

**MINUTES OF THE REGULAR MEETING OF THE
CITY COUNCIL OF THE CITY OF FRIENDSWOOD
AUGUST 7, 2023**

THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD MET IN A REGULAR MEETING ON MONDAY, AUGUST 7, 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	Mayor Pro Tem
Sally Branson	Councilmember
Trish Hanks	Councilmember
Robert J. Griffon	Councilmember
Joe Matranga	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 5:30 P.M.; all members were present.

2. INVOCATION

The invocation was led by City Manager Morad Kabiri.

3. PLEDGE OF ALLEGIANCE

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

4. COUNCIL COMMENTS AND REPORTS

Mayor Foreman welcomed the Boy Scout troop present at the meeting. He also stated that last week he recently attended the badge pinning ceremony for five new volunteer firefighters with the Friendswood Volunteer Firefighters Department, the first in about five years. Mayor Foreman thanked the new firefighters for their service and willingness to volunteer to serve the residents of Friendswood.

Councilmember Rockey stated the planning for the Library Gala scheduled for the last week in September is going well and tickets and sponsorship opportunities are still available.

Councilmember Griffon stated that there is a lot of good work being done by the Galveston County Consolidated Drainage District as it relates to drainage and inline detention and welcomed everyone to attend the upcoming meeting of the Clear Creek Watershed Steering Committee.

Councilmember Branson reminded everyone that on Labor Day, September 4th, is the annual free Labor Day Ice Cream Social at the Perry Home from 5:00 p.m. to 7:00 p.m., and everyone is invited. She noted that the event is sponsored by many businesses in town, but some of the main sponsors include the Friendswood Historical Society, Friends of Downtown Friends Association, Rotary, Keep Friendswood Beautiful, and H-E-B.

Councilmember Hanks stated that she is very proud to announce that the Library has been very busy this summer with over 1300 young people participating in its summer reading program. She also noted that the Library is graduating its first high school graduate from the Gale Excel Adult High School Scholarship Program. Ms. Megan Mays will now be eligible for a paying job at a daycare center that she has been working with as a volunteer, and to honor her achievement, the Library is holding a small graduation for her on August 12th. She was also happy to report that the Library's bookmobile is up and running delivering books to people who are unable to physically visit the Library.

Councilmember Hanks stated that she is also the liaison to Keep Friendswood Beautiful (KFB), and noted that this past summer, at the Keep Texas Beautiful Conference in June, Ms. Kay Cory was awarded Volunteer of the Year for Texas and is now the face of Keep Texas Beautiful. Also, KFB was again recognized for its Gold Star affiliate status, which is the highest membership that an affiliate can achieve. Councilmember Hanks recognized Parks staffer and KFB coordinator, Ms. Kimberly Ramirez, who was also recognized as a Keep Texas Beautiful mentor and served as a judge on the GCAA grant panel.

Councilmember Matranga recognized a local animal rescue group named the Three Little Pitties who he had the opportunity to work with last week to load 135 dogs onto their air-conditioned 18-wheeler for transportation to forever homes. Councilmember Matranga noted that these animals are mostly local strays that have been abandoned or let go, and through this organization are cared for and adopted to families in the Pacific Northwest. In the last five years Three Little Pitties has moved and transported over 11,000 animals from this area to the Pacific Northwest. Councilmember Matranga thanked the organization and its many volunteers for helping these dogs find their forever homes.

5. PUBLIC COMMENT

There was no one signed up to speak.

6. WORK SESSION TOPICS

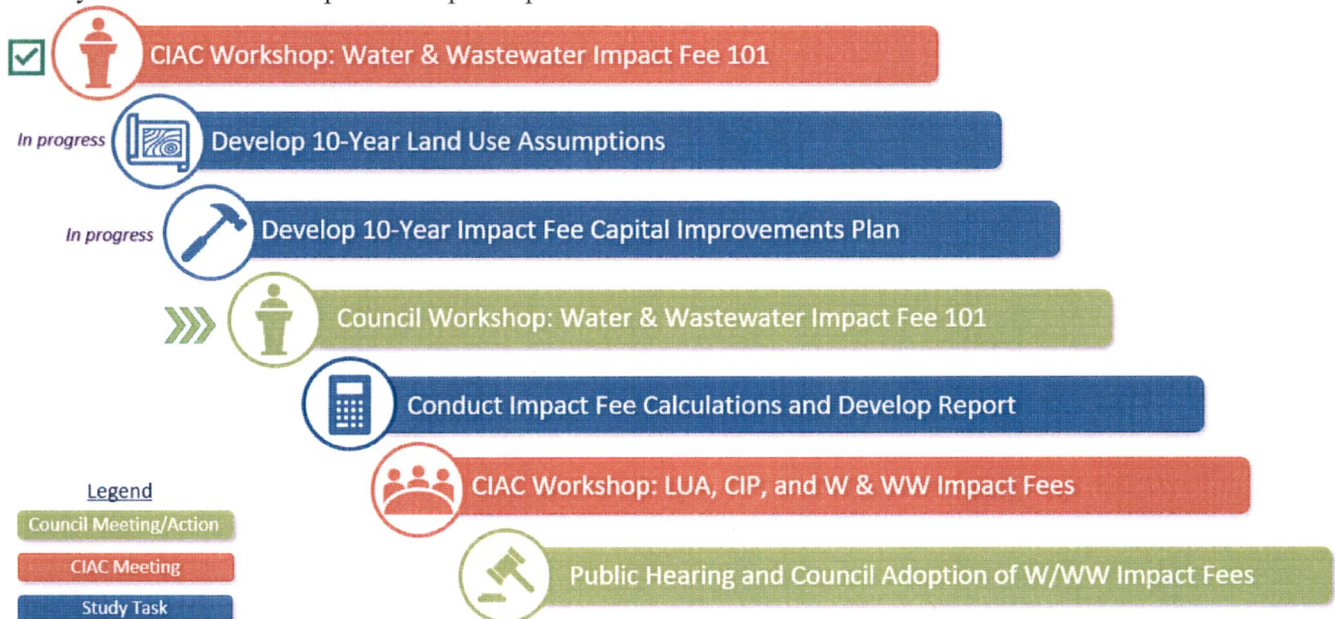
A. Receive and discuss an update regarding Utility Impact Fees:

Kendall Ryan, PE with Freese and Nichol presented the item and stated that the City does have an existing Impact Fees Ordinance and Friendswood has been running water and wastewater impact fees since the '90s, with the required five-year updates. Mr. Ryan noted that the City's existing impact fees are those adopted by the Council in 2018, which are currently, about \$1,400 for water and \$2,800 for wastewater for a total of \$4,227, for a one-inch meter or a one-service unit. However, as the water meter gets bigger

and there is more impact on the system, the impact fee increases. Mr. Ryan clarified that the impact fees are a one-time fee that comes into play when the building permit gets pulled that is asking the developer to help pay for a portion of the cost associated with the water and wastewater infrastructure necessary to serve the new development. Friendswood is a maturing city in its growth curve, so there will not be an astronomical amount of growth in the future, but there will be some growth and continued development, which will require the use of the impact fee program. Mr. Ryan further noted that with impact fees, new development shares in a portion of the costs related to projects that will serve the growth without impact fees, so that the City's existing and future water and sewer payers do not have to foot the entire cost of capital projects. Mr. Ryan noted that every year through the budget process, the Council is presented with the rate model and any potential increase in water and sewer rates to cover the costs of related infrastructure costs. He further noted that impact fees come in to help offset how high those rate increases have to be to cover the costs of that infrastructure.

Mr. Ryan stated that impact fees in Texas are governed by Chapter 395 of the Texas Local Government Code, which lists out the requirements for adopting, maintaining, and updating said fees. So, the City is at the point where it needs its five-year update to its impact fees. This update requires an impact rate study that must be done by an engineer, which is what Freese and Nichols will be handling for the City. Mr. Ryan noted that there is not a lot of room for creativity in developing an impact fee as Chapter 395 lays out the process and formula by which they are to be developed. The CIAC or Capital Improvement Advisory Committee, which is the City's Planning and Zoning Commission, will be responsible for working with them on putting this study together. Mr. Ryan noted that the Commission had already started the process and had recently been briefed on the process, the requirements, and the general plan moving forward. Mr. Ryan stated that he wanted to clarify that impact fees can only pay for capacity-related infrastructure and its related surveying, land acquisition, debt service, etc., but may not be used to pay for operations and maintenance (O&M), repairs on existing infrastructure, any debt service associated with non-capital improvement projects (CIP), non-impact fee CIP projects.

Mr. Ryan outlined the impact fee update process as follows:



Mr. Ryan stated that City Council is the rate and policy-setting body for the impact fee. He noted that they will be presenting the Council with the maximum allowable impact fee that can be charged for the city, and they will then decide whether or not to adopt the maximum allowable fee or something lower.

Mr. Ryan stated that Friendswood's city limits are pretty simple because it is bounded by other cities, so there are no questions as to where to go outside the city limits, which then helps identify existing population and commercial developments along with any anticipated future growth and then boil that down to service units. Friendswood's Capital Improvement includes its Water and Wastewater Capital Improvement Plans which will be used to calculate the water and wastewater impact fee. Again, the calculation will only include those projects that are growth-related ones, and not necessarily the whole CIP; i.e., only those that will serve growth over the next 10 years.

Mr. Ryan gave the Council an overview of the impact fee calculation, which included the following:

$$\text{Impact Fee Per ESU} = \frac{\text{Eligible CIP Cost} - \text{Rate Credit}}{\text{Service Unit Growth}}$$

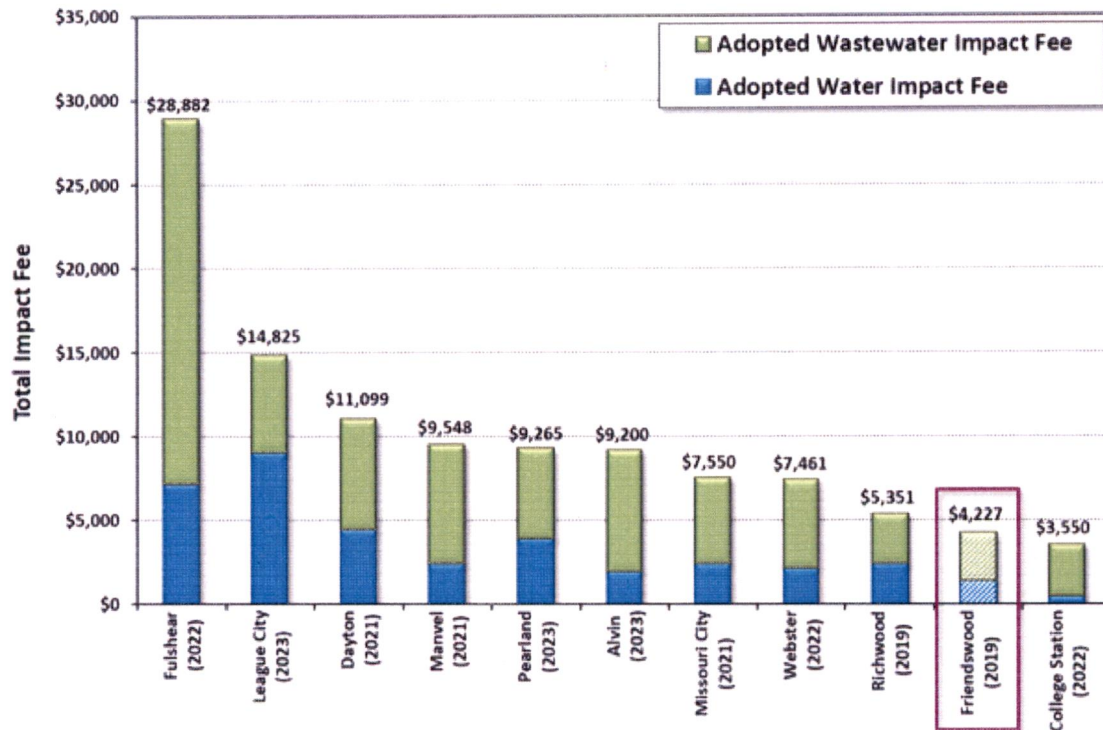
ESU = Equivalent Service Unit (connection for a single-family home)

Eligible CIP Cost = 10-year capital cost (2023 - 2033)

Rate Credit = Chapter 395: Reduce eligible CIP Cost by a credit equal to 50 percent of the total projected cost of implementing the CIP

Service Unit Growth = Derived from land use assumptions for 10-year growth in ESUs

Mr. Ryan stated that the ESU or the Equivalent Service Unit, is a one-inch meter concept that is the impact that a single-family home has on the average inside of Friendswood with everything else being scaled up from that point. When the City builds a pump station or a water line, it is not built to serve 10-year growth but is instead built with a capacity to handle the next 20, 30, 40 years. The study being done creates the Eligible CIP Costs by looking at the portion of that pipeline capacity, that pump station's capacity that will serve growth in 10 years, and it distills that portion of the cost that goes into the numerator. The Rate Credit is a term found in Chapter 395 of the Local Government Code that is a fancy way of saying that a City can take the Eligible CIP Costs and you cut it in half; i.e., reduce it by 50%. The denominator in this equation is the Service Unit Growth, which is the growth in service units that the City thinks will happen in the next 10 years based on the land use assumptions. Mr. Ryan stated that the impact fees will all come together by using this equation and working with the Planning and Zoning Commission, the City's Comprehensive Plan and Capital Improvement Plan. Mr. Ryan further showed the Council an impact fee comparison with other surrounding cities:



Impact fees shown are for a single-family connection

Mr. Ryan noted that Friendswood is on the bottom right of the graph at \$4,227, which is the combined water and wastewater impact fee. He noted that the impact fees for surrounding cities have gone up 50 to 75%, sometimes even at 100%, which is mostly based on cost because project costs have gone up so dramatically.

Councilmember Griffon inquired if the reason why those other municipalities are so much higher than Friendswood is based on the calculation allowed under Chapter 395 or is that just a factor of how big the other municipalities are, like a Pearland. Councilmember Griffon stated that if these other cities are larger and have a different rate credit based on their land use then they would not be comparable to Friendswood because the City does not use the calculation based on land use.

Mr. Ryan responded that there are two options noted in Chapter 395 for figuring out what that cap will be; i.e., what that maximum allowable rate will be, and Friendswood has since the inception of the water and wastewater impact fees, utilized the 50% method. The other option allowed in this Chapter is based on a rate credit analysis, which looks at the water and sewer ratepayers' water bills, and it goes through all the math and all the debt service to figure out how much of the water bill is paying current debt on impact fee-related projects with everything else being included in the impact fee. So, instead of reducing the fee by 50%, it would run all of those previously mentioned numbers to find that fee amount, and this method has a number of nuances that are particular to each city, so it is not uniform.

City Manager Morad Kabiri stated that this calculation functions off of the utility infrastructure cities will need in order to meet their growth demands in the next 10 years. He further noted that Friendswood is fairly limited in its growth, so there isn't a lot of growth-related infrastructure costs associated with the

City's impact fee, and because the City has always opted for the 50% rule, whatever the calculations end up being, they will be cut it in half, which is why Friendswood tends to be in the lower end of these fees.

Mr. Ryan stated that he thinks that the reason Friendswood always selected the 50% calculation option is because it takes so much work to compute it the other way and the 50% method just ensures that cities are not double-dipping based on the rate and at the end of the day, it results in, developers somewhat helping with the costs. Mr. Kabiri noted that historically, previous Councils have not wanted to hinder development and growth, so they have always opted for a rate much lower than the maximum allowable rate. Mr. Ryan noted that this process will bring the Council the calculation of the City's maximum allowable rate for its impact fees and then they can decide if they adopt that number or something less.

Mr. Ryan noted the next steps on the study are as follows:

COUNCIL Workshop – Impact Fees 101	8/7/2023
Resolution to set Public Hearing for Impact Fees	9/11/2023
CIAC Workshop – Review LUA, CIP, & W/WW Impact Fees	9/14/2023
Advertise for Public Hearing	By 10/4/2023
CIAC Submits Written Comments to Council	By 10/25/2023
PUBLIC HEARING – W/WW Impact Fees	11/6/2023
COUNCIL – Reading and Adoption of the Ordinance Updating Impact Fees	

Mr. Kabiri stated that as they were on the topic of impact fees, he wanted to remind the Council that in the last legislative session, the State made some changes to platting requirements as it pertains to roadway construction, and if the Council is interested, staff can bring back an item to discuss potentially a roadway impact fee for some of regional major thoroughfares that would not otherwise be dedicated or built and as a component of development any longer.

Mayor Foreman thanked Mr. Ryan and staff for their work on this item and looked forward to the results.

7. MUNICIPAL BUDGET FOR FISCAL YEAR 2023-24

A. Receive and discuss a presentation regarding the City of Friendswood Proposed FY2023-24 Municipal Budget.

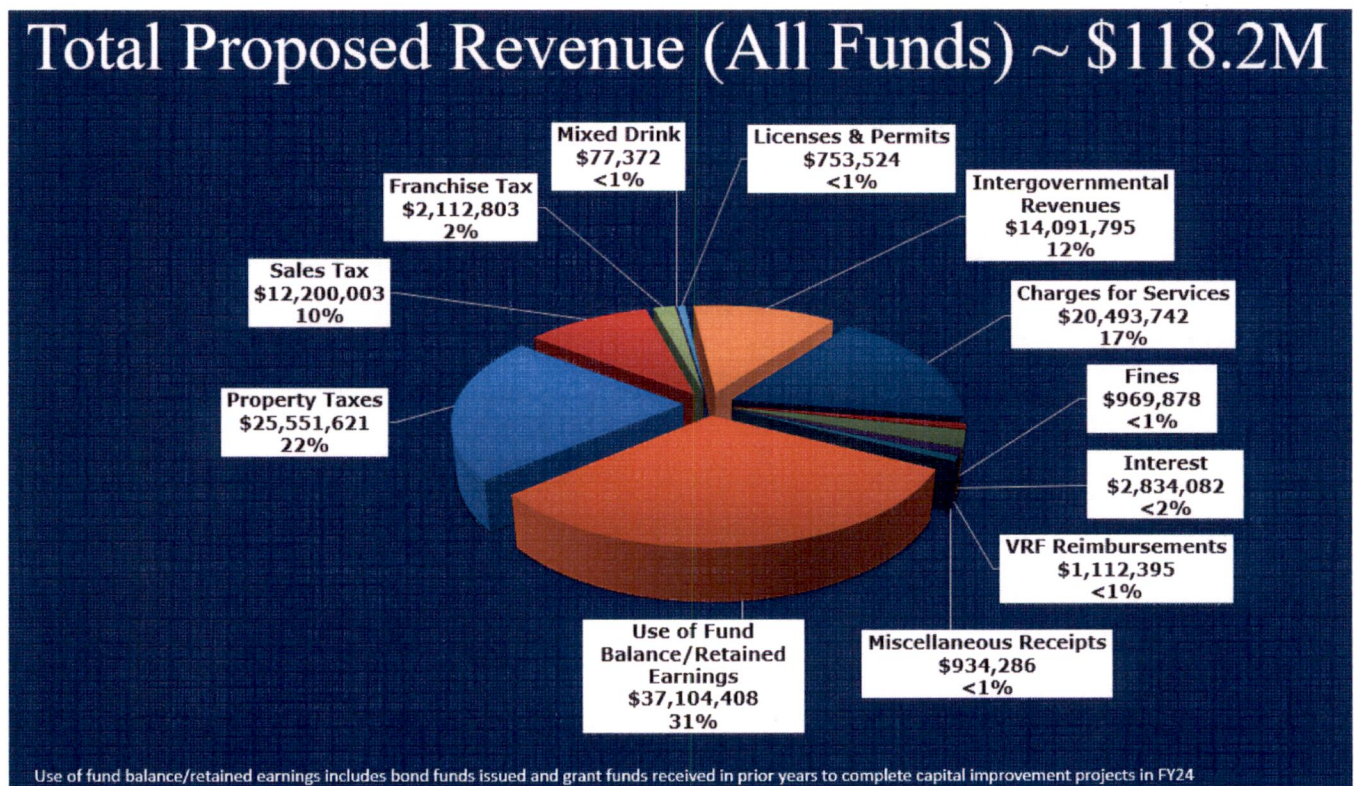
Katina Hampton, ASO Director presented the item and began by giving the Council a summary of what items changed in the proposed FY2023-24 proposed Municipal Budget from the Council's Retreat and last month's Council Meeting, which included the following:

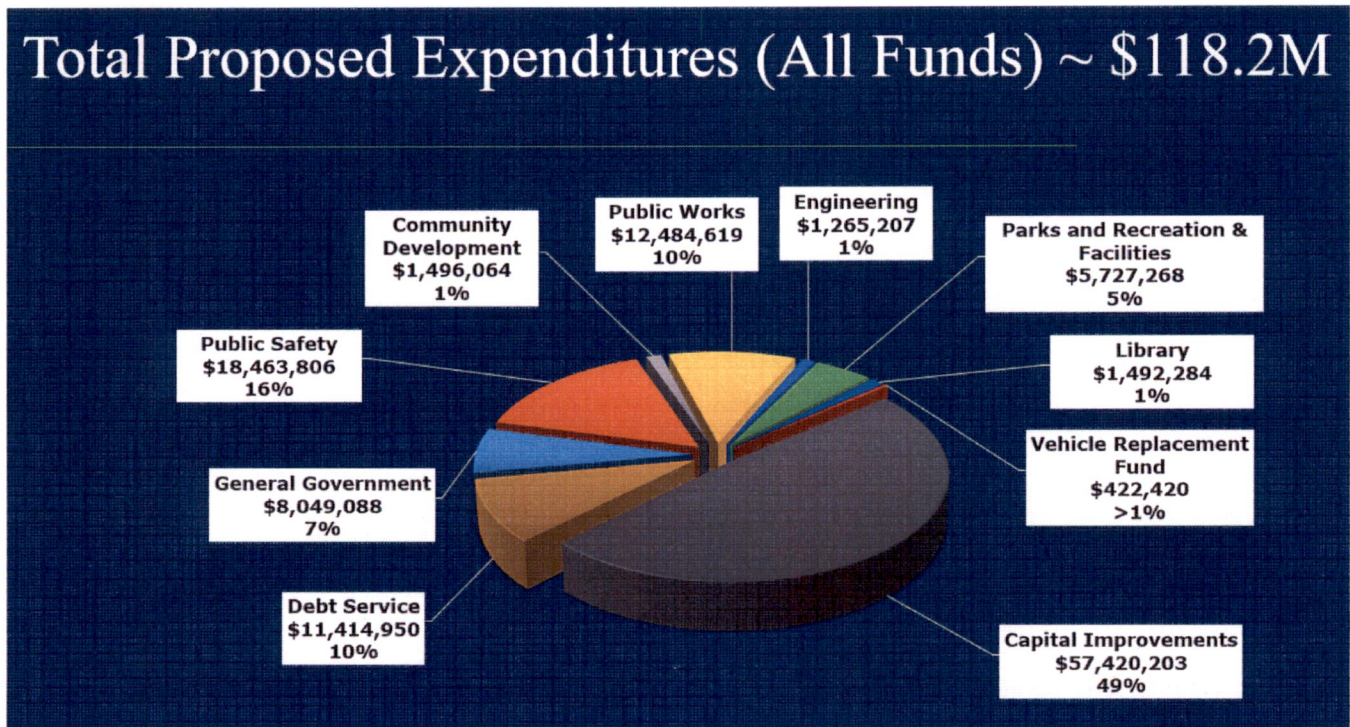
The tax rate used to develop the proposed budget is about 2.1 cents less than what staff had originally projected.

- Merit funding is about \$50,000 more than what was originally projected.
- The forces at work and decision packages are now included in the proposed budget.
- The Water and Sewer Revenues and Expenditures are a little different than what was originally presented.

Ms. Hampton stated that she would be going over these changes throughout the presentation. Ms. Hampton went over the key budget drivers for this fiscal year, which were the same as those presented in her previous presentations. She noted that these are the items that are were used to develop the proposed budget with a focus on maintaining and when possible, enhancing the City's customer service and service levels for the residents of Friendswood.

Ms. Hampton stated that the overall proposed budget, inclusive of all funds, is at \$118.2 million with the largest portion of this being the City's taxes and revenues. The breakdowns of both the overall taxes and revenues were outlined in the following graphs:

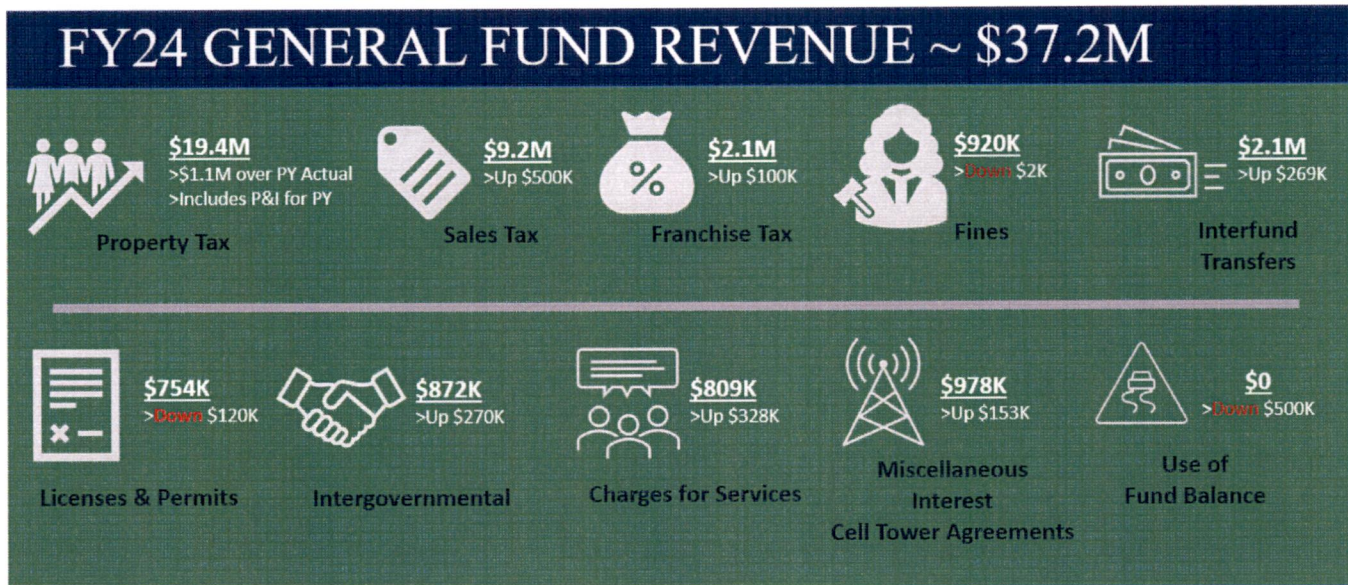




Ms. Hampton stated that as it related to the City's General Fund, which is its main operating fund, staff, as required by the Charter, is presenting a balanced budget. She noted that its total revenues are \$37.2 million, which is up about \$2.4 million from the last adopted budget. She noted that overall, about 83% of the overall general fund revenues are tax-related and include property taxes, sales tax, and franchise taxes, with the exception of the half-cent sales and use taxes for Street Maintenance and Improvements and the Friendswood Downtown Economic Development Corporation which are recorded in separate funds. The remaining 17% that is non-tax revenues are for various things such as inter-fund transfers from other funds into the General Fund for the administrative costs of doing business to support those other functions of the city. She noted that fines that are generated through the Municipal Court for misdemeanor violations, intergovernmental revenues, are for building permits, Parks and Recreation services fees, other charges for services, and any interest earnings.

Ms. Hampton stated that there is a zero use of fund balance for streets budgeted in the General Fund, and that is because in the past, staff has budgeted \$500,000 out of fund balance for street improvements; however, this year, staff feels that the 3/8th cents sales tax for street improvements is adequate to cover what has been identified as the foreseeable future street improvements, as such, that amount has been reallocated for some of the other decision packages that were presented at previous meeting. In response to Councilmember Branson's questions, Ms. Hampton clarified that this reallocation is for one-time costs and are not recurring. Mr. Kabiri stated that this change is a direct result of Council's direction at the last Council meeting for this year's proposed budget.

Ms. Hampton showed the Council the previously noted information in the following graph:

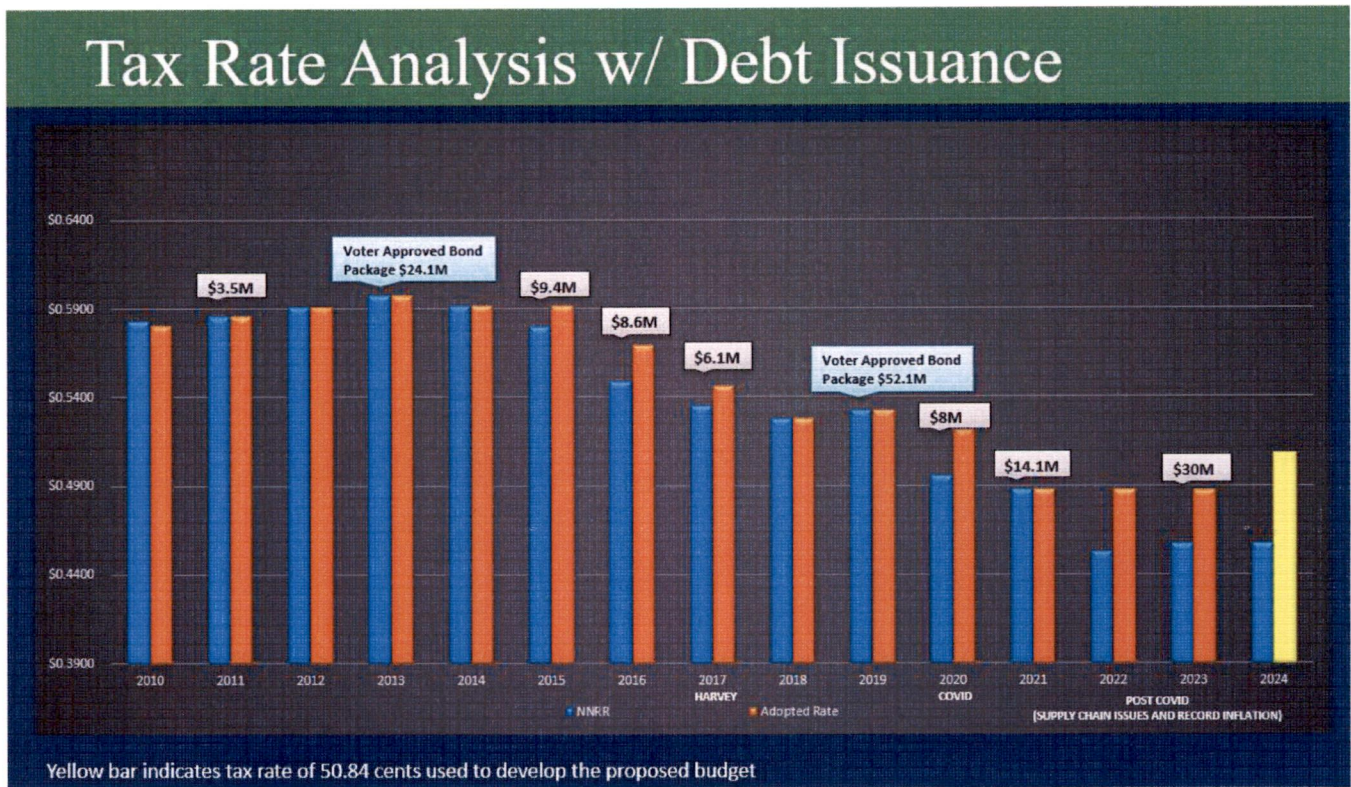


Ms. Hampton then reviewed the tax rate that was discussed in previous meetings that was in developing our proposed budget. She noted that that rate would be 50.84 cents rounded, which is about four and a half cents above the estimated no new revenue rate. Ms. Hampton clarified that she is using the term estimated because at this point staff has a number of properties that are still in protest; however, at this item the Galveston County Tax Office certified the estimated no new revenue rate to be at about 46.31 cents. So again, the rate that was used to develop the budget is about four and a half cents above that, but it is only about a little over 2 cents more than the City's current tax rate. Ms. Hampton stated that the rate used for the budget is though about 9 cents less than the voter-approved rate, which is lower than the voter approval rate, which is the rate that would trigger a rollback election for the taxes.

Ms. Hampton noted that the estimated net taxable value is estimated to be over \$5 billion for the city, which is up about \$129 million over the City's current tax year with new construction of about \$107 million being included in the projection for the proposed tax rate. Also incorporated into the budget development, are the allowed exemptions that total nearly \$2 billion in value. So, staff has to try and estimate how much of that freeze ceiling value is incorporated into the tax rate. Ms. Hampton stated that she wanted to mention that the City's values were certified by Harris County and Galveston County on July 25th and at that time there was about \$191 million in value under protest. As such. Staff is still waiting for Appraisal Review Board decisions on those properties under protest. Pending these decisions, staff has incorporated 80% of that outstanding value, into the City's budget estimates.

Ms. Hampton noted that the proposed tax rate used to develop the budget would cover the City's debt service obligation on current General Obligation Bonds of about \$6.1 million, which is significantly less than what was anticipated at the time that those bonds were voted on and approved by the voters in 2019. Still, the City overall debt service has grown by about \$2.9 million in the past four years as those bonds have been issued. Mr. Kabiri stated that the bonds have increased by about a \$1.6 million increase, or a little over three pennies.

Ms. Hampton showed the Council the following slide which captures the City's historical tax rate data in relation to successful General Obligation Bond elections and the subsequent debt that's been issued since that time.

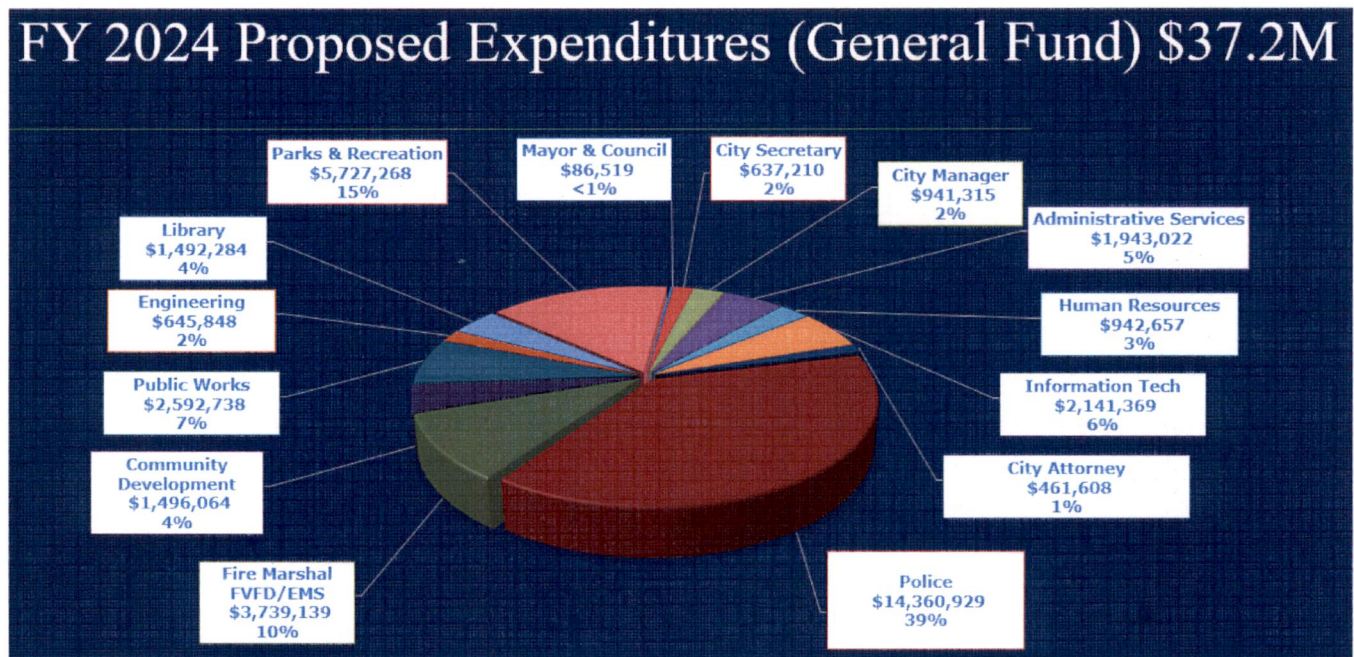


In the next slide the graph is intended to show the inverse relationship between the City's property tax rate and the property tax revenue that those rates generated each year, for the past 12 years.



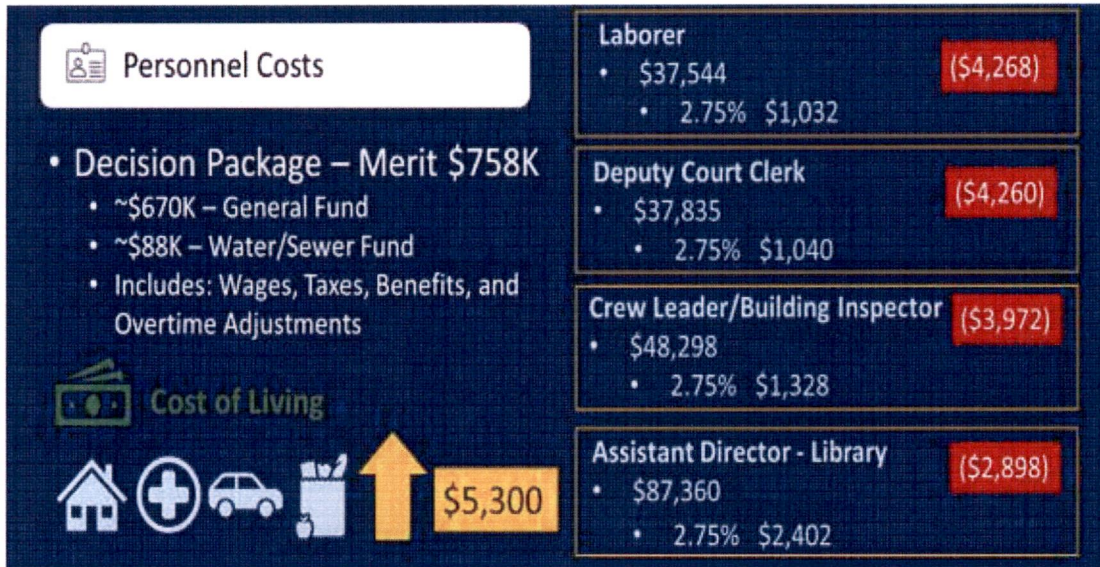
Ms. Hampton noted that in 2011, the City adopted a tax rate just under 58 cents, and the City's levy at that time being just under \$14 million and as values increased, the City's tax rate has been lowered. As such, in 2023, the tax rate used to develop the proposed budget is almost 7 cents less than 14 years ago, and it is projected to generate about \$25.5 million in levy for the General Fund and the Debt Service Fund. Ms. Hampton reiterated that the City has been able to lower the tax rate in that way because the values have increased over at that time period; e.g., the City was at \$2.4 billion in 2011, and is now over \$5 billion in value with that growth and value being inclusive of new construction over that same 14-year period.

Ms. Hampton reviewed the following slide with the FY 2024 proposed expenditures:



As it related to the proposed personnel costs, Ms. Hampton stated that staff updated said information to show merit being \$758,000, with roughly \$670,000 of that being in the General Fund and then about \$88,000 on that being on the Water and Sewer side; i.e., Public Works and those employees that support the City's utility infrastructure.

Ms. Hampton showed the Council the impact of the estimated 2.75% merit increase has on a few salaried in relation to the cost-of-living increases being experienced and stated that she appreciated the Council's consideration of the proposed employee merit, which helps to show how valued and appreciated the city's employees, its most valuable resource, are.



Ms. Hampton also showed the Council the City's compensation package in comparison to other surrounding cities:

FY24 COMPENSATION INCREASES COMPARISON		
CITY	CIVILIAN STAFF	PUBLIC SAFETY STAFF
Friendswood	2.75% Merit No COLA	2.75% Merit No COLA
Pearland	4% (2% COLA + Step Increases + 2% Merit)	5% (2% COLA + 3% Merit Step Increase per CBA)
League City	5% (2.5% COLA + 2.5% Merit)	5% (2.5% COLA + 2.5% Merit) Step Increase (per CBA)
Alvin	7% (5% COLA + 2% merit)	10% - 20% Step Increase (per CBA)

Councilmember Hanks stated that there seemed to be quite a difference in the percentage increases with neighboring cities and asked if Friendswood was having difficulty recruiting and/or retaining police officers, EMS staff members, and other first responders and if their salaries were competitive or a little bit higher than market. Mr. Kabiri responded that employee salaries, are reviewed on an annual basis and if there is a position that is unable to compete with neighboring cities, then staff makes adjustments to those positions along with any necessary adjustments to the City's overall salary ranges/positions. Mr. Kabiri noted that at this time, the City is not that far off from what the neighboring cities are doing and unfortunately, they are in a position where they are able to offer more simply because of their circumstances. However, he did want to note that historically, a lot of these cities forwent merits on an

annual basis and are playing catch up on their salary. An example of this is the City of Pearland who had not given many of its employees a raise in about four years, and that is why this year they are proposing a COLA as well as a, a merit pool to try to play some catch up. Mr. Kabiri stated that he and his predecessor did not want to have to take herculean efforts to catch up on having competitive salaries in this matter, and intentionally conduct annual salary surveys because he does not want to ever be in a position where he has to come before the Council and \$2 million worth of additional salaries because not only would it be detrimental to the budget, by that point, the City would have already lost many valuable employees.

Councilmember Matranga inquired if having a merit increase of 2.75% versus four, five or seven, puts the City of Friendswood at a higher risk of losing people to those cities or do the salaries compensate for that. Mr. Kabiri responded that everybody's circumstances are always unique. He noted that the City has lost employees to other cities based upon their circumstances, many times specific to family issues. He stated that in his opinion, the 2.75% merit keeps the City competitive, and also noted that he had asked Ms. Hampton, Director of Administrative Services and Ms. Haley Brown, HR Director, to look at possibilities for capping the executive staff merit pool in order to provide additional funding for the City's non-executive staff, to ensure that those positions become even more competitive.

Ms. Hampton showed the Council the slides related to the forces at work items that were included in the proposed budget for the General Fund and noted that they are a total 1.4 million this list can also be found in the proposed budget document on page 378. Below are those items that have been funded:

City Wide	Windstorm and Liability Insurance Increase	\$0	\$79,750	\$79,750	\$0	\$79,750
City Wide	Electricity Increase (24.75%)	0	176,508	176,508	0	176,508
City Wide	Health Insurance Increase (4.43% Medical, 10.3% Dental)	0	104,898	104,898	0	104,898
FVFD	Fire Services Contract Increase	0	71,995	71,995	0	71,995
EMS	EMS Services Contract Increase	0	284,748	284,748	0	284,748
FMO	EMS Chief	5,500	179,707	185,207	0	185,207
PD Patrol	Addition Police Officer (Per Capita Requirement) (Addition mid year)	15,250	63,763	79,013	0	79,013
PD	Motorola/Watchguard Body Worn Camera Contract (5 Year Contract)	0	98,200	98,200	0	98,200
Library	Add Vehicle to VRP	0	6,039	6,039	0	6,039
P&R_Fac	Existing Facilities and Park Maintenance	97,250	0	97,250	0	97,250
P&R_Fac	Facility Expansion Maintenance and Utility Cost	0	144,769	144,769	0	144,769
P&R_Fac	New - FB Park Maintenance, Bay Area Medians, Deepwood, Frenchman's Buyout Lot Maintenance	0	67,782	67,782	0	67,782
P&R_Seniors	Add Senior Citizens Bus to VRP Schedule	0	18,000	18,000	0	18,000
Total Forces at Work		\$118,000	\$1,296,159	\$1,414,159	\$0	\$1,414,159

Dept	Description	One Time Cost	Ongoing Cost	Total	Outside Revenue Sources	Net Total
PD Patrol	FISD School Crossing Guards - (2) Cline Elementary	\$200	\$34,952	\$35,152	\$35,152	\$0
P&R_SDC	Summer Day Camp Expansion	0	175,084	175,084	175,084	0
P&R_Parks	Daddy Daughter Dance	0	3,500	3,500	3,500	0
P&R_Parks	Flapjack Fun Run	0	6,000	6,000	6,000	0
City Wide	Merit 2.75%	0	670,000	670,000	0	670,000
CAO	Recodification of Friendswood City Code	26,000	0	26,000	0	26,000
ENG_CIP	2023 HAZ Mit Grant Scoping - Brigadoon Lane	18,000	0	18,000	0	18,000
ENG_CIP	Friendswood Parkway Traffic Impact Analysis	315,370	0	315,370	0	315,370
IT_PW	IT Support Specialist - Public Works	3,440	95,463	98,903	98,903	0
Total Decision Packages		\$363,010	\$984,999	\$1,348,009	\$318,639	\$1,029,370

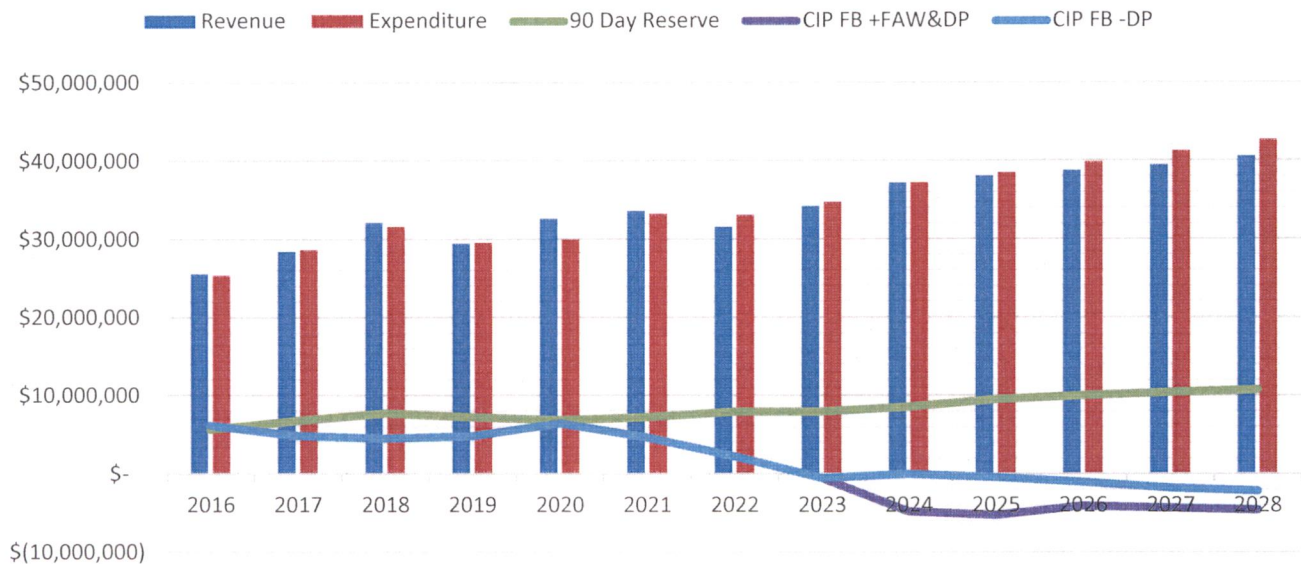
Councilmember Matranga asked if the forces at work were just escalations, i.e., the cost of doing business that is not within the City's control or just payments that have escalated. Ms. Hampton agreed with Councilmember Matranga and noted that these are things that for the most part out of the City's control.

Councilmember Griffon asked if the Fire Marshal's Office was going to change with the bringing in of the EMS division. Mr. Kabiri stated that this will be a multi-year transition with the first year being the one that brings the EMS Chief on board that will be considered a division in the Fire Marshal's Office. He noted that there will be some changes to the department's name and some of the positions, but those are all things that will be worked through in the next year.

Ms. Hampton reviewed the list of unfunded decision packages and noted that in order to fund all of these items, it would need an estimated 6.30 cents on the tax rate. She further noted that this list is included on page 380 of the proposed budget document and are listed by rank.

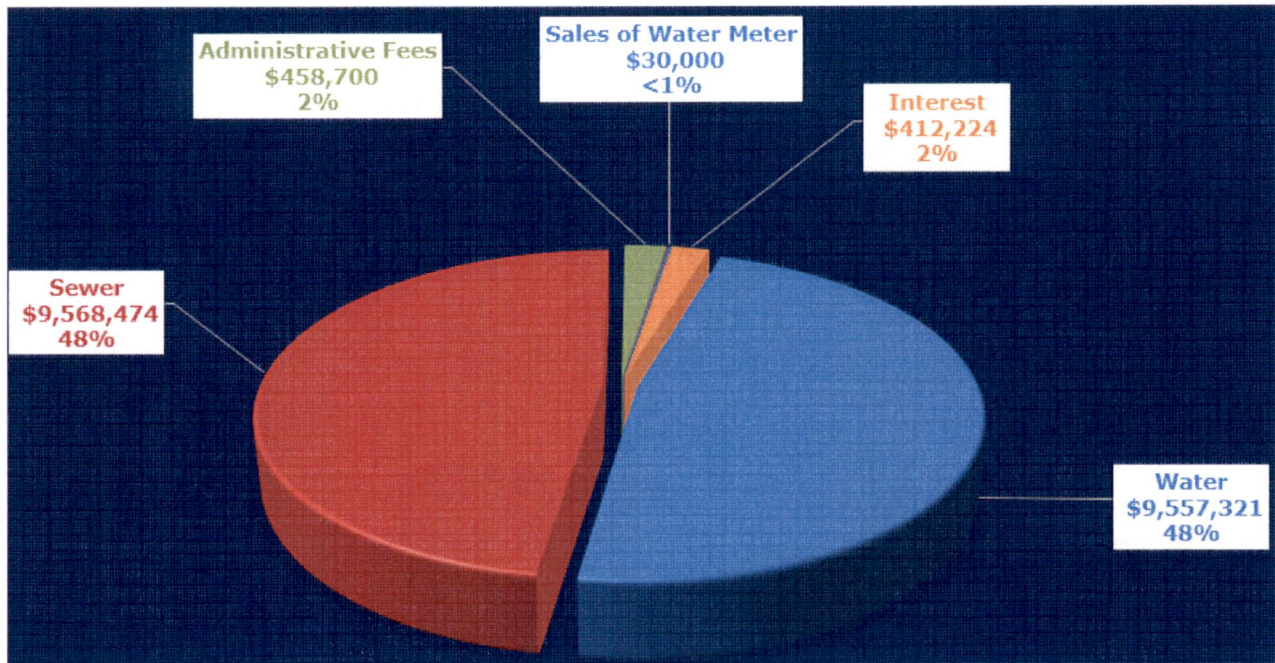
Dept	Description	One Time Cost	Ongoing Cost	Total	Outside Revenue Sources	Net Total
IT_CDD&IT	Administrative Assistant	\$13,440	\$85,852	\$99,292	\$0	\$99,292
IT	Electronic Bidding Solution (W/S Fund Admin Transfer Covers Portion)	25,000	5,000	30,000	15,000	15,000
IT_PD&LIB	Website Platform	17,000	3,000	20,000	0	20,000
PD_CID	Flock Safety Contract Renewal & Expansion (2 Year Contract)	12,000	19,000	31,000	0	31,000
PD_AC	Animal Control Officer + Vehicle (+1 FTE)	78,750	95,929	174,679	0	174,679
PW_Streets	VRP Addition - Half Ton Truck - Streets/Sign Shop	40,000	4,500	44,500	0	44,500
PW_Streets	PW155 Replacement - Tractor Mower	61,000	2,500	63,500	0	63,500
PW_Streets	PW160 Replacement - Tractor Mower	61,000	2,500	63,500	0	63,500
ENG_CIP	Parking Lot Construction, Old City Park, Shadwell, Stevenson Park	2,600,000	0	2,600,000	0	2,600,000
P&R Facilities	Parks Laborer (+1 FTE)	0	65,090	65,090	0	65,090
P&R Seniors	Recreation Aide (+0.50 FTE)	0	15,128	15,128	0	15,128
Total Unfunded Decision Packages for General Fund		\$2,908,190	\$298,499	\$3,206,689	\$15,000	\$3,191,689

Ms. Hampton showed a slide outlining the City's fund balance and the General Fund balance operating reserve, which is the 90-day reserve that is recommended per the City's financial policies. She noted that the slide showed the change in the City's 90-day operating reserve.

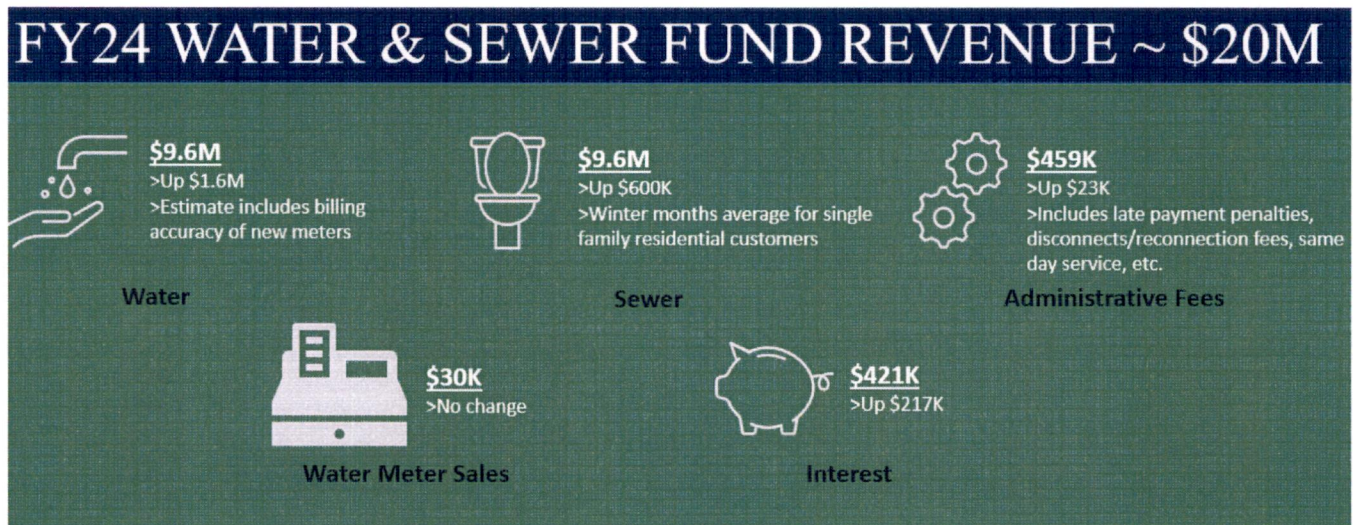


Mr. Kabiri stated that there are two things of note on this slide. The first being that staff is going to present the Council with a balanced budget every year, so whether or not the City's expenditures outpace its revenues, staff will make adjustments to ensure that expenditures don't outpace revenue. The second item of note is that no one knows what the City's future growth is going to be like, so obviously values should change from year to year, just as exemptions change from year to year. However, staff can only anticipate new developments and new construction at a minimum for the next two to three-year window, so this forecasting without additional data, is a guesstimate at best.

Ms. Hampton stated that the next few slides would be dealing with the City's Water and Sewer Fund, which is the operational side of the City's utility operations. The proposed budget has an estimated \$20 million in revenue, and about 96% of that is related to the City's water and sewer utility fees and then the other 4% is for administrative fees related to utility billing; i.e., late or non-payment or late fees and/or assessments. Along with some interest earnings sales of water meters; such as disconnection and reconnection service-related expenses or fees.



Ms. Hampton then showed another look at the water sewer revenues showing the difference between the City's adopted budget and what is in the proposed budget as it related to the revenues for water and sewer fees, including the trends for where staff expects to be at end the year.

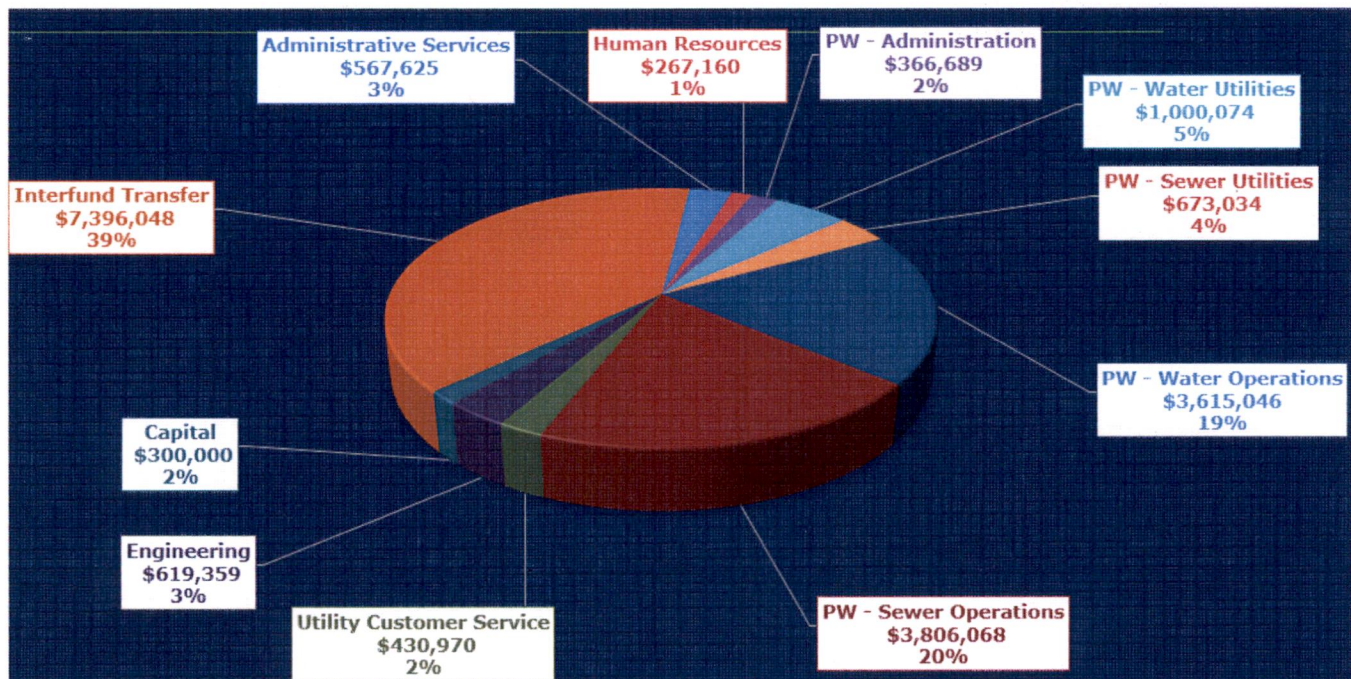


So, in looking at the revenues that are being seeing from the meter change out and trying to incorporate that information as best as possible, there are some fluctuations in the data related to utility revenues because residents are able to increase or decrease their water usage when they see their water bills. Ms. Hampton stated that the Council should keep in mind that there may be a point where revenues outpace expenditures, and if this should happen, that revenue would go into the City's retained earnings, which could be used to fund capital projects related to the utilities and not necessarily have to go out for revenue bonds. Ms. Hampton stated that staff will be planning a utility rate study similar to what is being done

with the impact fee study within the next few months to determine if the City's utility rates are sufficient to meet the City's obligations.

Councilmember Matranga asked if at this point the current budget forecast for the next cycle included any material rate increases. Ms. Hampton noted that at this point, it does not. She further noted that as staff moves through the utility rate study, this data will be taken that into consideration so that if changes need to be made in the coming year, the City has that flexibility. However, rates are set by City ordinance, so any changes to the rates would be brought forth to the Council for it would be council's decision on how to proceed with the information that comes from the utility rate study.

Ms. Hampton stated that on the expenditure side of the Water and Sewer Fund the estimated expenditures are at \$19 million. The pie chart below shows the breakdown by City department that are, related to those expenditures or encompassed in those expenditures. She also noted that as it relates to the Water and Sewer bond funds that include the City's revenue bond related projects are recorded in bond construction funds and are not reflected in the City's Water and Sewer operating fund and are instead recorded separately.



Ms. Hampton noted that the forces at work for this fund are included in the proposed budget on the water and sewer side, and totals about \$1.3 million. She further noted that the list below can be found on page 379 of the proposed budget documents. Ms. Hampton did clarify a typo on the slide and stated that on that fourth line down, this item is a duplicate of the Meter Data Collector position and is instead a Meter Tech position that will be brought in to help with the maintenance of those meters, which will help protect the warranty of those new meters. M. Kabiri noted that the individual in this position will also be able to work on other things beyond just the meters, such as waterline breaks.

Dept	Description	One Time Cost	Ongoing Cost	Total	Outside Revenue Sources	Net Total
City Wide	Windstorm and Liability Insurance Increase (30%)	\$0	\$49,112	\$49,112	\$0	\$49,112
City Wide	Health Insurance Increase (4.43% Medical, 10.3% Dental)	0	18,640	18,640	0	18,640
PW_SU	Blackhawk WW Operations Increase @ 9% (07/01/2023)	0	231,771	\$231,771	0	231,771
PW_SU	Southeast Water Purification Plant - CIP Program 2024-2028	481,829	0	\$481,829	0	481,829
PW_SU	Purchased Water Rate Increase	0	456,333	\$456,333	0	456,333
City Wide	Electricity Increase (24.75%)	0	66,809	\$66,809	0	66,809
Total Forces at Work		\$481,829	\$822,665	\$1,304,494	\$0	\$1,304,494

Dept	Description	One Time Cost	Ongoing Cost	Total	Outside Revenue Sources	Net Total
City Wide	Merit 2.75%	\$0	\$87,500	\$87,500	\$0	\$87,500
PW_SU	PWS9 VRP Replacement Upgrade	44,214	0	44,214	0	44,214
PW	PW Mobile Water Meter Data Collectors	30,000	0	30,000	0	30,000
PW	PW Water Meter Data Collectors	45,000	80,468	125,468	0	125,468
ENG	Office Clerk - Engineering (+1 FTE)	5,000	76,712	81,712	0	81,712
ENG	DR-4586 Severe Winter Storm Grant - Generator	12,570	0	12,570	0	12,570
Total Decision Packages		\$136,784	\$244,680	\$381,464	\$0	\$381,464

Ms. Hampton noted that there were no unfunded decision packages in this fund.

Ms. Hampton went over the next steps in the budget approval process which included the following:

- Proposed Budget Public Hearing – 08/28/2023,
- Budget Adoption – 08/28/2023 or 09/11/2023,
- Anticipated Public Hearing on Tax Rate – 09/11/2023, and
- Tax Rate Adoption – 09/11/2023.

Ms. Hampton stated that as always, she appreciated Council's guidance and noted that the budget is one of the most collaborative things that is done in the city as it touches every single department. She extended her gratitude to her staff, the department and Council for all of their contributions in this budget process.

Mayor Foreman thanked Ms. Hampton and her team for always doing a marvelous job with the budget. He noted that the Council really appreciate staff's conservative approach to the whole budget process because, with that, Council received good news at the end of the process, and not worse news. He noted that when the staff first came in with an estimated 4.20 cents in the tax increase, there was a lot of hand ringing up here, but when the numbers actually come in and staff is able to come back with really good

news, it allows the Council to better explain the tax increase to residents, especially since the increase of 2.10 cents is related to the 2019 voter approved bonds.

Councilmember Rockey asked that staff clarify how the debt increased due to floating more of the bonds and to what extent were those cents approved in the 2019 bond election. Mr. Kabiri stated that back in 2019 the voters approved up to 10 cents to cover the cost of the bonds for those projects. He further stated that staff had projected anywhere from 5 to 10 cents depending on what the staff saw in the annual growth in the City's property values. Mr. Kabiri noted that since the 2019 bond program, the City went roughly from \$3.2 million in tax-backed debt to \$6.1 million, so there has been an increase of \$3 million in additional debt service, annualized debt service, but the tax rate has only increased 2.10 cents.

Mayor Foreman thanked Ms. Hampton for the presentation.

B. Consider setting the public hearing regarding the City of Friendswood FY2023-24 Municipal Budget for August 28, 2023, at 5:30 p.m. in the Council Chamber, City Hall 910 S. Friendswood Drive, Friendswood, Texas 77546.

A motion was made by Councilmember Hanks and seconded by Councilmember Griffon, to set the public hearing for the Municipal Budget for August 28th, 2023, at 5:30 p.m. in Council Chamber. The vote was the following:

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

Nays: None.

The item passed unanimously.

C. Receive the 2023 appraisal rolls certified by the Galveston Central Appraisal District and the Harris County Appraisal District, the anticipated collection rate and the excess debt collections certified by the City's tax collector, and the new revenue and voter-approved tax rates.

Mayor Foreman stated that the certified rolls have been received.

D. Consider approving the ad valorem tax rate for 2023 (Fiscal Year October 1, 2023 – September 30, 2024.)

A motion was made by Mayor Pro Tem Rockey to propose that the City of Friendswood propose a tax rate of 50.84 cents per a \$100 valuation. This rate is effectively a 9.8% or 4.5% increase in the tax rate above the no-new-revenue rate of 46.3131. The proposed rate is 2.10 cents more than the city's current tax rate of 48.73 cents. Councilmember Griffon seconded the motion. The vote was the following:

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

Nays: None.

The item passed unanimously.

E. Consider setting the public hearing regarding the ad valorem tax rate for 2023 on September 11, 2023 at 6 p.m. in the Council Chamber, City Hall, 910 S. Friendswood Drive, Friendswood, Texas 77546.

A motion was made by Councilmember Branson and seconded by Councilmember Rockey to set the public hearing regarding the ad valorem tax rate for 2023 on September 11, 2023 at 6 p.m. in the Council Chamber, City Hall, 910 S. Friendswood Drive, Friendswood, Texas 77546 . The vote was the following:

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

Nays: None.

The item passed unanimously.

8. APPENDIX C ZONING ORDINANCE AMENDMENTS REGARDING PERMITTED USE TABLE AMENDMENTS

A. Conduct a public hearing regarding a request for proposed amendments to Appendix C, Zoning Ordinance, Section 7.P.6 Permitted Use Table, including updates to categories because of changes to the North American Industry Classifications System (NAICS) reference book, changes in allowed uses in the commercial zoning districts, and to remove sub note (b.) 5. S1, which was inadvertently left off changes made with Ordinance 2022-01.

At 6:32 P.M., Mayor Foreman opened the public hearing and requested staff give council an overview of the item.

Director of Community Development Aubrey Harbin presented the item and stated that the proposed changes to the permitted use table have been something that the Planning and Zoning Commission have been working on over the past year. She noted that that the proposed changes to the table are as follows:

The changes to the table are a result of the following:

- Amendments to match changes to the updated NAICS code book (2022). The NAICS codes are updated every 5 years. A few examples of these changes include:
 - Definition changes - several categories under Retail 44-45 changed from "stores" to "retailers."

- 442 is no longer a valid code; code changed to 4491.
- 448 is no longer a valid code; code is now 458.
- 518 - definition changed from "Data processing, hosting, and related services" to "Computing infrastructure providers, data processing, web hosting and related services."
- Cumulative zoning use whereby, if a use is allowed in Community Shopping Center (CSC) or Downtown District (DD), it would also be allowed in Industrial (I) and Light Industrial (LI).
- Allow breweries and wineries in the Downtown District, (NAICS Use 3121) and Community Shopping Center (CSC) and remain Office Use in commercial and Specific Use Permit (SUP) in industrial areas. This item was on the P&Z To Do List for this year. Tobacco Manufacturing (NAICS 3122) was separated out and left unchanged.

Mr. Harbin stated that the Planning and Zoning Commission held their public hearing related to this item on July 13th and approved the changes in a 5 to 0 vote.

There being no one signed up to speak on this item, Mayor Foreman closed the public hearing at 6:36 P.M.

B. Consider an ordinance approving amendments to Appendix C, Zoning Ordinance, Section 7.P.6. Permitted Use Table, including updates to categories because of changes to the North American Industry Classification System (NAICS) reference book, changes in allowed uses in the commercial zoning districts, and to remove sub note (b). 5. S1, which was inadvertently left off changes made with Ordinance 2022-01.

A motion was made by Councilmember Matranga and seconded by Councilmember Branson, to approve Ordinance No. 2023-18 approving the amendment to Appendix C, Zoning Ordinance, Section 7.P.6 Permitted Use Table, as submitted, and related to Item 8.B. The vote was the following:

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

Nays: None.

The item passed unanimously.

ORDINANCE NO. 2023-18

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AMENDING APPENDIX C "ZONING," SECTION 7 "SCHEDULE OF DISTRICT REGULATIONS," SUBSECTION P.6 OF THE FRIENDSWOOD CITY CODE (I) TO UPDATE THE PERMITTED USE TABLE BASED UPON CHANGES TO THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM REFERENCE BOOK, (II) TO AMEND USES ALLOWED IN THE COMMERCIAL ZONING DISTRICTS, AND (III) TO REMOVE THE REFERENCE TO S1 FROM THE PERMITTED USE TABLE'S LEGEND; PROVIDING A MAXIMUM PENALTY OF TWO THOUSAND AND NO/100 DOLLARS (\$2,000.00); REPEALING ALL

ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT
HEREWITH; PROVIDING FOR SEVERABILITY, PUBLICATION AND AN
EFFECTIVE DATE.

9. CITY MANAGER'S REPORT

A. Receive an update regarding the Friendswood EMS receiving the American Heart Association's Mission: Lifeline Gold achievement award and the Target: Hart Attack Honor Roll Recognition.

City Manager Morad Kabiri presented the item and stated that for the seventh year in a row, the Friendswood EMS is being recognized with the Mission Lifeline EMS award. This is a recognition by the American Heart Association, for the City's STEMI-capable EMS services and the efforts that they go through to make sure that they're able to respond and take care of patients in Friendswood with issues related to heart attacks and strokes.

B. Receive an update regarding the Friendswood Library Gala ticket sales.

City Manager Morad Kabiri presented the item and reminded everyone that the gala tickets are available for this year's Friendswood Library Gala. He encouraged everyone to attend as it is a lot of fun and helps raise funds for the City's amazing library.

C. Recognize Engineering Project Manager, Ivan Ortega for successfully achieving the Certified Public Infrastructure Inspector (CPII) earned through American Public Works Association (APWA).

City Manager Morad Kabiri presented the item and recognized Ivan Ortega, a Project Manager in the Engineering Department who received his American Public Works Association certification in capital project inspections, which are the standards and guidelines associated with a number of different Federal and State regulations related to infrastructure projects. This was a huge endeavor that included 120 hours of study and work, so well-done Ivan.

D. Recognize City Secretary, Leticia Brysch on her acceptance to the 2024 class of the Texas Women's Leadership Institute program.

City Manager Morad Kabiri presented the item and recognized Leticia Brysch for being selected as one of 20 applicants across the state of Texas to participate in the Texas Women's Leadership Institute program training to become a city manager. He noted that he was encouraged and excited about her growth potential and noted that she also received a scholarship to help pay for some of the associated costs for this program.

E. Receive an update regarding naming the Emergency Medical Services Chief.

City Manager Morad Kabiri presented the item and introduced Lisa Camp, a stalwart in the Friendswood community and is currently the Friendswood Volunteer Fire Department's EMS Chief. Mr. Kabiri stated that it was his distinct pleasure to welcome Ms. Camp as the City's new and first EMS Chief. Chief Camp will start with the City on November 1st, and staff is thrilled to death that she is joining Friendswood.

F. Receive an update regarding the City of Friendswood being named among the top Safest Cities in Texas.

City Manager Morad Kabiri presented the item and stated that the Police Department has once again been recognized by SafeWise for making Friendswood one of the safest cities in the State of Texas. This year, Friendswood has moved up four spots from number 19 to number 15 in the State. As it pertains to the Houston metro area, Friendswood remains number one by nearly half when comparing crime statistics with that of neighboring cities, so many thanks to FPD for the work done day in and day out to keep this community safe.

10. RECESS THE CITY COUNCIL MEETING

At 6:41 P.M., Mayor Foreman recessed the meeting.

11. RECONVENE THE CITY COUNCIL MEETING

At 6:53 P.M., Mayor Foreman reconvened the meeting.

12. BUSINESS ITEMS

A. Consider authorizing the monthly transfer of funds to the City of Friendswood Employee Benefit Trust contingent upon sufficient appropriations in the FY203-24 City of Friendswood Budget.

A motion was made by Councilmember Branson and seconded by Councilmember Tem Erenwert, to the monthly transfer of funds to the City of Friendswood Employee Benefit Trust contingent upon sufficient appropriations in the FY203-24 City of Friendswood Budget. The vote was the following:

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

Nays: None.

The item passed unanimously.

B. Consider authorizing an Agreement for Public Improvement District and Tax Increment Reinvestment Zone Creation and Administrative Services with P3Works LLC.

City Manager Morad Kabiri presented the item and stated that this item approves a consultant contract with P3 to represent the City with items related to the creation of a Public Improvement District and a Tax Increment Reinvestment Zone. Mr. Kabiri stated that over the past year and a half, staff has been communication with a couple of developers interested in creating a Tax Increment Reinvestment Zone and a Public Improvement District to finance some regional infrastructure projects. The Council has indicated over the course of this past year and a half that there is an interest in getting some additional information on this item and in further evaluating opportunities to create those districts in the hopes of getting certain projects completed. P3Works and ultimately Bracewell will represent the City of

Friendswood and its interest when negotiating the creation of these types of districts. Mr. Kabiri clarified that the awarding of the consultant contract did not create the districts, nor would the item at the Council's next meeting related to the establishment of a PID Policy create these districts. Mr. Kabiri stated that these actions would basically establish the Council's priorities in accordance with State Law as it related to what they desired to achieve with PIDs and potentially with a TIRZ. Mr. Kabiri further noted that as the costs of these services would be borne by the PID district and/or the application fee to create a PID, there is no cost to the City of Friendswood.

Councilmember Rockey inquired as to when the Council will receive information of what can and cannot be done in relation to these items; i.e., what rights the Council can exercise or what restrictions can be imposed on these land developers in order to obtain the PID or a TIRZ. Mr. Kabiri stated that this information would be provided and discussed at the Council's August 28th meeting.

Councilmember Hanks stated that she really liked the idea of having some parameters and information readily available so that the Council has a clear understanding of what they want and don't want before developers come before them asking for these types of approvals. Mr. Kabiri noted that P3 is a subject matter expert in this field and has worked on hundreds of similar projects, so they have the ability and historical expertise to represent the City of Friendswood well.

Councilmember Matranga inquired as to what was driving this item. Mr. Kabiri responded that the City has been working with a particular developer on the Whitcomb property for well over a year now. He noted that the Council has had multiple meetings with this developer on the creation of a Tax Increment Reinvestment Zone (TIRZ) and a Public Improvement District (PID) for the Whitcomb tract and their timeline, based upon their infrastructure needs and when they plan on moving dirt, predicates the need to get the consultant on board now.

A motion was made by Councilmember Branson and seconded by Councilmember Erenwert, to authorize an agreement for PID and Tax Increment Reinvestment Zone creation and Administrative Services with P3Works, LLC. The vote was the following:

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

Nays: Councilmember Robert J. Griffon

The item passed.

C. Consider approving the formation of an Ad Hoc Committee related to City-wide parking issues.

Councilmember Branson stated that this item was brought for to the Council through her request, as she had noted that there have always been some issues with parking, specifically in the Downtown area, largely in part because there are some properties that could be developed but become cost prohibitive when the parking requirements are added. She further noted that the Friendswood Downtown Economic Development Corporation (FDEDC) has been dusting off their plans associated with creating a more

walkable city and the through of putting together a group of interested citizen that can look at creating some synergy in ways to encourage walkability within the Downtown are by reevaluating parking requirements not just in Downtown but throughout the city.

Councilmember Branson recommended that this ad hoc committee have representatives from the FDEDC, Planning and Zoning Commission, the Community Economic and Development Committee (CEDC) and some local developers that can think outside of the proverbial box and bring back some recommendations for Council's consideration.

The Council discussed this item briefly and at its conclusion, a motion was made by Councilmember Branson and seconded by Mayor Pro Tem Rockey, to approve the formation of an Ad Hoc Committee related to City-wide parking issues. The vote was the following:

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

Nays: None.

The item passed unanimously.

13. PROPOSED RESOLUTIONS & ORDINANCES

A. Consider a resolution approving an update to the City of Friendswood Personnel Policy.

City Manager Morad Kabiri presented the item and stated that the City's current personnel policy has been in place since 1996. The City Charter stipulates that the City Manager must present the Council with a Personnel Policy for adoption. The Council has over the years approved some updates, but they've been very limited and as the Council can imagine, a lot has changed in the 27 years since that policy was written both at the Federal and State levels. As such, staff is bringing forth a new Personnel Policy for Council's approval that includes all necessary updates to include Federal laws with respect to medical issues lactation room for employees, mental health leave for police officers and dispatchers, adjusting City holidays to reflect those in Federal law and then relegating certain items to the City Manager for operational efficiencies to include dress code and other things that are germane to the city management.

Mr. Kabiri wanted to thank HR Director Haley Brown and City Attorney Karen Horner for the many hours of work put into bring this new personnel policy to fruition, as it was not an easy task.

A motion was made by Mayor Foreman and seconded by Councilmember Branson, to approve Resolution No. R2023-17, related to Item, 13.A.,as submitted. The vote was the following:

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

Nays: None.

The item passed unanimously.

RESOLUTION NO. R2023-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, ADOPTING THE CITY OF FRIENDSWOOD'S PERSONNEL POLICY MANUAL; DIRECTING THE CITY MANAGER TO ADOPT ADMINISTRATIVE RULES CONSISTENT THEREWITH; REPEALING THE CITY OF FRIENDSWOOD'S PERSONNEL POLICIES ADOPTED ON DECEMBER 13, 1995, AND ALL AMENDMENTS THERETO; AND PROVIDING FOR AN EFFECTIVE DATE

B. Consider a resolution approving the City of Friendswood's Public Funds Management and Investment Policy.

A motion was made by Mayor Pro Tem Rockey and seconded by Councilmember Erenwert to approve Resolution No. R2023-18, related to Item 13.B, as submitted. The vote was the following:

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

Nays: None.

The item passed unanimously.

RESOLUTION NO. R2023-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, APPROVING THE PUBLIC FUNDS MANAGEMENT AND INVESTMENT POLICY IN ACCORDANCE WITH THE PUBLIC FUNDS INVESTMENT ACT; AND PROVIDING FOR AN EFFECTIVE DATE.

C. Consider a resolution authorizing an Advance Funding Agreement for Bridge Replacement or Rehabilitation with the Texas Department of Transportation for the bridge at Dunbar Estates Drive at Mary's Creek.

Councilmember Griffon inquired as to how long this item had been on TxDOT's radar. Engineering Director Jil Arias responded that this item has come up every two years for at least the last sixteen years, and this bridge had finally reached a point where its functionality was called not necessarily obsolete, but more structurally deficient. Mr. Arias noted that while this bridge is not in any danger of falling down tomorrow, it is to a point where it's weaker than what it should be, and it is time to get replaced. Mr. Arias stated that this project is going to be put in the 2027 fiscal year budget for construction.

Councilmember Rockey noted that this project has been number one on TxDOT's list for Friendswood. City Manager Kabiri stated that Councilmember Rockey was correct and noted that every two years, the

Texas Department of Transportation evaluates all of city bridges with a bridge being defined as any span greater than 20 feet across a body of water, across another roadway, or what have you. He further noted that this particular bridge was identified several times over the last 16 years by TxDOT as something that needed to be fixed and had conditions to place on it, which the City does, however, at this point it's better to replace the bridge altogether versus continued repairs.

A motion was made by Councilmember Hanks and seconded by Councilmember Branson to approve Resolution No. R2023-19, related to Item 13.C, as submitted. The vote was the following:

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

Nays: None.

The item passed unanimously.

RESOLUTION NO. R2023-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AN ADVANCE FUNDING AGREEMENT FOR BRIDGE REPLACEMENT OR REHABILITATION OFF THE STATE SYSTEM WITH THE TEXAS DEPARTMENT OF TRANSPORTATION FOR THE BRIDGE AT DUNBAR ESTATES DRIVE AT MARY'S CREEK; AUTHORIZING PAYMENT IN THE AMOUNT OF SEVENTY-THREE THOUSAND EIGHT HUNDRED TEN AND NO/100 DOLLARS (\$73,810.00); APPROVING CERTAIN MATTERS RELATED THERETO; AND PROVIDING FOR AN EFFECTIVE DATE.

- D. Consider on first reading an ordinance repealing Chapter 54 “Offenses and Miscellaneous Provisions,” Article II “Curfew for Minors” of the Friendswood City Code to comply with H.B. 1819, which repealed the authority of political subdivisions to adopt or enforce juvenile curfews.**

Councilmember Rockey stated that he understood why this item was being considered; however, he did not agree with the change in state law eliminating the City’s ability to have a juvenile curfew. H stated that all this did was take a tool out of the Police Department's bag that has been very useful in helping to monitor and maybe even prevent a number of crimes from occurring.

Councilmember Hanks stated that she felt very strongly about this item and noted that she would be voting again it because she felt so strongly that this was a safety issue for the City and its young people.

Mr. Kabiri stated that he understood the Council’s frustrations but noted that it is better for the Code to only have those laws that are enforceable. This item is not only to conform to state law, but also to ensure that both the public and officers are not confused as to what can be enforced.

A motion was made by Councilmember Erenwert and seconded by Councilmember Griffon to approve the proposed resolution as submitted. The vote was the following:

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

Nays: Councilmember Trish Hanks.

The item passed.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FRIENDSWOOD, TEXAS, REPEALING CHAPTER 54 "OFFENSES AND MISCELLANEOUS PROVISIONS," ARTICLE II "CURFEW FOR MINORS" OF THE FRIENDSWOOD CITY CODE, IN ITS ENTIRETY, TO COMPLY WITH H.B. 1819, WHICH REPEALED THE AUTHORITY OF POLITICAL SUBDIVISIONS TO ADOPT OR ENFORCE JUVENILE CURFEWS; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HERewith; PROVIDING FOR SEVERABILITY, PUBLICATION AND AN EFFECTIVE DATE.

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

This budget amendment approves the following amendments and budget transfers:

1. **23 Wilderness Trail, \$832,798.** Appropriate funds for the purchase of property at 23 Wilderness Trails. City Council approved the purchase of 2.019 acres located at 23 Wilderness Trails for flood mitigation improvements at the July 10, 2023 council meeting. Council also approved an interlocal agreement with Galveston County Drainage District (GCCDD) which would compensate the City \$295,000 for a 20-foot access corridor off Wilderness Trails (approx. 0.13 ac) and approximately 0.58 acres adjacent to the creek. Funds were received in the amount of \$295,000 from GCCDD on July 25, 2023. The funding source will be water and sewer working capital to cover the City's share of \$537,798 which includes \$1,250 for the environmental assessment and \$775 for the appraisal survey.
2. **Lift Station Mitigation Project – Materials Testing, \$16,808.** Appropriate funds for material testing services in connection with the construction phase of the 2020 Lift Station Mitigation Package 3 project. The city entered into an agreement with Paradigm/CMT Technical Services on June 23, 2023 to perform materials testing at lift stations 22, 27, 28 and 31. The funding source will be water and sewer working capital.
3. **Parks & Recreation, Parks Division** – Donations for Benches at Lake Friendswood, \$2,425. Appropriate donations received from Chad Fernandes and Patricia Dugas for the purchase of two benches to be installed at Lake Friendswood. Funds will be appropriated to the Parks and Recreation Department's Parks division operating equipment account.

4. **Library Donations, \$713.** Appropriate donations received to the Library's operating budget. The funds will be used to purchase children books and supplies for outreach event.
5. **2017 CDBG-DR (Harris County) Grant Reimbursement, \$887,491.** Appropriate funds received from the CDBG-DR (Harris County) grant program for the Forest Bend Detention Pond construction. The City received a reimbursement of \$887,491 for construction services. Advance funding for pay application #7 and #8 was originally approved at the June 5, 2023 City Council meeting. Therefore, the funds will be appropriated back to unassigned general fund balance.
6. **Forest Bend Detention Pond** – Construction Pay Application #9 and #10, \$600,331. Appropriate advanced funding for Jerdon Enterprise Pay Application #9 and #10 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.
7. **Forest Bend Detention Pond – Legal Publications, \$6,868.** Appropriate funds for expenditures related to the Forest Bend Detention Pond project. The required legal publications are not reimbursable expenses through the CDBG-DR (Harris County) grant. Therefore, the funding source will be unassigned general fund balance.
8. **Centennial Wall project - Boundary and Utility Survey, \$4,825.** Appropriate funding for a boundary and utility survey to be performed along the 2,700' long wall near the common line of Centennial Park and Lakes of Falcon Ridge section 1. The funding source will be water and sewer working capital.

A motion was made by Councilmember Branson and seconded by Councilmember Matranga to approve Ordinance No. 2023-19, related to Item 13.E, as submitted. The vote was the following:

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

Nays: None.

The item passed unanimously.

ORDINANCE NO. 2023-19

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 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 DATE

14. CONSENT AGENDA

A motion was made by Councilmember Hanks and seconded by Councilmember Griffon to approve the Consent Agenda, Items 14.A through 14.F. The vote was the following:

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

Nays: None.

The item passed unanimously.

A. Consider approving the closure of W. Spreading Oaks between Woodlawn Drive and Cedarwood Drive for the Friendswood Independent School District even “Under The Oakes” on August 10, 2023.

B. Consider approving the disposal of Police Department vehicle P289 through Houston Auto Auction

This item approved the decommissioning and disposal of a police vehicle (P289 – 2013 Dodge Charger) through services provided by Houston Auto Auction. The vehicle in question will be decommissioned per the standards set by Local Government Code, Section 272.006 Sale or Transfer of Law Enforcement Vehicle, which includes the removal of any equipment or insignia that could mislead a reasonable person to believe that the vehicle is a law enforcement motor vehicle.

C. Consider ratifying the Second Amendment to the Lease Agreement with the Friendswood Community Church, d/b/a The Harbor, to extend the agreement for a three-month period.

During the construction phase of Fire Station #2, a temporary station was set up at 1710 Lundy Lane, which is owned by The Harbor Church. This location was chosen as it is approximately 1/2 mile south of Station #2 and operating a temporary station in that area helps ensure continued adequate coverage.

The original lease agreement was entered into for a 12-month term expiring on February 1, 2023. Thereafter, the lease agreement was amended to extend the term of the agreement for approximately another six months, such term expiring on July 31, 2023. The current amendment extends the term an additional three months to October 31, 2023. Construction of the fire station is expected to be completed within this term. Council is asked to ratify the Second Amendment to the Lease Agreement with the Friendswood Community Church, d/b/a The Harbor, to extend the term until October 31, 2023.

D. Consider ratifying the purchase of office furniture for the Blackhawk Building Renovation Project from Hallmark Office Products, Inc., through the Interlocal Purchasing System.

This item approves a Hallmark Office Products quote for a furniture package for the Blackhawk Building Renovation building that will furnish the Public Works Department. This furniture will replace broken and outdated office furniture, items salvaged after Hurricane Harvey, and will replace hand-me-down furniture that has been used in previous departments within the City. The total quoted amount is \$69,417. Purchase of this furniture is through TIPS, a purchasing cooperative.

E. Consider the authorizing the final acceptance of the Challenge Elite Sports – Beamer Water Line Extension Project.

The City began its one-year maintenance period for the Challenge Elite Sports - Beamer Water Line Extension Project in July 2022. The maintenance bond has reached its obligation. This agenda item is to authorize the final acceptance of the Challenge Elite Sports - Beamer Water Line Extension Project and to formally release the bond.

F. Consider approving the ad valorem tax report for June 2023.

15. 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 Attorney regarding pending or contemplated litigation involving the City of Friendswood.

At 7:10 P.M., Mayor Foreman recessed and convened into an executive session pursuant to Section 551.071 of the Texas Government Code to seek the advice of the City Attorney.

At 7:31 P.M., Mayor Foreman reconvened the regular meeting and announced that in accordance with Section 551.071 of the Texas Government Code, no action was taken in executive session.

16. ADJOURNMENT

With there being no further business to discuss, Mayor Foreman adjourned the August 7, 2023, City Council Regular Meeting at 8:52 P.M.


Mike Foreman, Mayor

Attest:


Leticia Brysch, City Secretary

