

# CITY OF ROCKPORT

## MINUTES

### CITY COUNCIL SPECIAL MEETING

6:30 p.m., Tuesday, September 5, 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 5<sup>th</sup> day of September 2023, the City Council of the City of Rockport, Aransas County, Texas, convened in a Special Meeting 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.

#### 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  
City Secretary Teresa Valdez  
Director of Public Works and Building & Development Services Mike Donoho  
Parks & Leisure Services Director Gene Camargo  
Information Technology Director Bob Argetsinger  
Chief of Police Greg Stevens  
Community Planner Carey Dietrich  
Director of Finance Robbie Sorrell  
Communications Center Director Lee Brown

#### ELECTED OFFICIALS PRESENT

#### Opening Agenda

##### **1. Call meeting to order.**

With a quorum of the Council Members present, the Special Meeting of the Rockport City Council was called to order by Mayor Jayroe at 6:30 p.m. on Tuesday, September 5, 2023, in the Training Room of the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas.

Mayor Jayroe led the Pledge of Allegiance to the U.S. flag.

Mayor Jayroe stated since the Agenda items are all related, he will allow citizens to speak when each Agenda item is addressed by Council.

**2. 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.

There were no citizens' comments regarding items that were not on the agenda.

**Public Hearings**

Mayor Jayroe opened the Public Hearings at 6:32p.m.

**3. Conduct a public hearing on City of Rockport Fiscal Year 2023-2024 budget.**

Council Member Brundrett read comments received from:

Patrick Kane, 1123 East Cedar Street: Opposed to the City's proposed budget; City should be able to do better than maintain status quo if it is bringing in 12.91% more revenue from property taxes.

Kristie Rutledge, 1411 Dana Drive, addressed the Council and commented: Really concerned about lack of transparency – Capital Improvement Plan, previous monies allocated for certain projects and replaced with other projects, and why was Rockport Country Club sediment removal defunded. Would like to see what the Capital Improvement Plan for the General Fund and Utilities is and not see a vote by Council.

**4. Conduct a public hearing for City of Rockport 2023 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 2023-2024 on September 12, 2023, at 6:30 p.m. at the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas.**

Council Member Brundrett read comments received from:

Patrick Kane, 1123 East Cedar Street: Opposed to the tax increase proposed by the City, which the state-mandated disclosure shows as a 16.33% increase in taxes on the average homestead.

Robin Wright, 1510 Bluebird Lane: Opposed to the property tax increase. Reject this increase.

Council Member Hale read comments received from:

Nancy Bolting, 201 Spanish Woods Drive: My husband and I support the new budget with the exceptions to the residential and commercial water rate increase .

Kristie Rutledge, 1411 Dana Drive, addressed the Council and commented: Opposed to the 16.3% tax increase; no justification for increasing any expenses this year. Not right to unnecessarily tax us.

Katy Jackson, 2205 Monkey Road, addressed the Council and commented: People speaking in opposition are jumping to conclusions and I having sat in the seat of Council Member know monies have to be budgeted and what is not spent goes into reserves and that is what kept the City from having to take out massive loans after Hurricane Harvey. Council's policy has been to have a 180-day reserve. Do demand that Council wisely spend money and hope that you do not lower the proposed rate, City needs the money.

Mayor Jayroe closed the Public Hearings at 6:46 p.m.

### **Regular Agenda**

- 5. 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. If substantial changes to the proposed Ordinance are made, this will serve as the first reading of said Ordinance.**

Kristie Rutledge, 1411 Dana Drive, addressed the Council and commented: Opposed to water rate increases; not supported by Capital Improvement Plan; passing off tax increase to Fulton and Aransas County residents because you are limited by the tax increase that you can adopt. Utility customers are paying premiums for new development.

Kathy Kane, 109 Boardwalk, addressed the Council and commented: Opposed to charges for out-of-city customers; these are not justified; peddling lower rates for in-city customers for votes.

Katy Jackson, 2205 Monkey Road, addressed the Council and commented: Provided definitions of "tax" and "fee" and stated as usual it comes down to definitions; water is a service therefore it is a fee and not a tax. Anybody within or outside the City can choose not to use City water; so instead of paying \$10 more a month, go ahead and spend \$50,000 to drill a well. Those rates pay for the time on utilities for the City Manager, Finance Director, Assistant to the City Manager, City Secretary; utilities do not pay for Human Resources or Public Communications functions which are necessary.

Council Member Brundrett read comments received from:

Patrick Kane, 1123 East Cedar Street: Opposed to the surcharge for out-of-city utility customers as it is unjust and not supported with any data.

Mayor Pro-Tem Hattman commented that the Human Resources is being paid out of the General Fund to fund utilities activities which is from *Ad Valorem* taxes which comes from City residents. When we look at raising the rates for outside City customers who are not paying the *Ad Valorem* taxes, they are getting the same services that City customers are receiving, but only paying the one fee. It is comparable because City customers pay two fees.

**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 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. Council Member Hale seconded the motion. Motion carried 4 - 1:

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

AGAINST MOTION: Council Member Rangel.

- 6. 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. If substantial changes to the proposed ordinance are made, this will serve as the first reading of said Ordinance.**

Council Member Brundrett comments received from:

Patrick Kane, 1123 East Cedar Street: Opposed to the surcharge for out-of-city wastewater customers as it is unjust and not supported with any data.

Kristie Rutledge, 1411 Dana Drive, addressed the Council and commented: Utility rate increases are not justified by any projects that have been presented to the public; you have \$336,000 projected for 2022-2023 for all utility capital improvements projects but there was \$5.8 million budgeted; you have no idea what you are doing next year but you budgeted \$4.9 million. To say that these rate increases are necessary to support your capital improvement plan are just wrong – it’s just a lie. Why are you charging utility customers a franchise fee for a utility that the City owns. You are taking money from utility accounts, but you have no projects to support rate increases. Would like transparency with the public.

**MOTION:** Council Member Brundrett moved to approve the second & 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. Council Member Hale seconded the motion. Motion carried 4 - 1:

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

AGAINST MOTION: Council Member Rangel.

- 7. Deliberate and act on first reading of an Ordinance of the City of Rockport approving the assessment and renditions for the 2023 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 2023 of \$0.213583 for the purposes of Maintenance and Operation, \$0.146495 for the payment of Principal and Interest on debt of the City, and that the property tax rate be increased by the adoption of a tax rate of \$0.360078 which is effectively a 11.26% increase in the tax rate; providing for a lien on all real and personal property to secure payment of taxes due thereon; containing a severability clause; repealing all ordinances and parts thereof in conflict herewith; and providing an effective date. This tax rate will raise more taxes for maintenance and operations than last year's tax rate. The tax rate will effectively be raised by 12.82% and will raise taxes for maintenance and operations on a \$100,000 home by approximately (negative) \$-6.93.**

Director of Finance Robbie Sorrell stated this is the first reading of the Ordinance used to support the Fiscal Year 2023-2024 Budget, which is approaching \$56 million.

Mayor Pro-Tem Hattman stated there were some citizen questions and she wants to make sure they are addressed so let's talk about the ARPA funds for the wastewater treatment plant improvements and that funds have not been taken away from that project.

City Manager Vanessa Shrauner stated the bid for the improvements was advertised last week and should be bid tomorrow and then construction will start. Ms. Shrauner said ARPA funds and unused Bond funds will be used and nothing has changed; the information you received from a citizen is incorrect.

Council Member Brundrett stated that nothing has been unfunded, but it is not in the Capital Improvement Plan (CIP) as funded.

Ms. Shrauner replied that the CIP and the unused bond funds are different items and those funds have now been isolated and are being spent on projects approved by Council. Ms. Shrauner explained that the CIP is what will be funded through debt or utility rates.

Mayor Pro-Tem Hattman stated that even through utility rates right now we are not able to fund any of those projects because we are still running in the hole, even with the rate increases. Mayor Pro-Tem Hattman said that right now we are just trying to play catch-up.

Ms. Shrauner stated that was correct, and even with the rate increases, there will not be enough revenue raised to fund the Capital Improvement Plan. Ms. Shrauner said right now you will still be taking out of the reserves to fund the utilities.

Mayor Pro-Tem Hattman asked what the reserves are right now for the utility fund and the general fund.

Ms. Shrauner answered that projected at the end of this coming Fiscal Year our utility fund will have gone down from 163 days of working balance to 90 days; \$7.2 million down to \$5.4 million.

Mayor Pro-Tem Hattman expressed that it means we are not building our reserves, we are lowering our reserves. Mayor Pro-Tem stated the CIP projects we are talking about, we can't even do them as of right now.

Ms. Shrauner said you would have to raise the rates enough to generate \$1 million in excess revenue above our fees in order to pay the debt service on the proposed bond. Ms. Shrauner stated if we choose to pay as we go, we would need to raise \$1.5 million. Ms. Shrauner explained we were not able to do any projects last year, so we are behind on that.

Mayor Pro-Tem Hattman reiterated that the money we are spending on utilities is for expenditures alone and not for any extra projects.

Mayor Pro-Tem Hattman said that another thing that was brought up was the Rockport Country Club. Mayor Pro-Tem Hattman stated \$900,000 of unspent bond money was used to clean out sediments and we utilized those funds appropriately. Mayor Pro-Tem declared she wanted to make sure and clarify that and the money was not redirected to any other project, as stated earlier in a citizen comment.

Mayor Jayroe stated the City has about \$3 million in work about to be done on the Wastewater Treatment Plant.

Ms. Shrauner stated we have not done the unspent bond projects as quickly as we would have liked because we have spent some time isolating the money to ensure it was there. Ms. Shrauner said that every project on the unspent bond funds will either be started or completed in this upcoming year.

Mayor Pro-Tem Hattman stated the City Council did have a 2-day budget workshop where we went line-by-line and we took the time to make sure we were not spending any more than we needed to. Mayor Pro-Tem Hattman said there was one thing the Council did not like to see and that was having money left over for drainage maintenance and the Council wants to make sure that is being spent.

Ms. Shrauner stated that any money allocated for maintenance will be spent.

Mayor Jayroe expressed it was absolutely necessary that we maintain our infrastructure, and we are doing everything we can with this budget.

Council Member Hale appreciated Mayor Pro-Tem Hattman comments and clarifying some of the inaccuracies that were provided during the Public Hearings. Council Member Hale added it

was exceptionally clear in the workshops of what the Council's expectations are in regards to staff taking care of the unspent maintenance funds.

Council Member Brundrett commented he appreciated the fact that staff pumped the brakes a little and went through the unspent bond funds and we are going to work through it correctly and correct some of the wrongs that were found.

Mayor Pro-Tem Hattman asked Ms. Shrauner to explain the \$1 million in water meters.

Ms. Shrauner explained there is a back order and back-log on orders for the type of water meters and end points that we need. Ms. Shrauner said we put in \$1 million to buy them because we have to order and purchase, and we don't know when we will receive them and be billed. Ms. Shrauner expressed that is a revenue neutral item; we have \$1 million budgeted, but we will receive that back when the meters are purchased – we don't give meters away for free. Ms. Shrauner explained we only put in 50% revenue because we think that is all we think we can sell but we feel like we need to get ahead on the ordering, and even if we only receive 50% revenue this year, we will receive it in the next year. Ms. Shrauner stated that is a revenue neutral item.

**MOTION:** Mayor Pro-Tem Hattman moved to approve the first reading of an Ordinance of the City of Rockport approving the assessment and renditions for the 2023 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 2023 of \$0.213583 for the purposes of Maintenance and Operation, \$0.146495 for the payment of Principal and Interest on debt of the City, and that the property tax rate be increased by the adoption of a tax rate of \$0.360078 which is effectively a 11.26% increase in the tax rate; providing for a lien on all real and personal property to secure payment of taxes due thereon; containing a severability clause; repealing all ordinances and parts thereof in conflict herewith; and providing an effective date. This tax rate will raise more taxes for maintenance and operations than last year's tax rate. Council Member Brundrett seconded the motion. Mayor Jayroe conducted the roll call vote:

FOR MOTION: Council Member Rangel, Council Member Hale, Council Member Brundrett, Mayor Pro-Tem Hatman, and Mayor Jayroe.

AGAINST MOTION: None

Motion carried unanimously.

## 8. Adjournment.

At 7:16 p.m., Council Member Brundrett moved to adjourn. Motion was seconded by Mayor Pro-Tem Hattman. Motion carried unanimously.



**APPROVED:**

  
Tim Jayroe, Mayor

**ATTEST:**

  
Teresa Valdez, City Secretary