

CITY OF ROCKPORT

MINUTES

CITY COUNCIL REGULAR MEETING

6:30 p.m., Tuesday, August 8, 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 8th day of August 2023, the City Council of the City of Rockport, Aransas County, Texas, convened in a Regular 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
City Attorney Art Rodriguez, Jr.
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
Police Patrol Captain Nathan Garcia
Police Patrol Officer Justin Dodd
Community Planner Carey Dietrich
Director of Finance Robbie Sorrell
Communications Center Director Lee Brown
Parks & Leisure Services Maintenance Technician Mario Trevino

ELECTED OFFICIALS PRESENT

Opening Agenda

1. Call meeting to order.

With a quorum of the Council Members present, the Regular Meeting of the Rockport City Council was called to order by Mayor Jayroe at 6:30 p.m. on Tuesday, August 8, 2023, in the Training Room of the Rockport Service Center, 2751 State Highway 35 Bypass, Rockport, Texas.

2. Pledge of Allegiance.

Council Member Hale led the Pledge of Allegiance to the U.S. flag.

3. Presentation: Award in Police Department

Police Chief Greg Stevens announced an award in the Police Department. Chief Stevens presented a Chief's Direct Commendation award to Patrol Officer Justin Dodd for his outstanding performance during an incident on July 22, 2023, in which Officer Dodd took command and brought a situation to a less than lethal solution and safe apprehension of the subject.

4. 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.

Ken Baron, 402 Cascades, addressed the Council. Mr. Baron requested the City consider using any leftover funds from this year's budget for drainage projects in the Rockport Country Club and requested funds be budgeted for next year's budget for drainage projects in the Rockport Country Club.

Kristie Rutledge, 1411 Dana Drive, addressed the Council. Ms. Rutledge said three minutes was not enough time for her to address the Agenda items she wished to comment on. Ms. Rutledge said she had prepared a handout regarding the budget using ClearGov. Ms. Rutledge stated the City should not be overbudgeting and look at the Capital Improvement Plan and Bond monies to make sure that previously allocated funds have been spent.

Council Member Brad Brundrett read comments submitted via the Citizen Participation Form from the following:

- 1) Andrew Kane, 2106 Lakeview Drive – comments regarding budget for 2023-2024 and increase in utility rates for out-of-city residents.
- 2) Patrick Kane, 1123 East Cedar Street – comments regarding proposed increase in utility rates for out-of-city residents.

Consent Agenda

All consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, in which event the item

will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

- 5. Deliberate and act on approval of City Council Regular Meeting Minutes of July 25, 2023.**
- 6. Deliberate and act on 3rd quarter Report from the Rockport Cultural Arts District Commerce for Fiscal Year 2022-2023 marketing expenditures.**
- 7. Deliberate and act on an extension of the current Bank Depository and Finances Services Contract with Wells Fargo Bank, N.A. for a one-year period beginning April 31, 2023 and ending April 31, 2024.**
- 8. Deliberate and act on request for closure of Market Street between Business Highway 35 North and Magnolia Street; Market Street at intersections of Young Street, Mathis Street, Ann Street, Pearl Street, Church Street, and Live Oak Street; Magnolia Street at intersections of St. Mary's Street, Main Street, North Street, Peter Street, and Cornwall Street; Austin Street at intersection of Cornwall Street, Concho Street, and Mimosa Street; and Business Highway 35 North at Live Oak Street and Magnolia Street for the Seafair parade on October 7, 2023.**

Mayor Jayroe called for requests to remove any item from the Consent Agenda for separate discussion.

MOTION: Council Member Brundrett moved to approve the Consent Agenda Items, as presented. Mayor Pro-Tem Hattman seconded the motion. Motion carried unanimously.

Public Hearing

- 9. Conduct a Public Hearing on a proposal to increase solid waste, water, wastewater and natural gas rates for all customers.**

At 6:50 p.m., Mayor Jayroe open the Public Hearing.

Council Member Brad Brundrett read comments submitted via the Citizen Participation Form from the following:

- 1) Kathy Kane, 109 Boardwalk Avenue – comments regarding proposed increase in utility rates for out-of-city residents.
- 2) Mary Claire Kane, 38 Primrose Circle -comments regarding proposed increase in utility rates for out-of-city residents.

Kristie Rutledge, 1411 Dana Drive, addressed the Council. Ms. Rutledge commented she did not understand the proposed utility rates and penalizing existing customers is wrong. Ms. Rutledge asked the Council to keep the utility rates affordable.

At 6:55 p.m., Mayor Jayroe closed the Public Hearing.

Regular Agenda

- 10. Deliberate and act on second and final reading of an Ordinance amending Article 4 of the City of Rockport Zoning Ordinance Number 1027 by changing the zoning of land from R-1 (1st Single Family Dwelling District) for property located at 607 Sunset Drive; also known as .3078 acre, J. Smith Survey, City of Rockport, Aransas County, Texas, to R-2 (2nd Single Family Dwelling District); repealing all ordinances in conflict therewith; providing for severability; and providing an effective date.**

Community Planner Carey Dietrich said there had been no changes in format or content since Council approve the first reading of the Ordinance on July 25, 2023.

MOTION: Council Member Hale moved to approve the second and final reading of an Ordinance amending Article 4 of the City of Rockport Zoning Ordinance Number 1027 by changing the zoning of land from R-1 (1st Single Family Dwelling District) for property located at 607 Sunset Drive; also known as .3078 acre, J. Smith Survey, City of Rockport, Aransas County, Texas, to R-2 (2nd Single Family Dwelling District); repealing all ordinances in conflict therewith; providing for severability; and providing an effective date. Council Member Rangel seconded the motion. Motion carried unanimously.

- 11. Deliberate and act on first 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.**

Director of Finance Robbie Sorrell addressed the Council. Mr. Sorrell said the utility rates, to support the budget, were discussed at the Budget Workshops on August 1st and 3rd. Mr. Sorrell reviewed the proposed water rates as shown in the proposed Ordinance.

Discussion was held between Council and City Manager Shrauner.

MOTION: Mayor Pro-Tem Hattman moved to approve the first 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

- 12. Deliberate and act on first 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.**

Director of Finance Robbie Sorrell addressed the Council. Mr. Sorrell said the utility rates, to support the budget, were discussed at the Budget Workshops on August 1st and 3rd. Mr. Sorrell reviewed the proposed wastewater rates as shown in the proposed Ordinance.

Discussion was held between Council and City Manager Shrauner.

MOTION: Council Member Hale moved to approve the first 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 Brundrett seconded the motion. Motion carried 4:1.

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

AGAINST MOTION: Council Member Rangel

Council took a recess from 7:31 p.m. until 7:40 p.m.

13. Deliberate and act on first reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities”, Article V. “Natural Gas Service”, Division 3. “Service Charges” by amending natural gas rates for all customers; providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith; and providing for an effective date.

Director of Finance Robbie Sorrell addressed the Council. Mr. Sorrell said the utility rates, to support the budget, were discussed at the Budget Workshops on August 1st and 3rd. Mr. Sorrell reviewed the proposed natural gas rates as shown in the proposed Ordinance.

Discussion was held between Council and City Manager Shrauner.

MOTION: Council Member Brundrett moved to approve the first reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities”, Article V. “Natural Gas Service”, Division 3. “Service Charges” by amending natural gas rates for all customers as follows; providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith; and providing for an effective date:

Natural Gas Rates inside City Limits

Demand Rate	\$30.08	\$31.08
Per 1,000 CF	\$3.34	\$3.76

Natural Gas Rates for Town of Fulton

Demand Rate	\$30.08	\$35.08
Per 1,000 CF	\$3.34	\$3.76

Natural Gas Rates for unincorporated areas of Aransas County

Demand Rate	\$30.08	\$35.08
Per 1,000 CF	\$3.34	\$3.76

Mayor Pro-Tem Hattman seconded the motion. Motion carried 4:1.

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

AGAINST MOTION: Council Member Rangel.

- 14. Deliberate and act on first reading of an Ordinance amending the City of Rockport Code of Ordinances, Chapter 82 “Solid Waste” Article II. “Refuse Collection”, Section 82.39 “Fee Schedule” setting new fees for service; repealing all prior ordinances in conflict herewith; and providing for publication and an effective date.**

Director of Finance Robbie Sorrell addressed the Council. Mr. Sorrell said the City contract with Republic Services and the City received a letter from them with a comparative statement reflecting an increase of 4.0% in the Base Commercial Rates and that will be a pass-through rate increase for customers.

Brief discussion was held between Council and City Manager Shrauner.

MOTION: Council Member Brundrett moved to approve the first reading of an Ordinance amending the City of Rockport Code of Ordinances, Chapter 82 “Solid Waste” Article II. “Refuse Collection”, Section 82.39 “Fee Schedule” setting new fees for service; repealing all prior ordinances in conflict herewith; and providing for publication and an effective date. Council Member Rangel seconded the motion. Motion carried unanimously.

- 16. Deliberate and act on first reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities” Article II “Water Service” Division2 “Connections” Section 102-41 Rates for Water Taps and Meter Installation; and Article III “Wastewater Service” Division3 “Connection Fees” Section102-246 Schedule of Fees, by amending installation/tap/meter fees when a new connection has been made to the City system(s); providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith, and providing for an effective date.**

Public Works Director Mike Donoho addressed the Council. Mr. Donoho explained the tap fees related to water and wastewater are currently insufficient to cover the cost of current material and equipment. Mr. Donoho reviewed the proposed amendment.

Discussion was held between Council and Mr. Donoho.

MOTION: Council Member Brundrett moved to approve the first reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities” Article II “Water Service” Division2 “Connections” Section 102-41 Rates for Water Taps and Meter Installation; and Article III “Wastewater Service” Division3 “Connection Fees” Section102-246 Schedule of Fees, by amending installation/tap/meter fees when a new connection has been made to the City system(s); providing for the validity of said Ordinance; repealing all prior ordinances in conflict herewith, and providing for an effective date. Mayor Pro-Tem Hattman seconded the motion.

Motion carried unanimously.

15. Deliberate and act on first reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities” Article V “Natural Gas Service” Division 2 ”Connections” Section 102-517 Rates for Natural Gas Tap/Meter Installation, by adding additional meter sizes and amending installation/tap/meter fees when a new connection has been made to the City system(s); providing for the validity of said Ordinance; repealing all prior ordinances in conflict therewith, and providing for an effective date.

Public Works Director Mike Donoho addressed the Council. Mr. Donoho explained the tap fees related to natural gas are currently insufficient to cover the cost of current material and equipment. Mr. Donoho reviewed the proposed amendment.

Discussion was held between Council and Mr. Donoho.

MOTION: Council Member Brundrett moved to approve the first reading of an Ordinance amending the City of Rockport Code of Ordinances Chapter 102 “Utilities” Article V “Natural Gas Service” Division 2 ”Connections” Section 102-517 Rates for Natural Gas Tap/Meter Installation, by adding additional meter sizes and amending installation/tap/meter fees when a new connection has been made to the City system(s); providing for the validity of said Ordinance; repealing all prior ordinances in conflict therewith, and providing for an effective date. Mayor Pro-Tem Hattman seconded the motion. Motion carried unanimously.

17. Deliberate and act on approval of Change Order #6 related to the new City Hall project.

Assistant to City Manager Kimberly Henry addressed the Council. Ms. Henry presented Change Order #6 to the City Council in the amount of \$10,196.34. Ms. Henry stated we are still within the budgeted amount for the new City Hall project.

Brief discussion followed between Council, Ms. Henry and City Manager Shrauner.

MOTION: Mayor Pro-Tem Hattman moved to approve Change Order #6 related to the new City Hall project. Council Member Rangel seconded the motion. Motion carried unanimously.

18. Deliberate and act on presentation of proposed Fiscal Year 2023-2024 budget.

City Manager Vanessa Shrauner stated the City Charter requires the City Manager to present to Council a proposed budget and budget message on or before the first regular scheduled meeting in August. Ms. Shrauner expressed it needed to be noted that the certified tax rolls have not been received from the Aransas County Tax Assessor. Ms. Shrauner stated her budget message (below) was included in the Agenda Packet. Ms. Shrauner distributed an updated Consolidated Resources vs Expenditure Summary (below) explaining that “vehicle maintenance” had been pushed off for one year and a few other things had been adjusted. Ms. Shrauner stated the one-time payment to employees is not included because she asked Department Heads to find that money within their proposed budgets.



August 8, 2022

To the Honorable Mayor and City Council Members:

Introduction

In accordance with Article VII of the City of Rockport Charter and Chapter 102 of the Texas Local Government Code, I am submitting to you a draft budget under unusual circumstances. This is the first time in recent history that a budget will be produced prior to having the certified tax rolls prior to the submission of the budget. This budget, serving for the fiscal year 2022-2023 beginning October 1, 2023, is incredibly preliminary, a rough estimation and at best, premature. However, it is a starting point. This document will serve as the framework for the final budget when certified tax rolls are received on the August 24, 2023 due date.

The development of this budget has been a collaborative process with input from every department, the City's leadership team and City Council. This budget addresses many, but certainly not all, of the City's operational needs, while remediation efforts of previous financial practices.

The budgetary and accounting policies contained within conform to generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board. The accounts of the City are organized based on funds and account groups, each of which is considered a separate budgetary and accounting entity. Within the budget, the City's various funds are grouped into general fund types and proprietary fund types. The budget is prepared on the GAAP basis, with all governmental funds determined by using the modified accrual basis of accounting and proprietary funds established by using the accrual basis of accounting.

This budget focuses on the emphasis of openness of decision making, conservative expenditures, and looking to the future health of the City's financial status. Mother nature has given us a bumpy recent history so working towards mitigating the negative ramifications of environmental disruptions has become a key focus area and the budget is reflective of that. Additionally, supply chain issues are affecting how this budget was developed. A significant sum has been added to get a stock of water meters built up to keep up with development. Finally, a key element in this budget is an emphasis on training of staff. A priority of mine is to create an environment where customer service excellence is ingrained in the culture. A knowledgeable, team-oriented staff is crucial to this outcome.

Economic Outlook

The City of Rockport is a tourist destination that is also in a period of rapid growth. Consequently our static population of approximately 11,000 is growing rapidly with an estimated 2,300 new homes currently approved for development, our tourist population continues to thrive. The impact on the budget is not something to be over looked. While we have a static population, we must plan infrastructure and services for a transient population of 35,000+.

There continues to be a shortage of labor in restaurants and retail areas, primarily attributed to attainable housing. And this does not appear to be an area that is of great interest to the incoming development. The, relatively new EDC, has taken this area on as a project and we will work cooperatively to regenerate this market area.

We are not immune to the national inflation that is higher than usually expected. While we have seen a slow in inflation, it still continues to affect the expenditures of the city. We are still reeling from the 8% increase in 2022, an additional 4.26% increase has been the experience for 2023. For 2024 the projection is 3%.

In the last two months (June and July) there has been a decrease in Sales Tax over the same two months last year. This is of note as these are typically our two busiest months as far as tourism and sales tax are concerned.

As expected, there is a subsequent decrease in Hotel Motel Taxes collected from last year. This fund is healthy and the distribution for FY 23-24 is less than the anticipated collection. The fund is solvent but must be given an eye of caution to maintain this status.

Notable Policies and Programs

The submission of a balanced budget summary that shows the relationship between revenues and expenditures is attached. However, it is worth mentioning again that we do not have the Certified Tax Rolls. Additionally, we have not made all the requested changes in the Budget Workshop on 8/3/2023. These numbers WILL change.

As a result of discussion at the Budget Workshop, staff will begin negotiation for a developer contribution withing our development agreements to cover the lost income during the period of time of which we are conducting an Impact Fee study. In the budget, an overall fee study has been approved to bring our fees closer to market rate.

Staff received a 5% COLA last year. This year, we are not in a position to offer a COLA or merit raise. Instead, a one time payment of either \$1000 or \$1500 will be awarded based on satisfactory or excellent performance, respectively.

Health Insurance

As experienced across all of the workforce, we have experienced a large raise in health insurance premiums. TML health insurance proposed an increase of 12%. This is an increase of \$140,529.12. We have opted to raise our deductible from \$1,500 to \$2,000 and the max out of pocket from \$5,000 to \$6,000, making our annual increase \$64,148.88 or 5.4%.

Unfunded Issues

The City continues to need additional funding for capital needs associated with maintenance concerns now and in the future associated with new growth. Specifically, additional funding for capital is needed, but not addressed in the FY 2023-2024 budget, for (1) drainage, (2) streets, (3) park land acquisition and development, and (4) utility line replacement and expansion. Making significant progress on street work, park land acquisition, and development will require issuance of general obligation (GO) bonds, tax notes, or some other debt instrument. Drainage can also be served by GO bonds or tax notes but ideally should have a dedicated, recurring funding source such as a drainage utility district (which is a separate taxing authority) or a drainage fee. In both

instances the amount of fee that an individual property owner pays is determined by the amount of impervious cover their property has, i.e., how much stormwater they are contributing to the drainage system. Capital needs associated with the water, wastewater, and natural gas utilities may be achieved with the issuance of revenue bonds paid for by increased utility customer rates. All of these items require in depth workshop discussions by the City Council and ultimately a vote by the citizens of Rockport with the consideration of a bond package.

We are at a precipice with our police officer count, and at this point, do not have funding to support a larger force. Moving forward, an evaluation of law enforcement priorities, exploration of optional funding sources and staffing levels will need to be conducted.

Taxes and Growth of City Government

This area will be addressed once certified tax rolls are received.

Conclusion

Good things are happening in Rockport right now. The Cultural Arts District is alive with improvements. The new City Hall and Courthouse are nearing completion. The Center for the Arts is open and thriving and events occur nearly every weekend. There are approximately 2,300 new homes proposed to be built, potentially exploding the population. Our festivals continue to grow in number and attendance. All the while making a collaborative effort to maintain our local charm for the entire peninsula.

This brings challenges as well. Infrastructure and services are under pressure to meet the demands of this, with little or no additional resources. At this point, Rockport has a sales/ad valorem tax ratio that is not sustainable so new creative policies and opportunities must be explored.

The proposed FY 2023-2024 Budget is extremely conservative in both revenue and expenditures and addresses only maintaining the status quo. The development of this budget is continually mindful that meeting the fundamental health, safety, and welfare needs of our citizens are essential to making a progressive and successful community.

The staff has worked extremely hard and done an outstanding job with the development of this budget, under extremely unique circumstances. Thank you to the City Council for devoting the time needed to discuss critical issues and understand the difficult choices to be made to keep the functions of the city operational.

Respectfully,



Vanessa Shrauner
City Manager

Consolidated Resources vs Expenditure Summary

	<u>FY 21-22 Actual</u>	<u>FY 22-23 Budget</u>	<u>FY 22-23 Projected</u>	<u>FY 23-24 Proposed</u>	<u>% Change Budget to Proposed</u>
Resources					
General Fund	\$ 11,854,517	\$ 12,618,118	\$ 13,452,901	\$ 13,690,914	8.5%
Utility Fund - Water and Wastewater	13,280,821	12,645,249	13,679,323	14,997,500	18.6%
Natural Gas Fund	3,312,567	3,139,041	3,231,350	3,510,450	11.8%
Aquatic Center Fund	537,126	443,979	574,553	574,755	29.5%
Sanitation Fund	2,971,728	2,719,000	3,016,000	3,466,000	27.5%
Utility Surcharge Fund	181,712	175,699	181,500	186,500	6.1%
Fleet Maintenance Fund	831,708	1,051,606	923,703	1,082,253	2.9%
Hotel Occupancy Tax Fund	1,552,155	1,608,393	1,635,367	1,448,576	-9.9%
Communications Center Fund	984,310	1,059,550	1,164,639	1,152,085	8.7%
Municipal Court Security & Technology Fund	6,726	13,700	6,500	6,500	-52.6%
Municipal Court Juvenile Case Manager Fund	4,403	15,000	20,000	20,000	33.3%
I&S Debt Service Fund	3,547,216	3,568,838	3,568,904	3,721,906	4.3%
Utility Debt Service Fund	2,015,553	2,158,070	2,158,070	2,260,649	4.8%
Vehicle & Equipment Replacement Fund	729,809	917,000	917,000	25,000	-97.3%
General Fund CIP	8,388,588	16,968,845	13,858,945	4,528,566	-73.3%
Utility System CIP	705,562	5,622,000	336,330	4,908,798	-12.7%
Total Resources	\$ 50,904,501	\$ 64,724,088	\$ 58,725,085	\$ 55,580,452	-14.1%
Expenditures					
General Fund	\$ 12,729,850	\$ 12,618,118	\$ 13,452,901	\$ 13,690,914	8.5%
Utility Fund - Water and Wastewater	12,137,795	12,645,249	13,404,918	14,997,500	18.6%
Natural Gas Fund	3,192,361	3,139,041	3,231,350	3,510,450	11.8%
Aquatic Center Fund	535,880	443,979	574,553	574,755	29.5%
Sanitation Fund	2,460,337	2,719,000	3,016,000	3,466,000	27.5%
Utility Surcharge Fund	197,526	175,699	181,500	186,500	6.1%
Fleet Maintenance Fund	939,539	1,051,606	923,703	1,082,253	2.9%
Hotel Occupancy Tax Fund	805,501	1,608,393	1,635,367	1,448,576	-9.9%
Communications Center Fund	1,004,208	1,059,550	1,164,639	1,152,085	8.7%
Municipal Court Security & Technology Fund	9,963	13,700	6,500	6,500	-52.6%
Municipal Court Juvenile Case Manager Fund	17,199	15,000	20,000	20,000	33.3%
I&S Debt Service Fund	3,112,574	3,568,838	3,568,904	3,662,915	2.6%
Utility Debt Service Fund	2,176,670	2,158,070	2,158,070	2,260,649	4.8%
Vehicle & Equipment Replacement Fund	1,485,596	917,000	917,000	25,000	-97.3%
General Fund CIP	5,131,044	16,968,845	13,858,945	4,528,566	-73.3%
Utility System CIP	51,931	5,622,000	336,330	4,908,798	-12.7%
Total Expenditures	\$ 45,987,974	\$ 64,724,088	\$ 58,450,679	\$ 55,521,463	-14.2%
Resources Over(Under) Expenditures	\$ 4,916,527	\$ 0	\$ 274,406	\$ 58,990	

Discussion was held between Council, Finance Director Robbie Sorrell and City Manager Shrauner regarding the time frame and requirements for adopting a budget.

Council Member Hale requested an Agenda item be placed on the next Agenda regarding where we are in the process.

19. Deliberate and act to take record vote to schedule date for required public hearing on proposed 2023 ad valorem property tax rate for Fiscal Year 2023-2024 budget.

City Manager Vanessa Shrauner stated that during the August 1st and August 3rd City Council Budget Workshops, the Council determined an appropriate *ad valorem* tax rate necessary to fund maintenance and operations and debt service in the Fiscal Year 2023-2024 budget. Ms. Shrauner said the proposed rate is \$0.360078 per \$100 of valuation and this is a decrease in the tax rate from 2022 of \$0.018071 per \$100 valuation. Ms. Shrauner explained Texas Tax Code Chapter 26.05 requires a governing body to hold a public hearing before voting on a tax increase and public hearing date must be held on the proposed tax rate by a recorded vote. Ms. Shrauner stressed that the proposed tax rate is lower than last year's tax rate but will increase *ad valorem* tax revenue because of appraised valuations and new property appraisals.

Council took a brief recess from 8:24 p.m. to 8:31 p.m. to seek clarification of process from City Attorney Art Rodriguez, Jr.

City Attorney Art Rodriguez, Jr. clarified this is not a vote on the tax rate, it is a recorded vote to schedule a date for required public hearing on proposed 2023 *ad valorem* property tax rate for Fiscal Year 2023-2024 budget.

Brief discussion was held between Council and Ms. Shrauner.

MOTION: Council Member Brundrett moved to schedule September 5, 2023, as the date for the required public hearing on the proposed 2023 *ad valorem* property tax rate of \$0.360078 per \$100 valuation for Fiscal Year 2023-2024 Budget. Mayor Pro-Tem Hattman seconded the motion. Motion carried by a roll call vote as follows:

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

AGAINST MOTION: None

20. City Manager Report:

A. Projects

City Manager Vanessa Shrauner announced that water disinfection is coming up in September. Ms. Shrauner reported the removal of the abandoned camper on Highway 35 Bypass is going through the paperwork and we are anticipating TxDOT approval on August 14, 2023. Ms. Shrauner asked everyone to mark their calendars for a Joint Stormwater meeting on September 21, 2023 at 6:00 p.m. here at the Rockport Service Center between City of Rockport, Town of Fulton, Aransas County and the Aransas County Navigation District. Ms. Shrauner asked the Council to send their comments on the proposed short-term rental ordinance to her because she would like to publish the proposed Ordinance on the website next Friday.

21. Reports from Council.

At this time, the City Council will report/update on activities in respective Wards, and all committee assignments, which may include the following: Aransas County Alliance Local Government Corporation; Aransas Pathways Steering Committee; Building and Standards Commission; Coastal Bend Bays and Estuaries Program; Coastal Bend Council of Government; Coastal Bend Mayors Group;

Park & Leisure Services Advisory Board; Planning & Zoning Commission; Rockport-Fulton Chamber of Commerce; Aransas County Storm Water Management Advisory Committee; Swimming Pool Operations Advisory Committee; Tourism Development Council; Tree & Landscape Committee; YMCA Development Committee; Texas Maritime Museum, Fulton Mansion, Rockport Center for the Arts, Aransas County, Aransas County Independent School District, Aransas County Navigation District, Town of Fulton, and Texas Municipal League. No formal action can be taken on these items at this time.

Council Member Rangel reported she attended the meeting of the Rockport Cultural Arts District; there are so many things coming. Council Member Rangel said she is looking forward to the Merchants meetings this week.

Council Member Hale reported she attended the Planning and Zoning Commission meeting this week and the same individual was absent as the last time and the Planning and Zoning Commission will be asking Council to take action on their recommendation. Council Member Hale said she will be meeting with Community Planner Carey Dietrich on Friday to receive some training on the Planning and Zoning Commission.

Council Member Brundrett reported it was busy last two weeks. Council Member Brundrett thanked staff for all their hard work on the budget, and citizens for their comments.

Mayor Pro-Tem Hattman reported she attended the Tree and Landscape Committee meeting on Thursday and they discussed an Arbor Day event. Mayor Pro-Tem Hattman commented school begins on next week Monday and asked everyone to watch out for the children.

Mayor Jayroe reported he attended the Stormwater Committee meeting, and they are still working hard to find a solution for drainage problems.

22. Adjournment.

At 8:40 p.m., Council Member Brundrett moved to adjourn. Motion was seconded by Council Member Rangel. Motion carried unanimously.



ATTEST:


Teresa Valdez, City Secretary

APPROVED:


Tim Jayroe, Mayor