

CITY OF ROCKPORT

MINUTES

CITY COUNCIL WORKSHOP & SPECIAL MEETING

5:30 p.m., Wednesday, August 30, 2023

Rockport Service Center, 2751 State Highway 35 Bypass

Members of the public could view the meeting via live stream. Public participation is valued and citizens wishing to express their views on any topic or agenda item could electronically submit a Citizen Participation Form in order to register to speak by going to <https://rockport.seamlessdocs.com/f/CouncilCitizenParticipation> or scanning the QR code provided on the Agenda, or if attending the meeting in person register before the meeting begins. Using the same form, citizens could also provide written comments to the City Secretary by 4:00 p.m. on the day of the meeting. The comments were read at the meeting.

On the 30th day of August 2023, the City Council of the City of Rockport, Aransas County, Texas, convened in a Workshop and Special Meeting at 5:30 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.

CITY COUNCIL MEMBERS PRESENT

Mayor Tim Jayroe
Mayor Pro-Tem Andrea Hattman, Ward 4
Council Member Stephanie Rangel, 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
Director of Public Works and Building & Development Services Mike Donoho
Parks & Leisure Services Director Gene Camargo
Information Technology Director Bob Argetsinger
Community Planner Carey Dietrich
Director of Finance Robbie Sorrell
Communications Center Director Lee Brown

ELECTED OFFICIALS PRESENT

Opening Agenda

1. Call Workshop and Special meeting to order.

With a quorum of the Council Members present, the Workshop and Special Meeting of the Rockport City Council was called to order by Mayor Jayroe at 5:31 p.m. on Wednesday, August 30, 2023, in the Training Room of the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas.

Workshop Agenda

2. Presentation and discussion on utilities rate options.

City Manager Vanessa Shrauner provided an overview of the different utility rate presentations provided during 2022 and the various water rate options she forwarded to the City Council last Thursday, August 24, 2023. The cost of the New Gen rate study in 2022 was about \$32,000. Ms. Shrauner also provided a handout and explained the number of days reserve for the utility account.

Mayor Jayroe noted that due to location of our community and our susceptibility to weather emergencies, there is a need for six-months reserves, which has been the practice of Rockport for many years. We need to build our reserves back up to their six-month fund balance and we need to maintain our infrastructure.

Council Member Rangel questioned the comparison of different municipalities' utility rates provided by the City Manager and how those relate to our community. Ms. Shrauner explained how the populations and number of connections were all comparable. Council Member Rangel stated she preferred to reduce the differences between in-city vs. out-of-city residents and increase commercial.

Mayor Pro-Tem Hattman said that previous councils may have put off building fund reserves and CIP projects due to not wanting to increase rates; however, both reserves and Capital Improvement Program (CIP) projects are imperative for the City to thrive and our citizens deserve the beautiful community Rockport is known for.

Council Member Hale agreed that the City needs to invest in its infrastructure and that requires either an increase in rates (tax and utilities) or to take on debt, or a combination of both. There has always been a difference of in-city rates vs. out-of-city rates. The Council and Staff did good work at the August 1st and 3rd Workshops. We can't please everyone and we can't keep putting off the work that needs to be done because the costs just keep going up.

Council Member Rangel questioned why the CIP projects weren't being accomplished. Ms. Shrauner explained that staff cannot spend reserve funds without Council approval. With the reserve funds not being fully in place, there are no excess funds available for staff to complete the CIP projects.

Mayor Jayroe reminded everyone that the reserve balances and the ability to support CIP projects affects the city's bond ratings. Overall, we need to increase the sales tax within our community and not rely so much on *Ad Valorem taxes*. If we increase the commercial utility rates too high, that does not encourage new commercial growth.

There were additional discussions regarding in-city versus out-of-city rates and increasing commercial rates in order to reduce residential rates. Council Member Hale noted that the City Manager provided numerous rate options to Council last week, and they are good options. Now it appears that we are just playing with numbers.

Council took a recess from 6:28 p.m. until 6:41 p.m.

Mayor Pro-Tem Hattman stated that upon recognition of the commercial customer only being about 13% of all of the customers, there is really no way to reasonably increase their rates to make up for a decrease of the residential rates.

Council Member Hale stated she is supportive of the “combo of all” that was presented to Council last week via email. Mayor Jayroe agreed.

Ms. Shrauner moved on to discuss the wastewater rates and suggested either “combo of all” or the rates supported by the March 2022 presentation. A few of the council members supported the “combo of all.”

Council took a recess from 7:17 p.m. until 7:29 p.m.

Special Meeting Agenda

3. Citizens to be heard.

At this time, comments limited to three (3) minutes will be taken from the audience from persons who have signed the speaker’s card located on the table in the back of the Training Room of the Service Center and delivered to the City Secretary before the meeting begins, or written comments received by 4:00 p.m. on the day of the meeting, on any Agenda item or any subject matter, will be read at 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.

Citizens comments read or speaking during Citizens to be heard were: Patrick Kane of 1123 East Cedar Street, Rockport; Vicki Brignon of 209 Sandollar Circle, Fulton, Jacob Morgan, 1919 Highway 35 North 665, Rockport; Andrew Kane of 2106 Lakeview Drive, Rockport; Kathy Kane of 109 Boardwalk Avenue, Rockport; and Kristie Rutledge of 1411 Dana Drive, Rockport. Comments included: the setting of reasonable rates for out-of-city utility customers, no surcharge for Fulton residents, quoting items from North Carolina Supreme Court; asking for justification of out-of-city rates or the out-of-city residents will contact the PUC; opposition of out-of-city utility rates; and concerns of capital improvement expenditures.

4. Deliberate and act on second and final reading of an Ordinance repealing Chapter 66, Article II of the City’s Code of Ordinances entitled “Minors; Curfew;” providing for repealing savings and severability clauses; and providing for an effective date.

MOTION: Council Member Brundrett moved to approve the second and final reading of an Ordinance repealing Chapter 66, Article II of the City’s Code of Ordinances entitled “Minors; Curfew;” providing for repealing savings and severability clauses; and providing for an effective date. Mayor Pro-Tem Hattman seconded the motion. Motion carried unanimously.

Mayor Jayroe moved items 5 and 6 to later in the meeting.

7. ***Postponed – August 22, 2023: Deliberate and act on second and final reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities”, Article V. “Natural Gas Service”, Division 3. “Service Charges” by amending natural gas rates for all customers; providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith; and providing for an effective date.***

MOTION: Mayor Pro-Tem Hattman moved to approve the second and final reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities”, Article V. “Natural Gas Service”, Division 3. “Service Charges” by amending natural gas rates for all customers as follows; providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith; and providing for an effective date. Council Member Brundrett seconded the motion. Motion carried Unanimously.

8. ***Postponed – August 22, 2023: Deliberate and act on second and final reading of an Ordinance amending the City of Rockport Code of Ordinances, Chapter 82 “Solid Waste” Article II. “Refuse Collection”, Section 82.39 “Fee Schedule” setting new fees for service; repealing all prior ordinances in conflict herewith; and providing for publication and an effective date.***

MOTION: Council Member Brundrett moved to approve the second and final reading of an Ordinance amending the City of Rockport Code of Ordinances, Chapter 82 “Solid Waste” Article II. “Refuse Collection”, Section 82.39 “Fee Schedule” setting new fees for service; repealing all prior ordinances in conflict herewith; and providing for publication and an effective date. Mayor Pro-Tem Hattman seconded the motion. Motion carried unanimously.

9. ***Postponed – August 22, 2023: Deliberate and act on second and final reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities” Article V “Natural Gas Service” Division 2 ”Connections” Section 102-517 Rates for Natural Gas Tap/Meter Installation, by adding additional meter sizes and amending installation/tap/meter fees when a new connection has been made to the City system(s); providing for the validity of said Ordinance; repealing all prior ordinances in conflict therewith, and providing for an effective date.***

MOTION: Council Member Hale moved to approve the second and final reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities” Article V “Natural Gas Service” Division 2 ”Connections” Section 102-517 Rates for Natural Gas Tap/Meter Installation, by adding additional meter sizes and amending installation/tap/meter fees when a new connection has been made to the City system(s); providing for the validity of said Ordinance; repealing all prior ordinances in conflict therewith, and providing for an effective date. Mayor Pro-Tem Hattman seconded the motion. Motion carried unanimously.

10. ***Postponed – August 22, 2023: Deliberate and act on second and final reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities” Article II “Water Service” Division 2 “Connections” Section 102-41 Rates for Water Taps and Meter Installation; and Article III “Wastewater Service” Division 3 “Connection Fees” Section 102-246 Schedule of Fees, by amending installation/tap/meter fees when a new connection has been made to the City system(s);***

providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith, and providing for an effective date.

MOTION: Council Member Hale moved to approve the second and final reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities” Article II “Water Service” Division 2 “Connections” Section 102-41 Rates for Water Taps and Meter Installation; and Article III “Wastewater Service” Division 3 “Connection Fees” Section 102-246 Schedule of Fees, by amending installation/tap/meter fees when a new connection has been made to the City system(s); providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith, and providing for an effective date. Mayor Pro-Tem Hattman seconded the motion. Motion carried unanimously.

11. Discussion regarding the FY 23-24 City Budget.

City Manger Shrauner explained that due to the changes that are being made regarding the water and wastewater rates this evening, those items will return to their first reading of their respective ordinances tonight. All of the other ordinances read tonight were the second and final reading. They will be captured in the proposed budget. The water and wastewater rates will have a second reading next week on September 12, 2023. Next weeks agenda will also include the public hearings for the budget and tax rate, as well as the fist reading of the tax rate. The rest of the budget calendar stands as presented.

12. Discussion regarding the certified tax rolls from the appraisal district.

Finance Director Robbie Sorrel noted that we still do not have the certified tax rolls as of the posting of this agenda; however, since that time we have spoken with the Aransas County Appraisal District, and they have electronically certified the rolls and we should be receiving the hard copy later this week. Mr. Soto of the Appraisal District stated that they were able to successfully defend the protest and thereby bring in about another \$35,000 to \$36,000 maintenance and operation funds.

City Manager Shrauner noted that once the certified tax rolls are received by the City, the staff can update the figures within the proposed budget. This is a tight position due to late tax rolls. We can continue to have scheduled meetings next week and cancel those as needed.

Council Member Hale suggested that we use this time to provide the City Manager with any other suggestions to adjust the budget.

5. *Postponed – August 22, 2023:* Deliberate and act on second and final reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities”, Article II. “Water Service”, Division 3. “Service Charges” by amending water rates for all customers; providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith; and providing for an effective date.

City Manager Shrauner explained the handout of the Ordinance (attached hereto) includes the “Combo for All” that was just discussed in the workshop portion of this meeting.

Council Member Hale questioned if there is a way to put this on the web so the public can see it as soon as possible.

MOTION: Council Member Hale moved to approve the **first reading** of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities”, Article II. “Water Service”, Division 3. “Service Charges” by amending water rates for all customers; providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith; and providing for an effective date. Mayor Pro-Tem Hattman seconded the motion. Motion carried 4 - 1:

FOR MOTION: Mayor Jayroe and Council Member Hale, Council Member Brundrett, and Mayor Pro-Tem Hattman

AGAINST MOTION: Council Member Rangel

6. Postponed – August 22, 2023: Deliberate and act on second and final reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities”, Article III. “Wastewater Service”, Division 4. “Service Charges” by amending wastewater rates for all customers; providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith; and providing for an effective date.

City Manager Shrauner explained the handout of the Ordinance (attached hereto) includes the “Combo for All” that was just discussed in the workshop portion of this meeting.

MOTION: Mayor Pro-Tem Hattman moved to approve the **first reading** of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities”, Article III. “Wastewater Service”, Division 4. “Service Charges” by amending wastewater rates for all customers; providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith; and providing for an effective date. Council Member Hale seconded the motion. Motion carried 4 – 1:

FOR MOTION: Mayor Jayroe and Council Member Hale, Council Member Brundrett, and Mayor Pro-Tem Hattman

AGAINST MOTION: Council Member Rangel

13. Adjournment.

At 8:00 p.m., Mayor Pro-Tem Hattman moved to adjourn. Motion was seconded by Council Member Brundrett. Motion carried unanimously.

APPROVED:



Tim Jayroe, Mayor



ATTEST:



Teresa Valdez, City Secretary