

CITY OF ROCKPORT

MINUTES

CITY COUNCIL SPECIAL MEETING

3:30 p.m., Thursday, December 30, 2021

**Rockport Service Center, 3751 State Highway 35 Bypass
and**

Via Video Conferencing Application ZOOM

A temporary suspension of the Open Meetings Act to allow telephone or video conference public meetings was granted by Governor Greg Abbott. These actions were being taken to mitigate the spread of COVID-19 by avoiding meetings that bring people into a group setting and in accordance with Section 418.016 of the Texas Government Code.

Due to the COVID-19 pandemic, the attorney general has said: "statutes that may be interpreted to require face-to-face interaction between members of the public and public officials are suspended; provided, however, that the governmental bodies must offer alternative methods of communicating with their public officials." Public participation is valued and citizens wishing to express their views on any topic or agenda item can 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 at the meeting. Using the same form, citizens can also provide written comments to the City Secretary by 1:00 p.m. on the day of the meeting. The Mayor will read the comments and they will be summarized in the minutes of the meeting.

On the 30th day of December 2021, the City Council of the City of Rockport, Aransas County, Texas, convened in Regular Session at 3:46 p.m., at the Training Room of the Rockport Service Center and via video conferencing application ZOOM, 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 Patrick R. Rios
Mayor Pro-Tem J.D. Villa, Ward 2
Council Member Katy Jackson, Ward 1
Council Member Brad Brundrett, Ward 3 – *Via ZOOM*
Council Member Andrea Hattman, Ward 4

CITY COUNCIL MEMBER(S) ABSENT

STAFF MEMBERS PRESENT

City Manager Kevin Carruth
Assistant to City Manager Kimberly Henry
Director of Public Works & Building Services Mike Donoho – *Via ZOOM*
Director of Finance Katie Griffin – *Via ZOOM*

ELECTED OFFICIALS PRESENT

Opening Agenda

1. Call to Order.

With a quorum of the Council Members present, the Special Meeting of the Rockport City Council was called to order by Mayor Rios 3:46 p.m. on Thursday, December 30, 2021, in the Training Room of the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas, and via video conferencing application ZOOM.

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 1:00 p.m. on the day of the meeting, on any subject matter that is not on the agenda, will be read by the Mayor and summarized in the minutes of 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 to be heard.

Regular Agenda

3. Hear and deliberate on presentation concerning city hall construction bids and funding.

Mayor Rios explained that requests for proposals were sought under the usual FEMA approved standards and the deadline was extended to December 9, 2021. Of the sixty general and subcontractors that downloaded the plans, and the large number of attendees at the pre-bid conference, there were still only two bids received. The base bids for City Hall only were Fulton Construction at \$19,162,000 and Teal Construction at \$16,380,000. Staff have been working with the low bidder of Teal Construction to see where cuts can be made to get closer to the construction cost estimate of \$12,195,238. Due to the current pandemic related financial issues and supply shortages, this is a difficult time to get bids for projects.

Paul Bonnette of PGAL (the City's architect/engineer firm) stated that throughout the process, the staff and engineers worked together to use smart materials and find cost saving solutions. There were at least five different estimates performed to make sure we were on target and within budget. Unfortunately, the market is currently higher than engineers estimates all over the place, not just Rockport.

Mark Williams of Broaddus Companies (the City's project management firm) noted that staff and contractors alike have been value engineering where possible throughout the process. The last estimate for construction only of the city hall site only was estimated to be about \$45/square foot higher than the county courthouse because of the difference in size. Since that time, material costs have increased. We have been working with the low bidder to consider items such as reducing the mill work, using a different generator, the city purchasing the generator directly, and several other items the low bidder can explain in more detail. We have all seen price increases during the current COVID pandemic, but new construction has been severely affected. Any action needs to be taken sooner rather than later before prices go any higher.

Michael Miller and John Murry of Teal Construction were both present to answer any questions. Mr. Miller thanked the Council for holding a special meeting in the middle of the holidays. He explained that the during the bid process, Teal Construction made sure the subcontractors knew

they could bid on the two buildings separately and both together in order to provide options for the City and County. Contractors like Teal are experiencing that their subcontractors, is they realize their staffing levels are limited due to the pandemic, and the joint mission is a large project. Prior to the pandemic this would have been a simple joint venture, but with current shortages of skilled labor and products, subcontractors are limiting the size of their bids to their current labor force. At the pre-bid conference there were a lot of out-of-town contractors; however, they are experiencing similar issues with their subcontractors and therefore restricting their responses to their own areas of Texas instead of trying to relocate their crews to out of town areas.

Mr. Miller provided a proprietary handout to the Council offering suggestions for some potential economy of scale decreases which included: type and location of generator, reduction of mill work, use paint instead of paneling, laminate instead of wood, roofing materials, instahot water heaters throughout instead of a central water heater, aluminum in lieu of copper feeders, different light fixtures and cable drops, and various other items that could be approximately a million dollars in savings. These were just a few of the bigger ticket items they were able to talk with their subcontractors with during the holidays. If Teal Construction is awarded the contract, Mr. Miller stated he can get more into the details to find more savings. Even if these suggestions appear good on paper, they still have to be vetted with the engineer to make sure they are sound choices for the project.

Mayor Pro-Tem Villa questioned if all products are USA made products.

Mr. Bonnette stated that was not a requirement of the Request For Proposals (RFP) process.

There was general discussion that no decision could be made today due to Federal Emergency Management Agency (FEMA) not providing the City with approval to move forward since we only received two bids. The Texas Division of Emergency Management (TDEM) has agreed that all that could be done to secure a minimum of three bids was done; however, FEMA has not responded.

Mayor Rios noted that when the City funded the 2020 Tax Notes, it was prior to the extended staffing and product shortages. Even with the on-going value engineering, we will still have a short fall for this project and the longer we have to wait to approve the project, the more the costs can go up.

The City's Financial Advisor, Bob Henderson of RBC Capital Markets, explained the history of the 2020 request starting at approximately \$20 million and then decreased to approximately \$14 million, and how as a Tax Note it was limited to 7 years; however, we advised that at a later date the City could refinance for a longer term to spread the cost out over 15 years, which is 20% of the 75 year expectation for the life of City Hall. If we do the refinance now, the City will have another \$11.6 million of available debt to keep the city at the same Interest and Sinking (I&S) Fund Rate. This still give the City ample debt capacity in another 4-5 years.

The City's Bond Counsel Advisor, Tom Spurgeon with McCall, Parkhurst and Horton, LLP, explained that HB 1869 placed a lot of new restrictions for debt without an election. He provided a few of the parameters and stated he feels the City can move forward without having to wait for an election.

Mayor Rios stated that we cannot move forward with any contractor until FEMA approves of the fact that we only received two bids. In the meantime, we need to move forward with securing funding, because it is too late to turn back at this point. He further suggested that the budget to-date be reviewed either in January or February 2022 to make sure we are on track with everything else.

Council Member Brundrett questioned what projects besides City Hall the staff are considering for the approximately \$11.6 million.

City Manager Kevin Carruth stated the \$11.6M is the maximum; however, the City can always do less. Projects to be considered are:

Emergency Communications Center	\$ 834,508
Vehicles/Equipment	\$1,900,000
Drainage/Streets	\$3,500,000
City Hall	\$5,385,492

These projects can be further flushed out during this process. There are other options such as upgrades to the wastewater plant and more.

4. Deliberate and act on contingent authorization of contract negotiations with Teal Construction for City Hall project.

Council Member Brundrett questioned if we can continue to negotiate with Teal Construction to further reduce the prices.

Mr. Miller stated they can continue to look into possible savings; however, the cost of materials continues to go up.

MOTION: Mayor Pro-Tem Villa moved to authorize the Mayor to continue negotiations with Teal Construction for the City Hall project. Motion was seconded by Council Member Hattman. The motion carried unanimously.

Executive Session

City Council will hold an executive session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:

5. Section 551.071 Consultations with Attorney seeking the advice of attorney about pending or contemplated litigation or a settlement offer; and on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter: Concho Street Drainage Project.

At 5:08 p.m. Mayor Rios convened the Rockport City Council into an Executive Session pursuant to Government Code Section 551.071 Consultations with Attorney seeking the advice of attorney about pending or contemplated litigation or a settlement offer; and on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter: Concho Street Drainage Project.

Open Session

City Council will reconvene into open session pursuant to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the execution session noted herein, and or related items.

At 5:45 p.m. Mayor Rios reconvened the Rockport City Council into open session pursuant to the to the provisions of Chapter 551 of the Texas Government Code to take any actions necessary related to the executive session noted herein, and or related items.

MOTION: Council Member Jackson moved for the Mayor to negotiate with Jerry Brundrett to provide consultant services to the City with respect to the Concho Street Drainage Project. Council Member Hattman seconded the motion. Motion carried unanimously.

6. Adjournment.

At 5:46 p.m. Mayor Pro-Tem Villa moved to adjourn. Motion was seconded by Council Member Hattman. Motion carried unanimously.



ATTEST:


Teresa Valdez, City Secretary

APPROVED:


Patrick R. Rios, Mayor