disaster, there are many other infrastructure that needs addressed before this underbidded overpriced building is placed before basic infrastructure needs, lighting around town (ie) market St where 5 people have been struck and killed, roads that need attention and skip the old it's the county's responsibility lights that are still dangling 3.5 years after harvey, empty lots that can be used for housing the poor, drug programs/treatment, programs for vets returning home, mental health, and not that crap you shoe horned into a closet at the probation office and next door. I implore you to realize we citizens the taxpayers have a budget we have to live w/in and the city/county should be forced to do the same. Thank you for your time.

Mayor Rios said Andrew Kane wished to address the Council:

- 3) Andrew Kane, 2106 Lakeview Drive – I am not going to repeat what I feel others are going to talk about concerning the desire for citizens to vote. I feel you are in error in your assumption that this is just a handful of people who feel this way. Yes, this may be some disaster last emergency legal angle to get this done, I just didn't think you would try it. If you go with this today, the fallout may be huge. The citizens will distrust City Council, those sitting here today and in the future. The County's project is up on the ballot in November. The City needs the County's project to move forward or there will be no Downtown Anchor project. The City Hall has no parking lot without a Courthouse because the property is on the County side. I feel voting yes tonight would put the nail in the Downtown Anchor project's coffin. Trust the citizens and let us vote. The biggest problem I have with all of this is the grossly false and misleading information that the City is putting out about the cost of this loan. The City's website says this will cost \$2.94 more on a \$231,000 property, but it might be technically true to ignore what it really cost and not just the increase this year. (Mr. Kane then gave his example of how he believes the City is showing the cost). The reality is it is going to cost the \$231,000 property \$4,200 for the life of the loan, that is a fact. Today's version will cost \$2,500 for the life of the loan. Math does not lie or misrepresent. The tax rate has risen 29% in the last 11 years and values have skyrocketed. What is the cost of this loan per average \$231,000 property? My math says \$2,500. If you can't answer this before you vote, you have no business voting on this until you can answer that question.

4) Mark Hagen, 604 Silverado Street:

I request my City Councilperson Barbara Gurtner to amend this agenda to \$3 million to address our immediate needs and allow the citizens to vote on the City Hall. I am very disappointed my city government is attempting to circumvent the citizens petition to bring this issue to a vote. I realize it is a legal action by the city, however we, the citizens have expressed our desires and I expect my elected officials to carry out the will of the people, EVEN IF, they are not your personal desires.

5) Candace Sargent, 214 Portia:

I request my City Councilperson to amend this agenda to \$3 million to address our immediate needs and allow the citizens to vote on the City Hall. It is a disservice to do a run around the constituents you claim to represent! If you continue on this path to by pass the voters it will be remembered and we will do what we need to do!

A petition was done to bring this to the voters and the absolute arrogance of your actions truly show the disdain you have for the citizens of Rockport.

6) Joel Dean, 1501 Dana Drive:

I request my City Councilman to amend this agenda to \$3 million to address our immediate needs and allow the citizens to vote on the City Hall.

7) Angela Hagen, 604 Silverado Street:

Request to be read by the Mayor.

I request my City Councilperson to amend this agenda to \$3 million to address our immediate needs and allow the citizens to vote on the City Hall. I am very disappointed my city government is attempting to elude the citizens petition to bring this issue to a vote. I realize it is a legal action by the city, however we, the citizens have expressed our desires and I expect my elected officials to carry out the will of the people, EVEN IF, they are not your personal choices

Angela Hagen

8) Kathy Kane, 109 Boardwalk Ave. - Mayor Rios noted this is outside the City:

I have had the privilege of sitting in your seats when I served as a town councilman in the Dallas area. I understand how hard your job

is and recognize it is a thankless job. You will never make everyone happy. Your best hope is to do the right things for the right reasons so you have a clear conscience after your actions. Utilizing a Tax Note to circumvent the CO Bond petition process is not the right thing to do. The Tax Note is a conduit for emergency funds. It should never be used for major expenditures that are not emergencies. A new City Hall is not an emergency. Please consider making a motion for a Tax Note of \$2.95M to fund the Key Allegro and Drainage projects. The remaining items on the CO should be decided by Rockport citizens in the May election. This is the right thing to do.

Katherine L. Kane

9) Kristie Rutledge, 1411 Dana Drive (NOTE-submitted 2 forms):

Mayor Rios and City Council members, My name is Kristie Rutledge. I am a resident in Ward 3. I come to you in opposition to the Agenda item #2 as currently written. I urge my city councilman to amend the agenda item to \$3 million to address our immediate needs and allow citizens to vote for the new City Hall. Many of us are currently facing very uncertain economic circumstances. The first week of March, Aransas County residents filed just 7 claims for unemployment. The week of April 4th, 230 jobless claims were filed and the August 15th jobless report nearly doubled from the previous week. More than 25% of Rockport residents are living in poverty. Some of us are widows, some are elderly with fixed incomes, and many are single parents. The average household income of 25-44 olds is just \$43,000. We have faced serious economic crisis with hurricane Harvey followed by Covid-19. In order to survive, we have had to reassess and make hard choices, putting aside our wants to address our immediate needs. Many of us have been forced to close our businesses due to Covid-19. A new City Hall is important, but it's not an emergency, and it's not an immediate need. Now is not the time to put long term development plans ahead of the current needs of the residents of Rockport. Pushing through "tax notes" under the false pretense of an emergency for a new luxury City Hall during these uncertain economic times is cruel and an abuse of power. If the council denies Rockport residents an opportunity to vote, you will undermine our rights as citizens and cause tremendous dissension in our community. The council must adjust to the current economic crisis, as each of us has had to do, and you must respect our voice and our rights as taxpayers. Stay true to the residents of Rockport and live up to the theme of our beautiful community, the Charm of the Texas Coast. Please amend the agenda item to \$3 million to address our immediate needs and let us to vote.

10) Judith Johnson, 11 Estates Dr. – Mayor Rios noted this is outside the City:

I object to manipulation by the City Council not to honor the petition that I signed objecting to using money for a three story high Courthouse that is too expensive and will never draw the public to Rockport. From what I have read, there seems to be a lot of people want to spend the money for their own wishes. I think an audit should be done, so the public can see where their money goes? Thank you.

11) Corrine Deans, 1501 Dana Dr.:

Mayor Rios, please read this at the council meeting. My husband and I request for our councilman Bob Cunningham, on item 2, amend the agenda to \$3million to take care of our immediate needs, and put the new courthouse costs up for the citizens of our community to vote. Thank you.

12) Kimberly Cate, 202 Highlands St.:

MR. MAYOR

Honor the petition put forth concerning calling for a vote on the bond for the new City Hall.

13) Margaret Hord, 2203 Lakeview Drive:

I request that my Ward 3 City Council member, Bob Cunningham, make a motion to amend the Special Meeting Agenda item #2 at the August 31, 2020, meeting to \$3,000,000, to address Emergency items ONLY and allow the citizens to vote on the City Hall construction project. I believe, as he does that "...we must preserve our small-town features without overly ambitious or out-of-scale new development projects." I expect our representatives to spend our tax dollars efficiently and prudently. The current plan for the City Hall is overly ambitious and out of-scale for Rockport. The Texas Tax notes are a slap in the voters face; as they don't allow the voting public who will pay for this project a voice in this large construction project. I am hopeful that you and all the council members will listen to the citizens and grant us our right to vote.

14) Martin Diaz De Leon, 527 S. Fuqua:

I would like for the Council to allow this agenda item to be placed on the Upcoming Election as the citizens who signed the petition asked.

15) Anna Robertson, 215 Portia Ave.

Good Evening to Zoom Participants & City Council: My neighborhood has been very active to oppose the fact that Voters have not been heard on the matter before you today. After reviewing your plans and expenses for all, I personally would like to express my opposition to such an amount to be spent on unnecessary items (pork fat) attached thereto. My First concern is that our County Courthouse should always be a stand alone entity & separate from any conjoined buildings. You should carefully consider the fact of fire, bombs threats, covid19, suicides, & protesters. Yes, all of that has happened in the past in other places, & the courthouse has always shut down for these terrible tragic events. If the Courthouse's that these things have happened at, had been contiguous to other buildings, then the entire City/County would shut down. The area would be surrounded and other public business could not be conducted. There are back up historical records off premises in case of Fire/flood, etc., but in the event of a catastrophic event at City Hall, or the new facilities to be housed together, I believe the City/County will do a disservice to the people of Aransas County & those of us in the City Limits. My 2nd concern is the fact that you are able to remove surplus monies for this & not complete sewer in outlying areas which have been annexed for over 5 yrs. The excessive amounts for Trucks, & purchase of land, (eminent domain) as those \$\$ should come from Ad valorem taxes & short term loans. No boats, let the TPW & Coast Guard do their job without our help. No Park or Pool amenities should be in this Note, as that should come from Hotel tax money & benefactors. We have surplus monies for these things, since you seem to be able to move money from other Depts. for the Current Project. If Linden street is for indigent & poor, then why was Pearl Point & Salt Flats created. Please rethink this with common sense & as though this money came from you, not a deep imaginary well.

16) Sean Janosky, 216 Oak Street:

I am not a FORMAL resident of Rockport. My address is Rockport. In my mind I live in Rockport. My formal taxes will not be affected by this. But that does not mean that I do not have a voice. My voice says the people of Rockport deserve a say in how their money is

spent. Whether it be for a county courthouse or for a City Hall. We deserve a voice. We deserve a say. Yes we elect our officials to speak for us. But when they choose to speak against our will or they choose to only voice the minorities thoughts, the people of Rockport have a right to tell those people in power NO. NO more. Please respect the fact that many many many of the people in our town are either out of work or sustaining themselves on such a low quality of existence has to be poverty. We do not need any more taxes then are absolutely necessary. Necessary being the opportune word. Thank you.

17) Kathleen Jackson, 2205 Monkey Road:

I request my City Councilperson to amend this agenda to \$3 million to address our immediate needs and allow the citizens to vote on the City Hall. As per the Comprehensive Annual Financial Report Year Ended September 30, 2019 and Independent Auditor's Report dated 23 March 2020, the City's Total Bonded Debt is \$29.13M as of 30 September 2019 (page 11). Servicing this debt required 45.1% of ad valorem taxes for appraisal year 2018 (0.203765 of the 0.451963 assessed) (page viii). For the 26 years I was in the Navy, I was always careful with expenditure of funds because I knew it was not my money, it was the People's money. I feel the same way here. Increasing the debt by \$14.72M for two needed projects and one where the drawings and initial building price quote are not available is not a responsible use of the People's money. I completely understand the need to obtain funds to perform needed replacements and upgrades. I completely understand that municipal bonds in their various forms are a necessary part of municipal governments. These instruments are needed to have the funds available for the many capital expenditures and improvements needed across the City. I do not understand how the City Hall, as currently proposed, is an emergency three years after the fact. Drainage for Concho I can understand for flood mitigations. I definitely understand the easement property acquisition for Key Allegro, this is a severe safety concern. Just because the People did not speak up for past CO's and we are now, the City needed to find another way to fund the City Hall which the fabulous Rockport 5 percenters petitioned to have registered voters vote for or against.

18) Kenneth Hammond, 120 Marion Drive:

I request that you allow the petition that was signed by the citizens of Rockport to stop the implementation for the bond of obligation so that we, the citizens of Rockport can vote on how our tax money is being spent. Thank you for your kind consideration.

Respectfully,
Kenneth Hammond, US N (ret.)

19) Sheryl Matlock, 204 S. Live Oak St.:

I am here to request this council amend this agenda to \$3mm to address our immediate needs and allow the citizens vote on the City Hall project. The City is already in debt \$29.13MM as of 9/30/19 and now you want more debt on top of debt which equates to higher taxes in a very uncertain economy w/people & businesses still struggling. I certainly think voters deserve a say, especially since it's directly tied to the Court House project. It is disappointing & appalling that this body of 5 would circumvent the lawful petition of the people you are supposed to represent. No one has said we don't need a new City Hall. What we have said is we want our officials to live within their means, be fiscally conservative, responsible and accountable. I further request that you remove any funding (\$600K) for the Scout hut, deceptively named 'youth gathering center' which will be leased, maintained & utilities paid for by the Scouts, a private entity that serves only a handful of youth.(from Carruth) We simply can't afford this right now. I have concerns about the Downtown Plan as it seeks to rezone 2nd homes as 'multi use' Many residents worked hard to get all this zoned residential. This is truly unfair to people who own these properties as they do not get a say. I ask that you reconsider this plan & hold a public forum.

20) Keith Allen, 129 South Verne Street:

As a Mayoral candidate for the City of Rockport, I obviously have a desire and want to be a leader in my community or I would not be on the November Ballot for Mayor of Rockport. As all of you currently on the council well know, being leaders in your ward comes with one key job and that job is to listen to the citizens around you when they have something important to say. It may feel like because City Council hosted about 26 meetings on a subject that it was sufficient to say the people didn't show interest. I would argue that the council members themselves may have failed to be publicly present in their respective wards to ensure as many citizens as possible got informed face to face. You are but 5 individuals so respectfully it can be hard to achieve such a task but it is not impossible if you put in the needed efforts to wake up the community. I have seen what is being called the five percent, standup and help you wake up the community to bring more citizen participation to the topics at hand. The safety needs of the residents of Key Allegro have been present for years now and this council

could have resolved that issue independently by now. Using those citizens as a crutch to gain millions of funds to build a new building would be shameful. As a citizen I want to see my fellow citizens safety become the priority and with that being said I wish to ask JD Villa to motion that an isolated value between 3 and 4 million dollars be set for contracting TxDot to replace the bridge and for purchasing the needed easements at fair market values. I also ask that the two council members that represent me (JD Villa and Mayor Rios) vote NO to item 2 of this special agenda because it appears to circumvent the people's want to vote on such funding for a City Hall building. Going around voters to fund a new city hall 3 years later, calling it an emergency need and failing to take action on Key Allegro emergency needs for a bridge years ago, is disheartening.

21) Robin Wright, 1510 Bluebird Lane:

I wish to express extreme displeasure that the city council has decided to not let the citizens of Rockport vote on the proposed tax note ordinance. A legal, valid petition from the voter should be honored. I strongly urge you to vote to allow the citizens to vote on this ordinance.

Sincerely,
Robin Wright
Bluebird Ln.

22) Tom Meinhausen, 1702 FM 3036 Apt. 6205:

The boat is about to sink!!! Our Mayor and Council need to be looking at cuts not new expenditures. There will absolutely be a major tax shortfall once the dust settles from the worst tourist season in our recorded history. It's time for our city leaders to take responsible actions and rein in their spending and projects. While our local economy spirals downward, tourism is pushed away, annual events canceled, our city leaders are getting ready to increase our tax liabilities. The opposite should be happening. The chamber canceling the Hummerbird Festival and Seafair will reduce tourism spending in the millions. With shutting down the beach this summer, again millions of dollars in lost revenue. The cancellation of all the venues at the Beach Pavilions and Paws and Taws is another loss of millions of tourism dollars. The 5 months Rockport Market Days has been shut down, an additional 1 million dollars in tourism has evaporated. When will they except the realization a shortfall in tax revenue is eminent and when are they going to start to prepare for it. While most of the Mayor and Counsel's personal incomes have not suffered, most taxpayers from the tourist industries have

suffered financially. Which in turn means less revenue for the city. While the Mayor and Council grant a tax abatement to developers, they want to increase our taxes. While they look to gift Key Allegro residents with a new bridge, they want to raise our taxes. The most irresponsible action of all is their denial of the facts surrounding them. Their going to build without having a guarantee of even having a parking lot. Even if the County offered the land they have designated for parking who's going to foot the bill to "put up a parking lot". The other one is the City Manager's "Pet Project", a Boy Scout Building. So much of this is irresponsible spending at a time we should be looking at ways to trim the budget. Put the anchor in the water and stop this ship for necessary repairs

23) Georgette Harrison, 212 Portia Ave.

I have no problem with supporting an emergency like the Key Allegro bridge easement and drainage. We are VERY OPPSED to any council member going around the will of the people to be able to vote on the City Hall and the massive debt at this time! I am very happy where the City Council currently meets and see NO EMERGENCY to by passing the voters to approve! This is wrong on so many levels! The petition was done as allowed by law to put this to a vote by the citizens you claim to represent!
LET THE PEOPLE VOTE!

24) David Woods, 466 Augusta Dr.:

MAYOR RIGGS, I REQUEST YOU READ THE FULL TEXT OF MY BELOW STATEMENT INTO THE OFFICIAL RECORD. _____

Attention,
Council of the City of Rockport, Texas

On the 17th day of August, 2020 a Petition of Protest Against the Issuance of Certificates of Obligation was presented to the City of Rockport Texas containing the required number of signatures by registered voters within the boundaries of the City (Tex. Govt Code 271). On the 20th day of August, 2020, the City of Rockport placed on their agenda their intent to Discuss and Act on the Issuance of Tax Anticipation Notes by utilizing an emergency clause in Tex Govt Code 1431.015, in order to fund projects cited in the City's failed attempt to issue the Certificates of Obligation. Due to the recent actions of the City of Rockport, Texas it is my belief that:

1. Based on the chain of events, the City of Rockport is utilizing Tax Anticipation Notes in an attempt to circumvent the will of the citizens within its boundaries.
2. The decision to approve the Tax Anticipation Notes, after a verified petition to bring this debt to the voters during an election, is an attempt to suppress the voters of the City of Rockport and an intentional effort to intervene in the democratic process granted to them by means of Texas Govt Code 271.
3. The City of Rockport has opted to utilize the emergency clause cited in Texas Govt Code 1431.015 because the Certificate of Obligation was defeated by a petition of the people, and the General Bond Election, which would be scheduled May 2021, may not pass by a majority vote of the qualified voters.

I also have concerns regarding the information which will be provided by the city in the required transcript to the Texas Attorney General (Texas Administrative Code 53.3-Municipal Securities). I believe a failure to notify the Texas Attorney General of the successful petition efforts of the voters would provide an unfair advantage to the City of Rockport, and further damage my trust in the city's government to conduct themselves in an honest and transparent manner.

In closing, I would like to clarify: I hereby contest the issuance of Tax Anticipation Notes for the funding of projects identified in the ordinance scheduled for deliberation during the August 31, 2020 Special Hearing of the Council of the City of Rockport, TX. I demand the funding of these projects be placed on the ballot of the next general election and decided by the qualified voters of the City of Rockport, TX.

I instruct the Mayor and my City Councilperson to vote NO on Agenda Item 2, the Ordinance authorizing the issuance of Tax Anticipation Notes of up to \$14,720,000, "City of Rockport, Texas Tax Notes, Series 2020"

Please add to the above statement:

Rockport is not Chicago, Seattle, LA or Washington yet our local leaders act like the Pelosi or Schumer of the world. They should start acting like Rockport citizens or look for another job.

25) Rolando Rios, 402 E. Almito:

Mayor, As taxpayers and citizens of Rockport. In this instance, it was our right to petition our government as defined by the our State Constitution and the Rockport City Charter. We the people have spoken, and some of the same people who have supported you. As per the City's Comprehensive Annual Report year ending September 30, 2019 and the Independent Auditor's Report dated 23 March 2020, the city's total bond debt is \$29.13M as of September 30, 2019 found on page 11. Can our city afford to take on anymore debt? This is just one concern that petitioners had and it is why they felt this should be taken to the voters. I've worked 22 years in government service and know that projects will require additional funding once it starts. I agree there is a need of a new city hall, however, I also believe in fiscal responsibility. If the recent Chamber's cancellation of Seafair isn't an example of what is going on in our community then what is? This loss of revenue alone is tremendous. And many are feeling the same way in their household after hurricane Harvey and the COVID pandemic. Can you let the community know the average total cost per home will be over the life of this tax note? (For example, on a household of \$250,000) This move that the city is planning on taking will cancel the voice of the people. Therefore, I ask that you and my councilman JD Villa - vote NO on agenda item 2, the Ordinance authorizing the Issuance of Tax Anticipation Notes of up to \$14,720,000, "City of Rockport, Texas Tax Notes, Series 2020".

Sincerely, Rolando Rios Senior Chief USN (Retired)

Mayor Rios said Jeff Hutt wished to address the Council:

26) Jeffrey W. Hutt, 1306 Eight Street, Lamar:

The reason I am speaking tonight is because at the last meeting there was a lot done to discredit the individuals who signed this petition, who got the signatures. The erroneous statement was made that the organizers, whoever those people are, were misinforming the citizens who signed the petition. This is even carried on after Mr. Cunningham who joined the signatures, actually said that did not happen, that he could see and people were actually told what was happening. I fell bad because you say only 5% of the citizens of Rockport signed this but that is 5% done in three days. Can you imagine what that would have been if it would have been stretched out over the entire 45 days and it would have been accompanied by block walking, community meetings and things like that; that number would have been in the thousands. So please don't go

around demeaning the number, the 5%. You keep on saying that only 387 people signed it. Mayor, I must remind you that is about 100 more people than voted for you at any election in your career of the City. I would like to say I got about 25-30 signatures and tell you some of the type of people who signed it, the 5% ya'll portrayed as a basketful of deplorables: 11 of these are lifelong residents of Rockport, 3 of these were combat veterans, a minister's wife signed it, a Knight of Columbus signed it, 4 board members of the City's largest neighborhood civics group signed it, one of the founders of the largest non-profit cultural organizations in the City signed it, the CEO of one of the State's largest medical hospital chains signed it, 4 current or formally elected officials signed it, and also 10 small business owners signed it. Do not be fooled into thinking this is a small sector of your community; these are the A-listers of your community.

Mayor Rios stated three more Citizen Participation Forms came in after the 4:00 p.m. deadline, but to be fair he will read them as well:

27) Michael Weenig, 140 Shadow Moss Lane:

The mayor to read. I request my city council person to amend this agenda to \$3 million to address our immediate needs and allow the citizens to vote on the city hall project.

28) Charles Lobstein, 140 Shadow Moss Lane:

The Mayor to read. I request my city council person to amend this agenda to \$3 million to address out immediate needs and allow the citizens to vote on the city hall project. I signed the petition to allow citizens to vote. This is a democracy not a dictatorship.

Respectfully
Charles Lobstein
140 Shadow Moss Ln
Rockport, TX 78382

29) Amanda Lobstein, 140 Shadow Moss Lane:

I request my city Council person to amend this agenda to \$3 million to address our immediate needs and allow the citizens to vote on the city hall project. How dare you not think about the people who scrap by on a daily basis to make ends met, when all you think about is yourself. This is selfish to raise our taxes for this building. Think about the people, not yourself for once.

Mayor Rios stated 30 forms had been submitted and 23 of those live in the City and pay taxes in Rockport.

City Manager Kevin Carruth said the City received a valid petition requesting the issuance of Certificates of Obligation be placed on a ballot; unfortunately, it was received too late to be placed on the November ballot so ultimately it would have to be placed on the May 2021 ballot. Mr. Carruth stated because of the damages caused by Hurricane Harvey we have a couple of urgent projects that cannot wait until May; those being the Key Allegro Bridge – need to get the easements procured so the rest of the project can move forward, and the City Hall project which includes the storm-water drainage project for Concho Street.

Mayor Rios explained we cannot do one (City Hall) without the other (storm-water drainage project). Mayor Rios stated after the Council accepted the petition, they were faced with a dilemma, all the funding we have already committed to – architect and engineering, certain grants we have already collected; several one hundred thousand dollars could be lost; we have contractual obligations. Mayor Rios said the City went to the Attorney General for advice and notified them of the petition; we wanted to make sure the petition was done correctly – there are certain things in our Charter regarding petitions and there was a question as to whether the petition submitted had been done correctly. Mayor stated he believed the Attorney General was the one that suggested the tax notes.

Bob Henderson, City Financial Advisor, stated he believed the City's Bond Counsel Tom Spurgeon, as well as Jay Juarez, had spoken with the Attorney General's office and they communicated with them that a petition had been filed and they were exploring multiple options for dealing with it and during those conversations, the Attorney General's office expressed tax notes were a viable option.

Mayor Rios stated in exploring tax notes we went into the financial analysis again. Mayor Rios said we have an explanation of that because there has been a lot of questions, statements of "fuzzy math", and what is this really going to cost. Mayor Rios stated there is a pretty comprehensive explanation (below) of this that was just finished this afternoon and it will be on the website. Mayor Rios said there is a cover sheet explaining the legal terminology, M&O (maintenance & operation) rate and I&S (interest & sinking debt) rate, total tax levy and certified tax levy. Mayor Rios explained the Aransas County Tax Collector gives the City the certified numbers (which are not the final numbers but by statute the City must use these numbers) the City uses for budget purposes. Mayor Rios stated there are also over 65 and disabled exemptions. Mayor Rios stated the total tax levy amount is \$6,883,554 and we use 98% collection rate and the total tax revenue is projected to be \$6,745,893 and additional revenue is looked at that is specific to new construction. Mayor Rios said it shows the revenue allocation by funds; Maintenance & Operation Fund and Interest & Sinking Debt Service Fund. Mayor Rios explained all the different items are looked at in developing the budget. Mayor

Rios said you take the difference of taxes paid last year and what is calculated for this year and the impact on average residential \$231,205 property would be \$2.95 and the impact on the median residential \$170,860 property would be \$2.20.

Explanation of Tax Rate Calculation

The FY 2020-2021 Budget General Fund projects \$10,690,806 in revenue and the Debt Service Fund projects \$2,782,028 in revenue. Both funds are supported by property taxes, which is expected to generate \$6,745,883. The process for determining the tax rate is governed by the State of Texas and is difficult for most people to follow. The following description, glossary, and table explain the tax rate for FY 2020-2021.

Property taxes-also called ad valorem taxes-are locally assessed taxes. The Aransas County Appraisal District (ACAD) appraises all property in the county to determine their fair market value and is independent of the individual taxing entities. The State of Texas audits ACAD's appraisals every two years and, if the State determines that ACAD's appraisals are out of compliance (i.e. greater than +/-5% off of fair market value) for three consecutive audits, the State withholds funding for the Aransas County Independent School District. The local taxing units set their tax rates and collect property taxes based on those values. The tax rate is comprised of two components - the maintenance and operations rate and the interest and sinking rate. The methodology to calculate the rate is dictated by the State of Texas. The City decides how much money it will spend by adopting a budget and then sets a tax rate that will raise the revenue necessary to fund that budget. The City's tax rate and the taxable value assessed by ACAD determines the total amount of taxes that a person will pay.

The table on the following page summarizes the tax rate calculation and explains each step. The table also shows the impact of the rate on residential properties. The Glossary of Terms below defines some of the terms and abbreviations used in the tax rate calculation table.

Glossary of Terms

1. **M&O - Maintenance and Operations.** This is the part of the tax rate that supports the General Fund portion of the budget and includes personnel, supplies, utilities, and other day-to-day expenses. The annual increase in the M&O rate is generally capped at 3.5 percent; however, the limit is increased to 8.0 percent in tax years following a declared disaster. Instead of the 3.5 percent cap, Rockport's size makes it eligible to use the de minimis rate, which allows the City to increase revenue up to \$500,000 more from the year before.
2. **I&S - Interest and Sinking.** The I&S rate pays for the interest and principal on bonds and other debt secured by property tax revenues. The rate equals whatever revenue needed to make the debt payments for that budget year. The rate includes the debt service for the proposed anticipation notes.
3. **NNR - No-New-Revenue.** The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year, based on a tax rate that would produce the same amount of taxes if applied to the same properties taxed in both years. This is similar to what was known as the "effective tax rate" in prior years. The NNR rate is the reference point from which the M&O cap is generated.
4. **Collection Ratio - The Aransas County Tax Assessor-Collector certifies each year what the collection rate is for the year. The revenue projection is adjusted by this amount. Historically the City has collected at least 99 percent of taxes owed but FY 2020-2021 economic conditions demand a more conservative rate.**
5. **Average Market Value - The average market value is the average market value of all homes and does not include any exemptions.**
6. **Average Taxable Value - The average taxable value is the total value of all homes less any exemptions.**
7. **Median Taxable Value - The median value is the value of the home in the middle of the list of all homes sorted by value. In other words, half the homes above this house are valued more and the half of the list below are valued less.**
8. **Difference in Tax from NNR Rate - The difference in dollars between the State determined benchmark No-New-Revenue rate and the proposed rate. This benchmark does not relate to what the taxpayer paid last year.**
9. **Difference from Tax Paid Last Yr. - The actual difference in dollars between the proposed rate and last year's dollars, i.e. the difference in what is actually coming out of the taxpayer's wallet.**

Explanation of FY 2020-2021 Tax Rate Calculation			
Percentage Increase	Proposed Tax Rate	Calculations	Explanation of Calculations
M & O Tax Rate	\$ 0.261808	= 0.261808	Proposed 2020 M&O Tax Rate
I & S Tax Rate	\$ 0.179643	= 0.179643	2020 I&S Tax Rate
Total Tax Rate	\$ 0.421311	= 0.261808 + 0.179643 = 0.421311	Total Proposed 2020 Tax Rate
Total Certified Taxable Value	\$ 1,468,761,167	= 1,468,761,167	2020 Certified Taxable Value provided by ACAD
Total Tax Levy			
Tax Levy	\$ 620,131.12	= 1,468,761,167 * 0.421311 / 100 = 620,131.12	Certified taxable value, \$1,468,761,167 multiplied by the total proposed tax rate 0.421311 divided by 100
Over 65 Fringe Taxes	\$ 898,223	= 898,223	Provided by ACAD with Certified Values
Disabled Person Taxes	\$ 14,019	= 14,019	Provided by ACAD with Certified Values
Total Tax Levy	\$ 6,882,554	= 6,882,554 + 898,223 + 14,019	2020 Total Tax Levy = Certified Taxable Taxable Levy + Over 65 Fringe Taxes + Disabled Person Taxes
2020 Collection Ratio			
Total Tax Levy	\$ 6,882,554	= 6,882,554 + 898,223 + 14,019	2020 Total Tax Levy
Collection Ratio	99%	99%	Percentage of collection based on historical collection trends and anticipated conditions
Total Tax Revenue	\$ 6,745,883	= 6,882,554 * 0.99 = 6,745,883	2020 Total Tax Revenue based on Proposed Tax Rate
Revenue Available by Fund			
M & O General Fund	\$ 4,488,104	= 6,745,883 - 2,278,779 = 4,488,104	Total 2020 Tax Revenue less certified 2020 debt service
I & S Debt Service Fund	\$ 2,278,779	= 2,278,779	Certified 2020 debt service less provided by Aransas County Tax Assessor/Collector
Total Tax Revenue	\$ 6,745,883	= 6,745,883 + 0.00 = 6,745,883	Total tax revenue 2020
Revenue Differences			
Additional Revenue	\$ 122,434	= 6,745,883 - 6,623,449	2020 No-New-Revenue Rate less revenue (20.7% of 2020) less proposed 2020 tax revenue (6,623,449)
% Increase in Revenue	3.2%	= (6,745,883 - 6,623,449) / 6,623,449 = 3.2%	% Proposed total tax revenue less No-New-Revenue less revenue/Proposed total tax revenue
Residential Taxpayer Impact Analysis			
Difference in Tax from 2020 Rate			
Residential Value			
Average Market - \$246,877	\$38.85	= (0.421311 * 246,877) / 100 - 0.261808 * 246,877 = 38.85	Proposed tax rate (0.421311) * Average Market Residential Value (\$246,877) / 100 less 2020 tax rate (0.261808) times paid on Average Market Value (\$246,877)
Average Taxable - \$231,205	\$37.47	= (0.421311 * 231,205) / 100 - 0.261808 * 231,205 = 37.47	Proposed tax rate (0.421311) * Average Taxable Residential Value (\$231,205) / 100 less 2020 tax rate (0.261808) times paid on Average Taxable (\$231,205)
Median Taxable - \$170,860	\$27.89	= (0.421311 * 170,860) / 100 - 0.261808 * 170,860 = 27.89	Proposed tax rate (0.421311) * Median Taxable Residential Value (\$170,860) / 100 less 2020 tax rate (0.261808) times paid on Median Taxable (\$170,860)
Difference from Tax Paid Last Yr			
Residential Value			
Average Market - \$246,877	\$2.85	= (0.421311 * 246,877) / 100 - 0.261808 * 246,877 = 2.85	Proposed tax rate (0.421311) * Average Market Residential Value (\$246,877) / 100 less 2020 tax rate (0.261808) times paid on Average Market Value (\$246,877)
Average Taxable - \$231,205	\$2.84	= (0.421311 * 231,205) / 100 - 0.261808 * 231,205 = 2.84	Proposed tax rate (0.421311) * Average Taxable Residential Value (\$231,205) / 100 less 2020 tax rate (0.261808) times paid on Average Taxable (\$231,205)
Median Taxable - \$170,860	\$2.10	= (0.421311 * 170,860) / 100 - 0.261808 * 170,860 = 2.10	Proposed tax rate (0.421311) * Median Taxable Residential Value (\$170,860) / 100 less 2020 tax rate (0.261808) times paid on Median Taxable (\$170,860)

Mayor Rios said when the City is looking at debt, we look at how much debt we have, and debt is structured many different ways.

Finance Director Katie Griffin explained the City has General Fund debt that is funding with *Ad Valorem* tax and has some debt that is funded with utility fees, water & wastewater and natural gas. Ms. Griffin said when you look at the City's total debt capacity you are looking at those other debts not just the portion funded with *Ad Valorem* taxes.

Mayor Rios said one of the commenters had mentioned hotel/motel taxes. Mayor Rios said there is a limit on what those specific taxes can be used for; cannot be used for general fund purposes and can only be used for things that bring heads in beds – there are nine categories that apply to use of these funds.

Mayor Rios stated when you look at these different tax rates, we can project revenue and the budget is built on that. Mayor Rios asked Mr. Henderson to speak on debt; there were comments made that the City cannot afford to take on more debt. Mayor Rios said the Council spent an extensive amount bit of time during budget workshop talking with Mr. Henderson about debt.

Mr. Henderson said he was asked to attend the City's Planning Session on February 4, 2020 to talk about the City's Capital Improvements and one thing we talked about was debt capacity. Mr. Henderson stated as he has explained to Council before debt capacity for any governmental entity is a function of multiple things: 1) what is your existing tax base, 2) what is the political appetite for tax rate; 3) how much growth you can expect in that tax base; and 4) what does your existing debt portfolio look like and how rapid are you paying off that debt. Mr. Henderson said several of the commenters mentioned a \$29 million outstanding debt as of 9-30-2019 but as Ms. Griffin pointed out, a very substantial portion of that is not paid from property taxes, they are paid with transfers from the utility system funds. Mr. Henderson explained the tax rate implications shown on the fact sheet only speaks to that portion based on the debt paid from property taxes. Mr. Henderson noted and Standard & Poor's (rating agency) noted as well in their renewal of the City's rate is that the City has a very excellent bond rating of A+ and it had been slightly stronger than that AA- prior to Hurricane Harvey and the long-term possible impact of COVID-19. Mr. Henderson said the rating agency noted the City's debt is short-lived; the vast majority (96%) pays off in 10 years and its even better than that because 80% of it pays off in the next 7 years. Mr. Henderson explained that is important to talk about tax notes because as a general rule tax notes have to mature within 7 years of the date of issuance; the reference people are making to Government Code 1431.015 is the ability to go out for 10 years if notes are issued in the event of an emergency. Mr. Henderson said that is important to Rockport because the majority of your debt is payable over the next 7 years and by going out 10 years, we are able to rear-end load this debt transaction and keep the tax rate impact at what we were predicting for a 20-year transaction anyway for the entire 10 years. Mr. Henderson added if the City has growth above the very modest 2% that we put in our models and if the City has no additional capital improvement needs, it is possible to project we will not have to refinance this and could pay these notes off within the auspices of the existing tax rate; but the reality is there will be capital needs that come up within the next 10 years. Mr. Henderson said the fact the Attorney General's office recognized these particular three items out of the original \$20,750,000 certificates of obligation originally contemplated as being eligible for this 10-year structure on the tax notes was very fortuitous for

the City.

Mayor Rios commented he was trying to assure everyone we are well prepared for this; we are not living beyond our means.

Mr. Henderson stated the City is not living beyond its means and said the fact sheet talks about an I&S tax rate of \$0.17964 and last year the debt tax rate was \$0.1727 so we are talking literally about a tax rate increase of only about 6/10^{ths} of one cent. Mr. Henderson added rating agencies noted very strong management practices, which is a combination of good leadership on the political side (City Council) and good leadership on management side (City Manager and Director of Finance). Mr. Henderson said like all of us in our personal budgets, we have to move money around and as several commenters noted “you have to tighten the belt” and it is clear the City did tighten the belt to take the burden off the taxpayers and the incremental tax impact to the average home is about \$.025 a month, \$2.84 a year. Mr. Henderson stated interest rates are one of the variables that make this affordable; the underwriters Raymond James when out and did preliminary marketing today, subject to Council approval tonight, and the rate is better than the rate for the Certificates of Obligation two weeks ago. Mr. Henderson said this is a very exciting time to get debt because of the low interest rate; it speaks to the City’s ability to afford this.

Council Member Cunningham said the question from the commenters was: “If you take this debt alone, this note, and you extrapolate that over the period of the loan, how much is the average person paying per year, per month, or whatever to finance their portion of that loan?” Council Member Cunningham asked what is the cost to the taxpayer for taking out a \$14 million debt?

Mr. Henderson said he can generally try to answer that, but prequalify it by saying the way he saw those calculations on the Facebook page does not accurately reflect the way debt is paid for in municipal government because every year when these new growth values come on and reappraisals come on that I&S tax rate is going to change; every year the average value of a home is going to move and every year the tax rate is going to move. Mr. Henderson said with that prequalification the I&S tax rate in the absence of this debt and all the other budget maneuvers the Council and staff are making will be about \$.068 this year and that would translate into about \$1,700. Mr. Henderson said we can also look at what the average tax rate might be over the course of 10 years, but that is a pretty sizeable guess and probably be in my estimation, and it is an estimation, about \$2,100 for this year’s average home value of \$231,205.

Council Member Cunningham said he was trying to figure out how Mr. Henderson reached \$1,700 per residence.

Mr. Henderson answered he didn’t have a calculator with him, but: “If you take the \$231,205 average taxable value and divide that by 100 and multiply that by 0.683 (debt service for this particular year) and then multiply that by 10.

Finance Director Katie Griffin stated it was important to point out that the I&S tax rate is calculated specific to what the payments are on an annual basis for both the interest and the principal. Ms. Griffin said depending on how different debt obligations are structured it could determine whether that amount is going to go up or down and that is why it is based on strictly this year.

Mr. Henderson said he calculated it and he comes up with \$157 for this year and for 10 years would be \$1,572, less than \$1,700. Mr. Henderson stated he wanted to be cautious and not mislead anyone; these numbers change every year.

Council Member Cunningham asked if the projects such as Pearl Point and the tax abatements that are being taken into consideration.

Mr. Henderson said he is not familiar with tax abatements, but he does know that despite the City's 13% growth this year, we have assumed 2% growth over the next five years and then we assume none; being very conservative.

Mayor Rios said taking Pearl Point as an example, once that project is complete it is estimated to be valued at \$40 million. Mayor Rios stated that property previously had agriculture exemption and I don't know the amount of tax they were paying but it could have been around \$1000 or \$400 a year, I don't know, it could not have been very much. Mayor Rios said of that \$1000 the City would have gotten 20% or \$200 in taxes. Mayor Rios explained when this project is all in in year one the City gets \$0; in year two figuring a \$.42 tax rate just for the City on \$400,100 it would generate \$168,042 in tax, but we only get 10% of that - \$16,800; in year three we would be getting \$33,600, and in year five we would get \$84,000 and by year ten we would be getting all \$168,000. Mayor Rios added you have to remember that is just the City, the County would also get about \$168,000 and the school district would get triple that and the Navigation District and Road and Bridge would get their percentages as well. Mayor Rios stated that is the one reason the State of Texas gave cities the 380 power, which he believes has been taken away from us now, to use an incentive to draw people to the area. Mayor Rios said the City used that as an enticement to get them to build here, they could have built in Aransas Pass and we would have lost that tax revenue.

Mr. Henderson reiterated to the general public that contrary to some of the comments made in the public, the City has not given away any taxes, they agreed to defer collection on substantial new taxes.

Council Member Cunningham said the more growth you have the more people you are spreading this debt over. Council Member Cunningham stated a number of the commenters were commenting that this was not an emergency for City Hall and therefore it was not appropriate to do this without a vote. Council Member Cunningham asked Bond Counsel Tom Spurgeon to speak to how the statute considers this an emergency or not.

City's Bond Counsel Tom Spurgeon addressed the Council. Mr. Spurgeon stated tax notes do not necessarily mean you finance things for emergency purposes. Mr. Spurgeon explained tax notes is a method permitted by legislature for cities to issue debt without the need for an election; they have a shorter maturity date. Mr. Spurgeon said a couple of commentators made reference to Section 1431.015 which deals with the ability to extend the final maturity from seven years to ten years if you were financing projects that were related to or damaged by some sort of natural disaster; in this case obviously Hurricane Harvey. Mr. Spurgeon stated the three projects identified for the tax notes are directly related to the hurricane.

Council Member Cunningham asked if that would apply to the Key Allegro Bridge but would not apply to Concho Street drainage project except that Concho Street is conjoined to the City Hall project.

Mr. Spurgeon said that was correct.

Bond Counsel Associate Jay Juarez said a provision of 1431.015 is applicable whenever the Governor has an outstanding executive order or proclamation declaring a state of disaster and that is the case we have here.

Council Member Cunningham said he wanted to emphasize, since Bond Counsel was present, the Attorney General's office is perfectly aware and was advised by us of the petition that was filed, and we could not go forward with the Certificates of Obligation without a vote and this alternative was proposed by the Attorney General's office.

Mr. Spurgeon said it was discussed with the Attorney General's office and they brought up the provision of 1431.015 relating to the extension. Mr. Spurgeon stated they are very well aware of the petition that had been filed a couple of weeks ago and they were aware we were considering the 1431.015 route and they agreed we had the legal ability to do so.

Council Member Cunningham asked if the Tax Notes are issued by the City they have to be reviewed and approved by the Attorney General before the underwriters would underwrite them.

Mr. Spurgeon answered it would have to be approved by the Attorney General before the Tax Notes would be delivered to the underwriters. Mr. Spurgeon said it will then be submitted to the Attorney General office, approximately three weeks.

Mr. Henderson added clarification by saying the underwriters have underwritten the debt, subject to City Council approval, so that if the Ordinance is approved this evening the interest rates will be locked in.

Council Member Cunningham said, as he understood it, the City does not have the option to knock off the City Hall project and go forward with a \$3 million note.

Mr. Henderson said the issue with reducing the transaction from \$14.720 million to \$3 million is that would require us to go back and revamp/adjust the securities offering documents, cancel tonight's sale, repost another agenda and come back. Mr. Henderson commented he would personally be concerned about investor fatigue; we had investors commit to the certificates of obligation two weeks ago; it is highly unusual to see a petition filed against a certificate of obligation. Mr. Henderson said it was very unusual for the underwriters to have to unwind that certificate of obligation transaction and if Council does not approve this tonight we are going to have to unwind the \$14.720 million transaction and come back at a later date and have these underwriters go back to basically the same group of investors and he can't predict what that might do to the marketing efforts of the transaction and he can't predict what the interest rates are going to do. Mr. Henderson added the City potentially may be getting into the area of reputational risks; reputational issues can translate into financial issues.

City Manager Kevin Carruth stated Raymond James was selected in part because they are in Corpus Christi, relatively speaking “hometown”. Mr. Carruth said they could say they don’t want to work with the City anymore.

Mr. Henderson said Raymond James has professional staff that went out and worked this transaction hard, two weeks ago, did not get paid a nickel for doing that because the transaction got unwound, they did the same thing for this transaction and got us an even better rate, and if Council does not approve, again they do not get paid and if we would come back and redo for \$3 million they may say they will not do it.

Mayor Rios said he wanted to remind Council we have a fiduciary responsibility to the taxpayers and citizens of Rockport; we are bound to come up with the best financial deals to protect this community and taxpayers. Mayor Rios stated he absolutely recognizes the petition and the validity of it, but there has been so much information, as you can see on the comments he read, people are inquiring and not 100% aware of what is going on. Mayor Rios commented he did not find fault with that, he just knows they haven’t spent the time that we and staff has on the budget review, accusing us of “fuzzy” math. Mayor Rios expressed that was okay, we need to remember the fiduciary responsibility to protect the financial standing of the City of Rockport. Mayor Rios said in respect to the petition, he believes Mr. Carruth may prepare something for the next May election; putting some of the things we had on the original certificates of obligation on a ballot so people can vote on it. Mayor Rios stated there were things on the original certificate of obligation that would be nice to have, things that are more quality of life items for the community – improvements to the park, improvements to the pool, more drainage projects that would benefit areas of the community. Mayor Rios said the only one he personally is concerned about is the potential to defund the Police Department; we have some things we really need – replace vehicles. Mayor Rios explained the plan was to structure the debt where it would retire in four to five years and expect those vehicles to last six to eight years; again, that was all looked at during the budget process. Mayor Rios said there had been criticism that we were going to finance a car for 25 years, that was never our intention; had people attended the workshop and budget workshop he thinks they would feel a lot more comfortable with what we do on a regular basis, it’s an interesting process to do public service. Mayor Rios explained when someone decides to run for public office, the typical path is they join a volunteer committee or two, work with the City, they get training and get familiar with what goes on and may show an interest in running for City Council. Mayor Rios said if they are elected there is more training involved; there is newly elected officials training which covers everything from financial obligation to shared legal responsibility; it’s a matter of public service. Mayor Rios stated he does not think people understand what we do on a regular basis and why we do it; it’s not for the paycheck.

Council Member Cunningham said what he really believes it comes down to is the Mayor is expressing for Council that the folks we heard comments from, whether they have all their facts or not, are commenting because they believe a \$12 million City Hall should be something they vote on and they had enough people sign the petition to tell us that is what they wanted to do. Council Member Cunningham stated it is a very difficult decision to say we are not going to put it to vote but instead we are going to do it because we are making decision on the other side of our responsibility and obligation which is on the fiscal side. Council Member Cunningham said it is

pretty tough to say we rolled out this courthouse for the first time as a floor plan and elevation to the public in July and are not going to have a chance to have input on it or say about its size and costs because we are going to make those decisions for you. Council Member Cunningham declared if we do this, it seems to him we have a very heavy obligation, not about putting other items on a May ballot, but ensuring we have a lot more public input before this project comes to Council as a final proposal for us to approve. Council Member Cunningham said if we are just saying here is the floor plan and this is what PGAL decided, your stuck with it, sorry this is what we decided, I think that is abusing our relationship with the public.

Mayor Rios commented we are a representative form of government, people elect us, and they choose us to represent them.

Council Member Cunningham said that does not mean we shut them out and get meaningful input about the deals of what we are doing on something like a City Hall.

Mayor Rios responded he does not think he has ever done that; we have had 25 meetings, not counting this meeting where the public can attend.

Council Member Cunningham stated he has only been to one meeting where this floor plan was set out and that was in mid-July so the public hasn't seen it or had an opportunity to have input on it. Council Member Cunningham said that is what a bond election is usually about; for us to sell that to the public and explain why it is a good thing. Council Member Cunningham expressed if we are not going to have an election then we need some other way of doing that.

Mayor Pro-Tem Villa said there is one project that he wished would have been included and that is the Austin Street drainage; this has been a long-time problem and is something we really needed to do.

MOTION: Mayor Pro-Tem Villa moved to authorize the issuance, sale and delivery of up to \$14,720,000 in aggregate principal amount of "City of Rockport, Texas Tax Notes, Series 2020"; securing the payment thereof by authorizing the levy of an annual *ad valorem* tax; and approving and authorizing the execution of a payment agent/registrar agreement, a purchase contract, an official statement and all other instruments and procedures related thereto.

Council Member Cunningham asked Mayor Pro-Tem Villa if he was saying there was no commitment to actually involve the public in what this City Hall will look like, what size it is and what it is going to cost.

Mayor Pro-Tem Villa answered that was correct.

Council Member Cunningham stated he could not vote for that.

Council Member Saski seconded the motion.

Council Member Hattman stated we have to have public input somehow, she is not saying not to go with this; we are here to make those decisions, but we do have to have public input and listen

to it and be there for them as much as we possibly can.

Council Member Saski said he totally respects where everybody is coming from; he is very proud of the petitioners – it's wonderful to see citizens stand up and he looks forward to seeing citizens become more active. Council Member Saski stated, in the end, he really believes in the hard work that we have put into this, the educated and professional opinions we have had as a group and we all had agreed that we were doing the right thing for the citizens of Rockport and he still firmly believes that. Council Member Saski expressed as time goes by everyone will see that what we have done is the correct thing for everyone. Council Member Saski said it is a tough decision and it has been totally transparent, and he is sorry there are people who feel they did not know about things, but they certainly could have joined us. Council Member Saski declared he believes in this project and he looks forward to it happening for the citizens.

Council Member Hattman stated she agreed with Council Member Saski, and she wholeheartedly believes in this project, she believes in the public and commends them for being a part of this making their comments. Council Member Hattman expressed she wanted the public to know that she stands behind this project and she also stands behind them having the right to petition. Council Member Hattman declared the Council has a duty to do what is best, not everyone is going to be happy, we are not going to please everybody; that's not what we are here for.

Mayor Rios conducted a roll call vote:

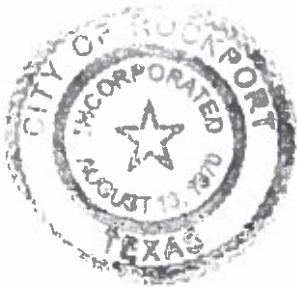
FOR MOTION: Council Member Saski, Mayor Pro-Tem Villa, Council Member Hattman and Mayor Rios.

AGAINST MOTION: Council Member Cunningham.

Motion carried 4:1.

3. Adjournment.

At 8:20 p.m., Mayor Pro Tem Villa moved to adjourn. Motion was seconded by Council Member Saski. Motion carried unanimously.



APPROVED:


Patrick R. Rios, Mayor

ATTEST:


Teresa Valdez, City Secretary