

**LOUIS RIGBY**  
Mayor  
**JOHN ZEMANEK**  
Councilmember At Large A  
**DOTTIE KAMINSKI**  
Councilmember At Large B  
**DANNY EARP**  
Councilmember District 1  
**CHUCK ENGELKEN**  
Councilmember District 2



**BILL BENTLEY**  
Councilmember District 3  
**KRISTIN MARTIN**  
Councilmember District 4  
**JAY MARTIN**  
Councilmember District 5  
**NANCY OJEDA**  
Councilmember District 6  
Mayor Pro-Tem

## **MINUTES OF THE SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF LA PORTE SEPTEMBER 6, 2018**

The City Council of the City of La Porte met in a special meeting on **Monday September 6, 2018**, at the City Hall Council Chambers, 604 West Fairmont Parkway, La Porte, Texas, at **6:00 p.m.** to consider the following items of business:

1. **CALL TO ORDER** – Mayor Rigby called the meeting to order at 6:00 p.m. Members of Council present: Councilmembers Ojeda, Zemanek, J. Martin, Bentley, Kaminski, Engelken, and Earp. Absent: Councilmember K. Martin. Also present were City Secretary Patrice Fogarty and City Manager Corby Alexander
2. **INVOCATION** – The invocation was given by Councilmember Jay Martin.
3. **PLEDGE OF ALLEGIANCE** – The Pledge of Allegiance was led by Councilmember Danny Earp.
4. **PUBLIC COMMENTS** (Limited to five minutes per person.)  
  
No members of the public presented for public comments.
5. **DISCUSSION AND POSSIBLE ACTION**
  - (a) Discussion and possible action to provide direction to the City Manager regarding the City of La Porte Fiscal Year 2018-2019 tax rate and Fiscal Year 2018-2019 budget-C. Alexander

City Manager Corby Alexander stated that at the last budget discussion, there were a number of items he wanted to follow-up on with Council for direction. He proposed going through each item to get direction from Council.

Mr. Alexander stated the first item is regarding raising the tax rate by \$.05. There was a concern by staff regarding whether going up five cents would put us above rollback. After doing the calculations, he reported that five cents does not put the City above rollback; so, it is an option that Council could consider without having a rollback election. He stated if that's an option Council would like to pursue, there are public hearings that must happen; so, staff needs direction on this tonight so that publication of the hearings can be made according to law. Councilmember Bentley asked about the proposed schedule. Mr. Alexander stated the proposed schedule would be publication of the public hearings in the 13<sup>th</sup> edition of the Bay Area Observer, stating there will be a special meeting on the 20<sup>th</sup> for the first public hearing and the second public hearing at the regular meeting on 24<sup>th</sup>. The tax rate adoption cannot be sooner than a week after the second public hearing; so, the tax rate could be adopted at a meeting October 1 thru October 8. October 8 is the first regular Council meeting in October.

Councilmember Zemanek spoke and informed Council that it is his idea to increase the tax rate in order to earmark projects for a new fitness center; revamping the Fitness Center for the seniors once there is a new building; a stipend for city employees paid in November 2018; turfing the Pecan

Park baseball fields; drainage improvements; and increase funding for summer youth programs. He stated regarding priority of the items, he wants the stipend for employees this year, do the fitness center, the programs for the youth during the summer, the revamping of the current center for the seniors, and the turfing of the baseball fields will have to come after the other projects are completed and paid for. The increase of the tax rate would be earmarking these specific projects.

Councilmember Zemanek passed out photos of the Fitness Center showing damages which, in his opinion, prove the need for renovation to it and building of a new Recreation and Fitness Center. He stated the current building is past its usefulness.

Mayor Rigby asked how old is the building? Councilmember Zemanek said over 50 years old. Mayor Rigby said no, it isn't that old. There were comments from the audience that the building was built around 1987-1988.

Councilmember J. Martin commented he is not opposed to a new fitness center, but it is hard for him to vote to raise taxes. He asked about other financing options besides raising taxes. City Manager Alexander stated staff has not explored in depth other financing options. It is probably permissible to use Hotel Motel funds to turf the ballfields because that is a permitted use.

Councilmember J. Martin stated if we already authorized a 10,000-square-foot expansion of the Fitness Center in this year's budget, there is no reason to spend this money if we plan to build a new fitness center. He would like to explore the idea of having a bond election and let the citizens vote it up or down.

Councilmember Zemanek stated that it took 11 years from the bond election to opening day of the baseball complex. He stated he doesn't want to 11 years; and stated the Fitness Center cannot stand waiting another 11 years.

Mayor Rigby asked why the maintenance of this building is not being kept up. Mr. Alexander said he and staff will be discussing this.

Councilmember Ojeda commented she is not opposed to a new fitness center but agrees with Councilmember J. Martin that citizens should have an input on a rate increase.

Councilmember Earp commented he is opposed to raising taxes. He stated that going through the budget, he believes we will find others ways to fund a new fitness center.

Mayor Rigby stated that if it is the decision of the council to build one and figure out how to pay for it later, we still need to maintain all facilities.

Councilmember Engelken commented he does not want to see taxes increased and more can be done if we get out of status quo and try to change status quo. He said maintenance for City facilities is pathetic, and he holds City administration accountable for all City facilities. Staff should do a better job on maintenance.

City Manager Corby Alexander continued with potential budget decreases.

Council agreed to cut Automated Server Monitoring by \$35,000 and Consulting Fees by \$5,000.

Mr. Alexander recommended not to eliminate the Director of Planning position of \$137,000. Councilmember Zemanek asked if the Director of Planning will have an engineering background. Mr. Alexander responded there are quite a few attractive resumes coming in but none have an engineering background. Council agreed to keep the position and an engineering background is not required.

Council agreed to cut the Liability Insurance Fund by \$30,000.

Council agreed to cut the Legal/Prosecutor proposed budget of \$285,000 by \$101,000, leaving \$184,000 in funds to pay for the City Attorney and also to hire a prosecutor as a full-time employee, without a paralegal.

Council agreed they do want to hire a full time prosecutor. How it will be structured will be discussed in the future, stating City staff may want to consult with the Olson and Olson Law Firm about the City's Charter provisions.

City Manager Corby Alexander passed out a revision of what was in the packet regarding fees for the golf course. He stated he felt tasked with reducing the deficit in terms of the difference between what the golf course brings in terms of revenue vs. what it costs to operate the golf course. And to attempt to do that he recommended two things: one, to adjust the fees; and two, the City will aggressively market the golf course; and went on to say the City will do that no matter what.

As it relates to fees on the handout he passed out at the meeting, if Council makes all the changes shown, revenue would increase \$86,000 if our number of rounds holds the same. He asked for direction from Council as to whether they wish to make the fee adjustments all at once or phase them in.

Mayor Rigby asked if there is anyone who wants to reduce the current golf course subsidy from the general fund.

Councilmember Engelken stated he agrees to reduce the deficit.

Councilmember J. Martin commented he does not support this reduction in subsidy and, indeed, believes City spending needs to increase. The golf course generates twice as much revenue as the rest of the Parks Department, including the fitness center and the Wave Pool. He stated they are talking about spending millions for parks amenities and cutting back on spending for the golf course. He stated if the City is going to talk about spending on amenities, the City needs to step up for the golf course and applaud the hard work that goes on out there and raise it to the next level. "If we were going to raise taxes, I would add that golf course improvements need to be added."

Councilmember Zemanek provided comments about the number of rounds and fees. Alex Osmond stated he and staff discussed it, and they would like to increase cart fees immediately and next year increase the charge for membership green fees since those were just increased last year.

Councilmember Earp stated his original thought was a reduction of \$200,000 of subsidy for the golf course from the general fund, but he came away with recommending a \$70,000 reduction in subsidy so that it keeps everyone whole and moving forward.

Councilmember Ojeda made a motion to approve new rates for golf carts and green fees for residents and non-residents and leave memberships at the status quo. Councilmember J. Martin seconded. **MOTION FAILED.**

Ayes:	Mayor Rigby, Councilmembers J. Martin and Ojeda
Nays:	Councilmembers Kaminski, Zemanek, Bentley, Engelken and Earp
Absent:	Councilmember K. Martin

Councilmember Zemanek made a motion to approve the rate fee structure as presented tonight by the City Manager which is the \$2.00 cart fee; \$2.00 non-resident; \$1.00 resident; and the membership increases. Councilmember Earp seconded. **MOTION PASSED.**

Ayes: Councilmembers Earp, Engelken, Bentley, Zemanek and Kaminski  
Nays: Mayor Rigby, Councilmembers J. Martin and Ojeda  
Absent: Councilmember K. Martin

City Manager Corby Alexander stated that is \$86,000.

City Manager Corby Alexander recommended not reducing by \$186,000 the merit program's proposed funding of \$486,000. The merit program being discussed is only for non-civil service employees. Mr. Alexander pointed out that while budget is always in Council's purview, he has outlined some reasons he would like Council to consider not reducing this item. One is because reduced merit increases would be given to non-civil service employees, and civil service employees would not be given reduced increases, which could impact morale. He also stated that in the past, the City's merit increases have been good recruitment and retention tools, and any change in that would have a negative impact on those two fronts.

Mr. Alexander stated that if Council does choose to move forward with a stipend, every non-civil service employee could be given \$1,000; and that would cost \$300,000. If non-civil service employees received \$1,500, that would cost \$450,000.

Councilmembers Zemanek and Earp stated they are in favor of a \$1,000 stipend for non-civil service city employees. Councilmember Earp said if Council was willing to do the \$186,000 reduction, we could still give employees a \$1,000 stipend, which would be for this budget year only.

Council discussed merit increases and the past market study. Councilmember J. Martin provided comments regarding the recent market study. He stated, "If we don't give increases, we will be getting back in the same boat we just tried to get out of." He also commented he would like to continue with merit increases.

Councilmember Zemanek made a motion to give all non-civil service employees a \$1,000 stipend payable in the November paycheck in lieu of merit increases. Councilmember Earp seconded. **MOTION FAILED.**

Ayes: Councilmembers Earp, Zemanek and Kaminski  
Nays: Mayor Rigby, Councilmembers Ojeda, J. Martin, Engelken and Bentley  
Absent: Councilmember K. Martin

Councilmember Engelken made a point to reiterate what merit stands for, which is high performance by employees.

Councilmember Bentley commented his vote was not that he does not want to compensate employees but because a one-time stipend does not go as far as a merit increase on a paycheck.

Councilmember Earp made a motion to reduce the merit program by \$186,000 and to stick to the merit system, and allocate \$300,000 for raises instead of \$486,000, with no change in the 0-5 percent increase structure. Councilmember Ojeda seconded. **MOTION PASSED.**

Ayes: Councilmembers Ojeda, Kaminski, Zemanek, Earp and Engelken  
Nays: Mayor Rigby, Bentley and J. Martin  
Absent: Councilmember K. Martin

Councilmember J. Martin asked if merit raises are separate from cost of living raises. City Manager Corby Alexander responded there is no cost of living adjustment included in the budget, and the only increase for non-civil service employees is what Council allocates tonight.

City Manager Corby Alexander recommended going with a formulary change and cutting \$250,000, and Council agreed to the cut.

Regarding stop loss coverage, Council agreed to leave the \$480,000 in the budget, wait for the bids for coverage of premiums, and also check to be sure it is legal to discontinue Stop Loss coverage.

Council recessed for a break at 7:36 p.m. and returned at 7:47 p.m. Councilmember Kaminski returned to the table at 7:48 p.m.

City Manager Corby Alexander recommended to remove the Drainage Interconnect project for \$250,000 due to the developer taking on the expense of the project. Council agreed to remove the project.

City Manager Corby Alexander recommended removing a portion of the funding of the Spencer Masonry Fence project for the south side in an amount of \$380,400.

Councilmember Ojeda informed she is not in favor of removing the project because the south side looks the worst.

Councilmember Earp made a motion to remove \$380,400.00 from the project budget and proceed with the north side fence and sidewalk, and reserve the south side for a later date. Councilmember Engelken seconded. **MOTION PASSED.**

Ayes: Mayor Rigby, Councilmembers Earp, Kaminski, Zemanek, J. Martin, Earp and Engelken  
Nays: Councilmember Ojeda  
Absent: Councilmember K. Martin

City Manager Corby Alexander recommended not reducing Motor Pool Lease Fees of \$236,000.00, and Council agreed.

City Manager recommended no Public Works Reduction of Force of \$974,000. Councilmember Earp withdrew his request, and Council agreed to no Public Works Reduction of Force.

City Manager Corby Alexander recommended not reduce Fleet Maintenance by \$159,000. Councilmember Earp withdrew his request and Council agreed to leave it in there.

City Manager Corby Alexander recommended to reduce contingency to \$250,000 instead of \$350,000. Council agreed.

City Manager advised a new position request of \$102,000.00 was miscoded on the large spreadsheet of the budget, and there is not a request for a new position.

City Manager Corby Alexander recommended continuing efforts to recruit a Tax Collector for \$100,000. Councilmember Zemanek asked if Staff is pleased with the work performed by Goose

Creek Consolidated School District. Mr. Alexander responded yes. Council agreed to remove the position from the budget.

City Manager Corby Alexander informed Council that there has been an increase of \$600,000 over the past three years for Electric Franchise Fees. No further franchise fee increases are anticipated.

City Manager Corby Alexander recommended eliminating funding of \$430,000.00 for Phase 1 of a Private Fiber Network. Council agreed.

- (b) Discussion and possible action to propose a Fiscal Year 2018-2019 tax rate for the City of La Porte and establish public hearing dates (if applicable) as required by State law - J. Weeks

Assistant City Manager Jason Weeks presented a summary.

Councilmember Earp commented after reviewing the proposed budget with Staff, he is not asking for a reduction in the tax rate.

Councilmember J. Martin made a motion to keep the tax rate at \$0.71 per \$100 of property valuation, and incorporate the budget changes discussed tonight. Councilmember Bentley seconded.

Councilmember Zemanek commented there is a savings of \$1.95 million in the budget and asked if Council is willing to earmark some of the savings to move forward with a project of a new fitness center.

Councilmember Earp commented he is in favor and was going to originally propose to earmark \$2 million to start the funding, but to keep the budget fairly flat and not impact it as far as the total dollars of where we are at, we would have to reduce it to start with to about \$1.5 million, which would get us to where we are, kind of budget neutral, from what we cut vs. to be able to start our funding for the rec center.

Councilmember Ojeda commented she is hesitant to earmark funding when the cost is not known.

Assistant City Manager Jason Weeks informed Council they can come back with an item to move the funding into a reserve account. Council agreed to earmark funding for a new fitness center.

Councilmember J. Martin amended his motion to consider a tax rate at \$0.71 per \$100 valuation and earmark any savings established tonight to fund a new fitness center and other amenities. Councilmember Bentley seconded. **MOTION PASSED.**

Ayes:	Mayor Rigby, Councilmembers Earp, Ojeda, Kaminski, Zemanek, J. Martin, Earp and Engelken
Nays:	None
Absent:	Councilmember K. Martin

**6. ADMINISTRATIVE REPORTS**

There were no additional comments.

- 7. COUNCIL COMMENTS** regarding matters appearing on the agenda; recognition of community members, city employees, and upcoming events; inquiry of staff regarding specific factual information or existing policies. Councilmembers Earp, Ojeda, J. Martin, K. Martin, Kaminski, Zemanek, Bentley, Engelken, and Mayor Rigby

Councilmember Earp thanked Staff for their work during the budget process and answering his questions and commented he is not pleased with a campaign by the Economic Development

Coordinator to Bring Beer Back to the Bay because it sends a negative message from the City and informed he is not against any brewery; Councilmember Ojeda concurred with Councilmember Earp's comments regarding the campaign by the Economic Development Coordinator and thanked department directors for working with Council during the budget process; Councilmember J. Martin commented the budget discussions were good and thanked Councilmember Earp for bringing the issues to City Council for consideration and commented it is a good idea to get started on the north side fence and then later work on the south side; Councilmember Kaminski thanked Staff for their hard work during the budget process; Councilmember Zemanek recognized Councilmember Kristin Martin on the birth of her son; and wished Chad Kaminski, Councilmember Dottie Kaminski's son, a speedy recovery; and thanked everyone for attending the meeting; Councilmember Bentley thanked Staff for their work during the budget process and commented the City needs to get employee salaries to market compensation; Councilmember Engelken thanked Staff for their work during the budget process; and Mayor Rigby commented he appreciates all of the departments along with the City Manager Corby Alexander.

8. **ADJOURN** – There being no further business, Councilmember Engelken made a motion to adjourn the meeting at 8:31 p.m. Councilmember Zemanek seconded the motion. **MOTION PASSED UNANIMOUSLY 8/0.**

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Patrice Fogarty, City Secretary

Passed and approved on September 24, 2018.

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Mayor Louis R. Rigby