MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF FRIENDSWOOD
JULY 11, 2022

THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD MET IN A REGULAR MEETING ON MONDAY, JULY 11, 2022, AT 6:00 P.M. 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
Karen Horner	City Attorney
Leticia Brysch	City Secretary

1. CALL TO ORDER

Mayor Foreman called the meeting to order with a quorum present at 6:00 P.M.; all members were present.

2. INVOCATION

The invocation was led by Pastor Justin Baldwin, Harbor Church.

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

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

4. COUNCIL COMMENTS AND REPORTS

Councilmember Rockey stated that Tucker Hart was set to perform a free show at the Friendswood Public Library, Thursday, July 13, 2022, at 7:00 PM. He continued, Mr. Hart performs country and rock music at venues throughout the area and is a wonderful singer/songwriter that lives in the area.

Councilmember Branson stated that the Houston-Galveston Area Council (H-GAC) has two action items; (1) the Regional Transportation Plan for 2045 is now out for public comment, and she encouraged the public to participate to make their opinions known on this item and secondly, (2) Friendswood received an allocation on the Preliminary Council of Government's method of distribution, which the Texas General Land Office (GLO) approved. She further noted that she and staff will be interviewing applicants for the vacancy on the Community and Economic Development Committee (CEDC). She thanked the Police, Fire, EMS, and the Fire Marshal's Office for their support and participation in the active shooter training that occurred at the junior high. Councilmember Branson stated that the Friendswood Historical Society is looking for docents and citizens are welcome to pick-up an application at the Library or the Senior Activity Building.

Councilmember Hanks stated that she wanted to thank the Parks Department, the Fourth of July Steering Committee and the many volunteers that worked so hard to make the Fourth of July Event such an amazing experience. Councilmember Hanks recognized the Keep Friendswood Beautiful (KFB) group for their attendance at the meeting and congratulated them on receiving a grant for beautification projects. She also noted that she and a representative from the Police Department would be attending a meeting to discuss human trafficking and how to raise awareness and how to stop this horrible thing from happening.

Mayor Pro Tem Griffon congratulated the Parks and Recreation staff on a great job for the Fourth of July Event. He also stated that the Council held a retreat over the weekend which was open to the public. He also stated that they went over the proposed budget and 5-year financial plan; and thanked the Finance team for doing a great job explaining everything.

Councilmember Erenwert read aloud a letter of gratitude to the Friendswood Police Department from Bob and Gay Smither that was sent to the City after William Reece pleaded guilty a couple of weeks ago.

Mayor Foreman thanked Councilmember Erenwert for reading the letter and asked that everyone keep the Smithers Family and the other victims of William Reece in their hearts and prayers. Mayor Foreman also extended his gratitude to the Parks and Recreation team for a job well done.

5. PUBLIC COMMUNICATIONS

Mr. Phillip Ratisseau requested to speak before the Council regarding his concern that the Council was setting a precedent by allowing a city committee to fund projects. He also noted that people wanted to have input regarding the potential project for the parking lot at Stevenson Park.

Mrs. Connie Ratisseau requested to speak before the Council regarding her concerns with transparency that included (1) the inefficiency of the weblink for public records access, (2) the lack of pertinent information in the minutes, and (3) the voting of expenditures that have been made with a contract between KFB and FDEDC. On the last point, she recommended that Council vote no and asked whether Mayor Foreman should recuse himself from the vote.

Mr. Jason Jones requested to speak before the council regarding the parking lot at Stevenson Park and noted that people really like having all the extra parking spaces and requested that the parking lot remain such.

6. COMMITTEES OR SPECIAL REPORTS

A. Receive the West Ranch Management District Annual Report.

Mr. Joe Matranga and Ms. Meredith Levine, the City of Friendswood representatives on the West Ranch Management District (the "District"), presented the District's annual report. The following points were noted:

West Ranch Management District is a five-member board composed of Brian Gibson, Sawyer Blackburn, Doug Konopka, Joe Matranga, and Meredith Levine, which represent the homeowners in West Ranch, in the City of Friendswood.

As it related to the development the following was reported:

- All residences are complete, with a little over 1,250 homes,
- The Cline Elementary School construction has already started with Friendswood ISD, and
- The only remaining item left to do development-wise is the commercial development.

As it related to green space, the following was reported:

- The thoroughfares and some of the entrances are all owned and maintained by the HOA,
- The detention ponds, retention ponds are owned and managed by the District, and
- All the property along Chigger and Clear Creek is also owned and managed by the District.

Mr. Matranga noted that in 2021, the District had a total assessed value of a little over $695 million; i.e., homes and property in the District, and the total tax rate of .3685 per $100 evaluation, which is a big drop from 2020 to 2021. He noted that this is not the result of the change in valuations only and noted that all five board members have voted unanimously to lower the tax rate so much so that on average, the average home within District had a drop in their tax burden of an estimated $500 per homeowner. He further noted that all tax money is used for paying back the development of the roads, the infrastructure, and the drainage, which was all done with bond money. The District continues to pay down that debt and continues to look for opportunities to retire some of those bonds when it makes sense, and continue working with the HOA to enhance the livability and sense of community for the homeowners.

Mr. Matranga stated that Friendswood Development is still working to develop the retail portion of the District with a town-center approach, especially for the property along 518, but as of yet, the board members have not seen anything.

The Council thanks Mr. Matranga and Ms. Levine for their service on this board and for report.

7. WORK SESSION TOPICS

A. Receive and discuss a presentation of the Multi-Year Financial Plan and preliminary FY2023 Proposed Budget summary review.

Administrative Services Director Katina Hampton presented the item and stated that she will provide a brief overview of the City's proposed multi-year financial plan, as well as a very preliminary review of the proposed budget for fiscal year 2023. Ms. Hampton noted that the multi-year financial plan covers the City's General Fund and the related Tax Debt Service Fund.

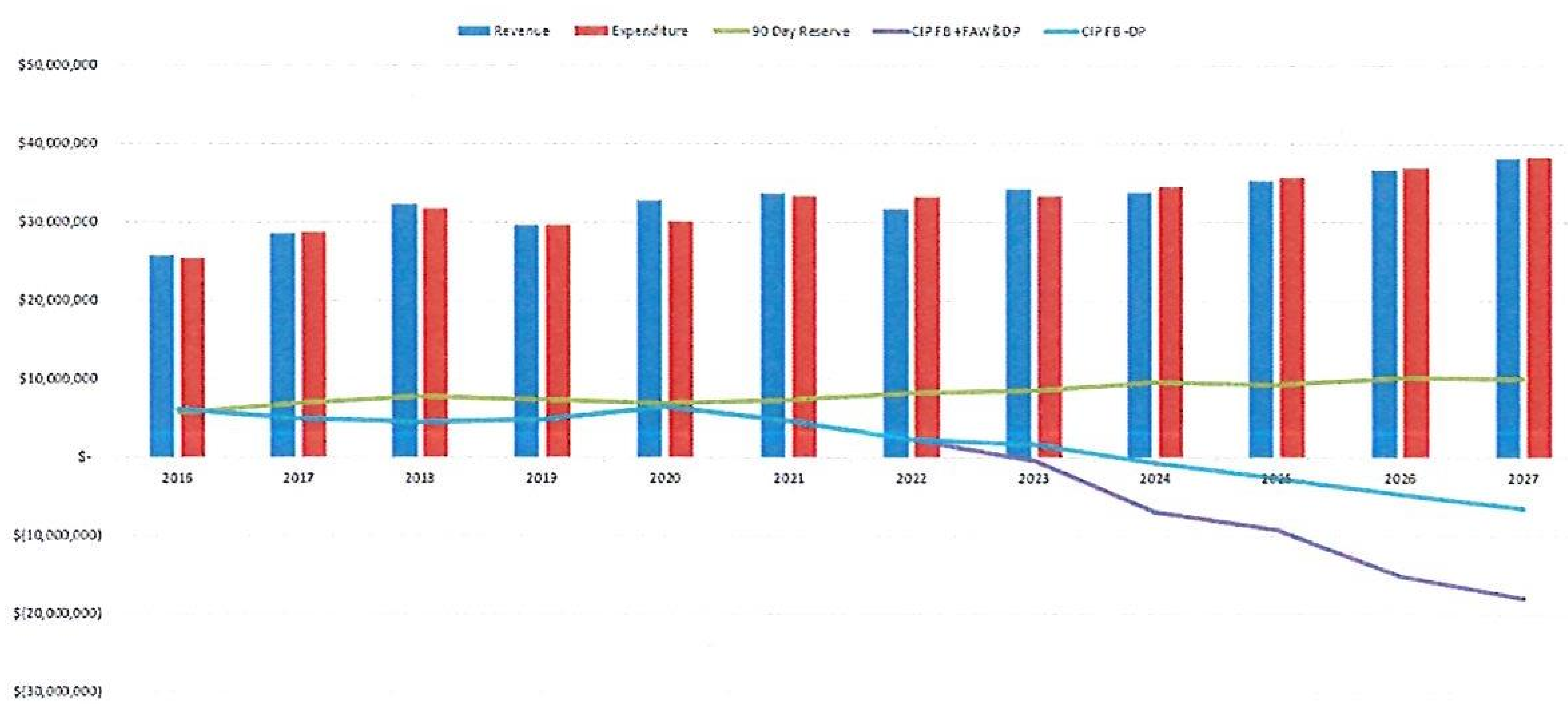
Ms. Hampton stated that as it relates to the City's revenue planning assumptions; specifically, year one of the multi-year financial plan, staff is estimating, based on the preliminary values received from Galveston in Harris County, a property net taxable value of about 12%. She noted that the estimate does include the City's commercial properties that are not capped at 10% like residential properties. Ms. Hampton noted that in the out-years of the plan, staff is conservatively estimating a 3.8% growth in property tax values. He further noted that the City's sales tax projections go up about 3% annually; therefore, that is the estimate being used in the plan in relation to the City's sales tax revenue. Ms. Hampton also noted that the City's other revenue sources are at about 2% based on the anticipated population growth.

Ms. Hampton stated that staff developed the multi-year financial plan, year one, at a flat tax rate, which results in the City needing to use a portion of the City's unused tax increment savings from prior years to maintain said level. She noted that with the proposed tax increment, the total property taxes, and other revenues, the General Fund revenues are estimated at $34.2 million, with about 85% of that coming from property taxes, franchise taxes, and sales taxes, and the other 15% would be from non-tax revenue sources.

Ms. Hampton stated that the City has several factors that are driving the need to maintain the current tax rate including: (1) the flat tax rate, (2) the lingering impacts of adopting the no new revenue rate in numerous years, particularly in 2021, which the City is still working to recover some of that operational loss based on the cuts that were made at that time, (3) the desire to maintain the City's current services, (4) the funding of furniture, fixtures and equipment to the Public Safety Building and Fire Station Number Two, (5) the shifting of tax dollars from the General Fund Maintenance and Operations (M&O) over to debt service in order to cover the payments on the bonds that were issued based on voter approval, (6) the continued increases to operational costs, and (7) some forces-at-work items that have been proposed by the departments. Ms. Hampton noted that the forces-at-work items are things that are out of the staff's control and that must be funded, such as, insurance for employee health benefits, property, and claims.

Ms. Hampton noted that there are capital lease equipment purchases that must be made in the upcoming year, and are considering funding these through capital lease financing, which has an impact on the City's debt service; this is another example of an item that is shifting from M&O to debt service. Additionally, Ms. Hampton noted that City departments had identified and submitted decision packages, many of which will not be funded, even at the flat tax rate.

Ms. Hampton then moved on to the City's expenditure planning assumptions in the multi-year financial plan and is looking at maintaining existing personnel with an estimated 3% increase in personnel costs year over year in the plan, along with an estimated 5% increase in the non-personnel-related expenses in the plan, based on historical numbers. Ms. Hampton showed a chart outlining the City's historical revenue and expenditures and the changes in Fund Balance.



Ms. Hampton noted that the green line on the chart shows the City's 90-day operating reserve that must be maintained throughout the plan with said reserves being used to maintain City operations during emergencies. The blue and purple lines show what would happen to the City's Fund Balance above the 90-day reserve if the City was to fund the current service forces-at-work items. She continued, the decision packages, are if the City were to fund everything, indicated by the purple line, which would result in the 90-day fund balance to not be sustainable. City Manager Morad Kabiri noted that the chart shows that in the current fiscal year, the City's budget is still $1.15 million above the 90-day reserve.

Mr. Kabiri further noted that the 90-day reserve represents by the City's emergency operations funds, to allow for the funding of City operations and services should a natural disaster or emergency situation occur. The amount of money above the 90-day reserve is created in part by funds not being expended in the budget that are allocated at the start of the fiscal year, so whatever is not expended rolls over into this fund balance that can be used for one-time capital expenditures, projects, or deferred maintenance items, Mr. Kabiri noted that today, the City is $1.15 million above the 90-day reserve. In fiscal year 2021, the City received an infusion of $2 million of cash from the Federal Government related to COVID expenditures, so without that infusion of cash, the City would be negative nearly a million dollars in its 90-day reserve, meaning the City would not have sufficient funds for its emergency contingency.

Mayor Pro Tem Griffon stated that at the end of May, the budget showed a total fund balance of $20 million, and while there have been costs that have been unencumbered and encumbered against that 90-day reserve, that still leaves $20 million that has not been expended. Mayor Pro Tem Griffon did not see how the budget would be $1.1 to $1.5 million over the 90-day reserve. Mr. Kabiri noted that the identified funds are restricted funds; for instance, when the City issues bonds that the voters approved for drainage projects or for Fire Station No. Two and Public Safety Building expansions, the $9 million issued for those expansion projects; sit in the bank until construction is complete or until such time as those invoices must be paid. He continued, while it looks like the City has $20 million in the bank, a certain amount cannot be used for anything other than what it was encumbered for; and so, of the money that is not encumbered, either by law or by other project commitments, the City only has $1.15 above the 90-day reserve.

Ms. Hampton stated that by utilizing the fund balance above the 90-day reserve, the City has been able to fund roughly $2 million in one-time expenditures, such as, a million dollars for the Public Safety Building Expansion Project, the Public Works building, and also the Police Department software. She noted that those expenditures have helped to offset some inflationary costs that have been involved with some construction projects.

As it relates to the Friendswood Volunteer Fire Department (FVFD) and EMS, Mr. Kabiri noted that in 2019, the City executed a new contract with FVFD. The FVFD has been around for well over 60-plus years, serving the community with their own time, resources, blood, sweat, and tears.

Mr. Kabiri stated that beginning around 2019, the FVFD saw their operations in EMS shifting more towards a paid department, partly because they are having fewer and fewer volunteers stepping up to provide services on the EMS side; therefore, currently, they are fully operational with paid staffing except for the volunteers in leadership roles. Recently, the FVFD approached the City with concerns related to labor shortages, costs, and increases in EMS calls for service, which is pushing them to switch their part-time EMS positions into full-time positions, which ultimately has a cost implication to the City's contract with FVFD each year for the next five years, in the amount of roughly $300,000, a year.

Mr. Kabiri stated, staff started conversations with the FVFD about bringing some services in-house, to help reduce some overhead expenditures; however, regardless of how the City moves forward, it is looking at spending an estimated $300,000 more a year on top of the roughly $2.9 million a year that is currently being expended.

Mr. Kabiri noted that currently there are three ambulances, two that are fully staffed 24-hours, seven days a week, and a third one in reserve. He continued, that if a third call came in, and there are no volunteers available to run that third ambulance, then they will have to wait until one of the ambulances is back in service. Mr. Kabiri stated that based on the call volume trends, by year five, a fourth ambulance will be needed, which will result in cost increases to the City.

Ms. Hampton summarized the proposed the multi-year financial plan. She stated that the 90-day reserve for emergencies would be maintained throughout the plan. She continued, year one reflects the current tax rate or holding up the flat tax rate. Lastly, she noted that decision packages are not included in the multi-year plan and those will be considered by Council on a year-by-year basis.

Moving on to the FY2022-2023 Proposed Budget, Ms. Hampton gave a preliminary look that the upcoming budgets for the General Fund and the Water Sewer Fund. Ms. Hampton stated that there are several key factors or key drivers that were taken into consideration to prepare the proposed budget for fiscal year 2023, which included the following:

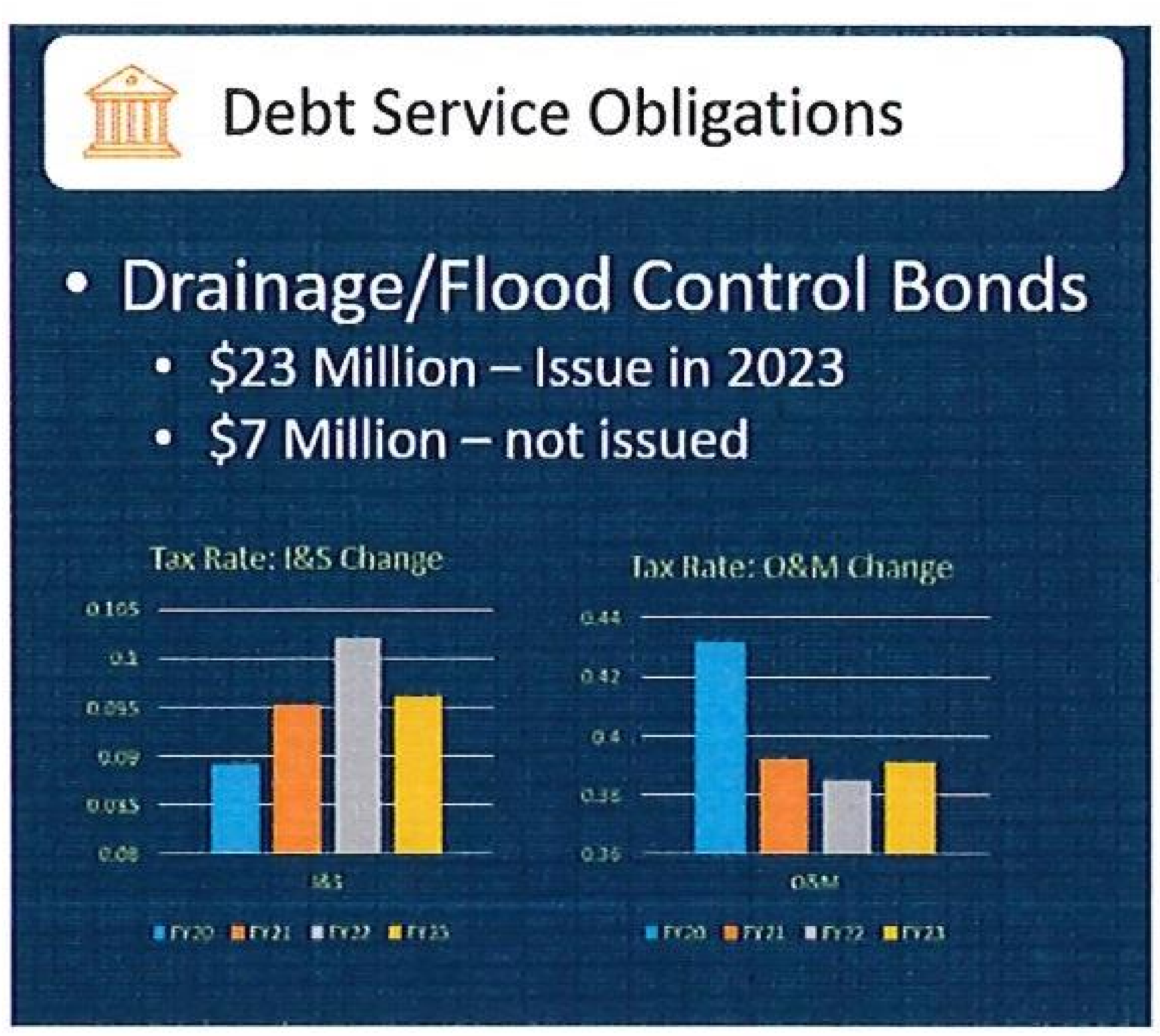
- Economic State & Inflation
- Personnel Costs
- Debt Service Obligations
- Deferred Maintenance
- Bond Project Impacts
- Grant Project Impacts
- Operational Costs, and
- Insurance Costs.

Ms. Hampton stated that everywhere in the country, staff is seeing some of the highest operational increases that they have seen in years past. She noted the following examples:

Mr. Kabiri stated in regard to the Services Category of $1.3 million increase, that nearly $400,000 of that is related to the landscaping cost associated with the City's medians throughout the community, flower beds at city facilities, and the sports facilities in Centennial Park and common areas in Stevenson Park. He stated, as mentioned at a council meeting last year, the staff had budgeted and spent, per contract, $362,000 for mowing and landscape services citywide. He continued, the current costs, as bid, is nearly $700,000, which unfortunately, is an additional cost that the City's budget cannot absorb. Mr. Kabiri noted that they can look at ways to try to help offset those costs increases by scaling back on the frequency and the manner in which the landscape is maintained or ask for other entities such as Youth Sports Organization to take over those responsibilities.

Mayor Pro Tem Griffon stated that he looked back at the City's budget for 2020 and 2021, and the mowing contract for last year was $321,716, and $46,600 for facilities, for a total of $369,000. He further noted that in his review of the agenda item for the landscaping RFP, he saw that the base was $240,919.74 with some alternatives for ryegrass, fertilizer, and the landscaping and planting of the plants, so about $387,045.24. He stated that he did not see where the $700,000 amount was coming from because it was not adding up. Mr. Kabiri, in response to Mayor Pro Tem Griffon's question, stated that about two months ago, the City Council awarded a mowing contract. He noted that Yellowstone, the original mowing contractor, had bid the mowing and landscaping services for $369,000, and after they were awarded the contract and started the work, the contractor came back and said that they could not do it for the bid amount. Mr. Kabiri continued, in response, the City went out for a new bid separating out the mowing and the landscaping; and the mowing contract was awarded two months ago in the amount of $320,000. He continued, the contract being considered later that evening is in the amount of $388,000 and is just for landscaping service; therefore, if the mowing contract and landscaping contract are added together the estimated costs is at a little over $700,000.

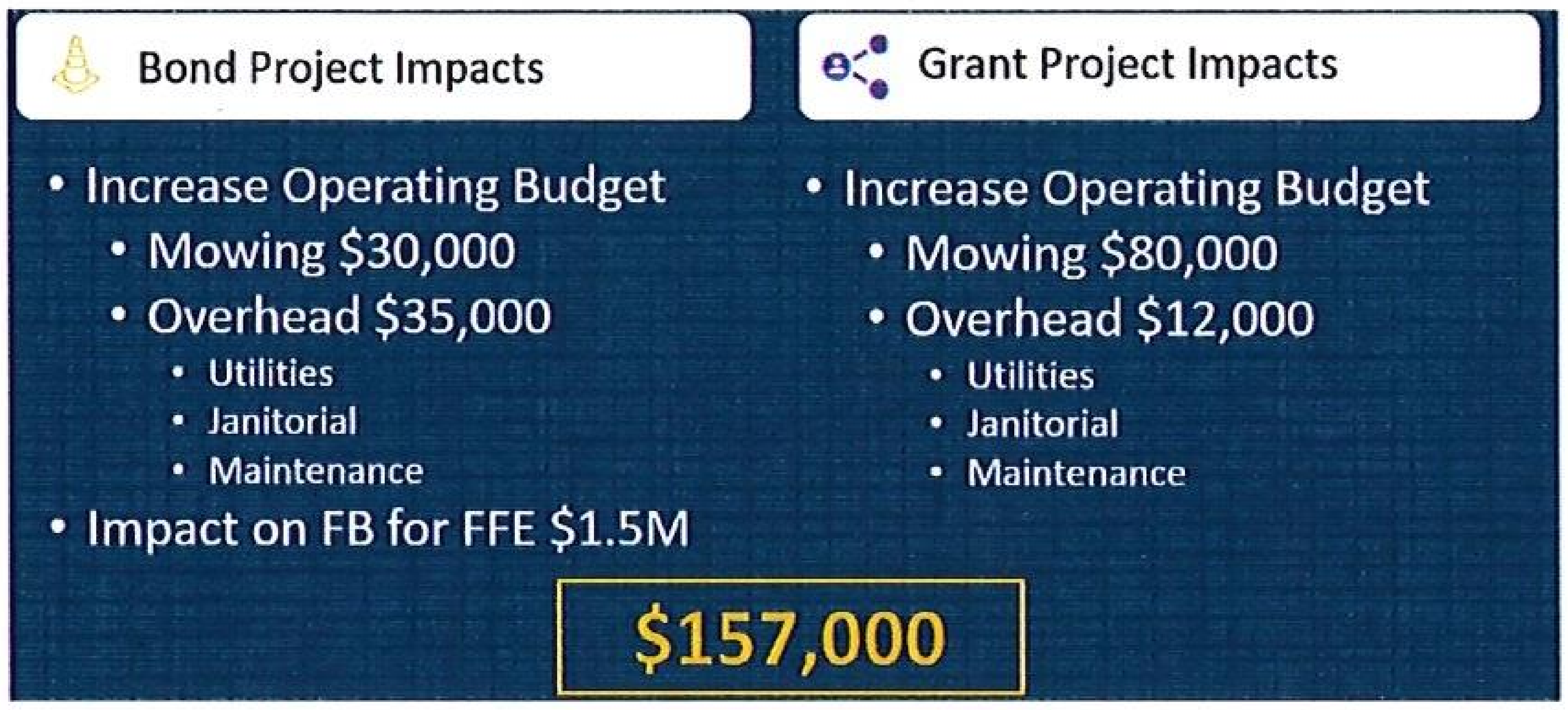
Ms. Hampton stated that the City's debt service obligations are growing based on the bonds that were previously approved by the voters and noted that as those principal and interest payments grow, it takes funds away from M&O. Ms. Hampton showed the following charts on the debt service obligations:



Ms. Hampton also noted that the City is seeing increases in its insurance costs which include insurance premiums, for employee health insurance, windstorm insurance, property insurance, and liability insurance. She noted that the City is currently negotiating its health insurance with its broker and are hoping to get Staff's preliminary estimates of 10% to 30%, down to a lesser percentage of increase.

Ms. Hampton also noted that there are quite a few deferred maintenance items and deferred equipment purchases in the proposed budget to the tune of about $2.4 million, which is about 55% of what the departments have identified are needed. She continued, if these deferred maintenance items are delayed a year, there will an estimated $230,000 plus increase in the costs.

Ms. Hampton also noted that there are increases in the upcoming fiscal year related to the impact of bond projects and grant projects that are coming online on operation budgets, i.e., utilities, janitorial, maintenance, and mowing. The breakdown of said costs are noted below:



As it relates to personnel costs, Ms. Hampton noted that these are also increasing. She noted that the proposed budget includes a 3% merit increase for employees, which is about $630,000, including the wages, taxes, and associated benefits. She noted that the costs of living are increasing about $4,700 a year for a family of three including increases related to health, housing, insurance, and transportation, so the proposed merit increase will help close the gap between what families are experiencing and what their paychecks reflect. Mr. Kabiri stated that the City of Friendswood does not have a cost-of-living adjustment to its budget; instead, each year, employees are evaluated based upon their performance, and if they perform sufficiently well, they will get a merit increase, so the increase will vary based on performance levels. Mr. Kabiri stated that the City is as lean and mean as possible with regards to staffing and noted that it has the lowest staffing ratio to population out of any Houston metro-area city, and he is very proud of that fact. However, he stated that the only way to retain that ratio and provide the highest level of service to the community, is to have adequate merit increases for the employees based on their performance.

Ms. Hampton stated that the General Fund revenues are projected to be around $34.2 million, which is higher than the current adopted budget that is roughly about $32 million. Ms. Hampton noted that about 85% of the General Fund revenues come from taxes; the breakdown is as follows:

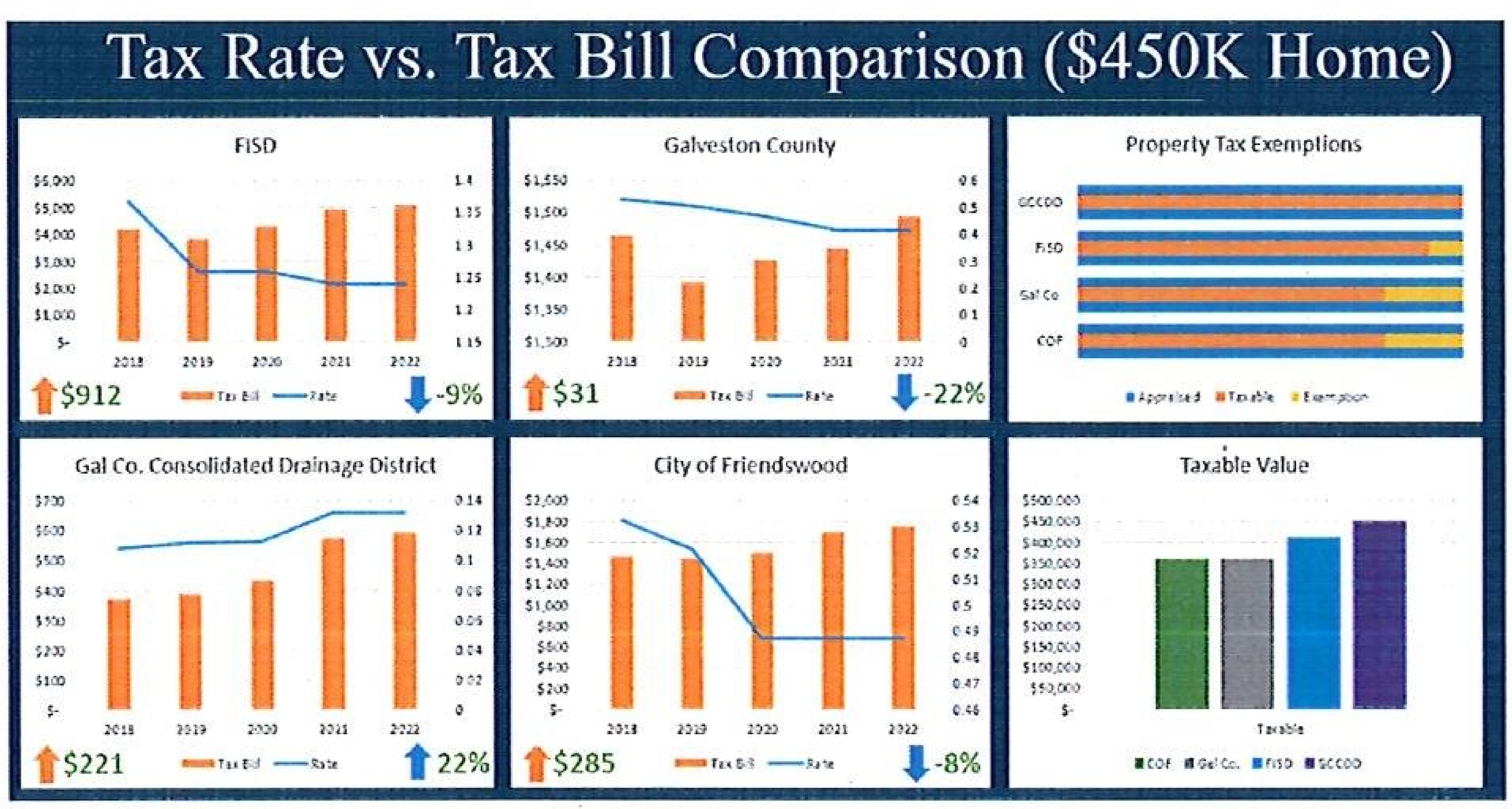
- Property Taxes, $18,709,372, 55%;
- Sales Tax, $8,338,690, 24%;
- Franchise taxes, $1,964,345, 6%;
- Transfers In, $1,594,802, 5%;
- Fines & Forfeitures, $1,111,214, 3%;
- Intergovernmental (interlocal agreements), $642,886, 2%

- Permits & Licenses, $832,870, 2%
- Miscellaneous (cell towers and rentals), $502,610, 2%;
- Charges for Service, $476,709, 1%; and
- Beverage Tax $55,137, less than 1%.

Ms. Hampton stated that the multiyear financial plan and the proposed budget are based on a flat tax rate, which means that the City is holding at the current tax rate of $0.487314. This rate would give the budget an increase. The City is estimating a taxable value of $4.8 billion, which is up $320 million from last year and includes new construction, exemptions (20% homestead exemption), and 65-years and older freeze ceiling values. Ms. Hampton stated that the City is projecting $59 million in new construction of which $355 million of the City's property values are under protest as of June 22, 2022 but anticipate about 85% of that being certified. She also noted that holding at the flat tax rate would allow the City to cover current services, as well as to fund about $4.5 million in debt service payments. She continued, another item factored into the tax rate is roughly a five cents sales tax increment, where a portion of the City's sales tax offsets the voter-approved tax rates; thus, it lowers that voter approval tax rate.

Mayor Pro Tem Griffon stated that the City was able to do no-net-revenue financing and still managed to finance debt in 2019, and he wondered what the City's total debt service was now in the General Fund, excluding the Water and Sewer Fund. Mr. Kabiri stated that in 2019, when the City did the bond program, that was a historic high watermark in terms of debt authorization. He noted that historically, the City has had less than 10% of its taxable value geared towards debt, so when the voters approved $52 million worth of projects that changed the dynamic considerably, and ultimately, when all the funds are issued, the City is looking at 20%. Mr. Kabiri stated that of that $52 million, the City has issued $30 million, and the rest is authorized but not issued. He noted that the remaining amount will not impact the budget until such time as it is issued. Mayor Pro Tem Griffon requested the payment history of the City's debt service since the authorization of said debt. Mr. Kabiri stated that Staff would get that information to him momentarily.

Ms. Hampton moved onto the next slide which is a comparison of the City of Friendswood's tax rate and tax bill compared to some of the other taxing entities in Galveston County.



Ms. Hampton noted that in the chart, all of the taxing entities did show an increase in the tax bill to the residents and that all with the exception of the Drainage District showed a showed a decrease in the tax rate for that five-year window. She stated, the top left shows the exemptions that are offered by all of the taxing entities, and she noted that the School District offers a flat exemption, the County and the City have a 20% homestead exemption and the Drainage District offers no exemption. She continued, the bottom right shows the City's net taxable value and the exemptions that are offered by the taxing entities do impact the net taxable value and that in turn impacts the levy or the revenue that the entity receives. She stated, the City has a 20% homestead exemption, so in a $450,000 home, the City is getting taxes per $100 on a $360,000 of that $450,000, where some of the other taxing entities are getting levy off of the full $450,000 per $100 of the $450,000. Councilmember Rockey requested that next year the staff provide the same comparison for the Harris County side of the city.

Mr. Kabiri requested to return to Mayor Pro Tem's question regarding the City's debt service history and noted that in fiscal year 2018-2019, the City's actual debt service payment was $3.2 million. He continued, in fiscal year 2020, the City's actual debt service payment was $3.36 million. He elaborated, in fiscal year 2021, the payment was $3.8 million; and the current fiscal year, the payment is $4.3 million, and in the upcoming year, it will be $4.5 million. He concluded, since 2019, the City has from $3.2 to $4.5 million in debt service payments.

Ms. Hampton stated that in looking at the General Fund expenditures, staff is anticipating proposing $34.4 million for the upcoming fiscal year. She noted that about 66% to 67% of the expenditures are personnel related, and the other is non-personnel related items. The fiscal year 2023 preliminary expenditures for the General Fund were broken down as follows:

- Personnel, $22,924,192, 66%;
- Non-Personnel, $9,809,556, 28%;
- FAW Non-Personnel, $862,726, 3%;
- FAW Personnel, $374,865, 1%; and
- Capital, $519,000, 2%.

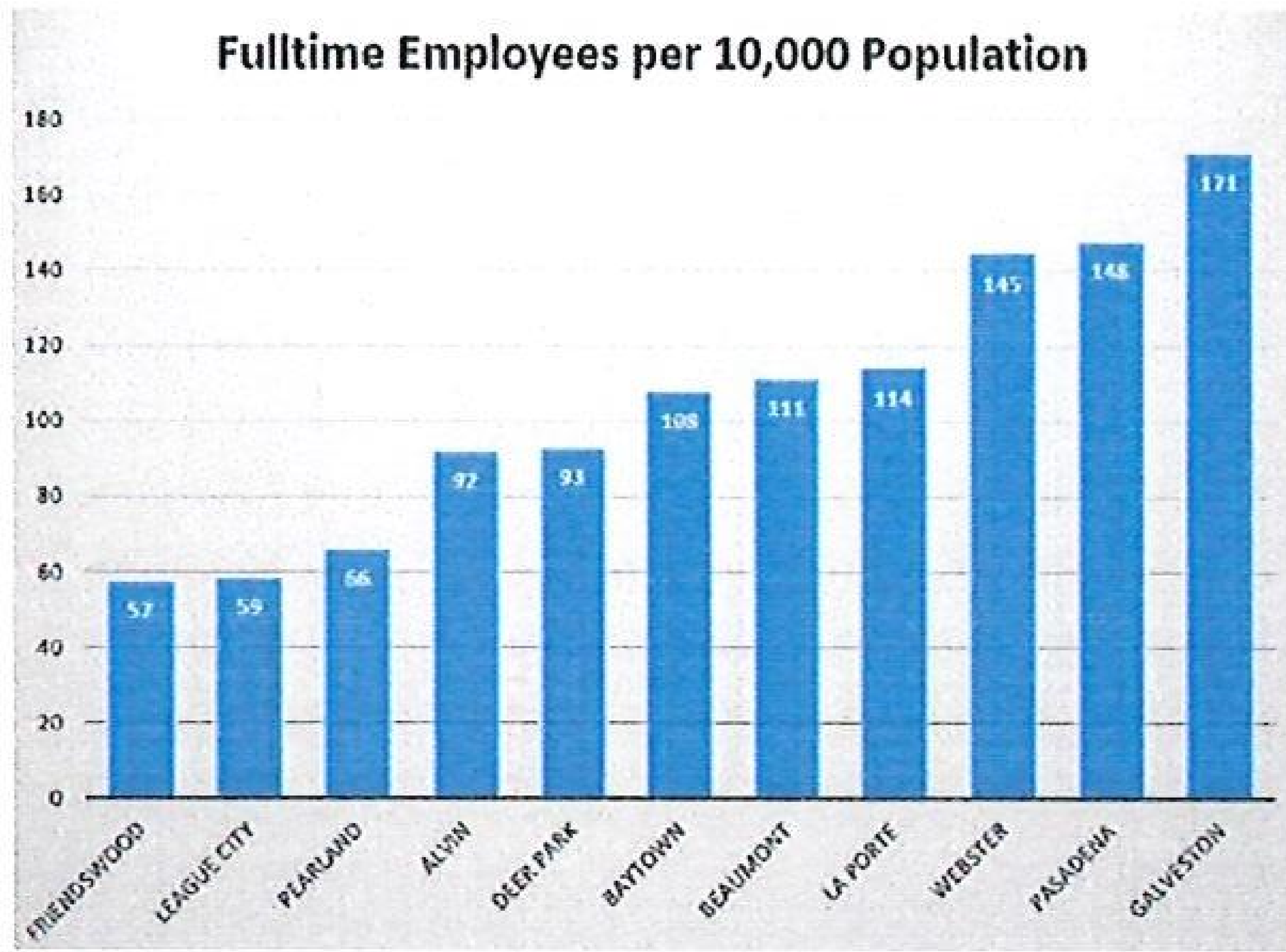
A more detailed breakdown of the expenses was noted in the following chart:

Personnel $23.3M (up $1M)
Merit of 2.75%
Health & Dental increase 10%*
Communications Operator & GIS Tech
Overtime increase

FAW $1.2M	
Personnel	$375K
Non-Personnel	$863K

Non-Personnel $11.2M (up $616K)	
Consumables (Fuel, Elec)	$161K
Vehicles – Internal Lease	$125K
Software Upgrades**	$173K
Operational Impact	$157K

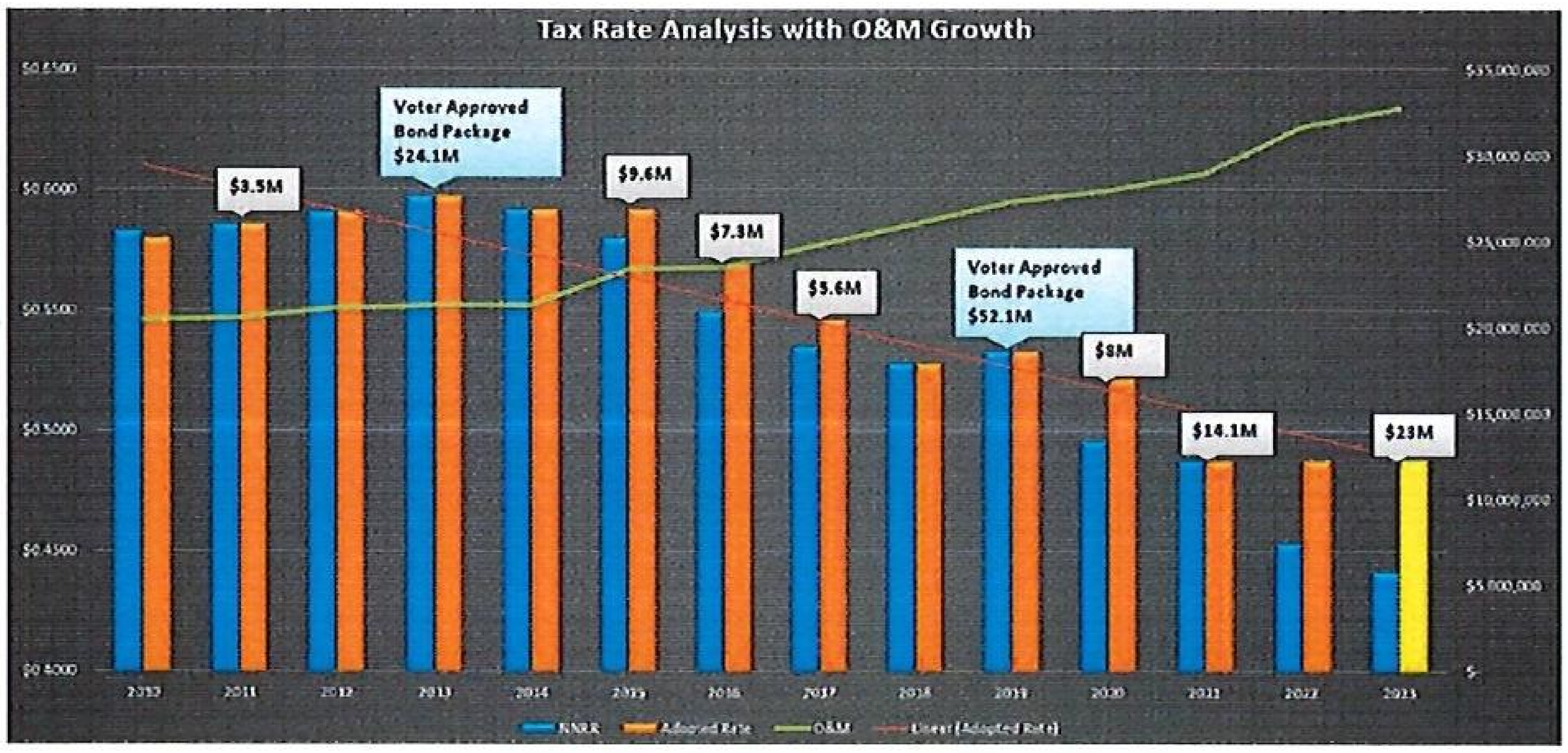
Ms. Hampton stated that at this point, the staff is trying to balance the scale by trying to figure out what revenue sources are available, how to balance the budget, and trying to allocate those funds accordingly. She stated that this is being done in the leanest way possible and noted that the following chart shows that Friendswood employees are at 57 employees per 10,000 in population, compared to some neighboring cities that are at 171 employees per 10,000. She stated that staff is doing all that it can with the least number of people possible, while maintaining existing levels of service.



In response to a question from Councilmember Rockey, Ms. Hampton stated that, the information on the staffing and demographics of the other cities included in the chart were collected from their budget documents.

Mr. Kabiri reiterated that the staff is not proposing that the City start staffing like the communities noted in the chart but instead wanted to note that when talking about the City's most valuable asset, it is important for the public to know, how lean and mean Friendswood is staffed.

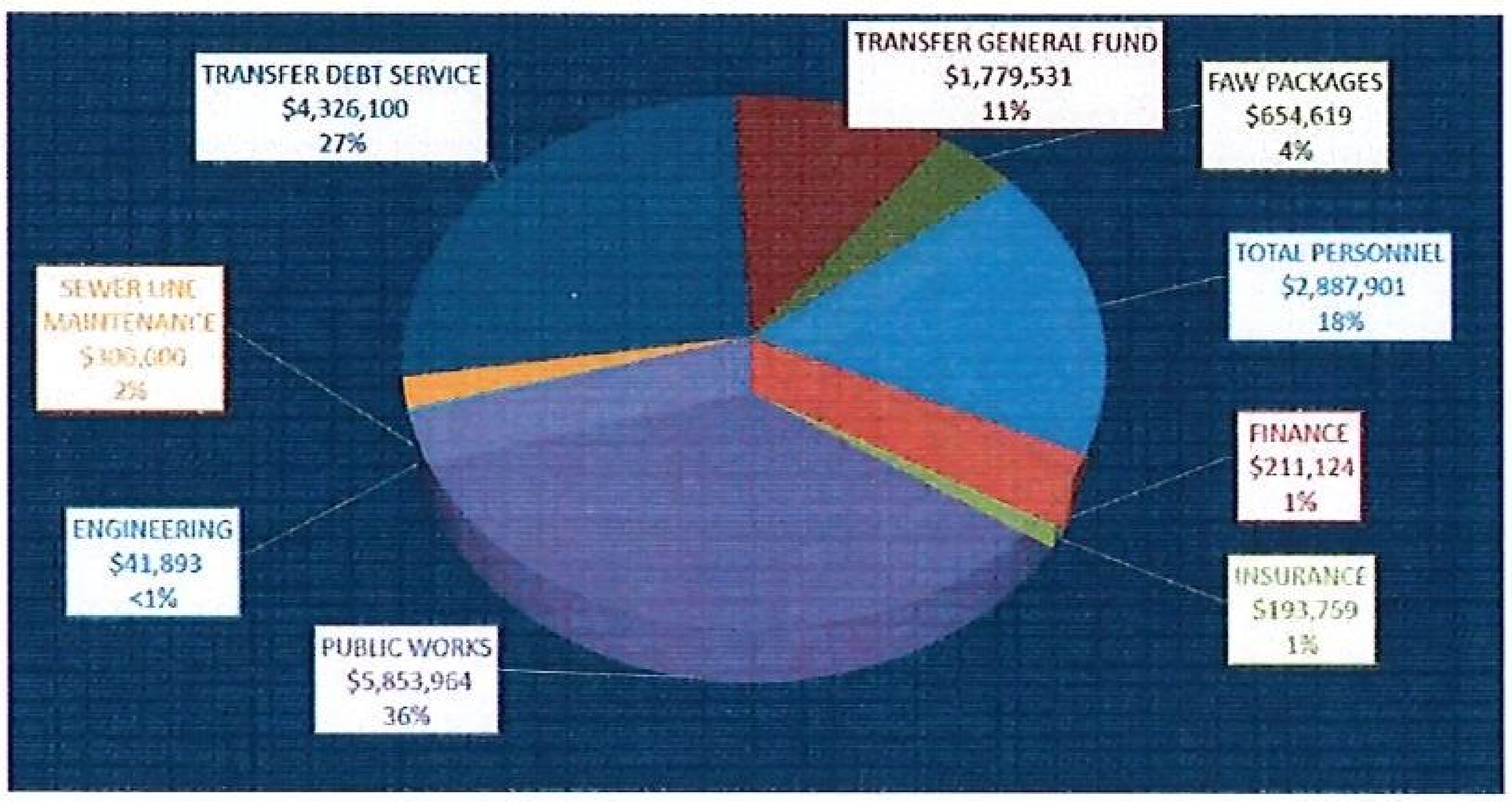
Mr. Kabiri presented a slide, which represents the last 14 years' worth of tax rate adoptions for the City of Friendswood. Mr. Kabiri noted that in those last 14 years, all but five, have been years in which the City has adopted the no-new-revenue-tax-rate, the effective tax rate or less. He explained that this means that the City opted to bring in less funds than the previous year. Mr. Kabiri also noted that this endeavor has been accomplished with every bit of pencil sharpening and cost-cutting measure possible. He stated that in the five years in which the City did not adopt the effective tax rate or less, it issued voter approved debt, and that same concept holds true for the upcoming fiscal year. He further noted that staff is not recommending raising taxes without the impact of these bond projects, instead it is because of these bond projects, along with the inflationary impacts that staff is recommending the rate as presented.



Ms. Hampton stated that this completed her presentation for the General Fund proposed budget and moved onto the Water and Sewer Fund proposed FY23 budget. She noted that this fund has an estimated $18 million in revenues of which about 97% of the budget comes from utility fees, and then the remaining 2%-3% comes from metered service like meter charges for new meters, and a little bit of interest earnings, and then administrative fees for non-payment or late payment of utility fees. The revenue break down was as follows:

- Sewer Revenues, $9,9163,337, 51%;
- Water Revenues, $8,196,360, 46%;
- Administrative Fees, $436,432, 2%;
- Interest Fees, $204,806, 1%; and
- Water Meter Sales, $30,000, less than 1%.

Ms. Hampton noted that on the expenditures, the upcoming budget as an estimated $16.8 million, which is broken down into the following:



Ms. Hampton noted that this fund is opposite to that of the General Fund in that about 85% of the Water Sewer Fund expenditures are made up of non-personnel costs but are instead services that the City pays for water treatment services, as well as, purchased water from the City of Houston. Mr. Kabiri added to that statement by noting that these are all a function of the fact that the City's contract is for regional services, both at the wastewater treatment plant, as well as, for the service water treatment plant that are shared with other cities and co-participants.

Below is a more detailed slide of the Water and Sewer Fund proposed expenditures:

Personnel $2.9M	
Merit of 2.75%	$71K
Health & Dental Increase	$35K
Preliminary – All Funded	
Decision Packages	$630K

Non-Personnel $13.3M	
Current Services	$6.3M
FAW-SEWPP Capital Improvements	$218K
FAW-Blackhawk Wastewater Operations	$280K
Sewer Line Maintenance	$300K
Debt Service Obligations	$4.3M
Transfer to General Fund	$1.7M
Other Force-at-Work	$156K

Ms. Hampton stated that the final item relates to the next steps in the budget approval process, and they include the following:

- 07/29/2022 - Proposed Budget Delivered
- 08/01/2022 - Budget Work Session
- 08/29/2022 - Proposed Budget Public Hearing
- 09/12/2022 - Public Hearing on Tax Rate
- 09/12/2022 - Budget & Tax Rate Adoption

Ms. Hampton thanked the Council for their support and stated that she would answer any questions.

Councilmember Scott stated that he wanted to quickly boil everything down as it related the budget. He asked as to what the average home value was in the city. Ms. Hampton noted that the average home value in the City of Friendswood is about $434,000.

Councilmember Scott then asked how much of the proposed revenue increase is bond related or sufficient to going towards that service on a percentage basis. Ms. Hampton responded that staff is anticipating a little less than a penny, so roughly about 30% of the tax.

Councilmember Scott then asked if that rough 30% of the increase in revenue that is being proposed is related to the debt service, which the voters voted on and approved. Mr. Kabiri responded that he was correct in his statement.

Lastly, Councilmember Scott asked if the homeowner that owns the average-value home in the City of Friendswood, how much of an increase will they see in their tax bill as it relates to the city revenue increase? Ms. Hampton stated that it would be roughly $40 annually.

Councilmember Scott noted that in laymen terms, if a person lives in the City of Friendswood with an average home price of $435,000, that person will have to pay an increase of $40 at the end of the year, annually. He further noted that the City's tax rate adjusts based on the appraised values that come into the city and budget's demands and each year there is an increase in revenue of roughly $1.2 million or of three and a half percent by keeping the tax rate flat. Councilmember Scott then noted that of that three and a half percent increase, 30% of it goes to pay for voter approved debt service.

Mr. Kabiri agreed with Councilmember Scott's assessment and added that the City gets additional revenues from non-property tax revenues from new construction that that has started slowing down considerably, and sales tax revenue has stagnated quite a bit, probably due to inflationary impacts.

Councilmember Hanks inquired as to when the final values from the counties would be received. Ms. Hampton noted that they are supposed to be issued by July 25th. Councilmember Hanks further asked if these values included all additional revenues, not just the increased values in existing homes but also the new construction, sales tax, etc. Mr. Kabiri responded that Councilmember Hanks was correct, and that staff was hoping to have the vast majority of those property values that were protested determined by the Fall; however, historically, these protests have dragged on for several months into the new fiscal year.

Mayor and Council thanked the staff for their hard work and great presentation.

8. CITY MANAGER'S REPORT

A. Present an update on Movies in the Park.

City Manager Morad Kabiri presented the item and stated that he wanted to thank the Parks and Recreation staff and Fourth of July Steering Committee for their amazing Fourth of July event. Mr. Kabiri stated that starting Friday, the City's Annual Movies in the Park, sponsored by the Friendswood Rotary would begin. These family-friendly movies take place every Friday night at the Evelyn B. Newman Amphitheater Centennial Park off of FM 518.

B. Present an update regarding the Friendswood Library Town Hall meeting to be held July 19th.

City Manager Morad Kabiri presented the item and stated that the Library will be hosting a Town Hall Meeting on July 19, 2022, beginning at 6:00 PM, to seek input on the Library's long-range strategic plans. All ideas and comments are welcome, and all are encouraged to attend.

C. Present an update regarding the Texas City Manager Association June meeting.

City Manager Morad Kabiri presented the item and stated that the City hosted the Regional City Manager Association luncheon with a record number of attendees. He thanked his staff and the Library for helping to host such a spectacular event.

D. Present and update regarding City waterline breaks and repairs.

City Manager Morad Kabiri presented the item and stated that due to the hot and dry weather conditions, there have been a record number of water line breaks throughout the city. Mr. Kabiri thanked the Public Work staff and leadership for their 24-hour support in responding and repairing the multiple line breaks being experienced throughout the city.

E. Present an update on regarding Friendswood VFD EMS receiving the 2022 American Heart Association's Mission: Lifeline® EMS Gold Plus Achievement Award.

City Manager Morad Kabiri presented the item, and that the Friendswood Volunteer Fire Department's EMD group received the 2022 American Heart Association's Mission: Lifeline® EMS Gold Plus Achievement Award for their STEMI treatment capabilities.

9. BUSINESS ITEMS

A. Consider approving Master Services Agreement No. 19829 with MCCi, LLC, for the purchase of Laserfiche software licenses and professional services related to a records management system upgrade, GIS integration and contract management system with electronic signature capabilities.

This item approves an agreement with MCCi, LLC for the purchase of Laserfiche software licenses and professional services related to a records management system upgrade and contract management system, in an amount not to exceed $162,000.

The City of Friendswood implemented the Laserfiche Records Management System in 2008 for the City Secretary's Office only. Since that time, the City has moved to expand its electronic records management system and, in order to do so, must upgrade the existing Laserfiche software, expand the number of end user and participant licenses, and implement a new electronic contract management system for digital signatures (One Span). Additionally, the upgrade will include GIS integration which will allow for the linking of deeds, liens, easements, and other property records to be attached to related properties in the City's GIS program, which is accessible to internal and external customers. A copy of the proposed scope of work and agreement is attached for your review.

The cost of the project is $146,157.34 and, with an additional $15,842.66 in contingency funds, for a total of $162,000.00. The monies will be allocated as follows:

- General Fund - 60% ($97,200) and
- W&S Fund - 40% ($64,800).

A motion was made by Councilmember Hanks and seconded by Councilmember Branson to approve Master Services Agreement No. 19829 with MCCi, LLC, for the purchase of Laserfiche software licenses and professional services related to a records management system upgrade, GIS integration and contract management system with electronic signature capabilities. 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. Consider authorizing the City Manager to negotiate and execute debris monitoring services contracts with (i) Thompson Consulting Services and (ii) Tetra Tech (RFP 2022-12).

This item authorizes the City Manager to negotiate a primary contract for debris monitoring services with Thompson Consulting Services and a secondary contract with Tetra Tech. These pre-event contracts provide the City with debris monitoring services in the event of an unforeseen declared emergency/disaster. There are no upfront costs for this contract to be in place as funds will be allocated if there is a declared emergency and the contracts are activated.

A motion was made by Councilmember Branson and seconded by Mayor Pro Tem Griffon to the City Manager to negotiate and execute debris monitoring services contracts with (i) Thompson Consulting Services and (ii) Tetra Tech (RFP 2022-12). 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 authorizing the City Manager to negotiate and execute debris removal services contracts with (i) Crowder Gulf and (ii) KDF Enterprises LLC (RFP 2022-13).

This item authorizes the City Manager to negotiate a primary contract for Debris Removal Services with Crowder Gulf and a secondary contract with KDF Enterprises LLC. These pre-event contracts provide debris removal services for the City in the event of an unforeseen declared emergency/disaster. There are no upfront costs for this contract to be in place as funds will be allocated if there is a declared emergency and the contracts are activated.

A motion was made by Mayor Pro Tem Griffon and seconded by Councilmember Erenwert to authorize the City Manager to negotiate and execute debris removal services contracts with (i) Crowder Gulf and (ii) KDF Enterprises LLC (RFP 2022-13). 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. Consider authorizing the City Manager to negotiate and execute a contract with Manor Maintenance for the maintenance and landscaping of the City's parks and facilities (RFP 2022-15).

This item authorizes the City Manager to negotiate and execute a contract with Manor Maintenance for the landscaping of the City's parks and facilities (RFP 2022-15).

This RFP was opened on Thursday, June 23, 2022, with proposals being received from (i) Horticare, (ii) Manor Maintenance, and (iii) Special Touch Landscaping. The scope of work for this contract includes the weeding and trimming of city facilities-buildings, medians, esplanades and parks as further outlined on the attached Landscape Management Schedule.

An ad-hoc review committee was formed to score the submitted proposals based on the selection criteria included in the RFP, which was designed to help staff provide a contractor recommendation to the Council, while ensuring the appropriate level of service is maintained.

During the review process, the committee ranked each proposal by the criteria listed below:

- 30%, qualifications and capability of the company providing similar services;
- 10%, references – respondents shall provide a minimum of three (3) references for which you have provided this type of service. Including the date(s), services furnished, client's name, address, and phone/fax/email of the client;

- 30%, pricing schedule/cost of service; and
- 30%, past experience and history on like projects.

Further, the committee met with the representatives of the top-rated proposals and all subsequent information requested and received was considered as part of the proposal and evaluated as such. During the review process, the committee concluded through the above scoring factors that Manor Maintenance received the most points, and therefore is receiving staff's recommendation.

A motion was made by Councilmember Rockey and seconded by Councilmember Scott to authorize the City Manager to negotiate and execute a contract with Manor Maintenance for the maintenance and landscaping of the City's parks and facilities (RFP 2022-15). 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.

E. Consider authorizing an Interlocal Agreement with the Galveston County Consolidated Drainage District.

This item authorizes an interlocal agreement with the Galveston County Consolidated Drainage District and amends the CDD process in the following:

The agreement changes the current process to the proposed process as follows:

- CDD Staff will assess a building permit application to determine whether or not it will require regional detention.
- If yes, staff will direct the applicant to GCCDD to complete that process first; GCCDD will calculate fees and collect payment.
- Once the applicant has a receipt of payment to GCCDD, staff will complete the permitting process.
- If no, CDD staff will complete the permitting process.

A motion was made by Councilmember Branson and seconded by Councilmember Erenwert to authorize an interlocal agreement with the Galveston County Consolidated Drainage District. 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.

F. Consider authorizing the Interlocal Contractual Agreement Concerning Breath Alcohol Technical Supervisor with the City of League City, Galveston County, the City of Webster, the City of Seabrook, the City of South Houston, the City of Texas City, and the City of Pearland.

This item authorizes an Interlocal Contractual Agreement Concerning Breath Alcohol Technical Supervisor is a renewal of the existing agreement amongst the parties, which include Galveston County, the Cities of League City, Webster, Seabrook, South Houston, Texas City, and Pearland.

All of the parties to the agreement need the services of a certified breath alcohol technical supervisor ("BATS") for use in law enforcement and prosecution of driving while intoxicated offenses. Under the agreement, the City of League City will enter into a contract with the Texas Department of Public Safety, which wants to be bound by only one contract, to secure the services and to provide the other entities an evidential breath alcohol instrument ("Instrument"). The cost for the BATS and the Instrument for all of the parties is $100,000, which cost will be shared equally and paid monthly after receipt of an invoice from the City of League City. The term of the proposed agreement is sixty months, which term can be extended thereafter for successive one-year periods.

After a brief discussion regarding the costs of the agreement, City Manager Morad Kabiri clarified that the annual costs to the City for this agreement is in the amount of $14,000.

A motion was made by Councilmember Hanks and seconded by Mayor Pro Tem Griffon to authorize an Interlocal Contractual Agreement Concerning Breath Alcohol Technical Supervisor with the City of League City, Galveston County, the City of Webster, the City of Seabrook, the City of South Houston, the City of Texas City, and the City of Pearland. The vote was the following:

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

Nays: Councilmember John Scott, and Councilmember Brent Erenwert.

The item passed.

G. Consider authorizing the Friendswood Downtown Economic Development Corporation (FDEDC) to expend funds for Stevenson Park Conceptual Design Plan and authorizing an agreement related thereto.

Mayor Foreman asked for the floor in order to respond to a comment made earlier in the meeting about whether or not he should vote on this item and if he was conflicted because of his wife volunteering with the FDEDC. He stated that there was no conflict of interest and that his wife volunteers for multiple organizations throughout the community with no special interest or compensation.

City Manager Morad Kabiri presented the item and stated that the Keep Friendswood Beautiful Committee (KFB) was recently awarded the Governor's Community Achievement Award. Mr. Kabiri noted that this is a state grant that only a few communities ever achieve, and Friendswood has achieved this recognition not once, but twice in the last six years. He further noted that the $250,000 grant can be utilized for beautification efforts along the TxDOT rights-of-ways (ROW); such as the median landscaping up and down FM 518 and the beautiful new medians along FM 2351, which were recently upgraded over the last several years. Mr. Kabiri noted that with the award, KFB is considering another beautification effort in the form of a new entryway sign into Stevenson Park, like the ones at other city parks and some nice landscaping. As KFB discussed options for the entryway, they wondered if it was possible to upgrade the parking lot that's directly behind where the entryway sign would go, and while many of the options for that parking lot have been cost prohibitive in the past, the KFB thought it would be a good idea to get a plan together for what the space could be, and have it ready should there be grant opportunities in the future, or potentially a future bond package for the vote of the people. This is exactly what happened with the downtown upgrades that are currently being undertaken and include the traffic signal upgrades as well as the sidewalk enhancements downtown; the FDEDC had a plan and was ready when TxDOT offered grant monies for improvements along the City's roadways. Mr. Kabiri stated that this is the example that KFB is attempting to copy, to put together a plan, that may help solicit grant dollars and some other things to pay for the beautification of that parking lot.

FDEDC was approach to fund the conceptual plan of the Stevenson Park entryway and parking lot in the amount of $13,500 as it fit within the scope of the FDEDC Downtown Plan and use. The FDEDC considered the funding request and approved making a recommendation to the City Council to appropriate the monies for this project, which is what is before the Council now. Mayor Foreman stated that the FDEDC cannot expend monies without Council approval and if the request is denied, the item goes away, or other funding will have to be identified.

Mr. Kabiri noted that the conceptual plan proposal submitted by Halff Associates is still yet to be developed based on public input via town hall meetings and online surveys. The conceptual drawings that were presented to FDEDC were drawings that Halff Associates prepared when meeting with staff to show their capabilities, but the sketches provided are not the conceptual plan and is not worth $13,000.

Again, FDEDC approved the funding of the plan, but again, no commitment has been made to pay anybody anything and no plan has been developed, and that funding is contingent upon Council's approval tonight.

Councilmember Griffon asked how the public input would be collected and used to formulate a plan for the space. Mr. Kabiri stated that the input would be done at in person town hall meetings at City Hall and the Library, along with the opportunity to take a survey online in order to provide the consultant sufficient information on what the community would like to see in this spaceto say what they would like to see.

Mayor Foreman stated that leveraging the cost to create a plan against the potential of receiving grant monies, like the three and a half million grant from TxDOT is a worthy investment.

Councilmember Griffon inquired if the FDEDC had a concern over KFB approaching them for funding and if there was a concern that they were creating a precedent by which other groups would start requesting monied from them. FDEDC President, Dr. Rebecca Hillenburg stated that they had not been approach before with funding requests and considered the KFB request on its own merits. She stated that the fact that the Downtown Plan helped garner such a large grant for the Downtown street improvements, was a big influencer when deciding whether or not to fund this new plan for a park located in the Downtown area.

Councilmember Griffon stated that the FDEDC has an estimated $3.8 million project that it is trying to pay for, and at this time they only have $2.2 million, he noted his concern that the FDEDC was didn't have enough money for its core project and was spending money on other things. Dr. Hillenburg stated that the project has alternates and partial plans in order to fund it with the money that they have now.

Councilmember Griffon stated that he felt that the $13,500 for the plan should be taken from the Parks and Recreation Department.

Dr. Hillenburg stated that she considered the $13,000 as an investment to the future, an investment in the opportunity to support another committee in Friendswood and give them the opportunity that FDEDC got when they created their own plan. Mayor Foreman stated that he felt it was also worth the money to give residents a chance to make their input known and alleviate the complaint that the City "never asks us what we want."

Councilmember Rockey stated that he wanted to summarize a few things; the Council is being asked to fund a $13,500 study through getting public input and no monies have yet been spent. He noted that in his opinion the parking lot could be unsafe and should be made better looking and more efficient for parking and events. This company is going to help the City create a plan, and experience shows that when there is a plan, other monies can be attained and ultimately, the final plan still has to come back to the Council for approval, so the comments that a plan has already been done and paid for is just not true.

Councilmember Branson thanked the FDEDC and KFB members present at the meeting for their wonderful work in supporting the beautification of the Downtown. She noted that the FDEDC has been very frugal, and very intentional in the development of their plan and getting the money together for a pay as you go approach to projects. She stated that the FDEDC is now looking to support another City committee that aligns with their mission and focus, and she believed that what was a good thing that she supported.

Councilmember Scott asked if there was any of the park improvement bond money still available to help pay for this study. Mr. Kabiri noted that the park bond issuance monies from the 2013 bond program have all been expended.

Councilmember Scott asked if there were any funds left in the sidewalk fund. Mr. Kabiri noted that Council authorized the use of those funds for sidewalk installations about four council meetings ago.

Councilmembers Scott and Rockey stated that they believed that this plan, along with improvements to the parking lot needed to be done.

Councilmember Scott stated that his concern was in the fact that FDEDC is funding an outside group's project, which could set an unwanted precedent. Mr. Kabiri stated that he understood his concern and from the staff's perspective they were looking at ways to utilize restricted funds that couldn't be used for anything else, as is the case with the FDEDC funds that can only be used for projects and improvements in Downtown.

Councilmembers Scott and Griffon stated that while they supported the plan, they felt that another funding source should be used.

With no further comments on the proposed expenditure. Mayor Foreman called for a motion.

A motion was made by Councilmember Rockey and seconded by Councilmember Branson to authorize the Friendswood Downtown Economic Development Corporation (FDEDC) to expend funds for Stevenson Park Conceptual Design Plan and authorizing an agreement related thereto. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, and Councilmember Sally Branson,

Nays: Mayor Pro Tem Robert J. Griffon, Councilmember John Scott, and Councilmember Brent Erenwert.

The item passed.

H. Consider the election of the Mayor Pro Tem.

A motion was made by Councilmember Rockey and seconded by Mayor Pro Tem Griffon to elect Councilmember Brent Erenwert as Mayor Pro Tem. 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.

I. Consider appointing (i) Glen Grayban, (ii) Jason Byers and (iii) Michael Fernandez as regular members, and (iv) Megan McKay as an alternate member to the Construction Board and Adjustment and Appeals for a three-year term beginning immediately and ending June 30, 2025.

A motion was made by Councilmember Scott and seconded by Councilmember Rockey to appoint (i) Glen Grayban, (ii) Jason Byers and (iii) Michael Fernandez as regular members, and (iv) Megan McKay as an alternate member to the Construction Board and Adjustment and Appeals for a three-year term beginning immediately and ending June 30, 2025. The vote was the following:

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

Nays: None.

The item passed unanimously.

J. Consider appointing (i) Joe Matranga, (ii) Brian Bounds and (iii) Marcus Rives to the Planning and Zoning Commission for a three-year term set to begin immediately and expire on June 30, 2025.

A motion was made by Councilmember Scott and seconded by Councilmember Hanks to appoint (i) Joe Matranga, (ii) Brian Bounds and (iii) Marcus Rives to the Planning and Zoning Commission for a three-year term set to begin immediately and expire on June 30, 2025. The vote was the following:

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

Nays: None.

The item passed unanimously.

K. Consider appointing (i) Patrick McGinnis, (ii) Rebecca Hillenburg, (iii) Ron Cox, and (iv) Alton Todd to the Friendswood Downtown Economic Development Corporation for a two-year term beginning immediately and ending June 30, 2024.

A motion was made by Councilmember Griffon and seconded by Councilmember Branson to appoint appointing (i) Patrick McGinnis, (ii) Rebecca Hillenburg, (iii) Ron Cox, and (iv) Alton Todd to the Friendswood Downtown Economic Development Corporation for a two-year term beginning immediately and ending June 30, 2024. The vote was the following:

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

Nays: None.

The item passed unanimously.

L. Consider appointing (i) Diane Freeman, (ii) Kathy Molinaro, (iii) Neeta Jambhekar, (iv) JoBeth Brizendine, (v) Benette Rowley, and (vi) Madeline Short to the Friendswood Public Library Advisory Board for a three-year term beginning immediately and ending June 30, 2025.

A motion was made by Councilmember Rockey and seconded by Mayor Pro Tem Erenwert to appoint (i) Diane Freeman, (ii) Kathy Molinaro, (iii) Neeta Jambhekar, (iv) JoBeth Brizendine, (v) Benette Rowley, and (vi) Madeline Short to the Friendswood Public Library Advisory Board for a three-year term beginning immediately and ending June 30, 2025. The vote was the following:

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

Nays: None.

The item passed unanimously.

M. Consider appointing (i) Susan Asimakis and (ii) Pauline Moore to the Community and Economic Development Committee for a three-year term beginning immediately and ending June 30, 2025.

A motion was made by Councilmember Branson and seconded by Councilmember Hanks to appoint (i) Susan Asimakis and (ii) Pauline Moore to the Community and Economic Development Committee for a three-year term beginning immediately and ending June 30, 2025. The vote was the following:

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

Nays: None.

The item passed unanimously.

10. RESOLUTIONS & ORDINANCES

A. Consider the first and final reading of an ordinance amending the City's General Budget for Fiscal Year 2021-2022 by approving "Budget Amendment X" and providing for supplemental appropriation and/or transfer of certain funds.

This proposed ordinance approves the following budget amendments:

1. Parks & Recreation – Video Wall Sponsorship for July 4th Event, $5,000. Appropriate directed sponsorship received from H-E-B. The sponsorship will go towards the rental of a video wall to be used for the July 4th celebration. Funds will be appropriated to the Parks and Recreation Department's July 4th division.

2. Community Development Block Grant-Disaster Recovery (Galveston County) – Utility Relocation at Clear Creek Bridge, Tree Mitigation Plan, $6,000. Advance funding for engineering services related to the relocation of utilities at Clear Creek Utility Bridge. The City was awarded a grant through the 2017 Community Development Block Grant – Disaster Recovery with Galveston County. Additional work will be performed to prepare a tree removal and mitigation plan as well as determining a plant schedule and tree species based on the City of Friendswood Code of Ordinances. This Change Order (#3) for $6,000 will be reimbursable. The funding source will be unassigned general fund balance and will be reimbursed once grant funding is received.

3. Community Development Block Grant-Disaster Recovery (Galveston County) – Frenchman's Creek Acquisition and Relocation Services Contract, $1,030,000. Advance funding in the amount of $1,030,000 was appropriated from unassigned general fund balance on the June 6, 2022, BA IX. After consulting with Bond Counsel, it was determined a more suitable funding source to be Drainage Bond funds. This entry is to change the advanced funding source. The Community

Development Block Grant will reimburse the City for the acquisition of Frenchman's Creek building #5, at which time the advanced funding from Drainage Bond funds will be reimbursed.

4. City Secretary's Office/Information Technology – Laserfiche, $162,000. Appropriate funds for the implementation of Laserfiche, an electronic content management solution. The expansion of Laserfiche will allow departments to utilize intelligent content capture, securely store and manage digital records, and improve workflow with all-electronic process automation between departments which will enhance City services. The funding source will be split 60/40 between unassigned General Fund balance and Water & Sewer working capital.

5. Parks & Recreation – Donation for Park Bench, $1,265. Appropriate donation received from All-Star Revolutions LLC. The donation will go towards the purchase of a dedicated park bench at Lake Friendswood. Funds will be appropriated to the Parks and Recreation Department's, Parks division, operating equipment budget.

6. Fire Marshal's Office – Emergency Fuel Trailer, $6,675. Transfer funding from the Police, Public Works, and Parks & Recreation departments to the Fire Marshal's Office for the joint purchase of an emergency fuel trailer. The total cost of the asset is $11,675 and will be utilized by multiple departments during emergency incidents. The Fire Marshal's Office is contributing $5,000. The other participating departments will contribute $2,225 each.

7. Police Department – Rad Program, $375. Appropriate funds donated to the Police Department Rape Aggression Defense (R.A.D.) Program. Donations were received from the citizens participating in the R.A.D. classes. Funds will be appropriated to the Police Department Patrol division for R.A.D. operating equipment related to R.A.D. program expenses.

8. Public Works – Recycled Sign Materials, $1,566. Appropriate funds received from recycled sign materials. The appropriation will be recorded in the Public Works Streets division to help offset increase cost of sign making supplies.

9. Parks & Recreation, Facilities – Repair & Repaint City Buildings, $64,000.* Appropriate funds to repair and repaint four City buildings. A facility evaluation was recently completed by a third party and revealed some concerns with the exterior façade conditions at the Activity Building, Animal Control Building, Jones Hangar and Stevenson Splash Pad Restroom and Pool Pump House. Repairing the stucco and repainting the facilities will prevent water, moisture, and insect infiltration. The funding source will be unassigned general fund balance.

10. 1Parks & Recreation, Facilities – Smart Thermostats and Control Software, $4,000.* The City recently completed an ASHRAE Level 2 Energy Audit with Energy for Purpose (EFP). The study revealed several basic steps to move the City towards an energy efficient facility operation plan and environmental sustainability. EFP advised City staff could replace 9 thermostats with smart, WIFI enabled thermostats and leverage thermostat software to consolidate scheduling, utilize zoning, and modify set points. By exchanging the thermostats, EFP estimates we would save approximately $16,000 annually. The funding source will be unassigned general fund balance.

11. Public Works/Information Technology – Supervisory Control and Data Acquisition (SCADA) Server Replacement, $35,000.* Appropriate funds to replace the SCADA server. The current SCADA server is past the best practices replacement schedule guidelines. The current operating system is Microsoft Server 2012 and has an end-of-life support date of October 2023. While the OS is still supported by MS, the hardware is outdated and needs to be upgraded. The replacement is urgent so that we have redundancy to the server with the appropriate hardware in the server. Without the SCADA server, alerts would not be available to notify public works of an issue arising. Current services are restricted and dependent on a vendor's response. This upgrade would allow for more in-house support to the system. The funding source will be Water & Sewer working capital.

12. Fire Marshal's Office – Generator Monitoring System, $25,000.* Appropriate funds for a generator monitoring system. This system will allow for mobile and desktop monitoring of generators. The remote monitoring capability allow emergency services staff to view generator vitals, status, create custom reports, schedule maintenance and testing, and provide visibility to multiple authorized users. During power outages, the system will notify staff if the generators are functioning properly, essentially improving our emergency response process. This proposal is for monitoring at City Hall, Friendswood Library, and Activity Center. The funding source will be unassigned general fund balance.

13. Parks & Recreation – Towable 25kva Generator, $28,000.* Appropriate funds for a towable generator. The City currently rents generators for various events and emergency repair projects. Purchasing a generator would put the City in a self-sustaining position and would increase reliability in responding to planned and emergency events. The generator is portable and can be used as a backup to critical path generators during storm events as well. The funding source will be unassigned general fund balance.

14. Parks & Recreation – Security for July 4th Event, $6,500. Appropriate funds for additional contract security during the July 4th event. The funding source will be unassigned general fund balance.

A motion was made by Councilmember Scott and seconded by Councilmember Griffon to approve the first and final reading of Ordinance No. 2022-16, related to Item 10.A. The vote was the following:

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

Nays: None.

The item passed unanimously.

ORDIANCE NO. 2022-16

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING ORDINANCE NO. 2021-22, PASSED AND APPROVED SEPTEMBER 13, 2021, SAME BEING AN ORDINANCE APPROVING AND

ADOPTING THE CITY'S GENERAL BUDGET FOR FISCAL YEAR 2021-2022, BY APPROVING "BUDGET AMENDMENT X" THERETO; PROVIDING FOR SUPPLEMENTAL APPROPRIATION AND/OR TRANSFER OF CERTAIN FUNDS; PROVIDING FOR SEVERABILITY; PROVIDING OTHER MATTERS RELATED TO THE SUBJECT; AND PROVIDING FOR THE EFFECTIVE DA TE.

11. CONSENT AGENDA

A motion was made by Councilmember Scott and seconded by Councilmember Griffon to approve the Consent Agenda, Items 11.A through 11.H. The vote was the following:

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

Nays: None.

The item passed unanimously.

A. Consider the second and final reading of an ordinance amending Chapter 82 "Traffic and Vehicles," Article I "In General," Section 82-1 "Unreasonable acceleration" of the Friendswood City Code to add an offense for unreasonable acceleration.

ORDINANCE NO. 2022-15

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING CHAPTER 82 "TRAFFIC AND VEHICLES," ARTICLE I "IN GENERAL," SECTION 82-1 "UNREASONABLE ACCELERATION" OF THE FRIENDSWOOD CITY CODE TO PROHIBIT UNREASONABLE ACCELERATION ON THE HIGHWAYS, STREETS AND ROADS WITHIN THE CORPORATE CITY LIMITS OF FRIENDSWOOD; PROVIDING A PENALTY OF AN AMOUNT NOT TO EXCEED TWO THOUSAND AND NO/100 DOLLARS ($2,000.00) FOR EACH VIOLATION OF ANY PROVISION HEREOF; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY, PUBLICATION AND THE EFFECTIVE DATE.

B. Consider an ordinance amending Section 8 "Leave" of the Personnel Policies of the City of Friendswood by adding Subsection 8.15 "Mental Health Leave Policy for Peace Officers," consistent with Section 614.015 of the Texas Government Code.

C. Consider a resolution registering the City of Friendswood's support of the Texas Department of Transportation's construction of Segments A and B of Texas State Highway 99, located in Galveston and Brazoria Counties, Texas.

RESOLUTION NO. R2022-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, REGISTERING ITS SUPPORT OF THE TEXAS DEPARTMENT OF TRANSPORTATION'S CONSTRUCTION OF TEXAS STATE HIGHWAY 99 (SH99) (GRAND PARKWAY) SEGMENTS A AND BIN GALVESTON AND BRAZORIA COUNTIES, TEXAS; AND PROVIDING FOR THE EFFECTIVE DATE.

D. Consider approving a School Zone Agreement with Friendswood Independent School District.

This item will allow Council to approve a School Zone Agreement (the "Agreement") with Friendswood Independent School District ("FISD") for increased patrols within school zones located in the City during the 2022-23 school year. Pursuant to the Agreement, the City will provide five (5) police officers to staff school zones during the morning and afternoon school zone times; provided that such officers are not assigned elsewhere in the City due to an emergency, a shortage of officers or another reason determined in the Chief's sole discretion. FISD will pay for school zone coverage based upon the actual number of student school days.

E. Consider accepting the Challenge Elite Sports - Beamer Water Line Extension Project and initiating the contractor's one-year maintenance period.

This item accepts the Challenge Elite Sports - Beamer Water Line Extension Project (the "Project") and initiates the one-year maintenance period. Friendswood Investment LLC c/o David Mai (the "Contractor") tendered a cash bond, in lieu of a maintenance bond, in the amount of $63,559, which is the full project cost. The maintenance bond period will be from July 11, 2022 through July 11, 2023.

F. Consider accepting the May 2022 tax report.

G. Consider approving the minutes of the City Council Regular Meeting held on May 2, 2022.

H. Consider approving the minutes of the City Council Special Meeting held on May 18, 2022.

12. EXECUTIVE SESSION

A. Recess into and conduct an executive session pursuant to Section 551.071 of the Texas Government Code to seek the advice of the City's attorneys regarding City of Friendswood v. Tostado, in the Court of Appeals of Texas, Houston (1st Dist.); Cause No. 01-20-00398-CV.

B. Recess into and conduct an executive session pursuant to Section 551.071 of the Texas Government Code to seek the advice of the City Attorney regarding the Class Action Settlement of City of Long Beach, et al, v. Monsanto Company, et al., in the U.S. District Court, Central District of California - Western District; Cause No. 2:16-cv-03493-FMO-AS.

C. Recess into and conduct an executive session pursuant to Section 551.071 of the Texas Government Code to seek the advice of the City Attorney regarding the Class Action Settlement

of In re Capacitors Antitrust Litigation, in the United States District Court, Northern District of California; Case Nos.: 17-md-02801-JD, 14-cv-03264-JD.

D. Recess into and conduct an executive session pursuant to Section 551.071 of the Texas Government Code to seek the advice of the City Attorney regarding the Class Action Litigation B&R Supermarket, Inc., et al. v. Visa Inc., et al., in the U.S. District Court, Eastern Division of New York; Cause No. 17-cv-02738.

At 7:54 P.M. Mayor Foreman recessed and convened into an executive session pursuant to Texas Government Code, 551.071 of the Texas Government Code to seek the advice of the City's attorneys regarding the following:

- City of Friendswood v. Tostado, in the Court of Appeals of Texas, Houston (1st Dist.);
- Class Action Settlement of City of Long Beach, et al, v. Monsanto Company, et al., in the U.S. District Court, Central District of California - Western District;
- Class Action Settlement of In re Capacitors Antitrust Litigation, in the United States District Court, Northern District of California; and
- Class Action Litigation B&R Supermarket, Inc., et al. v. Visa Inc., et al., in the U.S. District Court, Eastern Division of New York.

At 8:10 P.M., Mayor Foreman reconvened the regular meeting and announced that in accordance with Section 551.102 of the Texas Government Code, no action was taken in executive session.

13. ACTION ITEMS RELATED TO EXECUTIVE SESSIONS

A. Consider a resolution approving a notice of intention to opt out of the Class Action Settlement of City of Long Beach, et al, v. Monsanto Company, et al., in the U.S. District Court, Central District of California - Western District; Cause No. 2:16-cv-03493-FMO-AS and directing the City Attorney to file the same with the Class Action Settlement Administrator.

A motion was made by Councilmember Hanks and seconded by Councilmember Branson to approve Resolution No. R2022-19, related to Item 13.A. The vote was the following:

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

Nays: None.

The item passed unanimously.

RESOLUTION NO. R2022- 19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, APPROVING A NOTICE OF INTENTION TO OPT OUT OF THE CLASS ACTION SETTLEMENT IN CITY OF LONG BEACH, ET AL, V. MONSANTO

COMPANY, ET AL., IN THE U.S. DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA - WESTERN DISTRICT; CAUSE NO. 2:16-CV-03493-FMO-AS; DIRECTING THE CITY ATTORNEY TO FILE SUCH NOTICE WITH THE CLASS ACTION SETTLEMENT ADMINISTRATOR; AND PROVIDING FOR AN EFFECTIVE DA TE.

B. Consider a resolution approving a notice of intention to opt out of the Class Action Settlement of In re Capacitors Antitrust Litigation, in the United States District Court, Northern District of California; Case Nos.: 17-md-02801-JD, 14-cv-03264-JD and directing the City Attorney to file the same with the Class Action Settlement Administrator.

A motion was made by Councilmember Griffon and seconded by Councilmember Hanks to approve Resolution No. R2022-20, related to Item 12.B. The vote was the following:

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

Nays: None.

The item passed unanimously.

RESOLUTION NO. R2022- 20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, APPROVING A NOTICE OF INTENTION TO OPT OUT OF THE CLASS ACTION SETTLEMENT IN RE CAPACITORS ANTITRUST LITIGATION, IN THE UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA; CASE NOS.: 17-MD-02801-JD, 14-CV-03264-JD; DIRECTING THE CITY ATTORNEY TO FILE SUCH NOTICE WITH THE CLASS ACTION SETTLEMENT ADMINISTRATOR; AND PROVIDING FOR AN EFFECTIVE DATE.

C. Consider a resolution approving a notice of intention to opt out of the Class Action Litigation B&R Supermarket, Inc., et al. v. Visa Inc., et al., in the U.S. District Court, Eastern Division of New York; Cause No. 17-cv-02738 and directing the City Attorney to file the same with the Class Action Settlement Administrator.

A motion was made by Councilmember Scott and seconded by Councilmember Griffon to approve Resolution No. R2022-21, related to Item 12.C. The vote was the following:

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

Nays: None.

The item passed unanimously.

RESOLUTION NO. R2022- 21

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, APPROVING A NOTICE OF INTENTION TO OPT OUT OF THE CLASS ACTION SETTLEMENT IN RE CAPACITORS ANTITRUST LITIGATION, IN THE UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA; CASE NOS.: 17-MD-02801-JD, 14-CV-03264-JD; DIRECTING THE CITY ATTORNEY TO FILE SUCH NOTICE WITH THE CLASS ACTION SETTLEMENT ADMINISTRATOR; AND PROVIDING FOR AN EFFECTIVE DATE.

14. ADJOURNMENT

A motion was made by Councilmember Griffon and seconded by Councilmember Scott to adjourn the meeting. The vote was the following:

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

Nays: None.

The item passed unanimously.

Mayor Foreman adjourned the July 11, 2022, City Council Regular Meeting at 8:15 P.M.

Mike Foreman, Mayor

Attest:

Leticia Brysch, City Secretary

CITY OF FRIENDSWOOD
STATE OF TEXAS