MINUTES OF THE SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF FRIENDSWOOD
AUGUST 2, 2021

THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD MET IN A REGULAR MEETING ON MONDAY, AUGUST 2, 2021, IN THE COUNCIL CHAMBERS, FRIENDSWOOD CITY HALL, LOCATED AT 910 S. FRIENDSWOOD DRIVE, FRIENDSWOOD, TEXAS, WITH THE FOLLOWING MEMBERS PRESENT CONSTITUTING A QUORUM:

Trish Hanks	Councilmember
Steve Rockey	Councilmember
Sally Branson	Councilmember
Robert J. Griffon	Mayor Pro Tem
John Scott	Councilmember
Brent Erenwert	Councilmember
Mike Foreman	Mayor
Morad Kabiri	City Manager
Mary Kay Fischer	City Attorney
Leticia Brysch	City Secretary

1. CALL TO ORDER

Mayor Foreman called the meeting to order with a quorum present at 5:30 P.M.; all members were present.

2. INVOCATION

The invocation was led by Deacon Paul Robinson with Mary Queen Catholic Church.

3. PLEDGE OF ALLEGIANCE - United States and State of Texas

Mayor Foreman led the Pledge of Allegiance of the United States and to the State of Texas.

4. COUNCIL COMMENTS AND REPORTS

Mayor Foreman stated that the city had a Severe Weather Open House at the Library a few days after the last council meeting, and it was a great success. Mayor Foreman thanked everybody that worked the event, the Library staff, Brian Mansfield, Bryan Holmes, all of the emergency operations people that were in attendance.

Councilmember Rockey stated that the Summer Reading Program at the Library is closing soon, but there will be a Summer Night Video Game Party for kids aged 11 to 18-year-of age on Friday, August 13, beginning at 6:30 P.M.

Councilmember Rockey also noted that he had the opportunity to attend the Newly Elected Official's training and it was the first one in almost two years because of Covid. He noted that the training was held in San Antonio with about 300 people in attendance and was very informative. Councilmember Rockey noted that he got to attend this event in his position of President of the Texas Association of Mayors and Councilmen, which runs the training for TML.

Councilmember Branson stated that she noted that she was very excited to see that the sidewalk program had begun. She noted that this project was funded by a three and a half million-dollar grant that the City's FDEDC received. She further noted that the CEDC has done benchmarking on the downtown area in collaboration with local groups and they also went to McKinney about a month ago to look at what this community is doing as it relates to economic development. Lastly, Councilmember Branson encouraged those who are not vaccinated, please get vaccinated, I think it'd be important.

Councilmember Griffon stated that Planning and Zoning had by a unanimous vote lifted the restrictions on commercial buildings outside the downtown districts and can now be 70 feet, instead of 40 feet. Councilmember Griffon also noted that he had gotten off the phone with Tyler Drummond, who is with the Honorable Mark Henry's office, and he informed that there is consensus for the Commissioners to fund 7.5 million dollars for the City's FM 1959 In-line Detention Project. He further noted that Harris County had already agreed to 15 million, so this is going to go a long way to getting this project moving forward.

5. PUBLIC COMMUNICATIONS

Mayor Foreman stated that in order to comply with the provisions of the Texas Open Meetings Act, the City Council may not deliberate any item not listed on the agenda, as such, the City Council will listen to public comment and may (i) refer the item to City Management for further action or (ii) direct staff for the placement of said item on a future agenda. During public comment, speakers shall refrain from any outbursts, or interjections including but not limited to applause, disparaging noises, and remarks. Furthermore, any personnel complaints against a City employee, aside from the City Manager, City Attorney, or Municipal Judge, shall not be discussed and shall be referred to City Management.

Mary and Abbas Masum requested to speak before the council regarding the fence located to the back of their property, 404 Pine Creek Drive. She noted that this fence is 21 years old, and it buffers her home against Irish Green 2, which was built in 1992 and is a set of commercial buildings. She stated that the fence is in need of maintenance and/or replacement and wanted assistance in getting the commercial property owner to meet the code requirements related to fencing.

Don Johnson requested to speak before the council regarding drainage issues associated with the Timber Creek Golf Course and a nearby plug. He stated that he had many years back when David Casserick was the general manager, heckled him enough that had gotten permission from the property owner to remove that plug in order to solve his drainage problems, but unfortunately, Mr. Casserick later came back and told him that they couldn't get a consensus on the board on pulling that plug out and so they have been in a stalemate for the past 20-some odd years. Mr. Johnson noted that he understood that there are some efforts to get a study done on the drainage for this area, and he is a little concerned about the study as he did not think that the question is really about the study, but is instead a question about what was legally approved in that plat some 20-odd years ago, and why that was never implemented.

6. PUBLIC COMMUNICATIONS

A. Receive the annual tax collection report from Perdue Brandon Fielder Collins & Mott LLP.

Mr. Mike Darlow, Perdue Brandon Fielder Collins and Mott, LLP, presented the item and stated that since the report from last year, they have collected a considerable amount of money for the city in the form of roughly $466,000 of unpaid taxes for all years through 2020; $266,000 of that was for the 2020 taxes that were just turned over to them on July 1st. Mr. Darlow noted that since the month of July, they have mailed out demand letters to everyone that had not yet paid the city and they also began their outbound calling campaign, which will of course, reduce the numbers provided tonight as payments have already started coming in.

Mr. Darlow noted that as it relates to taxes, if a resident is over the age of 65 and the home is their homestead, they can defer the payment of their taxes and if that happens, even if they are delinquent on their taxes, they will not send demand letters, phone calls, or lawsuits to them. Mr. Darlow noted that the company will instead just monitor these accounts periodically to make sure everybody that's getting those deferrals are entitled to them, and if that changes, then they will proceed with collection activity.

Mr. Darlow noted that Friendswood has a very small percentage of customers that are in bankruptcy and trust, and this group only represents about 1% of all the money, which denotes people's ability to at least pay their taxes. As it relates to the money that is owed, and how its broken down, 50% of what was owed is only 2020 taxes and what was owed at the end of June was about $266,000, but since that time that number had decreased to $175,000.

Mr. Darlow then noted that last year, around this time, there was about $344,000 turned over for collection, which was higher than prior years, which in part could have been COVID. He noted that there were some people that were not able to pay their taxes in a timely manner, but in the 12-month period that ended June 30 of 2021, almost 84.5% of that money was collected or resolved.

Mr. Darlow stated that as it related to this year, they have just started the collection process, but felt that the tax office had done a really good job for the city with just a little bit under 1.5% of the over 18 million in levied taxes have been collected. He noted that Friendswood really does not have a problem with delinquent taxes and historically, has an almost ninety-eight and a half to 99% collection by July of every tax cycle.

Mr. Darlow noted that as it related to the Municipal Court filing fees, they have an aggregate resolution rate over time of almost 80% of all unpaid court fines and fees have been collected.

Mayor Foreman thanked Mr. Darlow for his presentation and all his hard work on behalf of the City of Friendswood.

7. WORK SESSION

A. Receive and discuss a presentation regarding public safety.

City Manager Morad Kabiri presented the item and stated that there have been a number of newspaper and social media posts in the last month regarding Friendswood public safety, and one officer, in particular, Officer Sarah Carter. Mr. Kabiri stated that he has asked Police Chief Bob Wieners to give council a presentation about this situation, and the circumstances and facts surrounding the case.

Chief Wieners stated that the purpose of his presentation is to provide information relating to Officer Carter and her testimony in a Galveston County DWI trial on July 7th and 8th. He stated that he would provide council with factual information and let the council decide if they have any questions remaining regarding to public trust with respect to the Brady Disclosure Rule and also the Reasonable Suspicion Standard for vehicle stops.

Chief Wieners showed the council the full version of the 90-second video of the DWI stop conducted by Officer Carter that had portions of it played in a couple of media outlets. Chief Wieners noted that this video is part of the evidence that the judge would not allow the jury to see in the trial.

Chief Wieners stated that the defense attorney tried to spin this DWI case as a public trust issue; however, the facts speak for themselves. He noted that it is a typical defense strategy in many DWI trials to attempt to discredit or impeach the officer's testimony and the credibility of the officer because blood, breath, and video provide very strong evidence for the defense to repudiate. Chief Wieners noted that in this case, the defense raised questions of Officer Carter's credibility from a July 2017 Internal Affairs investigation where there was no finding of misconduct whatsoever. He noted that the facts relating to a vehicle stopped on September 15, 2019, speak for itself, it was dark and there was no way for her to know who was in the vehicle; both she and the arrestee are white and the arrestee at that time, lived in an affluent subdivision of Friendswood.

Chief Wieners noted that there are some comments attributed to Kevin Petrov, the First Assistant District Attorney of Galveston County, that quite frankly didn't make any sense. He noted that he called the district attorney and told him that his comments didn't seem in sync with any information that the city had received from them prior to the trial. Chief Wieners noted that the DA had told him at that time that the ADA had not said those things that had been attributed to him by other sources.

Chief Wieners noted that this issue is really going to be about the Brady Disclosure Rule, about police misconduct and an agency's responsibility to make a report of police misconduct. Chief Wieners noted that the report on the alleged misconduct of Officer Carter stated that there was absolutely no finding of misconduct related to untruthfulness, moral turpitude, or bias. Chief Wieners noted that the Police Department has an obligation to notify the DA if there was, and then the DA has the responsibility to notify the defense, but this was not the case as there was no finding of misconduct in the July 17th Internal Affairs (IA) report. Chief Wieners stated that in said IA report, Officer Carter was completely exonerated of any wrongdoing.

The next point relates to the Brady Disclosure Rules, and Chief Wieners noted that there is no Galveston County Policy for Brady Material Disclosure specifically related to police misconduct. He noted that Harris County does have this type of policy but even then, it was published three months after this incident.

Chief Wieners noted that the report shows two recent court rulings that came out of Galveston County, one is signed by Judge Ewing on the 28th of April and the other is signed by another county judge on the 27th of April with both judges having different opinions about the Brady material and the orders conflict each other, and there seems to be different opinions on what constitutes the Brady material. Chief Wieners noted that the July 2017 IA complaint intake form contained coerced information, which came from a 17-minute interview that was audio recorded, and it clearly did not meet the standard of criminal warning under Miranda or the administrative warning under Garrity.

Chief Wieners noted that vehicle stops are based on the Reasonable Suspicion Standard; however, it is probable cause that is needed for a citation to be issued or for an arrest to be made. Obviously, reasonable suspicion is a lesser standard, and an officer must be able to articulate reasonable suspicion. He noted that this reasonable suspicion may not be evident on video, and someone might not be able to know what the officer was thinking, but it must be articulated either in the video or in the offense report.

Chief Wieners stated that Officer Carter testified truthfully and correctly when she stated that she had made no vehicle stops without reasonable suspicion of a probable cause, which is what she told the investigator back in 2017. The investigator looked at 250 traffic stops in 90 days' worth of video and did not find any instance where Officer Carter had violated state law or department policy. Unfortunately, the judge discounted this critical information in testimony. Additionally, this particular judge had previously signed five blood warrants for Officer Carter, so five search warrants to obtain blood, two in 2021, two in 2020, and one in 2019, which all contained the articulated Reasonable Suspicion Standard, so the judge determined her to be credible in order to sign those warrants. Chief Wieners also noted that the judge in question was sued in Federal Court in March of 2018 for accusing a public defender of over-lawyering, spending too much time and county resources in defending his clients to which the judge settled the lawsuit in 2019, with settled being the keyword. Further, this particular judge accepted $3,000 in campaign donations from the defense attorney's law firm at an in-person fundraiser held on June 29th, 2021, just one week before the trial. Chief Wieners further noted that while political donations are a sensitive topic, they are a legitimate and necessary part of the election process; however, there is a high standard for the judiciary and the Texas Court Rules require a judge to recuse himself/herself if he/she cannot be reasonably impartial or has a bias against a party involved in a judicial proceeding.

Chief Wieners noted that the City and the Police Department must seek to safeguard the Reasonable Suspicion Standard for vehicle stops in citizen contacts or encounters because it is 60% of the work that they do. He further noted that this standard is clearly established in federal and state case law and was most recently affirmed in 2020 by the US Supreme Court.

Chief Wieners then noted that the community really must recognize the good officers that are out there doing their job, and looking out for the neighborhoods, but it's incumbent on the officers to act within the scope of federal and state law, and City and Police Department policies. The Police Department's going to continue to abide by Brady Disclosure Rules as it has in the past and will also be watchful of situations where a judge rules or issues an order that conflicts with established legal standards as was done in this case. Chief Wieners thanked the council for their attention and opened himself up to answering any of their questions.

Councilmember Rockey stated that in one of the local papers, it identified Friendswood as being one of the cities with the highest DWI stop rates in Galveston County and asked the chief if he found this surprising. Councilmember Rockey also asked if there was a corollary, i.e., does Friendswood have fewer DWI accidents because the officers pull more people over. Chief Wieners responded that last year, they probably had about 30 DWI's in 2020, and right now they have about 13 year-to-date, so the officers are holding the line on the DWI-related accidents just as far as the number of stops compared to League City and Texas City, as noted in the article. Chief Wieners stated that Friendswood officers are working in pro-active policing and use their discretionary time to go out there and do some proactive police work.

Chief Wieners showed the council a slide with the annual crime report, and it shows how FPD has cut crime by more than fifty percent over the last ten years because of its business model of directing the activities of those officers during their self-initiated time for pro-active policing.

Councilmember Rockey then asked if somebody gets pulled over for suspicion of intoxication and they're not, they're fine, how long is that stop going to take them before they probably get sent on their way? Chief Wieners noted that it can take anywhere from 15 minutes or more depending on cooperation and/or the test that must be administered.

Councilmember Rockey gave an overview of his experience serving on a jury in Galveston County where Friendswood police officers testified, one of them being Officer Carter, and noted that they were incredibly professional and articulate. He further noted that he was approached by the visiting judge that handled the case to let him know that that was the best arrest and testimony he had ever seen by two police officers.

Mayor Foreman stated that he appreciated Chief Wiener's leadership on the police force. He noted that he wholeheartedly supported Officer Carter and hoped that this issue gets turned around and resolved in her favor quickly.

8. MUNICIPAL BUDGET FOR FISCAL YEAR 2021-22

A. Receive and discuss a presentation regarding the municipal budget for Fiscal Year 2021-22 and discuss a presentation regarding public safety.

City Manager Morad Kabiri presented the item and introduced Ms. Katina Hampton, Director of Administrative Services, and the budget team. He stated that Ms. Hampton would give the council a broad overview of the city's proposed budget for the fiscal year '22, which is a continuation of the discussion from the budget retreat held a few weeks ago.

Ms. Hampton stated that staff's focus for the presentation was on the General Fund and the Water and Sewer operating funds. She noted that as she had previously mentioned at the Council Retreat last month, staff wanted to show some of the key factors or budget drivers that were considered and addressed in the coming year's budget.

Ms. Hampton noted that in the current year, the council adopted the no new revenue rate which resulted in about a $391,000 impact to the budget, resulting in staff having to reduce revenues by that amount and subsequently reducing expenditures as well. She noted that some of those expenditures have been restored in this current fiscal year and some will be addressed in the coming year. Additionally, there is an increase to the city's debt service obligations related to the voter-approved general obligation bonds which were approved in 2019, as the city issued another round of debt in the current year, as well as revenue bonds that were issued in 2018 and 2020.

Ms. Hampton stated that as staff completes the bond projects, there will be operational expenses that will come online for the city and some of those are addressed in the coming year's budget. Additionally, the city's operational costs to maintain the current services that its citizens have come to expect have also increased, and those are being addressed in the coming year's budget.

Ms. Hampton noted that the city's personnel costs, the city's most valuable asset have some increases included in the budget to accommodate additional personnel and employee merit. Also, deferred maintenance has been an issue that has been kicked down the road a little bit every year, but staff is seeing and experiencing some things that can no longer be deferred; therefore, staff is trying to address some of those deferred maintenance items as well as deferred equipment purchases in the coming year's budget. Lastly, the city's insurance costs, including healthcare, property and windstorm are all increasing, so those must be addressed as well.

Ms. Hampton showed the council a slide outlining the revenue funds for the city and noted that staff is estimating a total revenue of $1.25 million of which the majority or 40% is in fund balance and retained earnings, which will be used to address several capital items. The next largest portion of revenue is in taxes and includes property taxes, sales tax, franchise taxes and mixed drink taxes and are included in that portion, which is about 27% of the overall budget. The intergovernmental revenues are grant revenues and other interlocal agreements, such as the agreements with the school districts for security purposes as well as a big portion of this being the grants that staff has applied for and anticipate getting reimbursements for in the coming year. Ms. Hampton noted that about 15% of the budget is included in intergovernmental revenues, about 14% is in the charges for services, such as utility charges for services for water and sewer utilities, as well as Parks and Recreation facility rentals. She also noted that miscellaneous revenue is about $1.2 million or about 11% of the city's overall budget, which is a reduction from last year because staff is anticipating that next round of GO bonds being issued, but also included in miscellaneous revenue are some of the cell tower rental agreements and funds that come from that, as well as administrative services or administrative fees for our garbage service. Lastly, she noted that the remaining 4% is made up of building permits, internal vehicle lease program, and interest earnings in fines and fees.

Ms. Hampton noted that the next slide showed the city's total expenditures, including all funds for an estimated total of about $123 million in the proposed budget. She noted that the largest expenditure category for this year's budget is about $70.2 million, and that's related to the capital projects that staff anticipates will be completed in the upcoming fiscal year. She then noted that the next largest part of the overall budget's expenditures is related to Public Safety at about $16.2 million or 13% and includes the Police Department, Fire Marshal's Office, EMS as well as the contract for fire services with the

Friendswood Volunteer Fire Department. The Public Works Department makes up about 9% of the expenditures and includes streets and drainage on the general fund side and debt service makes up about $9.8 million of the overall budget. She also noted that the general government expenditures of about $7.1 million or 6% included the City Manager's Office, City Attorney, City Secretary, Administrative Services, Human Resources, and IT with Parks and Rec making-up another 3% and then the remaining 4% is Community Development, Engineering, Library, and the internal vehicle leases.

Ms. Hampton noted that the next portion of the presentation will focus on the general fund which has a proposed budget of about $31.7 million with taxes making up the majority of the city's general fund revenue source with about 20% being property taxes, 30% being sales tax and franchise taxes, and 19% coming from fines and fees as well as permits and charges for services.

Ms. Hampton noted that the city's proposed general fund revenue in the proposed budget was about $32 million. She noted that property taxes are up, and staff is anticipating that they will go up from about 1.3 to 1.5 million. As it relates to sales tax, staff is projecting an increase of a little under eight hundred thousand for the coming year. Mr. Kabiri noted that the $800,000 is over the budgeted amount from the previous year and stated that the city's actual collections have been on par with those forecasts.

Ms. Hampton noted that the city's franchise taxes, license and permits, charges for services, and miscellaneous interests or miscellaneous which include interest in sales tax revenue are projecting a little bit of a downward trend and that is reflected in the coming year's budget. She further stated that the city's sales tax, fines, inter-fund transfers, which is the transfer of funds from the water and sewer fund into the general fund to cover some administrative type duties where there are employees that are paid from the general fund, but also do work in support of the utility side of the city are the revenues that staff is protecting to increase in the upcoming budget.

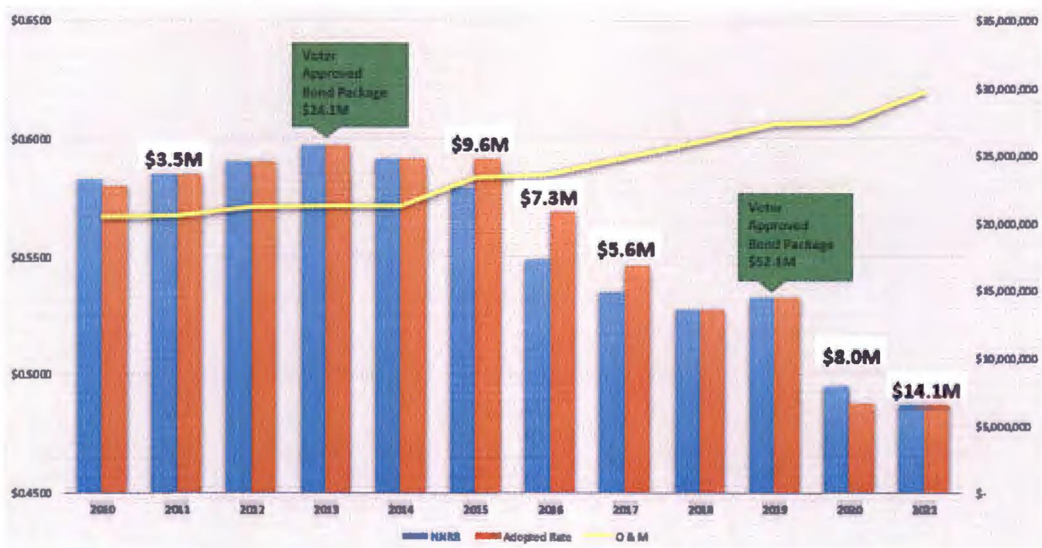
Ms. Hampton stated that the next slide related to the city's proposed tax rate or what staff bases the city's budgets on. She noted that the proposed budget was developed based on holding flat tax rate. She noted that staff received some updated information from the Harris County Central Appraisal District which will reduce the city's net taxable value for the coming year in an estimated amount of $342,000, and as a result, staff is going to need to adjust the budget because it will reduce revenue and on the opposite side, staff will have to reduce expenditures while at the same time, holding at the tax rate that was initially included in the proposed budget.

Mr. Kabiri stated that when staff presented council the draft budget the previous Friday, they had a proposal of a flat tax rate of 48 cents, the effective tax rate, or the no new revenue rate in that draft budget was 44 and a half cents, then; the no new revenue rate, or the new effective tax rate, is now 45 cents and some change. Staff is still recommending a flat tax rate and is making some adjustments in the other revenues and expenditures to be able to still hold true with what was proposed. He further noted that on the side of the slide council could see a debt service obligation in the general fund side of $4.3 million, which is up $600,000 this year, and was up $300,000 plus last year. Mr. Kabiri stated that this increase alone represents the 1.4 pennies on the tax rate, so the 45 cent tax rate to the maintaining of 48 cent tax rate, nearly a penny and a half of it is just for the voter approved debt service that they approved in 2019.

Mr. Kabiri in response to a question from the council stated that the debt service does not count against the voter-approved tax rate threshold, but it does count against the no new revenue rate, so from the no new revenue rate perspective, it doesn't matter what happens to the debt service, it is still impacted, but not on the voter-approved tax rate simply because the voters already approved the debt.

Ms. Hampton noted that there is about $76 million in new construction value that will be added to the city's tax roll for this coming year; however, there is still about $249 million still under protest, but at some point, that will become certified, or it will be exempted by the appraisal review board and staff anticipate that around 85% of that amount will become certified and added to the city's tax rolls.

Ms. Hampton stated that staff wanted to provide some additional information comparing the city's tax rate to operations and maintenance growth and to reflect those general obligation debt service issuances as they relate to what the voters approved. She noted that the city's operations and maintenance cost has grown in the presented 12-year time span and is about $10 million in growth in the city's O&M from 2010 to the current year as seen on the chart below:



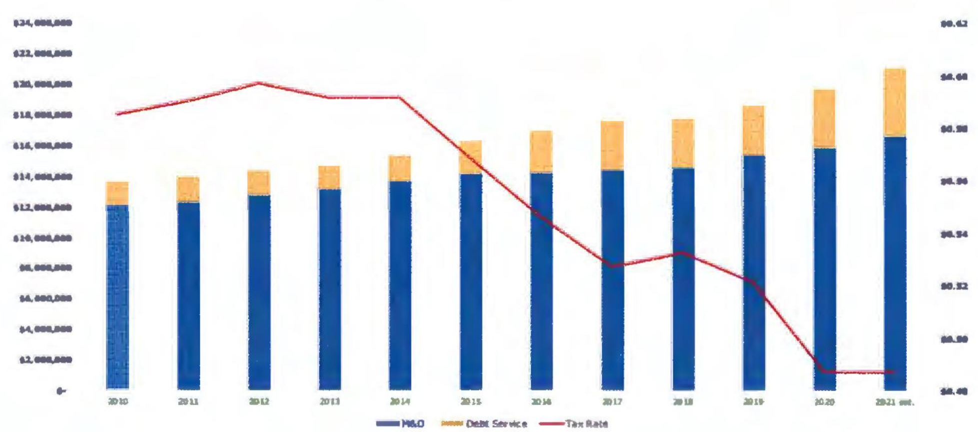
Mr. Kabiri noted that this chart illustrates for the vast majority of the last 12 years, that the city has adopted the no new revenue rate or less, the only years in which it did not do that was when the city adopted a rate higher than the no new revenue rate because it issued debt associated with the voter-approved bond programs. The only growth that the city has seen is new construction, and the city has lived off that new construction for the last 12 years, and in some respects to the detriment of the city's operations and maintenance.

Councilmember Scott stated that as he had understood the information, when the staff originally started talking about a flat tax rate, they were talking about a no new revenue rate plus one and a half percent flat over a multi-year financial plan. He stated that he really did not see 48 cents as a flat tax, but is just a tax rate that is being treating for 2021-22, but in the multi-year financial plan, the city is looking at one-and-a-half cents over the new net revenue, in order to cover the obligations of the debt, and he saw that the city's debt at $4.3 million is about 1.4 cents in the budget. Councilmember Scott stated that he wanted to be clear because he had misunderstood what he was looking at as far as what is a flat tax rate over that revenue and believed that that was one and a half percent over the no new net revenue and thought the no new net revenue came in at 44 cents, but now staff is saying 48 cents and that is not really a flat tax rate, it's just the tax rate that is being used because it's cheaper and asked if in fact the city is just using last year's tax rate. Ms. Hampton stated that he was correct in that the budget was developed using last year's tax rate.

Mr. Kabiri stated that historically, the City of Friendswood has adopted the no new revenue rate or what was previously known as the effective tax rate, so if the values went up, the city lowered its rate; if the values went down, the city increased its rate, so that the city brought in roughly the same amount of money from one tax year to the next.

Councilmember Scott noted that by flat tax rate, the city is just picking our last year's tax rate and staying with it. He noted that he had initially thought that the multi-year financial plan was what council was looking at, a one and a half cents increase over the no new net revenue to cover the debt service. Ms. Hampton noted that the one point four cents covers the increase in debt service from last year to this year because it went from $3.7 million to $4.3 million. Councilmember Scott noted that that is why he had thought it was a multi-year financial plan, so staff is saying, to raise it by one and a half cents to cover the obligations because the voters already agreed to issue debt, and he agreed with that, and noted that he now saw what staff was talking about.

Ms. Hampton stated that the next slide reflected the city's property tax revenue and the tax rate that's been adopted and noted that when the city adopted the no new revenue rate, the only growth seen came from the new properties that were added to the tax roll.

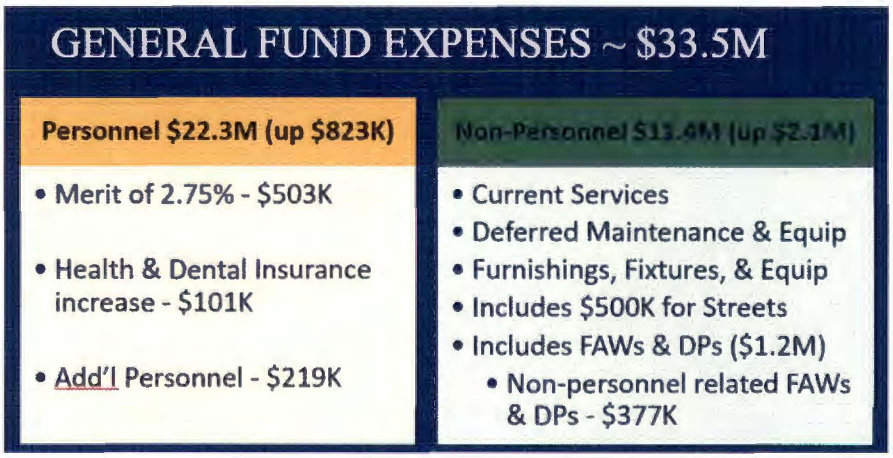


Mayor Foreman stated that the red line on the chart showing the city's tax rate has decreased over the years, and that Friendswoodians have the lowest tax rate they have ever paid.

Councilmember Scott stated that it's remarkable for a city that's grown like Friendswood to have elected officials in the city government that 9 of the last 12 years did not increase their taxes, so council and staff have done a tremendous job of utilizing the funds that have been given to it for over a 12-year period where they did not get an increase in revenue but dropped the tax rate; an impressive slide.

Ms. Hampton moved on to the next slide and noted that on the general fund expenditure side, the proposed budget, reflects $33.5 million, but as previously mentioned, staff will be looking at some reductions prior to the budget adoption. Ms. Hampton noted that the personnel side in the general fund makes up the majority of expenditures, and then the non-personnel, as well as the capital improvements, make up for another 33% of that. She further noted that the personal expenses include all salaries, wages, health insurance, dental insurance, all of those insurances, and includes employee merit. Non-personnel makes up 29% this budget, and include services, supplies, maintenance, and capital improvements makes up the rest of the budget with $500,000 for street improvements and an estimated $900,000 for furniture, fixtures, and equipment related to the Public Safety Building expansion, Fire Station Number Two coming online with the new fire station as well as the Blackhawk Building renovations and the EOC upgrades. Mr. Kabiri stated that he wanted to emphasize that last point and noted that those are components of the bond projects that were not included in the debt service because it did not make fiscal sense to buy a new desk for a new office in the public safety building and finance its cost over a 30-year period, so these were onetime costs that will come out of this year's budget.

Ms. Hampton showed the council a little more detail on the expenditures in the following slide:



She then listed the decision packages that were funded in the general fund in the proposed budget, which were as follows:

DEPT	DESCRIPTION	ONE-TIME COST	ONGOING COST	TOTAL	OUTSIDE REVENUE SOURCE	NET TOTAL
PD	ADDITION TO FLEET – SRO	$77,300	$9,800	$87,100	$0	$87,100
FVFD	EMS CONTRACT INCREASE	$0	$82,600	$82,600	$0	$82,600
FVFD	FIRE SERVICE CONTRACT INCREASE	$0	$7,200	$7,200	$0	$7,200
CITY-WIDE	HEALTH INSURANCE INCREASE (5.4%)	$0	$101,141	$101,141	$0	$101,141
TOTAL – FORCES AT WORK (FUNDED)		**$77,300**	**$200,741**	**$278,041**	**$0**	**$278,041**

Ms. Hampton briefly went over the unfunded decision packages and stated that this completed the general fund portion of the presentation and stopped to take any questions from the council before moving on to the water and sewer fund.

Councilmember Branson asked why staff was projecting a decrease in the franchise tax. Ms. Hampton noted that those decreases are in response to some state legislation that was passed which reduced some of the telecommunications franchise fees.

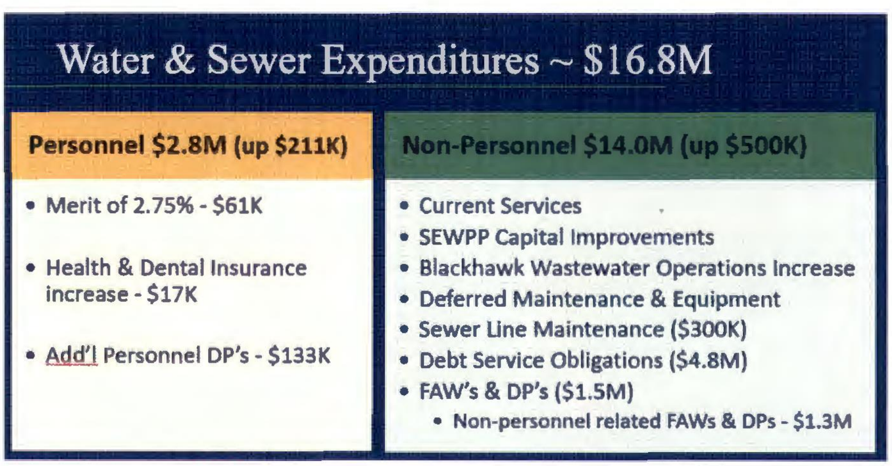
Mr. Kabiri noted that in regard to deferred maintenance, a number of the items that council had previously seen in a decision package list this year and in prior years are not included in the presentation because those are being funded in the current budget out of fund balance. Some examples of these types of one-time expenditures included a new police vehicle, some equipment replacements, and the roof at the activity building.

Councilmember Rockey asked that in the general fund, if the council adopts the proposed rate, is that an increase on a percentage basis of how much revenue. Mr. Kabiri responded that the no new revenue rate is 45 cents, and staff is proposing a 4873 cent tax rate, which is well below the voter-approved tax rate with its unused increment, so that figure is roughly 53 cents, so about a 3.1 or 3.2% increase over last year.

Ms. Hampton noted that the water and sewer operating fund in the proposed budget has a $17.6 million in water sewer revenues of which about 98% of that comes from charges related to services for water and sewer utilities. She noted that the other 2% comes from administrative fees in the water and sewer fund from penalties and interest, disconnection, and reconnection fees, and the likes. She presented a little bit more detail on the revenues in the water and sewer operating fund and noted that staff is expecting increases in the sewer charges, as well as some administrative fees, and the city's meter sales are going to stay flat and interest rates like everywhere else are low; therefore, staff is expecting those to be less than what was budgeted in the current year. Staff, based on trends, is anticipating about a $27,000 decrease in revenues from the budget this year.

Ms. Hampton stated that as it related to the city's water and sewer operating fund expenditures, staff is expecting about $16.8 million and that is what has been projected in the budget, which is about a seven hundred thousand dollar increase from the adopted budget for this year, and again this is just based on trends. Ms. Hampton noted that this fund, is the opposite of the general fund because most of its expenditures are non-personnel related but are instead service contracts with the City of Houston for the purchase of water and for the operation of the Southeast Water Purification Plant, as well as the Blackhawk Wastewater Treatment Plants.

Ms. Hampton showed the council a little more detail on the expenditures in the following slide:



She then listed the funded forces at work decision packages in the water-sewer operating fund, which were as follows:

DEPT	DESCRIPTION	ONE-TIME COST	ONGOING COST	TOTAL	OUTSIDE REVENUE SOURCE	NET TOTAL
PW	SOUTHEAST WATER PURIFICATION PLANT CIP PROGRAM (2018 – 2022)	$810,000		$810,000	$0	$810,000
PW	BLACKHAWK WWTP OPERATIONS INCREASE (6.1%)	$139,051		$139,051	$0	$139,051
CITY-WIDE	HEALTH INSURANCE INCREASE (5.4%)	$0	$16,846	$16,846	$0	$16,846
TOTAL – FORCES AT WORK (FUNDED)		**$949,051**	**$16,846**	**$965,897**	**$0**	**$965,897**

Ms. Hampton noted that there were no unfunded decision packages in the water and sewer fund and note that this concluded her presentation on this proposed budget.

Ms. Hampton noted that the next steps for the budget lead up to the budget and tax rate adoption. This included the scheduling of a special meeting to hold a budget public hearing on the proposed budget that would then be followed by a public hearing on the proposed tax rate and adoption of said tax rate and the budget September 13.

Council thanked Ms. Hampton and her budget team for all their hard work in providing another great proposed budget for the council's consideration.

B. Discuss and take possible action regarding action on the proposed Ad Valorem Tax Rate for 2021, (Fiscal Year October 1, 2021, through September 30, 2022), to place a proposal to adopt a rate on the September 13, 2021, City Council agenda, and to schedule any required public hearing.

City Manager Morad Kabiri presented the item and stated that this item is not a binding vote on the part of the council, as they will have an official vote in September to adopt the tax rate, but staff needed to have a consensus from council in order to hold a public hearing on the budget later this month and ultimately move forward with the budget with the proposed flat tax rate of 48 cents.

A motion was made by Mayor Pro Tem Griffon and seconded by Councilmember Branson to approve the proposed ad valorem tax rate for 2021 as a flat 48 cents and to place it on the agenda for formal adoption on the September 13, 2021, Council Meeting. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Councilmember Brent Erenwert.

Nays: None

The item passed unanimously.

C. Consider setting a public hearing regarding the City of Friendswood Fiscal Year 2021-22 proposed budget.

City Manager Morad Kabiri presented the item and stated that this item calls for a public hearing for the City's FY2021-22 proposed budget. He further noted that the proposed budget has a no new revenue rate or what was previously known as the effective tax rate of roughly 45 cents. Mr. Kabiri stated that the proposed tax rate that staff has proposed as part of this budget is 48 cents, which is a flat tax rate from the current fiscal year.

A motion was made by Councilmember Hanks and seconded by Councilmember Scott to set a public hearing regarding the City of Friendswood Fiscal year 2021-2022 proposed budget for Monday, August 30, 2021. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Councilmember Brent Erenwert.

Nays: None

The item passed unanimously.

9. REQUEST FOR ZONING ORDINANCE AMENDMENTS TO BUILDING HEIGHT EXCEPTIONS

A. Conduct a public hearing to receive comments both oral and written regarding proposed amendments to Appendix C Zoning Ordinance, Section 7.Q.2 "Regulation Matrix - Commercial Districts and Regulation Matrix - Residential Districts" in order to clarify reference notes and Section 7.Q.3 "Area and Height Exceptions" to add an exception for building height.

At 6:58 P.M., Mayor Foreman called to order a public hearing to receive comments both oral and written regarding a proposed amendment to Appendix C Zoning Ordinance Section 7Q2 Regulation Matrix Commercial Districts and Regulation Matrix Residential Districts in order to clarify reference notes and Section 7Q.3, area and height exceptions to add an exception for building height. Mayor Foreman requested that staff give council an overview of this item.

Director of Community Development Aubrey Harbin presented the item and stated that the proposed amendments intend to change the building height exceptions for commercial districts outside of the Downtown District, including Community Shopping Center, Neighborhood Commercial, Light Industrial, Industrial Business Park, and Office Park District. She noted that these changes also clarify some reference notes on both the commercial and residential regulation matrices which are really just some clean-ups that needed to be done and are not substantial changes.

Ms. Harbin noted that last year, Planning and Zoning and staff focused on some changes to the building heights, but that was more for exceptions of attachments to the top of buildings, such as finials, crosses, and other religious symbols, but the current proposed amendment would also allow commercial districts to allow buildings of up to 70 feet tall as long as they're set back a minimum of two and a half times the building height from the nearest single-family residential zoning.

Ms. Harbin further stated that the Planning and Zoning Commission had its public hearing and made a recommendation on July 22nd, 7 to 0 to approve the proposed amendments.

With no one signed up to speak, Mayor Foreman closed the public hearing regarding proposed amendments to Appendix C Zoning Ordinance Section 7Q2 Regulation Matrix Commercial Districts and Regulation Matrix Residential Districts at 7:00 P.M.

B. Consideration and possible action regarding a proposed ordinance for the first reading of an ordinance for proposed amendments to Appendix C Zoning Ordinance, Section 7.Q.2 "Regulation Matrix - Commercial Districts and Regulation Matrix - Residential Districts" in order to clarify reference notes and Section 7.Q.3 "Area and Height Exceptions" to add an exception for building height.

A motion was made by Councilmember Hanks and seconded by Councilmember Branson to approve the first reading of Ordinance No. 2021-21 related to Item 9.B. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Councilmember Brent Erenwert.

Nays: None

The item passed unanimously.

Mayor Foreman recessed the meeting at 7:01 P.M.

Mayor Foreman reconvened the meeting at 7:10 P.M.

10. CITY MANAGER'S REPORT

A. Present the 2021 Friendswood Library Outstanding Programming Award to Madeline Short and Diane Freeman.

City Manager Morad Kabiri presented the item and introduced Madeline Short and Diane Freeman who were recognized for their efforts this past year with the Library Gala as well as some outstanding book sale coordination that both of which have raised a considerable amount of money for the library.

B. Present information regarding the rescheduling of the City Council Regular Meeting from Monday, September 6, 2021, to Monday, September 13, 2021, to accommodate the Labor Day Holiday.

City Manager Morad Kabiri presented the item and reminded the council that there will not be a meeting on September 6th due to the Labor Day Holiday and will instead be held on the 13th of September. Mr.

Kabiri noted that typically the council would vote on this item during the consent agenda, but with the recent change in the council rules of procedure, it's just an informational item for you all.

11. RECESS THE CITY COUNCIL MEETING

Mayor Foreman recessed the meeting at 7:12 P.M.

12. RECONVENE THE CITY COUNCIL MEETING

Mayor Foreman reconvened the meeting at 7:14 P.M.

13. BUSINESS ITEMS

A. Discuss and take possible action regarding the authorization of the monthly transfer of funds from the City of Friendswood to the City of Friendswood Employee Benefit Trust.

A motion was made by Councilmember Scott and seconded by Councilmember Branson to approve the authorization of the monthly transfer of funds from the City of Friendswood to the City of Friendswood Employee Benefit Trust. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Councilmember Brent Erenwert.

Nays: None

The item passed unanimously.

B. Discuss and take possible action on RFQ 2021-07 for architectural and engineering services for the Blackhawk Renovations Project.

A motion was made by Councilmember Scott and seconded by Councilmember Branson to approve RFQ 2021-07 for architectural and engineering services for the Blackhawk Renovations Project. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Councilmember Brent Erenwert.

Nays: None

The item passed unanimously.

C. Discuss and take possible action regarding the rejection of all bids for RFP 2021-10 for water meter reading services.

A motion was made by Councilmember Hanks and seconded by Councilmember Scott to reject all bids for RFP 2021-10 for water meter reading services The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Councilmember Brent Erenwert.

Nays: None

The item passed unanimously.

D. Discuss and take possible action regarding the renewal of the water meter reading services contract between the City of Friendswood and Inframark, formerly known as SevernTrent.

A motion was made by Councilmember Scott and seconded by Councilmember Rockey to approve the renewal of the water meter reading services contract between the City of Friendswood and Inframark, formerly known as SevernTrent. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Councilmember Brent Erenwert.

Nays: None

The item passed unanimously.

14. RESOLUTIONS & ORDINANCES

A. Consideration and possible action regarding a proposed resolution of the City Council of the City of Friendswood, Texas, approving the Public Funds Management and Investment Policy.

A motion was made by Councilmember Branson and seconded by Councilmember Scott to approve Resolution No. R2021-15, related to Item 14.a. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Councilmember Brent Erenwert.

Nays: None

The item passed unanimously.

B. Consideration and possible action regarding a proposed ordinance for the second and final reading of an ordinance approving a zone classification change located at 1715 and 1771 S. Friendswood Drive, also known as Reserves D and F in the Howard Subdivision Partial Replat No. 2, Friendswood, Galveston County, Texas, to change from Community Shopping Center (CSC) and Office Park District (OPD) to Planned Unit Development (PUD).

A motion was made by Mayor Pro Tem Griffon and seconded by Councilmember Branson to approve the second and final reading of Ordinance No. 2021-18, related to Item 14.B. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Councilmember Brent Erenwert.

Nays: None

The item passed unanimously.

C. Consideration and possible action regarding a proposed ordinance for the first and final reading of an ordinance amending City of Friendswood, Texas, Ordinance No. 2020-35, passed and approved September 14, 2020, same being an ordinance approving and adopting the City's General Budget for Fiscal Year 2020-2021 by approving "Budget Amendment X" to the "Original General Budget of the City of Friendswood, Texas, for the Fiscal Year 2020-2021"; providing for supplemental appropriation and/or transfer of certain funds; providing for severability; and providing other matters related to the subject.).

A motion was made by Councilmember Scott and seconded by Councilmember Branson to approve the first and final reading of Ordinance No. 2021-21, related to Item 14.C. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Councilmember Brent Erenwert.

Nays: None

The item passed unanimously.

15. CONSENT AGENDA

A motion was made by Councilmember Scott and seconded by Mayor Pro Tem Griffon to the Consent Agenda, Items 15.A through 15.D. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Councilmember Brent Erenwert.

Nays: None

The item passed unanimously.

A. Consider authorizing the final acceptance of a Waterline Easement with Coastal Bend Property Development, LP, at the completion of the contractor's one-year maintenance bond.

B. Consider authorizing the acceptance of Public Utility Easements associated with the Utility Relocate at Clear Creek Utility Bridge Project and approving their execution by the City Manager.

C. Consider accepting the June 2021 tax report.

D. Consider approving the minutes of the City Council Regular Meeting held on July 12, 2021.

16. ADJOURNMENT

With there being no further business to discuss, Mayor Foreman adjourned the August 2, 2021, City Council Regular Meeting at 7:17 P.M.

Mike Foreman, Mayor

Attest:

Leticia Brysch, City Secretary