**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF FRIENDSWOOD
JUNE 5, 2023**

THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD MET IN A REGULAR MEETING ON MONDAY, JUNE 5, 2023, AT 5:30 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:

Steve Rockey	Councilmember
Sally Branson	Councilmember
Trish Hanks	Councilmember
Robert J. Griffon	Councilmember
Joe Matranga	Councilmember
Brent Erenwert	Mayor Pro Tem
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 5:30 P.M.; all members were present with the exception of Councilmember Branson who arrived at 6:25 p.m.

2. INVOCATION

The invocation was led by Pastor McCauley Austin of Friendswood Baptist 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 Memorial Day Event, thanked all the councilmembers for attending the event. There were 150 veterans in attendance, which made for a great picture.

Councilmember Griffon apologized that he was not able to be at Councilmember Matranga's swearing-in last month, congratulated him and welcomed him to the Council.

Councilmember Matranga stated he is deeply honored for the opportunity to serve and is looking forward to contributing to this community.

5. PUBLIC COMMENT

Mr. Jason Jones requested to speak before the Council to advocate on behalf of Parks and Recreation Department to consider increasing the project budget for Centennial Park. He stated the park appears to be in need a few updates; such as:

1. extending the chain-link an additional 100+ feet,
2. changing the chain-link to something more appealing like wrought iron,
3. filling in the holes through-out the park, and
4. drainage issues.

6. COMMITTEES OR SPECIAL REPORTS

A. Receive the Library Advisory Board Annual Report

Diane Freeman Chair of the Library Board presented the Library Boards Annual Report and highlights from the past year. Below are the Board's main highlights for the past year:

1. Assisted and approved Friendswood Library 2023-2028 long-range strategic plan.
2. Served on the Galveston County Library System Advisory Council and approved the Galveston County Library System budget.
3. Assisted Friends of the Library in hosting library fundraising Galas.
4. Met with library staff for regular board meetings to advise on library services and policies.
5. Presented Outstanding Programming Award to Irina Varentsova for her volunteer art programs and coordination of Ceramics and Craft Show.
6. Assisted library with funding for a facility renovation project.
7. Raised over $5,000 from Book Sales.
8. Sponsored programs and events throughout the year including music performances, movie nights, and youth Summer reading programs.
9. Purchased prizes for Summer Reading and other reading challenges.
10. Purchased new Library Outreach Vehicle for home delivery and other outreach projects.

The Mayor and Council thanked Ms. Freeman for the presentation and asked that she extend their gratitude to the Board, the Friends of the Library members, and many volunteers.

7. SCHEDULE OF EVENTS FOR THE UPCOMING GENERAL OBLIGATION BOND

A. Receive and discuss a Schedule of Events for the upcoming General Obligation Bond Sale.

City Manager Kabiri presented the item and introduced Mr. John Robuck, Managing Director of BOK Financial Securities Incorporated who would be presenting the information on the schedule of events. Mr. Kabiri stated that this item the culmination of the 2019 bond program, which was approved by the voters to fund an array of facilities and drainage projects, and this is the third and final sale of the remaining bonds for this program.

Mr. Robuck introduced Ms. Nikki Hill, the City's new bond counsel with McCall, Parkhurst, and Horton, LLP and thanked the Council for the opportunity to speak to them on this item. Mr. Robuck began the presentation by given the Council an overview of the Bond Buyers Index which is a snapshot of Municipal Rates for municipal bonds across the country. He noted that currently it is at a 3.67%, which is slightly higher than when they completed their report and about 1.65% above the all-time low and about 45 basis points below the historical average since 2000. Mr. Robuck stated that they are seeing some volatility in the market, mostly in response to the Federal Government and the debt ceiling discussions and they hope that with the debt ceiling issues being settled, some stability will return to the market.

Mr. Robuck then gave the Council an overview of the City's estimated debt service requirements for its General Obligation Improvement Bonds, Series 2023, as follows:

Fiscal Year Ending (9/30)	Current Total Debt Service (a)	Plus: Series 2023 GO Bonds $30,000,000 in Proceeds			Total Debt Service Requirements
		Principal *	Interest (b)	Total	
2023	$3,908,906				$3,908,906
2024	3,909,206		$1,482,263	$1,482,263	5,391,469
2025	3,908,469	$210,000	1,388,000	1,598,000	5,506,469
2026	3,909,669	220,000	1,377,250	1,597,250	5,506,919
2027	3,951,803	190,000	1,367,000	1,557,000	5,508,803
2028	3,953,944	195,000	1,357,375	1,552,375	5,506,319
2029	3,950,669	210,000	1,347,250	1,557,250	5,507,919
2030	3,951,025	220,000	1,336,500	1,556,500	5,507,525
2031	3,952,775	230,000	1,325,250	1,555,250	5,508,025
2032	1,587,825	680,000	1,302,500	1,982,500	3,570,325
2033	1,589,925	715,000	1,267,625	1,982,625	3,572,550
2034	1,588,200	755,000	1,230,875	1,985,875	3,574,075
2035	1,587,850	795,000	1,192,125	1,987,125	3,574,975
2036	1,411,800	860,000	1,150,750	2,010,750	3,422,550
2037	1,410,300	905,000	1,106,625	2,011,625	3,421,925
2038	1,412,825	950,000	1,060,250	2,010,250	3,423,075
2039	1,414,300	995,000	1,011,625	2,006,625	3,420,925
2040	1,414,725	1,045,000	960,625	2,005,625	3,420,350
2041	921,600	1,050,000	908,250	1,958,250	2,879,850
2042	920,150	1,105,000	854,375	1,959,375	2,879,525
2043	924,572	1,155,000	797,875	1,952,875	2,877,447
2044	924,897	1,215,000	738,625	1,953,625	2,878,522
2045	924,684	1,275,000	676,375	1,951,375	2,876,059
2046	923,950	1,340,000	611,000	1,951,000	2,874,950
2047	922,694	1,410,000	542,250	1,952,250	2,874,944
2048	920,900	1,485,000	469,875	1,954,875	2,875,775
2049	923,509	1,560,000	393,750	1,953,750	2,877,259
2050	920,522	1,645,000	313,625	1,958,625	2,879,147
2051	591,947	1,725,000	229,375	1,954,375	2,546,322
2052		1,815,000	140,875	1,955,875	1,955,875
2053		1,910,000	47,750	1,957,750	1,957,750
Totals	$58,633,641	$27,865,000	$27,987,888	$55,852,888	$114,486,529

* Preliminary, subject to change. Generates $30,000,000 in construction proceeds for the City and includes estimated issuance costs.

(a) Excludes the City's General Obligation debt paid by Waterworks and Sewer System revenues and Capital Leases payments.

(b) Interest estimated at current market interest rates, for illustrative purposes only.

Mr. Robuck noted that this G.O. Bonds, Series 2023, will be $30 million over a 30-year debt period that can only be paid by property taxes. He further noted that the debt has been structured to minimize the tax rate impact and the interest cost to the City which will give the City more capacity later on as needed for the projects as the numbers decrease from $5.5 million to $3.5 million. Mr. Kabiri noted that the current debt service payment is $3.9 million is not inclusive of our capital lease payments; such as, the recently purchased ambulance, that have associated short-term leases associated like the self-contained breathing apparatus are also added to that number, which increases the amount to right at $4.5 million to debt service payment from the City's General Fund tax account.

Mr. Robuck stated that their numbers are intentionally conservative in order to over deliver on their projections. He stated that they are planning to sell $27.8 million in bonds to generate proceeds in the amount of $30 million, and involve some premiums so investors pass more money for those bonds of about $2.4 million, less issuance expenses of about $305,000, gives the City total proceeds of $30 million that will be delivered at closing. He further noted that the estimated all costs interest rate is about 4.398%, but believes that it will be a lot lower, and the average life is about 20.09 years.

City of Friendswood, Texas
$27,865,000* General Obligation Improvement Bonds, Series 2023

Principal Amount of the Bonds:		$27,865,000 *
Plus: Net Premium:		2,440,744 *
Less: Expenses:		305,744 *
Underwriters' Discount	$174,156	
Financial Advisor	46,941	
Bond Counsel	38,632	
Rating Agencies	30,000	
Attorney General Fee	9,500	
Printing/Distribution	1,250	
Miscellaneous	4,516	
Paying Agent/Trustee	750	
Total Proceeds:		**$30,000,000**
"All Cost" True Interest Rate(a):		4.398%
Average Life:		20.09 Years

Mr. Robuck stated that in order to accomplish this sale, the following schedule of events would need to take place, and they are the following:

Date	Action	Role
Monday, May 29, 2023	First Draft of Preliminary Official Statement ("POS")	FA
Monday, June 5, 2023	**City Council Meeting** Review Financing Plan and Schedule of Events for General Obligation Improvement Bonds ("GO Bonds")	City, FA, BC
Tuesday, June 6, 2023	Second Draft POS	City, FA, BC
Week of June 12, 2023	Rating and Diligence Calls	City, FA, BC
Friday, June 16, 2023	Third Draft POS	City, FA, BC, UW
Friday, June 30, 2023	Final Draft POS	City, FA, BC, UW
Monday, July 3, 2023	Post/Distribute Final POS	BOKFS
Monday, July 10, 2023	**Sale of General Obligation Bonds** **City Council Meeting** City Council to Approve Sale of GO Bonds	City, FA, BC, UW
Tuesday, August 8, 2023	**Closing/Delivery of GO Bonds**	City, FA, BC, UW

Participants
City - City of Friendswood, Texas
FA - BOK Financial Securities, Inc. (Financial Advisor)
BC - McCall, Parkhurst & Horton LLP (Bond Counsel)
UW - Underwriters (To Be Determined)

Councilmember Hanks asked when the interest rate is locked in for the sale of these bonds. Mr. Robuck noted that it is locked in on the day of pricing, so as soon as the Council reviews and approves the results, the rate will be locked down, and that is scheduled for July 10th.

Councilmember Griffon asked if it would be better to hold off on the sale of these bonds as many of the agreements related to the projects being funded by these bonds will not take place in 2023, and many of the big, funded projects like the Whitcomb project are getting pushed back even more. He asked if the City would get better market conditions by doing $8 million now, and $27 million later and hopefully push out some of these interest payments, and not have to increase the City's tax rate by the projected .04 cents. Mr. Kabiri stated that the City did pay a little under one million to the Harris County Flood Control and the other parties involved in that project, but in the next fiscal year, when the design phase is completed, the City will have to pay them a little over $7 million. As it relates to the Whitcomb property, when the state begins its new fiscal year on September 1st, $10 million will go to Harris County Flood Control District, and when that payment is made, the City will owe the District another $2.85 million. Therefore, for fiscal year 2024, the City will owe the Harris County Flood Control District around $10 million. Additionally, as it relates to the Tannos project on the Whitcomb property, when he gets started, the City's contribution relative to the drainage component will be $5 million dollars. So, there are about $15 million worth of projects that will hit the books in FY2024; however, if it is the desire of the Council to issue the balance of the debt that has been authorized in FY2025, staff can look into it, but note that the City will be paying issuance cost twice now and then.

City Manager Kabiri also noted that currently the City has a cashflow issue as a result of having to front money for grant projects that will be reimbursed at a future date, which has resulted in the City having to slightly dip into its emergency reserves. The issuance of the bonds will help with the cash flow issue particularly as we move into hurricane season.

Councilmember Hanks asked how long the City has to worry about negative arbitrage. Mr. Robuck noted that really only about five years.

Mr. Kabiri stated the issuance of these bonds will impact next year's tax rate as the City's debt service payments will increase by nearly $2 million dollars. Councilmember Griffon stated at this time, the City is at $4.5 million, including EMS and this sale being discussed will add about $1.5 million every year until 2031, so with all of that, how many pennies are needed to cover the additional $1.5 million. Mr. Kabiri stated that based on the preliminary property values, that is about 3 pennies on the dollar for the added $1.5 million. Mr. Kabiri noted that in 2019, before these bonds were issued, the voters were told that it could impact the tax rate anywhere from five pennies to 10 cents, and thankfully, the City has not gotten anywhere near the 10 cents mark. Mayor Foreman stated that the City has not increased the tax rate yet to pay for these bonds but will be discussing that issue later on in the evening.

The Council discussed the various drainage projects under agreement and subject to the 2019 G.O. Bonds. Mr. Kabiri stated that these are all good projects that they promised the voters to get done for the City, and they are getting done, this is just the costs associated with those endeavors.

B. Consider a schedule of Events for the upcoming General Obligation Bond Sale.

A motion was made by Councilmember Griffon and seconded by Councilmember Hanks to approve the Schedule of Events for the upcoming General Obligation Bond Sale, as presented; the vote was the following.

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Robert J. Griffon, Councilmember Joe Matranga, and Mayor Pro Tem Brent Erenwert.

Nays: None.

Other: Councilmember Sally Branson (Not Present for the Vote)

The item passed unanimously.

8. WORK SESSION TOPICS

A. Receive and discuss an update regarding the Capital Improvement Projects.

Mr. Jil Arias, Director of Engineering presented this item and provided the following updates for the City's ongoing Capital Improvement Projects:

Fire Station No. 2 Reconstruction:
This project is 89% complete, the interior work continues with the transferring to permanent power, ceiling work and final painting, flooring and finishings to follow permanent power, and the target completion date is August 2023.

Blackhawk Facility Renovation & Shelter:
This project started in January 2023, staff will begin moving into new offices late June 2023, and the scope of work for the Shelter is in the process of being updated.

Blackhawk Blvd – Phase II-B:
This project was awarded to the contractor in May 2023. Staff is waiting on the franchise companies to relocate their utilities so construction can begin. The project will start at the current northern terminus of rebuilt street and will extend approximately 1115-feet (.85 lane miles).

Blackhawk Blvd – Phase II-C:
This project has been selected as one of Precinct 2's 2023 Partnership Programs. This project will complete the remainder of Blackhawk Blvd. from Pennystone Way to FM 2351, thru to FM 528.

24-inch Clear Creek Water Line Crossing:
This project's Preliminary Engineering Report is in progress and is reviewing alternatives to improve capacity in the water system and reduce water losses across the creek.

Surface Water Plant #1 Tank Replacement:
This project is for Surface Water Plant #1, Blackhawk Boulevard behind Calvary Church and staff is reviewing alternatives for the ongoing Preliminary Engineering Report.

2023 Impact Fee Assessment Study:
The Utility Impact Fee Project has kicked off and the consultant has completed its data collection and is currently in the review process. There will be "Impact Fee 101" training course for Planning & Zoning, and Council this summer.

FM 518 Curb & Ramp Project:

- TXDOT provided a punch list on May 18th – currently working through the list. If all goes as planned TxDOT will activate the signals by the end of June 2023.
- The traffic signals will be set via timing until interconnectivity via fiber optics is completed. Wire Span signals will be removed once signals are operational.
- TxDOT waiting on contractor to remobilize to finish sidewalks (with brick borders).

B. Receive and discuss an update regarding the Multi-Year Financial Plan.

Ms. Katina Hampton, Director of ASO presented the item and stated that the multi-year financial plan covers years FY2024 – 2028, with year one being the budget being worked on now and noted that all of the numbers being presented are very preliminary and conservative as the City has not received the certified values from the appraisal districts.

Ms. Hampton stated that the City's biggest revenue is property taxes, and staff anticipates an increase in values of 7% a year, residential and commercial, with a very rough estimate of $49 million in new construction. Ms. Hampton noted that all values being presented are very preliminary and take into consideration only the General Fund and the Tax Debt Service Fund. She also noted that the other revenues sources in the General Fund are more consumption based and are estimated to have a 2% increase based on anticipated population growth and include revenue sources like municipal court fines, intergovernmental fund transfers, permit fees, etc. City Manager Morad Kabiri stated that 7% may seem lower than the average of what some residents have seen in the increase of their property values, but the number provided is more of a collective percent in order to balance out the devaluation of some commercial properties and while $49 million in new construction may seem like a lot, this is lower than what the City has seen in the last several years. He further noted that the only way organizations can survive off of the no new revenue rate of what used to be known as the effective tax rate is if they in a high growth area, and unfortunately Friendswood is not seeing new values being added to the ground in terms of new construction fast enough to keep up with increases in debt services and inflation.

Councilmember Rockey stated that he understood that there was a new process that commercial/office buildings can petition for their taxes and asked staff to elaborate. Mr. Kabiri that there have been quite a few inquiries about this subject and noted that there is a single office building in Friendswood that was devalued from last year at $14 million to $5 million this year, which is a significant impact to the City's taxable values across the board, which represents nearly eighteen, half a million homes, so as these devaluations happen, it places a greater burden to other properties that are already on the tax rolls to make that value up. Mr. Kabiri clarified that nor the business owner, nor the taxing entity did anything wrong in this situation, and the tax assessor allowed the value to come down based on the income coming off of the lease, which is allowed under state laws. He further noted that the City, as a taxing entity, does not have the legal right to protest that valuation.

Mayor Foreman asked is there a way to separate out the commercial and residential values. Ms. Hampton stated that there is a way to see the difference between the two by comparing the preliminary and certified values from the counties to last year's numbers. Mayor Foreman requested that staff provide Council that comparison in order to see how the City is growing on the commercial side because there will be a point where the City will not be able to build anymore residential. Mr. Kabiri stated that last year the breakdown was 14% commercial and 86% residential for values based upon land use. The recommendations have been to have 80% residential and 20% commercial, but this will always be a moving target as values change on properties.

Mayor Pro Tem Erenwert asked is there a way to forecast the values moving forward if more people start doing these types of appeals that result in significant devaluations. Mr. Kabiri noted that there is no way for staff to anticipate these changes in values, there are some things staff can calculate into its numbers, like new exemptions due to residents aging out; 65 years of age or older, protested values, properties that are purchased by non-profits or churches but if commercial properties are being devalued so significantly, this will result in a greater burden on the residential properties because the costs of services and other obligations remain the same. Mr. Kabiri stated that staff is keeping a close eye on State's special session as it relates to tax relief because it will impact the City to some extent. Ms. Hampton stated that currently an estimate $2 billion of the City's overall property value is exempted for various reasons.

Ms. Hampton stated that the General Fund projections show a $37.2 mission in revenue, 55% of that revenue is property taxes at $20 million, 24% or a little under $9 million are sales taxes, non-taxable revenues are 15% and franchise taxes are 6%. Ms. Hampton noted that the sales tax revenue generated from the ½ cent sales tax approved by voters in 2016 for street improvements and FDEDC is recorded and expended in funds separate from the General Fund, so it is not included in these projections. Ms. Hampton stated that staff anticipate the need for tax increase for a little less than 53 cents, but this number is very preliminary, and staff will know more as the certified values come in. She further noted that this would mean that the City would need to use a portion of its unused tax increment, and added as an explanation that Senate Bill 2, in 2019, allowed municipalities, if they adopted less than the voter approved rate, then that delta could be banked for a three-year running period and can be adopted by the City as needed. Ms. Hampton noted that the City currently has about 9 cents in unused increments.

Councilmember Rockey asked if staff anticipates that the sales tax revenue is going to continue to increase as it has ever year. Ms. Hampton stated that staff does project that the sales tax revenue will increase but noted that staff bases projections on previous years, but remain conservative because of the volitivity of the economy, inflation, mistakes in collections at the state level, and other markers. Mr. Kabiri noted that sales tax revenues are going up 10-15% per year but are not sure if that will be the case moving forward and prefers to be conservative, particularly as the commercial growth is not sufficient enough and markets are so volatile to ultimately help reduce the needed tax rate increase.

Councilmember Griffon stated that he understood being conservative on revenue projections, but noted that in the last comprehensive audit, the City's revenue from property taxes were over a million dollars more than budgeted, and the sales tax revenue came in over 11% more than projected, but that estimated

$1.5 million in under budgeted monies could result in the reduction of some cents on the tax rate increase. Mr. Kabiri stated that staff will go back and look at the revenues noted in the Comprehensive Audit.

Councilmember Matranga stated that on the property taxes, staff is projecting $20.565 million and wanted to know how that compared to the current year prior budget. Mr. Kabiri noted that this year's prior budget is about $18 million and is inclusive of the additional debt service discussed in the previous item. He further noted that the City has a little under $18 million of its property taxes that go to operations and maintenance and the remaining $4.5 million go to debt service so this is going up to offset the additional $2 million in debt service.

Ms. Hampton stated that as the property tax is such a large portion of the City's General Fund revenue, she wanted to give an overview of the drivers for the anticipate tax increase for the next year.

As it relates to the City's property tax revenue, it has adopted the same tax rate in FY21, FY22, and FY23 at 48.73 cents, and has an estimated 9.6 cents in unused tax rate increment (2020 – 2022) available and project using 4 cents of the tax increment for a tax rate used MYFP for FY24 of 52.94 cents.

This anticipated tax rate increase is due to the following:

- Issuance of $30 million G.O. Bond– shift from O&M to I&S (2.3 cents);
- Increases in FV Fire Department contract and transition of EMS into the City (1.2 cents);
- Impact of Bond Projects Operating Costs; such as mowing, utilities and maintenance (0.3 cent);
- Miscellaneous Operational Increases;
- Merit increase for employees (1.2 cents);
- Increases to maintenance, supplies & services (1.3 cents); and
- Forces-at-Work (FAWs) $1.2M (TOTAL FUNDED) (0.8 cent).

Mr. Hampton stated that the Department Heads submitted a number of decision packages that will not be funded in the proposed budget in the amount of $4.7M.

Ms. Hampton also noted that as it relates to the planning assumptions related to expenditures, staff included a 3% increase for wage and benefits for existing personnel per each year of the plan and for non-personnel, there is a growth of a 5% increase in FY2024, a hold the 5% increase over year 2025-2028, which is based on a 5-year historical average related to expenditures. In looking at Year 1 of the Plan, staff is anticipating $37.2 million in FY24 expenditures for the General Fund with an estimated 65% being personnel costs and the other 35% being the non-personnel costs. Lastly, Ms. Hampton noted that staff is sill planning on incorporating the $500,000 for street improvements in the General Fund.

Ms. Hampton showed a chart outlining the historical and future projections related to the General Fund and Fund Balance. The Council briefly discussed the street maintenance sales tax revenues and the street improvements funds in the General Fund and Ms. Hampton provided the Council with a quick summary of the Multi-Year Financial Plan summary to include the following:

- It maintains the 90-day operating reserve maintained in FY24;
- Projects a tax rate increase for FY2024 and a No New Revenue Rate (NNRR) through FY28;
- The Forces-At-Work and employee merit increases are included in FY24; and

- No Decision Packages are funded in the 5-year planning window with current projections and assumptions.

To close out, Ms. Hampton presented the next steps for the FY24 Budget Process, and went over the following steps and dates:

- July 28, 2024: Deliver the Proposed Budget,
- August 7, 2023, Budget Work Session,
- August 28, 2023, Hold Proposed Public Hearing,
- September 11, 2023, Hold Public Hearing on Tax Rate, and Adopt Budget and Tax Rate.

The Mayor and Council thanked Ms. Hampton and the budget team for being very clear and educational on the budget and the budget process.

9. CITY MANAGER'S REPORT

A. Present an update regarding the City's Fourth of July Celebration

City Manager Morad Kabiri presented the item stated the Grand Parade starts at 10:00 a.m. The Day Program will begin at 11:00 a.m. in Stevenson Park and the Evening Program will take place at Centennial Park with Tin Man Band at 7:30 p.m. and ending fireworks program which will begin at 9:40 p.m.

B. Present an update regarding the Waste Connections Scholarship recipients.

City Manager Kabiri presented recognized the three 2023 Waste Connection Scholarship recipients, which are the valedictorian of each high school located in Friendswood, and they are:

- Friendswood High School – Madison Ressler,
- Clear Brook High School – Thomas Jennische, and
- Clear Sprints High School – Aiden Clarkson.

10. BUSINESS ITEMS

A. Consider awarding the Demolition and Removal Services Contract for Frenchman's Creek to Grant Mackay Demolition Co. (Bid 2023-10)

A motion was made by Councilmember Hanks and seconded by Councilmember Branson, to authorize a Demolition and Removal Services Contract for Frenchman's Creek Agreement with Grant Mackay Demolition Co., The vote was the following.

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

Nays: None.

The item passed unanimously.

11. PROPOSED RESOLUTIONS & ORDINANCES

A. Consider an ordinance amending the City's General Budget for Fiscal Year 2022-2023 by approving "Budget Amendment VIII" and providing for supplemental appropriation and/or transfer of certain funds.

This budget amendment approves the following amendments and budget transfers:

1. **Vehicle Replacement Plan (VRP), $20,545.** Appropriate additional funding needed for replacement of Public Works bucket truck (PW56). The total amount over budget is $20,545 due to inflation. However, proceeds from the transfer of PW55 to the Police Department ($17,000) will be used to supplement the cost of the new bucket truck. The remaining amount ($3,545) will be appropriated from Public Works Street's Division Vehicle Maintenance in the General Fund.

2. **2017 CDBG-DR (Harris County) Grant Reimbursement, $457,826.** Appropriate funds received from the CDBG-DR (Harris County) grant program for the Forest Bend Detention Pond construction. The City received a reimbursement of $457,826 for construction services related to pay application #6. Advance funding for this pay application was originally approved at the May 1, 2023 City Council meeting. Therefore, the funds will be appropriated back to unassigned general fund balance.

3. **2017 CDBG-DR (Galveston County) Grant Reimbursement, $63,924.** Appropriate funds received from the CDBG-DR (Galveston County) grant program for the Deepwood Flood Control Project engineering. The City received a reimbursement of $63,924 for engineering services related to prior year engineering expenses. Advance funding was originally approved at the October 5, 2021 City Council Meeting. Therefore, the funds will be appropriated back to unassigned general fund balance.

4. **Forest Bend Detention Pond – Construction Pay Applications #7 & #8, $914,451.** Appropriate advance funding for Jerdon Enterprise Pay Applications #7 & #8 for the construction of the Forest Bend Detention Pond. The City applied for and was awarded a reimbursement grant through the 2017 Community Development Block Grant – Disaster Recovery with Harris County to engineer and construct offline detention in coordination with the Forest Bend Homeowners Association. The funding source will be unassigned general fund balance and will be reimbursed once grant funding has been received from the grantor.

5. **Blackhawk Shelter Engineering Change Order, $13,000.** Appropriate funds for a change order related to additional engineering costs to revise the bid documents with a modified scope for construction of the Blackhawk Shelter. A reduction in the project scope is required so that the project does not exceed the grant funds available. The construction project will be rebid with the reduced scope of work. Funds will be appropriated from the 2021 General Obligation bonds.

6. **Police Department - Vehicle Insurance Reimbursement, $23,774.** Appropriate insurance proceeds received from TML-IRP related to the loss of P429. Proceeds will be appropriated to cover a portion of the replacement vehicle, P440, and for the towing costs related to P429.

7. **Police Department - Vehicle Insurance Reimbursement, $9,923.** Appropriate insurance reimbursement received from TML-IRP. Funding will be appropriated to the patrol division vehicle maintenance account for repairs made to unit P437.

8. **Fire Marshal Office Vehicle Upfitting, $5,922.** Transfer funds from the Fire Marshal operating budget to the Vehicle Replacement Fund. Additional funds are needed to cover the equipment costs associated with upfitting Unit FM16. Funds will be transferred to the Vehicle Replacement Fund from the Fire Marshal vehicle maintenance account.

9. **Keep Friendswood Beautiful – Spring Sparkle, $1,087.** Appropriate funds received from the KFB Spring Sparkle event. The appropriation will be recorded in the Keep Friendswood Beautiful division operating maintenance budget for landscaping.
10. **Friends of the Library Vehicle Donation, $44,437.** Appropriate donation received from Friends of the Library for the purchase of a vehicle. Funds will be appropriated to the Library Department's vehicle account.

11. **Creek Community Swim Association Donation, $4,000.** Appropriate donation received from the Creek Community Swim Association (FAST Swim Team) for pool improvements. The donation proceeds will go towards the purchase of cooling cannon (pool cooler) at Stevenson Park. Funds will be appropriated to the capital operating equipment budget for Stevenson Park.

12. **Opioid Abatement Settlement, $5,353.** Appropriate a portion of settlement proceeds for training and equipment related to the opioid crisis. The City received $44,052.39 in proceeds from the Opioid Abatement Settlement on March 16, 2023. Funds will be appropriated to the Police Department Payroll ($2,548) and Operating Equipment ($2,805) budgets.

13. **Friendswood Colts Donation, $3,000.** Appropriate donation received from the Friendswood Colts youth football organization. The donation will go towards the purchase of practice benches at Centennial Park. The appropriation will be recorded in the Parks division operating equipment budget.

14. **Police Department Vehicle Insurance Reimbursement, $974.** Appropriate insurance reimbursement received from TML-IRP. Funding will be appropriated to the Patrol division vehicle maintenance account for repairs made to unit P437.

15. **SCADA Server Upgrade, $56,229.** Appropriate additional funds to cover the additional cost of the SCADA upgrade. The project was partially funded in FY22. Funds will be appropriated from Water and Sewer Working Capital.

16. **ASO/HR Office Renovations, $6,750.** Transfer funds from Administrative Services and Human Resources operating budgets to the Facilities Division to extend partial walls to the ceiling in the ASO/HR office area. The renovation is necessary to create a private work environment for Human Resources.

17. **Friendswood Volunteer Fire Department – SCBA Packs, $411,000.** Appropriate capital lease proceeds to purchase self-contained breathing apparatus (SCABA) for the Friendswood Volunteer Fire Department. The SCBA packs are used to protect firefighters' airways from toxic gas and other harmful particles. The capital lease was approved at the April 3, 2023 City Council meeting. The capital lease agreement is five years with the first payment due in FY23 and four remaining annual payments to be repaid with Fire/EMS donations.

18. **Fire Marshal's Office – Ambulance, $514,000.** Appropriate capital lease proceeds to purchase an ambulance. Plans include transitioning emergency medical services (EMS) from a contracted service to a City department within the next two years. For the City to obtain the required state licensing to operate the service, the addition of a fourth ambulance marked as the "City of Friendswood Emergency Medical Services" to the vehicle fleet is necessary. The capital lease was approved at the April 3, 2023 City Council meeting. The capital lease agreement is five years with the first payment due in FY23 and four remaining annual payments to be supported by the Tax Debt Service funds.

19. **Parks & Recreation Department Tennis and Basketball Court Repairs, $86,000.** Appropriate funds for emergency repairs to the tennis courts at Stevenson Park, and the basketball courts at Centennial Park. The courts are in poor condition and need immediate improvements. The funding source will be unassigned general fund balance.

20. **Blackhawk Boulevard Phase II-B – Construction, $996,218.** Appropriate funds for the construction of Blackhawk Boulevard Phase II-B. The construction contract was awarded to Triple B Services, LLP at the May 1, 2023 City Council meeting. The total contract is $2,196,217. Harris County Precinct 2 has awarded the City $1.2 million of the contract and $304,897 will come from Water and Sewer Working Capital for the utility infrastructure related portion of the project. The funding source for the remainder, $691,321, will be the Street Improvement Fund.

21. **Blackhawk Boulevard Phase II-B – Materials Testing, $36,235.** Appropriate funds for the materials testing related to the construction of Blackhawk Boulevard Phase II-B. CMT Technical

A motion was made by Councilmember Branson and seconded by Mayor Pro Tem Erenwert to approve Ordinance No. 2023-15, related to Item 11.A, as submitted. The vote was the following:

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

Nays: None.

The item passed unanimously.

ORDINANCE NO. 2023-15

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING ORDINANCE NO. 2022-19, PASSED AND APPROVED AUGUST 29, 2022, SAME BEING AN ORDINANCE APPROVING AND ADOPTING

THE CITY'S GENERAL BUDGET FOR FISCAL YEAR 2022-23, BY APPROVING "BUDGET AMENDMENT VIII" 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 DATE.

12. CONSENT AGENDA

A motion was made by Councilmember Matranga and seconded by Councilmember Branson to approve the Consent Agenda, Items 13.A through 13.N. The vote was the following:

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

Nays: None.

The item passed unanimously.

A. Consider approving an engagement letter with Gabriel, Roeder, Smith & Company for actuarial valuations and authorize the mayor to execute said document.

This item is for financial reporting purposes. Said reporting requires an actuarial valuation of at least biennially for OPEB plans with a total membership greater than 200. In the off year when a full valuation is not performed, the City will receive a "roll-forward" report which provides an updated liability, updated assets, a liability reconciliation from the prior measurement date, new deferred outflows/inflows, new OPEB expense, and new sensitivity disclosures. The current report will be prepared as of December 31, 2022, for fiscal year 2023 and a roll-forward valuation report will be prepared for fiscal year 2024.

B. Consider authorizing Change Order Number 1 for the Blackhawk Building Renovation Project.

This item approves Construction Master's Change Order #1 to provide audio visual equipment and installation to the Blackhawk Building's large conference room. The cost associated with this change will be to provide audio visual equipment in order for the room to host meetings in person and virtually similar in function to the conference rooms at City Hall. The contractor's original scope of work was to provide all necessary electrical and low voltage infrastructure for future audio-visual needs in the conference room. Changes to the original scope of work include labor, equipment, and materials to complete the installation of a new audio/visual system by Intergrated Technology Solutions. This purchase will be funded with the Blackhawk Building Reconstruction Project's Furniture, Fixtures, and Equipment funds.

C. Consider authorizing the final acceptance of Avalon at Friendswood's Public Improvements Lift Station Project (LS #42).

D. Consider authorizing the purchase of cascade equipment and installation of equipment for the Fire Station #2 Reconstruction Project from Municipal Emergency Services, through Sourcewell Purchasing Cooperative.

This item authorizes the purchase of cascade equipment that is needed by the Friendswood Volunteer Fire Department to fill oxygen tanks used in training and live fire situations. This proposal is for the equipment and installation of the equipment. There will be a future proposal to alter the compressor room that this equipment will be housed in to meet ventilation requirements. This purchase will be funded with the Fire Station #2 Reconstruction Project's Furniture, Fixtures, and Equipment funds.

E. Consider approving an emergency purchase of a pump for sanitary sewer Lift Station #2.

This item approves submersible Pump # 6 (which is one of our only two larger pumps at this lift station), is in need of immediate emergency repair / replacement. These pumps are critical, as they serve as the last step of pumping resource during an emergency peak flow event. Public Works staff has urgently coordinated with an approved vendor through the Buy Board Cooperative Purchasing Program, who is fortunately a vendor whom we have already conducted other separate sanitary sewer pump lift station repairs and/or purchases with. The cost to repair this specific 168hp/460V/12" discharge submersible pump is $67,425.00 with a 20-to-26-week lead time to repair and only comes with a 1-year warranty. The cost to replace it with a new pump is $95,725.00, with an approx. 28-week lead time and comes with a 3-year warranty covering 100% parts and labor.

F. Consider authorizing a lease agreement with Motorola Solutions for body-worn cameras for the Police Department through the Texas Department of Information Resources.

This item authorizes a five-year agreement with Motorola Solutions to lease 75 body-worn cameras, including associated equipment and services, in the amount of $491,000 (in five equal annual installments of $98,200). This agreement includes cloud storage for BWCs and In-Car (42 systems), warranty, and replacement of all BWC devices during the contact period. This is a contract pricing quote through Texas DIR-TSO-4101. Funding for the lease payments will need to be included in the City's General Fund operating budget for fiscal years 2024 – 2028.

G. Consider appointing Mr. Gregory Reid Wiseman as the City of Friendswood's direct appointment and re-appointing Sawyer Blackburn as an indirect appointment (nominated by the Board) to the West Ranch Management District for a four-year term, set to expire on June 1, 2027.

H. Consider appointing (i) Paul Marx, (ii) Elmer Johnson and (iii) Arden Hill to the Friendswood Downtown Economic Development Corporation for another two-year term beginning on July 1, 2023 and ending on June 30, 2025.

I. Consider appointing (i) Travis Mann and (ii) Thomas Hinckley to the Planning and Zoning Commission for a two-year term beginning July 1, 2023, and ending June 30, 2025.

J. Consider appointing Phillip Ratisseau and Glenn Mintz as regular members and Les French as an alternate member to the Zoning Board of Adjustment for a two-year term beginning July 1, 2023, and ending June 30, 2025.

K. Consider appointing (i) Margaret Pickell, (ii) Dr. Donald Stran, and (iii) the City's Animal Control Supervisor to the Animal Shelter Advisory Committee for a three-year term set to begin on July 1, 2023, and end on June 30, 2026.

L. Consider approving the ad valorem tax report for April 2023.

M. Consider approving the minutes of the City Council Special Meeting held on May 17, 2023.

13. ADJOURNMENT

With there being no further business to discuss, Mayor Foreman adjourned the June 5, 2023, City Council Regular Meeting at 6:49 P.M.

Mike Foreman, Mayor

Attest:

Leticia Brysch, City Secretary

CITY OF FRIENDSWOOD
STATE OF TEXAS