

# CITY OF ROCKPORT

## MINUTES

### CITY COUNCIL SPECIAL MEETING 6:30 p.m., Tuesday, September 6, 2022 Rockport Service Center, 2751 State Highway 35 Bypass

On the 6<sup>th</sup> day of September 2022, the City Council of the City of Rockport, Aransas County, Texas, convened in Special Session at 6:30 p.m., at the Training Room of the Rockport Service Center, and notice of meeting giving time, place, date and subject was posted as described in V.T.C.A., Government Code § 551.041. Members of the public were able to view the meeting via live stream.

#### CITY COUNCIL MEMBERS PRESENT

Mayor Tim Jayroe  
Mayor Pro-Tem Andrea Hattman, Ward 4  
Council Member Katy Jackson, Ward 1  
Council Member Danielle Hale, Ward 2  
Council Member Brad Brundrett, Ward 3

#### CITY COUNCIL MEMBER(S) ABSENT

#### STAFF MEMBERS PRESENT

City Manager Vanessa Shrauner  
Assistant to City Manager Kimberly Henry  
City Secretary Teresa Valdez  
Director of Finance Katie Griffin  
Parks & Leisure Services Director Rick Martinez  
Information Technology Director Bob Argetsinger  
Police Patrol Captain Nathan Garcia  
Public Works and Building & Development Services Director Mike Donoho

#### 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 Tim Jayroe at 6:30 p.m. on Tuesday, September 6, 2022, in the Training Room of the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas.

#### Public Hearing

##### 2. Conduct a public hearing for City of Rockport 2022 Property Tax Rate for taxpayers to have an opportunity to express their views on the tax rate; the City of Rockport will adopt

**the budget and tax rate for Fiscal Year 2022-2023 on September 13, 2022, at 6:30 p.m. at the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas.**

Mayor Jayroe opened the Public Hearings at 6:30 p.m.

Director of Finance Katie Griffin addressed the Council and stated this is the required public hearing on the proposed *ad valorem* tax rate. Ms. Griffin said discussions have been held over the last several months and the proposed tax rate utilized the “unused increment tax rate.”

Jeff Hutt, 2201 Prairie Road, addressed the Council and voiced opposition to the proposed tax rate.

Kristie Rutledge, 1411 Dana Drive, addressed the Council and voiced opposition to the proposed tax rate.

Mayor Jayroe read two Citizen Participation Forms that had been received from the following:

- 1) Beverly Mack, 130 Pecan Harbor Street – oppose any increase of property taxes.
- 2) Tom Clarkson, 401 Inverrary Drive – support the current budget and proposed increased rates.

Mayor Jayroe stated the following: “The Rockport City Council will consider adoption of an Ordinance to adopt the tax rate for the City of Rockport Fiscal Year 2022-2023 at the September 13, 2022, City Council meeting at 6:30 p.m. at the Rockport Service Center located at 2751 State Highway 35 Bypass, Rockport, Texas 78382.

Mayor Jayroe closed the Public Hearing at 6:45 p.m.

**3. Conduct a public hearing on City of Rockport Fiscal Year 2022-2023 budget.**

Mayor Jayroe opened the Public Hearing at 6:45 p.m.

Director of Finance Katie Griffin addressed the Council and stated this is the required public hearing on the proposed budget. Ms. Griffin said Council had several budget workshops and received the proposed budget on August 9, 2022.

Kristie Rutledge, 1411 Dana Drive, addressed the Council and stated that in utilizing the “unused increment tax rate” the City is asking for the maximum tax rate when that is not necessary. Ms. Rutledge expressed sales tax revenue is underestimated in the proposed budget and she sees a lot of unspent monies in this year’s budget.

Jeff Hutt, 2201 Prairie Road, addressed the Council and stated the pool has been a drainer of funds for years and it needs to be shut down. Mr. Hutt said there is a cost of living (COLA) included in the budget for all employees and certain people should not get a raise; can’t believe you keep employed the people who lied to you last year. Mr. Hutt expressed Council should vote no on this budget.

Mayor Jayroe read a Citizen Participation Form that had been received from the following:

- 1) Beverly Mack, 130 Pecan Harbor Street – oppose any increase of property taxes.

Mayor Jayroe closed the Public Hearings at 6:55 p.m.

### Regular Agenda

- 4. Deliberate and act on first reading of an Ordinance of the City of Rockport approving the assessment and renditions for the 2022 taxable property as submitted by the Appraisal District; levying a tax rate for \$100.00 valuation for the City of Rockport, Aransas County, Texas, for the Tax Year 2022 of \$0.220511 for the purposes of Maintenance and Operation, \$0.157638 for the payment of Principal and Interest on debt of the City for a total tax rate of \$0.378149; and providing an effective date.**

Director of Finance Katie Griffin addressed the Council and stated this is the first reading of the Ordinance approving the tax rate. Ms. Griffin said in Fiscal Year 2017-2018, the Council adopted the effective tax rate for the *ad valorem* tax rate; in 2018-2019, Council adopted an *ad valorem* tax rate increase consistent with the 3.5% Municipal Cost Index (MCI); in 2019-2020, the Council adopted a moderate tax increase of 6%; in 2020-2021, the Council adopted a 4% increase as the Voter Approval Rate, applying a portion of the Disaster Rate; and in 2021-2022 the Council adopted the no-new-revenue rate. Ms. Griffin stated the Fiscal Year 2022-2023 proposed *ad valorem* tax rate is the amended, to include the Unused Increment Rate, Voter-Approval Tax Rate and is sufficient to maintain operations and support debt services.

Kristie Rutledge, 1411 Dana Drive, addressed the Council and stated sales tax is greatly underestimated in the budget and the City has unspent money in this year's budget at about 13%. Ms. Rutledge requested Council postpone this item.

Mayor Jayroe read a Citizen Participation Form that had been received from the following:

- 1) Beverly Mack, 130 Pecan Harbor Street – oppose any increase of property taxes.

Council Member Brundrett asked the following questions and Ms. Griffin responded as follows:

- 1) If there is an increase in sales tax revenue, where does it go?  
Answer: It goes into the General Fund- Reserve Fund Balance.
- 2) In the Reserve Fund Balance, the City tries to maintain 180 days, where does that put us?  
Answer: Currently we are short 40 days.
- 3) What is the standard fund balance for a City our size?  
Answer: 60-90 days, but because we are a coastal city Council made the decision to try and maintain 180 days. Other cities have \$1 million plus 60-90 days.
- 4) Do we have large expenditures coming up this year?  
Answer: We always have large expenditures at the close of the year – operating transfers and can be around \$100,000. This is the first time Finance is not projecting a transfer into fund balance.

- 5) Mr. Morton had discussed the sales tax increase for the 2022-2023 budget, did we increase the estimate?

Answer: We did increase. Historically we estimate a 3%-4% increase in sales tax, but this year we used 8% staying with the Consumer Price Index.

- 6) The \$500,000 for the downtown restrooms is listed under the Hotel Occupancy Tax Funds and also Capital Improvement Program, why?

Answer: We have to show it as a Capital Improvement project and also as a Hotel Occupancy Tax Fund expense.

Mayor Pro-Tem Hattman expressed in this last year all she heard from her Ward constituents is “fix, fix, fix” and how do we do that; yes, we need money. Mayor Pro-Tem Hattman declared the City needs money to provide services, but she wants to make sure we have enough for emergencies. Mayor Pro-Tem Hattman stated last year the Council looked hard at the budget and took out fluff and she believes the City did a great job. Mayor Pro-Tem Hattman said her Ward does not have an issue as long as services are being provided and if we don’t adopt this budget, what services would be cut.

Ms. Griffin responded with a few items and their values: \$250,000 seal coating of streets; \$100,000 drainage projects; \$80,000 police officer; and \$50,000 field service worker.

Mayor Pro-Tem Hattman stated the drainage project for the Rockport Country Club is approximately \$800,000, so \$4 million in reserves is not going to get us very far and not fix the issues that are out there. Mayor Pro-Tem Hattman said she supported the COLA because it is hard to find people to work here and to find contractors. Mayor Pro-Tem declared this is all a piece of the pie and asked that everyone please try to look at this as a whole otherwise we will have to look at cutting services.

Council Member Jackson stated safety, public safety is always the City’s number one priority, and she would have done everything to give Police Chief Stevens nine new officers, but we could not afford it. Council Member Jackson said if we take off seal coating then we fall behind on that; drainage -some day we will see improvements in Ward 1; closing pool is not what I want to do, and it may be advantageous to look at a public/private partnership in the future. Council Member Jackson expressed the \$200 a month she receives as a Council Member could be cut, but what does that give us, a couple of postage stamps. Council Member Jackson declared she did not find any fluff in the proposed budget. Council Member Jackson said she would love to cut \$600,000, but if you like police, public services, streets, those things are not free; money doesn’t fall from the sky. Council Member Jackson stated we are not out of hurricane season. Council Member Jackson agreed with Mayor Pro-Tem Hattman and expressed you have to look at the whole picture. Council Member Jackson stated: “Think about it people. This is a conservative budget. Everybody is dealing with 9% inflation.”

Council Member Hale stated she thinks Council did a good job on the budget and staff did a phenomenal job on articulating their wants and needs. Council Member Hale said Council did a great job at looking at the hotel occupancy tax applications and determining which ones were eligible. Council Member Hale expressed she agrees with the 180 day reserve fund. Council Member Hale added she has also been looking at grant opportunities and with some the City has to

provide a cost match. Council Member Hale stated the pool is going to be challenge and she is not prepared to say “shut it down today”.

Mayor Jayroe expressed Rockport is an exceptional place to live and people come here because they like the services we provide. Mayor Jayroe stated we expect things to run right. Mayor Jayroe said parks will never make money; they are designed for citizens, and we don't charge them to use our parks and if we lose those parks, people won't come. Mayor Jayroe declared he is not in favor of taking money out of people's pockets, but if you don't raise taxes, you will not be able to maintain services. Mayor Jayroe said this is a very good budget.

*Council took a recess from 7:30 p.m. to 7:40 p.m. due to technical difficulties.*

Mayor Jayroe said he appreciated the citizen concerns and he appreciates the fact that he lives here and appreciates the fact that people want to come here. Mayor Jayroe stated the City is like a family and there are things we have to do and he believes there is not excess or unnecessary things in this budget.

Council Member Brundrett asked Ms. Griffin if there was a way to transfer money out of other funds to the aquatic fund.

City Manager Vanessa Shrauner stated she would not suggest the City do that. The City has increased rates in other funds to support those funds.

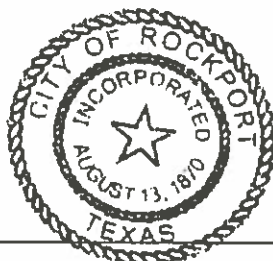
Council Member Brundrett asked Ms. Griffin what dollar amount effect the proposed tax rate would have on an average residence.

Ms. Griffin responded on a \$273,658 home value the annual increase would be \$69.14.

**MOTION:** Council Member Jackson moved to approve the first reading of an Ordinance of the City of Rockport approving the assessment and renditions for the 2022 taxable property as submitted by the Appraisal District; levying a tax rate for \$100.00 valuation for the City of Rockport, Aransas County, Texas, for the Tax Year 2022 of \$0.220511 for the purposes of Maintenance and Operation, \$0.157638 for the payment of Principal and Interest on debt of the City for a total tax rate of \$0.378149; and providing an effective date. Mayor Pro-Tem Hattman seconded the motion. Motion carried unanimously.

## 5. Adjournment

At 7:47 p.m., Council Member Jackson moved to adjourn. Motion was seconded by Mayor Pro-Tem Hattman. Motion carried unanimously.



**APPROVED:**

  
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Tim Jayroe, Mayor

**ATTEST:**

  
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Teresa Valdez, City Secretary