



CITY COUNCIL REGULAR MEETING

Monday, September 12, 2022 at 6:30 PM

City Council Chambers | 202 N. Virginia Street, Port Lavaca TX 77979

MINUTES

STATE OF TEXAS §
COUNTY OF CALHOUN §
CITY OF PORT LAVACA §

On this the 12th day of September, 2022, the City Council of the City of Port Lavaca, Texas, convened in a regular session at 6:30 p.m. at the regular meeting place in Council Chambers at City Hall, 202 North Virginia Street, Port Lavaca, Texas, with the following members in attendance:

I. ROLL CALL

Jack Whitlow	Mayor
Jerry Smith	Councilman, District 1
Allen Tippit	Councilman, District 3
Jim Ward	Councilman, District 5
Ken Barr	Councilman, District 6

And with the following absent:

Tim Dent	Councilman, District 2
Rosie G. Padron	Councilwoman, District 4, Mayor Pro Tem

Constituting a quorum for the transaction of business, at which time the following business was transacted:

II. CALL TO ORDER

- Mayor Whitlow called the meeting to order at 6:35 p.m. and presided.

III. INVOCATION

- Councilman Ward gave the invocation.

IV. PLEDGE OF ALLEGIANCE

- Mayor Whitlow – Pledge of Allegiance.

V. PRESENTATION(S)

VI. COMMENTS FROM THE PUBLIC - *Limited to 3 minutes per individual unless permission to speak longer is received in advance. You may make public comments as you would at a meeting on Zoom by logging on with your*

computer and/or smart phone as described in the zoom invitation below or on Facebook Live through the comment section, which will be monitored and answered. As appropriate.

- Mayor asked for comments from the public and there were none.

VII. CONSENT AGENDA - Council will consider/discuss the following items and take any action deemed necessary

- A. Minutes of August 08, 2022 Regular Meeting**
- B. Minutes of August 18, 2022 Joint Council and All Boards Workshop**
- C. Minutes of August 22, 2022 Special and Workshop**
- D. Review of the Credit Card Statement**
- E. Receive monthly Financial Highlight Report**

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves all consent agenda items as listed:

Seconded by Councilman District 6 Barr

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

VIII. ACTION ITEMS - (Council will consider/discuss the following items and take any action deemed necessary)

1. **Receive Budget Report from the Guadalupe-Blanco River Authority (GBRA) for the Port Lavaca Water Treatment Plant for the 2023 Fiscal Year pursuant to the Water Supply Contract. Presenter is Jody Weaver**

City Council received Budget Report from the Guadalupe-Blanco River Authority (GBRA) for the Port Lavaca Water Treatment Plant for the 2023 Fiscal Year pursuant to the Water Supply Contract.

No action necessary and none taken.

2. **Consider request of the Chamber of Commerce for parade permit, traffic control assistance and closing off several streets, for the Annual "Lighted Christmas Parade" on Friday, December 02, 2022, beginning at 6:30 p.m. and also request waiver of any fees associated with the event. Presenter is Tania French**

Tania French, Port Lavaca Events Committee, advised Council that the Port Lavaca Chamber of Commerce requests approval for the Annual "Lighted Christmas Parade" on Friday, December 02, 2022, beginning at 6:30 p.m. The parade will begin at Bayfront Peninsula Park, travel down Main Street to

Virginia to San Faubian and will end at Sandcrab Stadium. Chamber also requests assistance with traffic control and also for waiver of any fees associated with this event.

Motion made by Councilman District 1 Smith

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves request of Chamber of Commerce for parade permit, traffic control assistance and closing off several streets, for the Annual "Lighted Christmas Parade" on Friday, December 02, 2022, beginning at 6:30 p.m. and also approves waiver of any fees associated with the event.

Seconded by Councilman District 3 Tippit

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

3. **Consider request of Port Lavaca Main Street, Inc. for closure of Main Street from Virginia Street to Commerce Street; and if needed, also close Colorado Street and Guadalupe Street between Live Oak Street and Railroad Street for "Merry on Main" event on Saturday, December 03, 2022 and also request waiver of any fees associated with the event. Presenter is Tania French**

Tania French, Port Lavaca Events Committee, advised Council that the Port Lavaca Main Street Inc. is requesting closure of Main Street from Virginia Street to Commerce Street; and if needed, also close Colorado Street and Guadalupe Street between Live Oak Street and Railroad Street for "Merry on Main" event on Saturday, December 03, 2022 and also request waiver of any fees associated with the event.

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves request of Port Lavaca Main Street, Inc. for closure of Main Street from Virginia Street to Commerce Street; and if needed, also close Colorado Street and Guadalupe Street between Live Oak Street and Railroad Street for "Merry on Main" event on Saturday, December 03, 2022 and also approves waiver of any fees associated with the event.

Seconded by Councilman District 1 Smith

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

4. **Consider request of Our Lady of the Gulf Catholic Church for a parade permit and traffic control assistance for the “Marian Rosary” procession parade on Sunday, October 9, 2022 beginning at 5:00 p.m. and also request waiver of any fees associated with the event. Presenter is Colin Rangnow**

Police Chief Rangnow advised Council that Our Lady of the Gulf Catholic Church has requested a parade permit and traffic control assistance for the “Marian Rosary” procession parade on Sunday, October 9, 2022 beginning at 5:00 p.m. and also request waiver of any fees associated with the event.

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves request of Our Lady of the Gulf Catholic Church for a parade permit and traffic control assistance for the “Marian Rosary” procession parade on Sunday, October 9, 2022 beginning at 5:00 p.m. and also approves waiver of any fees associated with the event.

Seconded by Councilman District 6 Barr

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

5. **Consider request of Our Lady of the Gulf Catholic Church for a parade permit and traffic control assistance for their annual “Christ the King Eucharistic Procession Parade” on Sunday, November 20, 2022 beginning at 5:00 p.m. and also request waiver of any fees associated with the event. Presenter is Colin Rangnow**

Police Chief Rangnow advised Council that Our Lady of the Gulf Catholic Church has requested a parade permit and traffic control assistance for their annual “Christ the King Eucharistic Procession Parade” on Sunday, November 20, 2022 beginning at 5:00 p.m. and also request waiver of any fees associated with the event.

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves request of Our Lady of the Gulf Catholic Church for a parade permit and traffic control assistance for their annual “Christ the King Eucharistic Procession Parade” on Sunday, November 20, 2022 beginning at 5:00 p.m. and also approves waiver of any fees associated with the event.

Seconded by Councilman District 1 Smith

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

6. **Consider request of Calhoun County Fair Association (CCFA) for a parade permit and traffic control assistance on Saturday, October 01, 2022 beginning at 9:00 a.m.; the parade route will be from Sandcrab Stadium, Sam Faubion, N. Virginia, Main streets and ending at the Bayfront Peninsula; and also request waiver of any fees associated with the event. Presenter is Colin Rangnow**

Police Chief Rangnow advised Council that Amanda Gonzales, whom was in attendance on behalf of the Calhoun County Fair Association (CCFA), was requesting a parade permit and traffic control assistance on Saturday, October 01, 2022 beginning at 9:00 a.m.; the parade route will be from Sandcrab Stadium, Sam Faubion, N. Virginia, Main streets and ending at the Bayfront Peninsula; and also request waiver of any fees associated with the event.

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves request of Calhoun County Fair Association (CCFA) for a parade permit and traffic control assistance on Saturday, October 01, 2022 beginning at 9:00 a.m.; the parade route as presented above and also approves waiver of any fees associated with the event.

Seconded by Councilman District 3 Tippit

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

7. **Consider proposed City Compensation plan for the 2022-2023 fiscal year. Presenter is Jody Weaver**

Interim City Manager Weaver advised Council these are annual updates to the City's Compensation Plan that have been discussed and agreed to during the budget workshops and are presented for Council's final approval.

As recommended by Public Sector Personnel Consultants in their Salary Survey completed in January 2021, the City has embarked on a Compensation Plan update for the fiscal year beginning October 1, 2023. The latest pay plans from comparator cities were obtained, benchmark job classes were re-assigned to the salary ranges whose midpoints most closely matched the prevailing rates(+/- 2%), non-benchmark job classes were adjusted by the same number of salary ranges as their linked benchmark job class, professional judgement was utilized in job class re-assignment to prevent internal inequities and

relationships not supported by relative job complexity, and employees whose current salary was less than their job's new minimum were identified.

Financial Implications:

This year's budget included approximately \$232,888.00 (including benefits) earmarked for merit increases in an amount equal to 4% of the current salary and benefit expense. Additionally, we are proposing another \$73,437.00 (including benefits) to be utilized to update the salary ranges in the City's Compensation Plan. The additional amounts to be funded from the remaining balanced budget excesses are as follows:

\$49,991.00 in the General Fund, \$22,458.00 in the Public Utility Fund, and \$988.00 in the Port & Harbors Fund. This will bring all employees to the minimum levels of the new paygrade, as well as provide an allowance for department heads to issue merit increases for their highly performing employees.

The budgeted full-time positions for the 2022-2023 Fiscal Year (FY) are ninety-nine (99) and the full-time equivalent (FTE) part-time positions are 3.31. Note the budgeted full-time positions for 2021-2022 FY was ninety-eight (98); however, there was a mathematical error, and it was supposed to be ninety-nine (99). We are NOT adding any new positions in the 2022-2023 FY budget. The only position being added to the 2022-2023 FY budget is a part-time Animal Shelter Attendant in an amount equal to 0.5 FTEs. The job description is in the office of Human Resources.

Recommendation

Effective October 1, 2022, staff recommends City Council approve the Compensation Plan for the 2022-2023 Fiscal Year as follows:

- Confirm the Salary Structure as presented
- Confirm the amendment of the existing job positions as previously described in this memo
- Confirm the creation of a new part-time position as previously mentioned in this memo
- City Headcount is remaining the same at 99 full-time employees and 3.31 part-time FTEs

Motion made by Councilman District 3 Tippit

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with the recommendation of staff, Effective October 1, 2022, Council hereby approves the City's Compensation Plan for the 2022-2023 Fiscal Year as follows:

- The Salary Structure as presented; and
- The amendment of the existing job positions of Lead Animal Control Officer, Development Services Coordinator/Permit Technician; and
- The creation of a new part-time position of Animal Shelter Attendant and job description; and
- The City Headcount remaining the same at 99 full-time employees and 3.31 part-time FTEs

A copy of this Compensation Plan is on file, in its entirety, in the office of the City Secretary.

Seconded by Councilman District 5 Ward

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

8. **Consider Second and Final Reading of an Ordinance (G-6-22) of the City of Port Lavaca amending the Code of Ordinances Chapter 32, Parks and Recreation, Article III. Park Designations and Article IV. Park Regulations, Section 32-73 Skate Park and Section 32-74 Splashpad Rules Established; providing for severability; providing a repealing clause; and providing an effective date. Presenter is Jody Weaver**

Motion made by Councilman District 6 Barr

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves the Second and Final Reading of an Ordinance (G-6-22) amending the ordinance codified and described in the City's Code of Ordinances as Chapter 32, Parks and Recreation, Article III. Park Designations and Article IV. Park Regulations, Section 32-73 Skate Park and Section 32-74 Splashpad Rules Established; providing for severability; providing a repealing clause; and providing an effective date.

Seconded by Councilman District 1 Smith

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

9. **Consider Second and Final Reading of an Ordinance (G-7-22) amending the ordinance codified and described in the City of Port Lavaca Code of Ordinances as Part II, Appendix A – Fees, Rates and Charges, Chapter 50-67 - Utilities; and providing for an effective date. Presenter is Jody Weaver**

Interim City Manager Weaver advised Council that Finance Director Lang has the following memo:

The City of Port Lavaca has contracted with the Guadalupe-Blanco River Authority (GBRA) to reserve its full commitment of 4,480 A/F by fiscal year 2025. Currently, the City holds 2,688 A/F, and increases its commitment each year by 448 A/F. Next year's commitment will be 3,136 A/F. The GBRA provided notice on June 27, 2022 of an increase for firm water from the current \$157.00 per acre-foot per year to \$165.00 per acre-foot per year.

As a result, in both the increased increment of total acre feet of commitment and the increase in cost per acre-foot, we find it necessary to increase the current fee for GBRA water "raw water storage" from \$7.54 per month per customer to \$9.42 per month per customer, or a 25% increase effective October 1, 2022.

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves the Second and Final Reading of an Ordinance (G-7-22) amending the ordinance codified and described in the City's Code of Ordinances as Part II, Appendix A – Fees, Rates and Charges, Chapter 50-67 – Utilities – Water User Rates, Guadalupe-Blanco River Authority (GBRA) Fees; and providing for an effective date.

Seconded by Councilman District 6 Barr

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

10. **Consider Second and Final Reading of an Ordinance (S-2-22) approving the annual Budget for the City of Port Lavaca, Texas and adopting the budget document for the fiscal year October 01, 2022 thru September 30, 2023. Presenter is Jody Weaver**

Interim City Manager Weaver advised Council that Finance Director Lang has the following memo:

In accordance with the State of Texas Property Tax Code, the Comptroller of Texas' Truth-in-Taxation rules, the Local Government Code and the City's Charter, we have prepared an Ordinance that, if approved, meets the requirements as established by the governing legislation.

On July 25 (CIP) and August 22, 2022, the City Council held budget workshops to review recommendations from the City Manager for the 2022-2023 Fiscal Year (FY) Budget. The proposed budget was filed with the City Secretary and published on the City's website on August 8, 2022.

On August 22, 2022, the City Council announced a Public Hearing on the 2022-2023 FY Budget to be held on September 6, 2022. Because the proposed tax rate exceeds the No-New-Revenue rate, legislation considers it a tax increase, and requires special language to be included in the Notice of Public Hearing on the Budget, the front page of the proposed budget and the front page of the adopted budget.

The City published a notice of public hearing on the budget in the newspaper of general circulation (Port Lavaca Wave) on August 24, 2022 and posted the same notice on the City's website.

The budget, as presented in the August 22, 2022 Workshop and further discussed at the September 6, 2022 Special Meeting, has been modified to accommodate the Compensation Plan update, and is recommended for the City Council's approval. The Combined Revenues and Expenditures statement includes Revenues of \$20,854,531 followed by combined Expenditures of \$21,351,963, which includes one-time Capital Expenditures of \$2,763,313 and leaves a remaining combined Fund Balance reserve of \$7,419,954.

The Ordinance to adopt the budget includes authorization, as prescribed in the City Charter, Section 8.03, for the City Manager to transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department, or agency.

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, Council hereby adopts the 2022-2023 Fiscal Year Annual Budget, as presented by the Interim City Manager; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby adopts the 2022-2023 Fiscal Year Annual Budget Ordinance (S-2-22), as presented by the Interim City Manager, on this its second and final reading.

Seconded by Councilman District 3 Tippit

Voting Yea and Record Vote:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

Voting Nay and Record Vote:

None

Absent:

Councilman District 2 Dent, Councilwoman District 4 (Mayor Pro Tem) Padron

11. **Consider ratification of property tax increase reflected in the budget. Presenter is Susan Lang**

Finance Director Lang advised Council that in accordance with Local Government Code Section 102.00?(c) when adopting a budget that will require raising more revenue from property taxes than in the previous year, a separate vote of the governing body to ratify the property tax increase reflected in the budget is required. This vote is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate.

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with the recommendation of staff, Council moves to ratify the property tax revenue increase reflected in the 2022-2023 fiscal year Budget.

Seconded by Councilman District 6 Barr

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

12. **Consider Second and Final Reading of an Ordinance (S-3-22) fixing the Tax Rate and Tax Levy for the City of Port Lavaca, Texas for the year 2022. Presenter is Jody Weaver**

Interim City Manager Weaver advised Council that Finance Director Lang has the following memo:

In accordance with the State of Texas Property Tax Code, the Comptroller of Texas' Truth-in-Taxation rules, the Local Government Code and the City's Charter, we have prepared an Ordinance that, if approved, meets the requirements as established by the governing legislation.

On August 22, 2022, the City Council took a record vote to propose the same tax rate (\$0.7944) as levied on properties as the previous year. Because the proposed tax rate exceeded the No-New-Revenue rate, legislation considers it a tax increase, and requires a public hearing. City Council announced a date and time for a public hearing on the tax rate to be held on September 6, 2022. The City published a notice of public hearing on the tax increase in the newspaper of general circulation (Port Lavaca Wave) on August 31, 2022 and posted the same notice on the City's website.

Additionally, because the proposed tax rate exceeds the No-New-Revenue rate, additional language is required to be included in the ordinance and requires specific language in the motion to adopt the tax rate as follows: City Council held the Public Hearing on September 6, 2022 and made the first reading to adopt the Tax Rate at the same meeting.

Motion #1:

Motion made by Councilman District 3 Tippit

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, the property tax rate be increased by the adoption of a tax rate of \$0.7944, which is effectively a 2.27% increase in the tax rate; and .

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with recommendation of staff, Council hereby approves fixing the 2022 Tax Rate and Tax Levy Ordinance (S-3-22) on this its second and final reading.

Seconded by Councilman District 5 Ward

Voting Yea and Record Vote:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

Voting Nay and Record Vote:

None

Absent:

Councilman District 2 Dent, Councilwoman District 4 (Mayor Pro Tem) Padron

Motion #2:

Motion made by Councilman District 3 Tippit

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, City Council adopts a Maintenance and Operations rate of \$0.7307.

Seconded by Councilman District 5 Ward

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

Voting Nay: None

Absent:

Councilman District 2 Dent, Councilwoman District 4 (Mayor Pro Tem) Padron

Motion #3:

Motion made by Councilman District 3 Tippit

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, City Council adopts an Interest & Sinking rate of \$0.0637.

Seconded by Councilman District 5 Ward

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

Voting Nay: None

Absent:

Councilman District 2 Dent, Councilwoman District 4 (Mayor Pro Tem) Padron

13. **Consider recommendation of Selection Committee to award Construction Contract for the Phase II City Hall Improvement Project. Presenter is Derrick Smith**

Development Services Director Smith advised Council that the 2022-2023 Fiscal Year General Fund Budget includes \$300,000.00 of Capital improvements for Phase II Renovations to City Hall. Bids were originally due

on August 25, 2022 but to increase the likelihood of receiving at least two proposals, the due date was extended by addendum to September 1, 2022. Two proposals were received and were considered by the Selection Committee on September 6, 2022 and are as follows:

<u>Bidder:</u>	<u>Base Bid</u>	<u>Alternate 1</u>	<u>Calendar Days</u>
Barefoot Construction 312 Davis Ave Port Lavaca, TX 77979 361-655-1138	\$ 316,000.00	\$ 3,500.00	180
BLS Construction Inc. 207 Fahrenthold St. #4319 El Campo, TX 77437 979-543-2696	\$ 369,400.00	\$ 12,300.00	180

Note: Additive Alternate No. 1 is the cost to relocate the existing Hurricane Shutter system to the new exterior storefront on the South wall. The new storefront glazing is impact-resistant-glass; however, the additional protection of the Hurricane Shutters is recommended, especially at this cost.

An award of the recommended contract amount of \$319,500.00 will require \$19,500.00 of additional funds to be allocated from the General Fund Reserves. The Selection committee recommends a construction contract be awarded to Barefoot Construction in the amount of \$319,500.00, being the sum of the base bid plus Additive Alternate No. 1. The committee further recommends Council authorize a Budget Amendment in the amount of \$19,500.00 from General Fund Reserves to fully fund the project.

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with the recommendation of staff, Council hereby awards a Construction Contract to Barefoot Construction, in the amount of \$319,500.00, being the sum of the Base Bid plus Additive Alternate No. 1, for the Phase II City Hall Improvement Project, to be completed in 180 calendar days from receipt of Notice to Proceed.

BE IT FURTHER RESOLVED, that Council authorizes a Budget Amendment in the amount of \$19,500.00 from the City's General Fund Reserves to fully fund the project.

BE IT ALSO RESOLVED, that the Mayor is hereby authorized to execute all instruments necessary to effect such agreement.

Seconded by Councilman District 1 Smith

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

14. **Consider recommendation of the Port Commission for approval of Lease for Suite 3 of Nautical Landings Office Building to Edward Jones. Presenter is Jim Rudellat**

Interim City Manager Weaver presented this agenda item for Harbor Master Rudellat and advised Council that Edward Jones has leased Suite 3 from the City since September 1, 2003. As such they have been a long-time steady tenant and have always to my knowledge paid their rent on time without issue. The original 2003 lease was a standard Edward Jones lease document and had a term of 5 years with a 5-year option. There have been five (5) amendments that extended the lease until its current expiration date of August 31, 2022. The lease amount they contracted for in 2003 was \$765.00/month. The MCI in September 2003 was 166.8. The MCI in July 2022 (last date published) was 309.81, or an increase of 185.7%. So, \$765.00 in today's dollars per the MCI is \$1,420.89. Edward Jones currently pays a total of \$1,150/month comprised of \$1,035/month rent (0.98/sf) and \$115.00 for utilities

Port Commission Recommendation: a two (2)-year lease with year 1 at \$1,095.50 + \$135 utilities = \$1,230.50 (7% overall increase) and Year 2 \$1,181.64 + \$135.00* utilities = \$1,316.64 (7% overall increase) AND the requirement that the City's standard lease document must be used.

Edward Jones proposal: a five (5)-year lease with a year 1 rent of \$1,092.00 (5.5% incr) with a fixed 4% increase each year on the rent rate PLUS the \$135.00*/month for utilities, *which is subject to increase per actual KW/Hr costs and water/sewer base rates borne by the City. (Note: If the utilities remain at \$135.00, the overall annual increase including the cost of utilities will be 3.6%).

Motion made by Councilman District 5 Ward

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT LAVACA, TEXAS:

THAT, in accordance with the recommendation of staff, Council hereby approves the Lease for Suite 3 of Nautical Landings Office Building to Edward Jones for a period of five (5) years; with a year 1 rent of \$1,092.00 (5.5% incr) with a fixed 4% increase each year on the rent rate PLUS the \$135.00*/month for utilities, *which is subject to increase per actual KW/Hr costs and water/sewer base rates borne by the City. (Note: If the utilities remain at \$135.00, the overall annual increase including the cost of utilities will be 3.6%). A copy of this lease is in the office of the City Secretary, in its entirety.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized to execute all instruments necessary to effect such agreement.

Seconded by Councilman District 5 Barr

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

15. **Announcement by Mayor that City Council will retire into closed session:**

- **For consultation with City Attorney on matters in which the duty of the Attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar**

of Texas clearly conflicts with the Open Meetings Act (Title 5, Chapter 551,–Section 551.071(2) of the Texas Government Code). Presenter is Mayor Whitlow

Mayor announced there would be no closed session.

16. **Return to Open Session and take any action deemed necessary with regard to matters in closed session. Presenter is Mayor Whitlow**

There was no closed session.

IX. ADJOURNMENT

Mayor asked for motion to adjourn.

Motion made by Councilman District 5 Ward, Seconded by Councilman District 6 Barr

Voting Yea:

Councilman District 1 Smith, Councilman District 3 Tippit, Councilman District 5 Ward, Councilman District 6 Barr

Meeting adjourned at 7:24 p.m.

These minutes were approved on October 10, 2022.

ATTEST:

Jack Whitlow, Mayor

Mandy Grant, City Secretary