

CITY OF BAY CITY

MINUTES • SEPTEMBER 09, 2021

**COUNCIL
CHAMBERS | 1901
5th Street**

City Council Special Called Meeting

6:00 PM

**1901 5TH STREET
BAY CITY TX, 77414**



Mayor

Robert K. Nelson

Councilman

Jim Folse

Mayor Pro Tem

Jason W. Childers

Councilman

Bradley Westmoreland

Councilwoman

Becca Sitz

Councilwoman

Floyce Brown

***Bay City is committed to developing and enhancing the long-term prosperity,
sustainability, and health of the community.***

CALL TO ORDER

Mayor Nelson called the meeting to order at 6 p.m.

CERTIFICATION OF QUORUM

Mayor Robert K. Nelson certified that a quorum was present.

PRESENT

Mayor Robert K. Nelson
Mayor Pro Tem Jason W. Childers
Councilwoman Floyce Brown
Councilman Jim Folse
Councilwoman Becca Sitz
Councilman Brad Westmoreland

APPROVAL OF AGENDA

Motion made by Councilwoman Brown, Seconded by Mayor Pro Tem Childers. Voting Yea: Mayor Nelson, Councilman Folse, Councilwoman Sitz, Councilman Westmoreland

After the agenda was approved, Mayor Nelson allowed for Public Comments.

Bay City resident Kay Orr spoke to Mayor and Council and informed them of a water leak in the alley in the Valhalla neighborhood. Ms. Orr stated that for the last four (4) months water has been flowing into Cottonwood Creek.

PUBLIC HEARINGS

1. **Public Hearing ~ Conduct a public hearing to receive public comment on the Bay City Community Development Corporation proposed Operating Budget for Fiscal Year 2022.**

Finance Director Scotty Jones directed Mayor and Council to page 4 of their Council packets. Mrs. Jones also informed Mayor and Council that CDC's Budget was located on the City's website and at the back of the Council Chambers.

The Mayor opened the Public Hearing at 6:03 p.m.
The Mayor closed the Public Hearing at 6:03 p.m.

2. **Public Hearing ~ Conduct a public hearing to receive public comment on the City of Bay City's proposed Capital Improvement Program.**

Finance Director Scotty Jones informed Mayor and Council that the proposed Capital Improvement Program had been placed on the City's website, posted in the paper and

was located in back of Council Chambers. Mrs. Jones explained that year 1 capital items were in the proposed budget, and years 2-5 could change.

The Mayor opened the Public Hearing at 6:04 p.m.

The Mayor closed the Public Hearing at 6:04 p.m.

3. Public Hearing ~ Conduct a public hearing to receive public comment on the City of Bay City's proposed Property (Ad Valorem) Tax Rate for Fiscal Year 2022.

Finance Director Scotty Jones guided Mayor and Council to page 7 of their Council packets. Mrs. Jones reminded Council that the proposed tax rate was \$.02 lower than the current rate of \$.65500. The proposed rate drops \$.02 to equal \$.63500. Mrs. Jones also pointed out to Council that the M&O rate had been previously dropped in order to keep the same tax rate and increase the I&S rate.

Mayor Nelson asked how did the proposed tax rate effect the City's ability to pay bills. Mrs. Jones stated the proposed tax rate would bring in \$265,000. The dollars would help fund salaries and the increase in health insurance. Mrs. Jones went on to state that windstorm and property insurance increased \$20,000, as well as the increase in the light bill over the next 2 years.

The Mayor opened the Public Hearing at 6:08 p.m.

The Mayor closed the Public Hearing at 6:08 p.m.

Councilwoman Sitz expressed her disappointment that the City could not go with the no new revenue rate. She added that with all that is going on, it was discouraging.

Mayor Pro Tem Childers commented that it has been pretty positive to finally get here. He reminded Councilwoman Sitz that when they came on board the City was in dire straits. He stated that it would be great to keep some revenue. Mayor Pro Tem Childers commented that he liked the proposal and that it would allow for the City to work toward capital projects.

Mayor Nelson stated that the proposed tax rate would help to keep the City solvent, and if the property values rose then they could talk about that then.

Councilman Westmoreland stated that he agreed with Councilwoman Sitz, but would like to reserve his comments for agenda item 6.

CDC Executive Director Jessica Russell, spoke about the CDC's strategic planning session and how the City needed to maintain its revenue. She also spoke about working partnerships and wanted to show her support for Shawna and her proposed tax rate.

4. Public Hearing ~ Conduct a public hearing to receive public comment on the City of Bay City's Proposed Budget for Fiscal Year 2022.

Finance Director Scotty Jones asked for any comments on the budget that had been put together. The General Fund budget is \$16.2 million and the overall budget is over \$29 million.

City Manager Shawna Burkhart stated that if there were any serious changes being proposed they needed to know so that they could make those changes this weekend, since approval is next Tuesday.

REGULAR ITEMS

5. Budget ~ Discuss, consider, and/or approve postponing the final Budget vote for Fiscal Year 2022 until September 14, 2021.

Motion made by Mayor Pro Tem Childers, Seconded by Councilwoman Brown.
Voting Yea: Mayor Nelson, Councilman Folse, Councilwoman Sitz, Councilman Westmoreland

6. Budget ~ Discuss, consider, and/or approve the City's Compensation Plan and take any action.

Director of Human Resources, Rhonda Clegg provided Mayor and Council with a handout that described the background of the City's compensation plan and staff's recommendation for the upcoming fiscal year. There was much discussion between City Council and Mrs. Clegg regarding the contents of the document provided, as well as Council's desire for the City to implement a merit pay program. Mrs. Clegg stated she understood Council's position, and agreed there was a need. However, Mrs. Clegg asked that the proposed recommendations of staff, along with the consideration of certification pay be the path for the City this upcoming fiscal year. She added that if the City would implement the recommendations presented, then next year the City could focus its effort and compensation dollars on a merit pay program for Fiscal Year 2023.

Motion made by Mayor Pro Tem Childers, Seconded by Mayor Nelson, to move forward with bringing all employees to minimum of their salary range; address years in position; provide a 3% increase to employees that do not fall within the above-mentioned categories; and to bring back in January a merit pay program.
Voting Yea: Councilwoman Brown, Councilman Folse, Councilwoman Sitz, Councilman Westmoreland

7. Budget ~ Discuss, consider, and/or approve an amendment to the Fiscal Year 2022 Proposed Budget.

Finance Director Scotty Jones commented that she had never done this before. She stated that in regards to certification pay she would bring a number back to Council, once the budget is settled.

Councilman Westmoreland asked about the increase in revenue for valuations and sales taxes. He questioned if the \$230,000 could be reduced from capital to be able to show the citizens what the City was doing with the new revenue. If capital expenditures were reduced by \$230,000 and earmarked it would then show citizens what the City was doing.

Mayor Pro Tem Childers asked if there were any specific items Councilman Westmoreland was referring to, and Councilman Westmoreland listed some of the departments with capital. Mrs. Jones commented that the City could back off the FARF Fund. Councilman Westmoreland asked what was actually going to come out of the FARF Fund, and Mrs. Jones stated \$199,000. City Attorney Anne Marie Odefey asked if the City adopted a policy about the FARF Fund, and Mrs. Jones stated yes, but it did not bind the City to a certain amount. Mrs. Jones suggested another option, but added that she would feel more comfortable coming back to Council at the end of the year.

Mayor Nelson stated that the City could earmark the dollars for streets, since it was the most noticeable. Councilwoman Sitz commented that the City could just use the equipment we purchased that we do not use. Mrs. Jones pointed out to Council that there was \$250,000 set aside in the Street Fund. Councilman Westmoreland stated that since Council had decided to postpone this, they could have Mrs. Jones come back with options. Mrs. Jones added that she did feel okay to take \$100,000 from Reserve and \$130,000 from FARF.

It was agreed to allow Mrs. Jones to come back before Council with options.

8. Discussion ~ Discuss a Public Improvement District (PID) of Maddox Properties.

City Manager, Shawna Burkhart informed Mayor and Council that the City was in receipt of all the documents from Mr. Maddox to proceed with their request for a PID. She went on to state that if the City received approval from Julie Partain, it would show up on the 14th's agenda. The timeline provided to Mayor and Council showed when the PID petition would need to be accepted. Mrs. Burkhart stated that the City is closer to providing a document that would outline what is public and private for debt issuance.

Mrs. Russell thanked everyone for all of their time and effort, and informed everyone that groundbreaking would take place in October.

Mrs. Burkhart asked Mayor and Council to think of what they would like to include in the development agreement. Things they would like to see in the subdivision.

Mrs. Odefey clarified the difference between the PID Agreement and petition and the Development Agreement. She clarified what Mrs. Burkhart was asking of them--do you want concrete streets, the devotion of a portion of land as a park. What are some things you would like to see beyond what the City's subdivision ordinance requires, such as fencing or the creation of a HOA. Mrs. Odefey added that they needed to chew on those ideas of what they would like to see. She stated that she would send out the document with the different ideas.

CLOSED / EXECUTIVE SESSION

Mayor Nelson adjourned from open meeting at 7:17 p.m.

9. Legal ~ Executive Session pursuant to Section 551.071 of the Texas Government code (Consultation with Counsel on legal matters).

Mayor and Council adjourned from Executive Session at 7:52 p.m.

OPEN SESSION

Mayor and Council entered into Open Session at 7:53 p.m.

COMMENTS FROM MAYOR AND COUNCIL:

Mrs. Clegg extended an invitation to Mayor and Council to the Bay City Youth Soccer Club's Opening Ceremonies on Saturday, September 11, 2021, at 9 a.m. at the Multipurpose Building.

Mrs. Odefey informed Council of dinner reservations her firm had for staff during the TML Conference.

Councilman Westmoreland thanked the City Employees for their help with the Rice Festival.

Councilwoman Sitz wanted to speak about the Street Sweeper. She stated she wanted to see it moved. Mayor Nelson stated that staff was needed in order to operate it. She moved on and pointed out that the Airport did not have a comment section on its page. Councilwoman Sitz suggested that citizens be allowed to report issues by submitting a picture to Public Works.

Mayor Pro Tem Childers stated that the City needed to work on issues like Valhalla, because taking 4 months to get it done was not good.

Councilwoman Brown pointed out to that the sidewalks on Hwy 60 South were overgrown. Mayor Nelson stated that the ordinance needed to be corrected, because there is confusion on what the property owner is responsible for. Currently the City follows policy.

ADJOURNMENT

Motion made by Councilwoman Brown, Seconded by Mayor Pro Tem Childers to adjourn at 8 p.m. Voting Yea: Mayor Nelson, Councilman Folse, Councilwoman Sitz, Councilman Westmoreland

PASSED AND APPROVED, this 28th day of September 2021.

ROBERT NELSON, MAYOR
CITY OF BAY CITY, TEXAS

JEANNA THOMPSON
CITY SECRETARY