



City of Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
cctexas.com

Meeting Minutes

City Council

Friday, September 6, 2019

9:00 AM

Council Chambers

SPECIAL CITY COUNCIL MEETING

Public Notice - - THE USE OF CELLULAR PHONES AND SOUND ACTIVATED PAGERS ARE PROHIBITED IN THE CITY COUNCIL CHAMBERS DURING MEETINGS OF THE CITY COUNCIL.

MEMBERS OF THE AUDIENCE WILL BE PROVIDED AN OPPORTUNITY TO ADDRESS THE COUNCIL AT APPROXIMATELY 9:00 A.M. CITIZEN COMMENTS WILL BE LIMITED TO THREE MINUTES. Please speak into the microphone located at the podium and state your name and address. If you have a petition or other information pertaining to your subject, please present it to the City Secretary. Any electronic media (e.g. CD, DVD, flash drive) that the Public would like to use while they speak to the City Council MUST be submitted a minimum of 24 hours prior to the meeting. Please contact the Communication department at 361-826-3211 to coordinate.

- A. Mayor Joe McComb to call the meeting to order.**

Mayor McComb called the meeting to order at 9:01 a.m.

- B. Invocation to be given by Mayor Joe McComb.**

Mayor Joe McComb gave the invocation.

- C. Pledge of Allegiance to the Flag of the United States and to the Texas Flag to be led by Diana Martinez, Administrative Manager, Engineering Services.**

Diana Martinez led the Pledge of Allegiance to the flag of the United States and the Texas flag.

- D. City Secretary Rebecca L. Huerta to call the roll of the required Charter Officers.**

City Secretary Rebecca L. Huerta called the roll and verified that a quorum of the City Council and the required Charter Officers were present to conduct the meeting.

Charter Officers:

City Manager Peter Zanoni, City Attorney Miles K. Risley, and City Secretary Rebecca L. Huerta.

Present: 9 - Mayor Joe McComb, Council Member Roland Barrera, Council Member Rudy Garza, Council Member Paulette Guajardo, Council Member Gil Hernandez, Council Member Michael Hunter, Council Member Ben Molina, Council Member Everett Roy, and Council Member Greg Smith

- F. PUBLIC COMMENT FROM THE AUDIENCE ON MATTERS NOT SCHEDULED ON THE AGENDA WILL BE HEARD AT APPROXIMATELY 9:00 A.M. A recording is made of the meeting; therefore, please speak into the microphone located at the podium and state your name and address. If you choose to speak during this public comment period regarding an item on the agenda, you may do so. You will not be allowed to speak again, however, when the Council is considering the item. Citizen comments are limited to three minutes. If you have a petition or other information pertaining to your subject, please present it to the City Secretary. Any electronic media (e.g. CD, DVD, flash drive) that the Public would like to use while they speak MUST be submitted a minimum of 24 hours prior to the Meeting. Please contact the Communication department at 361-826-3211 to coordinate. All items on this agenda are considered public hearings.**

Mayor McComb deviated from the agenda and referred to comments from the public. City Secretary Rebecca L. Huerta conducted the public comment period by stating that pursuant to passage of new legislation, a citizen may choose to make comments on each item on the agenda or during the public comment period before any report is given on the agenda; therefore, the public comment period would be moved before the City Manager's Comments and Agenda Items.

James Robeau, 14233 Fairway Drive, spoke in opposition to agenda item 10, rezoning a property from a single family district to a neighborhood commercial district; asked the Council if they were aware that a new elementary school was being built in the Calallen Independent School District; that there are no city services provided in that area since it is a county road; that the sanitation has a negative grade; that the drainage belongs to the county; whether there would be a retention pond to drain into; and the effect a commercial property would have on the hog habitat living at the county park. John Medina, 4931 Mokry Drive, spoke about his candidacy for Mayor of Corpus Christi. Adam Carrington 2949 Riverbend Court, Pastor of Brooks AME Worship Center and Robert Hernandez, 4114 Warefield, spoke in opposition to closing the Equal Employment Opportunity Commission (EEOC) office in Corpus Christi; and asked the Council to reconsider.

E. CITY MANAGER'S COMMENTS / UPDATE ON CITY OPERATIONS:

Mayor McComb referred to City Manager's Comments. City Manager Peter Zaroni reported on the following topics:

a. OTHER

1) City Manager Zaroni recognized the City of Corpus Christi's Gulf Beach Lifeguards and presented a video on lifeguard training and teamwork, adding that this fiscal year the lifeguards rescued 136 swimmers in distress and assisted 550 swimmers and visitors with minor accidents and/or injuries, and thanked the lifeguards present on behalf of the City. 2) Reported on Senate Bill

21, which raises the legal age to purchase and/or consume tobacco and e-cigarettes from 18 years to 21 years old, with the exception of active military members 18 years and over; that Texas is the 15th State to raise the age limit; that a violation constitutes a Class C misdemeanor; that businesses selling tobacco must have the correct signage and train employees on the new law; that the Health District and the Police Department's Vice Division are working together to produce the Tobacco 21 public service announcement (PSA); the PSA will begin airing on local television stations, radio and newspapers on Saturday, September 7. 3) Nine members have been appointed to the Charter Review Committee; that the City Manager is attending the meetings and will provide updates to the Council; that the committee will research charter revisions and look at best practices; that the committee will seek public input in a manner similar to that used by the City during the budget process; and that the committee will meet monthly.

G. BOARD & COMMITTEE APPOINTMENTS:

1. Corpus Christi B Corporation (3 vacancies)
Corpus Christi Business and Job Development Corporation (3 vacancies)

Mayor McComb referred to board and committee appointments.

Council members, City Secretary Rebecca L. Huerta and City Attorney Miles K. Risley discussed the following topics: Robert's Rules of Order; process of reappointment and nominations; whether elected officials are restricted from serving on a board; and prior legal opinion that Type A & B Corporations are not a city board or commission for that purpose; and that a copy of that opinion will be provided to the Council.

The following appointments were made:

Corpus Christi B Corporation (Type B) and Corpus Christi Business and Job Development Corporation (Type A)

Council Member Hernandez made a motion to reappoint Scott M. Harris (Regular Member), seconded by Council Member Garza. Scott M. Harris (Regular Member) was reappointed with Mayor McComb and Council Members Hunter, Molina, Smith, Garza, Guajardo, and Hernandez voting "Aye" and Council Members Roy and Barrera voting "No". Scott M. Harris was reappointed to both Type A and Type B Corporations.

Council Member Barrera made a motion to reappoint John Valls (Regular Member), seconded by Council Member Hunter. John Valls (Regular Member) was reappointed with Mayor McComb and Council Members Hunter, Molina, Roy, Smith, Barrera, Garza, and Guajardo voting "Aye" and Council Member Hernandez voting "No". John Valls was reappointed to both Type A and Type B Corporations.

Council Member Smith nominated Alan R. Wilson (Regular Member). Council Member Molina nominated Eric Villarreal (Regular Member). Council Member Hernandez nominated John F. Wilson (Regular Member). Alan R. Wilson (Regular Member) was appointed with Mayor McComb and Council Members Hunter, Garza, Smith and Roy voting for Alan R. Wilson, Council Members

Guajardo, Barrera and Molina voting for Eric Villarreal, and Council Member Hernandez voting for John F. Wilson (Regular Member). Alan R. Wilson was appointed to both Type A and Type B Corporations.

Council Member Garza made a motion to appoint Michael T. Hunter (Non-Voting City Council Liaison), seconded by Mayor McComb and passed unanimously.

H. EXPLANATION OF COUNCIL ACTION:

I. CONSENT AGENDA: (ITEMS 2 - 5, 8 - 9)

Approval of the Consent Agenda

Mayor McComb referred to the Consent Agenda. A council member requested that Items 6 and 7 be pulled for individual consideration. There were no comments from the Council or the public.

A motion was made by Council Member Garza, seconded by Council Member Hunter, to approve the Consent Agenda. The motion carried by the following vote:

Aye: 9 - Mayor McComb, Council Member Barrera, Council Member Garza, Council Member Guajardo, Council Member Hernandez, Council Member Hunter, Council Member Molina, Council Member Roy and Council Member Smith

Abstained: 0

- 2.** Zoning Case No. 0719-01 Corpus Christi Limousines Unlimited, Inc. (District 1) Ordinance amending Zoning Ordinance 031465 on a property at or near 4001 Leopard Street by adding a 12-month time extension to the special permit time initially approved. Planning Commission and Staff recommend Approval.

This Ordinance was passed on second reading on the consent agenda.

Enactment No: 031855

- 3.** Zoning Case No: 0719-04 Guillermo Munoz. (District 1) Ordinance rezoning property at or near 121 Pueblo Avenue from the "IL" Light Industrial District to the "RM-3" Multifamily Residential District. Planning Commission and Staff recommend Approval.

This Ordinance was passed on second reading on the consent agenda.

Enactment No: 031856

- 4.** Zoning Case No: 0719-03, Cloudcroft Land Ventures, Inc. (District 5) Ordinance rezoning property at or near 6202 Yorktown Boulevard from the "RM-1" Multifamily District to the "CN-1" Neighborhood Commercial District. Planning Commission and Staff recommend Approval.

This Ordinance was passed on second reading on the consent agenda.

Enactment No: 031857

5. Ordinance authorizing an agreement with Corpus Christi PATCH, Inc. to allow use of portions of Taylor, Mesquite, Starr and Chaparral Streets for the Que Bueno Taco Festival and related activities scheduled for September 14, 2019.

This Ordinance was passed on second reading on the consent agenda.

Enactment No: 031858

8. Motion authorizing a two-year service agreement with Nesmith Electrical Services LLC to provide on-call electrical maintenance, repair, and installation services for Sunrise Beach, Rincon Pump Station, and Wesley Seale Dam which are in the same general location, for an amount not to exceed \$100,000.00, with options to extend for up to three additional one-year periods not to exceed \$50,000.00 per option year, for a total amount not to exceed \$250,000.00, effective upon issuance of a notice to proceed, with first-year funding in the amount of \$50,000.00 available in the Water Fund.

This Motion was passed on the consent agenda.

Enactment No: M2019-144

9. Resolution authorizing execution of an Interlocal Cooperation Agreement with the Corpus Christi Management District for improvements to Artesian Park in the amount of \$150,000.00, funded through the Tax Increment Reinvestment Zone No. 3.

This Resolution was passed on the consent agenda.

Enactment No: 031860

CONSENT AGENDA: (ITEMS 6 - 7)

Mayor McComb referred to Items 6 and 7.

Council Member Hernandez, Fire Chief Robert Rocha and City Manager Peter Zanoni discussed the following topics: why service agreements are being processed through the Fire Department and not Asset Management as is the norm; the ease and expediency of emergency repairs if processed through the Fire Department; the contractual process and the need to remain consistent in all departments; and the process is not unusual for the Fire Department to manage its own facilities since it is different than an administrative building. There were no comments from the public.

Council Member Hernandez made a motion to approve Items 6 and 7, seconded by Council Member Molina. These items were passed on second reading and approved with one vote:

6. Motion authorizing a two-year service agreement with three one-year

renewal options with DarPro Commercial Construction, LLC for building maintenance services for the Fire Department in the amount not to exceed \$45,000.00 annually effective upon issuance of a notice to proceed with first-year funding available in the FY 2019 General Fund.

This Motion was passed and approved with the following vote:

Aye: 9 - Mayor McComb, Council Member Barrera, Council Member Garza, Council Member Guajardo, Council Member Hernandez, Council Member Hunter, Council Member Molina, Council Member Roy and Council Member Smith

Abstained: 0

Enactment No: M2019-143

7. Resolution authorizing a two-year service agreement with three additional one-year renewal options with Gourley Contractors, for electrical services for Fire Department facilities in an amount not to exceed \$40,000.00 annually effective upon issuance of a notice to proceed with first-year funding available in the FY 2019 General Fund.

This Resolution was passed and approved with the following vote:

Aye: 9 - Mayor McComb, Council Member Barrera, Council Member Garza, Council Member Guajardo, Council Member Hernandez, Council Member Hunter, Council Member Molina, Council Member Roy and Council Member Smith

Abstained: 0

Enactment No: 031859

J. PUBLIC HEARINGS: (ITEMS 10 - 11)

10. Zoning Case No. 0719-05, Mostaghasi Investment Trust (District 1): Ordinance rezoning property at or near Northwest Boulevard & County Road 69 from the "RS-6" Single-Family 6 District to the "CN-2" Neighborhood Commercial District. Planning Commission and Staff recommend Approval.

Mayor McComb referred to Item 10. Director of Development Services Nina Nixon-Mendez stated that the purpose of this item is a zoning request from a "RS-6" Single Family District to the "CN-2" Neighborhood Commercial District to allow for the construction of a neighborhood business center.

Director Nixon-Mendez presented information on the following topics: aerial overview; subject property at Northwest Blvd. & CR 69; zoning pattern; Planning Commission and staff recommendation; public notification; Unified Development Code (UDC) requirements; and Calallen West Elementary traffic circulation.

Mayor McComb opened the public hearing. There were no comments from the public.

Council Members, Director Nixon-Mendez, Miguel Saldana, Saldana

Consulting, discussed the following topics: the letter in opposition addressed sanitary sewer and drainage concerns; utilities are available; drainage will be done as part of replatting; any distance requirements or restrictions that prohibit certain types of activities in the area due to the school; bars and nightclubs are not allowed, but convenience stores and gas stations can sell cigarettes and beer; that a portion of CR 69 is in the county; that the Texas Alcoholic Beverage Commission (TABC) limits the sale of alcohol to no closer than 300 feet from a school; the property has enough coverage to locate a convenience store further west; that there are no regulations on the sale of tobacco products; commercial offices and retail establishments are the intent of the developer and not a convenience store; traffic will have minimal impact to the new school; the kind of road section at CR 69 and any plans to improve the street; and that if problems surface regarding the road during the platting stage, the developer will coordinate with the county.

Mayor McComb closed the public hearing.

Council Member Roy made a motion to approve the Ordinance, seconded by Council Member Garza. This Ordinance was passed on first reading and approved with the following vote:

Aye: 9 - Mayor McComb, Council Member Barrera, Council Member Garza, Council Member Guajardo, Council Member Hernandez, Council Member Hunter, Council Member Molina, Council Member Roy and Council Member Smith

Abstained: 0

Enactment No: 031861

11.

Zoning Case No. 0719-07, McCord Wholesale (District 3) Ordinance rezoning property at or near 5564/5566 Ayers Street from the "IL" Light Industrial District to the "RV" Recreational Vehicle Park District. Planning Commission and Staff recommend Denial. (3/4 favorable vote required to overrule Planning Commission recommendation of Denial.)

Mayor McComb referred to Item 11. Director of Development Services Nina Nixon-Mendez stated that the purpose of this item is a zoning request from a "IL" Light Industrial District to the "RV" Recreational Vehicle Park District to allow for the development of a "RV" Recreational Vehicle Park.

Director Nixon-Mendez presented information on the following topics: aerial overview; subject property at 5564/5566 Ayers Street; zoning pattern; Planning Commission and staff recommendation; public notification; and Unified Development Code (UDC) requirements.

Mayor McComb opened the public hearing. Xavier Galvan, 2725 Swantner, representing the owner, spoke in favor of the rezoning and stated that the rezoning and development of an RV park would not negatively affect the property owners adjacent to the subject property; that there is a successful existing mobile home park just south of the subject property, which is also adjacent to an industrial area; that a report of future development across Ayers Street is being proposed for a commercial shopping center; that if successful with the rezoning, the owner plans to rezone the remaining property for an additional RV park; and if the rezoning is denied, that would affect future

expansion.

Council Members and Director Nixon-Mendez discussed the following topics: supporting the Planning Commission and staff recommendation to deny the rezoning; difficulty in developing the area because of potential environmental concerns; and would allowing the development increase the City's ad valorem taxes.

Mayor McComb closed the public hearing.

Council Member Barrera made a motion to approve the Ordinance denying the rezoning of property at or near 5564/5566 Ayers Street from the "IL" Light Industrial District to the "RV" Recreational Vehicle Park District, seconded by Council Member Molina. This Ordinance was passed on first reading and approved with the following vote:

Aye: 9 - Mayor McComb, Council Member Barrera, Council Member Garza, Council Member Guajardo, Council Member Hernandez, Council Member Hunter, Council Member Molina, Council Member Roy and Council Member Smith

Abstained: 0

K. BUDGET RELATED ITEMS: (ITEMS 12 - 16)

12. FY 2020 Proposed Budget Wrap-Up

Mayor McComb referred to Item 12. Director of Management and Budget Eddie Houlihan stated that the purpose of this item is to provide City Council with an overview of the findings from the five Public Input Sessions and four City Council Budget Workshops.

Director Houlihan presented information on the following topics: dates and topics of council workshops; location of budget public input sessions in respective City Council districts; citizen concerns and comments in each district; public input session summary; city manager's recommended additions based on 5 community input sessions; and staff amendments to the Airport, Type A Fund and Wastewater.

Council members, Director Houlihan and Chief Financial Officer Constance Sanchez discussed the following topics: is the \$2.1 million reduction in wastewater fees an actual reduction; will there be a \$2.1 million increase in the budget in 2020-2021; revenue will increase when a full year of winter quarter averaging has been in place; the process of budgeting projects out of Type A funds; that the operating budget and capital improvement program (CIP) are not being voted on separately; issues with CIP budget in relation to the selection of residential streets for rehabilitation and reconstruction; will rates change due to winter quarter averaging; is there an analysis that the Council can receive to determine who will be effected the most; that high summer water users will see a decrease in their water bill; working on developing a new structure for storm water fees to be billed separately and that the recommendation will be brought back to Council in the spring for consideration; water fees will be reduced, but customers will pay an independent storm water fee based on storm water runoff; this practice is consistent with other Texas cities; separate storm water tiers for residential

and commercial users; that the storm water rate structure is unfair; concerns with transparency; a reduction in revenue due to switching to winter quarter averaging; not collecting the high wastewater fees in the summer time because of switching billing methodology; customers will see the relief next year if they continue with the same water usage; the need to inform the residents that almost 40% of the bill is for storm water cost; what impact will the change have on the IT department; no evidence that the system is not working appropriately; updating software in preparation for the switch to winter quarter averaging; that the system will be properly tested and vetted before putting winter quarter averaging into production; that last year's data cannot be used because the data is questionable; the increase in raw water and water rates was presented during the budget workshop and have been previously discussed; simplifying the information on the water bill for the customer; and communicating the fees more effectively.

13. Second Public Hearing on Fiscal Year 2020 Ad Valorem Tax Rate

Mayor McComb referred to Item 13. Interim Director of Financial Services Alma Casas stated that the purpose of this item is to hold the second public hearing on the proposed Fiscal Year 2020 Ad Valorem Tax Rate of \$0.646264 per \$100 valuation, which includes an increase of two cents from the prior year's property tax rate, to be used for residential streets as approved by the citizens on November 8, 2016, and that the Property Tax Code requires two public hearings be held on the proposed Ad Valorem Tax Rate if the proposed tax rate exceeds either the rollback rate or the effective tax rate, whichever is lower. Interim Director Casas added that since the City's proposed tax rate exceeds the effective tax rate, two public hearings are required with today's public hearing being the second and final hearing.

Mayor McComb opened the public hearing. There were no comments from the Council or the public. Mayor McComb closed the public hearing.

Mayor McComb read the following statement, "During the September 17, 2019 City Council meeting beginning at 11:30 a.m. at City Hall, the City Council will vote on the proposed property tax rate."

14. Public Hearing and First Reading Ordinance adopting the City of Corpus Christi Operating Budget and the Capital Improvement Program Budget for the Fiscal Year 2019-2020 beginning October 1, 2019; authorizing personnel complements; appropriating monies as provided in the Budget.

Mayor McComb referred to Item 14. Director of Management and Budget Eddie Houlihan stated that the purpose of this item is to hold a public hearing and adopt the budget and capital improvement program for fiscal year 2019-20 beginning October 1, 2019.

Director Houlihan presented information on the following topics: that the budget is balanced; and addresses Council and community priorities; the total FY 2020 city budget; proposed budget general fund (with transfers); general fund budget; budgeted positions; civilian employee compensation; capital budget; next steps to adopt the budget; and the schedule of adjustments.

Mayor McComb opened the public hearing. Ray Madrigal de Pancho Villa, 4253 Dody St., spoke regarding his disappointment with the decision to reduce the number of employees in the Equal Employment Opportunity Commission (EEOC) office; questioned the legality of the posting for today's special meeting; complimented the Mayor for asking questions that the general public would want to know, and asked the Council to take a second look at the budget before approving it. Mayor McComb closed the public hearing.

Council members, Director Houlihan, City Manager Peter Zanoni and City Attorney Miles K. Risley discussed the following topics: posting the adoption of the operating budget and the capital improvement program (CIP) separately for second reading; not wanting to hold up approving the operating budget but had questions on the CIP budget; the proper way to make changes to this ordinance; and the process to amend the ordinance.

Council Member Barrera made a motion to amend the ordinance to include the Schedule of Adjustments containing the Amendments to the FY 2019-2020 Proposed Budget.

Council members discussed the following additional topics: the \$0.02 rate increase used for streets exclusively; voting against property tax increase; reallocating a portion of the \$170 million in capital improvement to residential streets; proposing to amend the budget by removing the \$4.2 million out of the residential streets fund and not increasing the ad valorem tax by \$0.02; that voters approved the funding, but did not mandate the project; and the effect of reducing the budget by \$4.2 million on departments and projects.

The motion to amend the ordinance was seconded by Council Member Molina and passed unanimously.

Council Member Barrera made a motion to approve the ordinance as amended, seconded by Council Member Molina. This Ordinance was passed on first reading as amended and approved with the following vote:

Aye: 8 - Mayor McComb, Council Member Barrera, Council Member Garza, Council Member Guajardo, Council Member Hunter, Council Member Molina, Council Member Roy and Council Member Smith

Nay: 1 - Council Member Hernandez

Abstained: 0

Enactment No: 031870

15.

First Reading Ordinance ratifying the property tax increase reflected in the FY 2019-2020 Operating Budget that will require raising more revenue from property taxes than in the FY 2018-2019 Operating Budget in amount of \$9,321,332, of which \$4,198,157 represents property tax revenues of \$0.02 per \$100 valuation to be used towards residential street reconstruction.

Mayor McComb referred to Item 15. Director of Management and Budget Eddie Houlihan stated that the purpose of this item is to ratify the property tax increase reflected in the FY 2019-2020 Operating Budget that will require raising more revenue from property taxes than in the FY 2018-2019 Operating

Budget in the amount of \$9,321,332, of which \$4,198,157 represents property tax revenues of \$0.02 per \$100 valuation to be used toward residential street reconstruction. There were no comments from the Council or the public.

Council Member Barrera made a motion to approve the ordinance, seconded by Council Member Guajardo. This Ordinance was passed on first reading and approved with the following vote:

Aye: 8 - Mayor McComb, Council Member Barrera, Council Member Garza, Council Member Guajardo, Council Member Hernandez, Council Member Molina, Council Member Roy and Council Member Smith

Nay: 1 - Council Member Hunter

Abstained: 0

Enactment No: 031872

16.

First Reading Ordinance amending the City Code of Ordinances, Chapter 55, Utilities, revising water rates as of January 1, 2020; revising residential wastewater billings beginning in March 2020 by establishing residential wastewater winter quarter averaging based upon the average of three complete monthly water utility billings from December 2019 through February 2020, and recalculating the winter quarter average for residential wastewater customers every year thereafter; revising commercial wastewater rates as of January 1, 2020; amending the City Code of Ordinances, Chapter 55, regarding 9-1-1 emergency service fees as of January 1, 2020; and approving Parks and Recreation Fee Schedule effective October 1, 2019.

Mayor McComb referred to Item 16. Director of Management and Budget Eddie Houlihan stated that the purpose of this item is to adopt the City of Corpus Christi Code of Ordinances for water rates; revising wastewater rates and establishing winter quarter averaging for residential wastewater billing; changes to 9-1-1 emergency service fees and approving the Parks and Recreation fee schedule.

Director Houlihan presented information on the following topics: proposed 2020 and 2021 summary of all water rate adjustments for residential and commercial customers; wastewater winter quarter averaging methodology for residential customers; no increase in commercial wastewater rates; proposed 911 fees; Parks and Recreation fee highlights; and noted that staff was proposing two (2) amendments to the Ordinance as follows: removing "revising commercial wastewater rates as of January 1, 2020" from the caption on page 1; and correcting the fees for inside city limits commercial per 1,000 gallons over 2,000 from \$4.79 to \$4.70, and outside the city limits commercial per 1,000 gallons over 2,000 from \$9.59 to \$9.35 on page 11.

Mayor McComb called for public comment. There were no comments from the public.

Council members, Director Houlihan, Interim Director of Finance Alma Casas, City Manager Peter Zaroni and Assistant City Manager Mark Van Vleck discussed the following topics: that winter quarter averaging calculation

begins December 1 and continues through February 28; the City's ability to run reports after each billing cycle to account for potential outliers to maintain public confidence in the City's billing system; steps in the works to improve customer care and confidence in the system; that management is recommending changes to the Water Department to include and develop a better customer service department to build customer confidence; and that low water users will pay more under the winter quarter averaging.

Council Member Hernandez made a motion to approve the ordinance with the exception of Section 1 regarding water rates and Section 2 regarding wastewater rates, and to consider them separately, seconded by Council Member Smith.

Council members, Director Houlihan, City Manager Zanoni and Assistant Director of Support Services at Utilities Treatment Reba George discussed the following topics: how will the budget be impacted if the water and wastewater rates are not approved; a reduction in revenue and the budget not being balanced; that the Water Department's budget would need to be reduced by \$3.4 million; that the \$3.4 million would affect the Water Department's staffing conversion from temps to permanent employees, the creation of new positions, the purchase of equipment and consulting services; that the issue is understanding the complicated rate matrix in calculating water and wastewater rates and not decreasing the revenue.

This motion to approve the ordinance with the exception of Section 1 regarding water rates and Section 2 regarding wastewater rates, and to consider them separately, passed with the following vote: Council Members Molina, Roy, Smith, Barrera, Garza, Guajardo and Hernandez voting "Aye" and Mayor McComb and Council Member Hunter voting "No".

Council members, Director Houlihan, City Manager Zanoni, Assistant City Manager Van Vleck and Assistant Director George discussed the following topics; what the effect will be on both low and high end users; that the 2.8 percent increase should be equalized across the board for residential, commercial and outside-city-limits users; looking at alternatives so the Water Department's proposed enhancements are not cut out completely; why increasing the rate across the board will not work; that increasing rates outside the city limits will not bring in much revenue; that those outside the city limits cannot be charged for storm water; what the real impact is on increasing across the board; that the rate should be based on cost of services delivered; that the across the board approach could result in less revenue; the potential legal recourse on wholesale contracts as to how fees are calculated related to the cost of services; the driving force in the rates is the storm water cost and the distribution cost borne by commercial and residential customers; direction to raise the rates 2.8 percent across the board with no impact on revenue amounts; that the staff come back on the 17th with an alternative water rate schedule, taking into consideration increasing fees across the board, or increasing the non-residents's fees, and presenting the alternatives for water and wastewater rates separately.

Council Member Barrera made a motion to approve Section 1 and Section 2 of the ordinance as presented, incorporating the amendments proposed by staff, seconded by Council Member Smith. This Ordinance was passed on first reading and approved with the following vote:

Aye: 9 - Mayor McComb, Council Member Barrera, Council Member Garza, Council Member Guajardo, Council Member Hernandez, Council Member Hunter, Council Member Molina, Council Member Roy and Council Member Smith

Abstained: 0

Enactment No: 031874

L. FIRST READING ORDINANCES: (NONE)

M. RECESS TO CORPORATION MEETING: (ITEM 17)

17. Annual Board of Directors Meeting of the Corpus Christi Community Improvement Corporation

This Corporation Meeting was held.

N. RECONVENE CITY COUNCIL MEETING:

O. BRIEFINGS: (ITEM 18)

18. Review of Local Preference

Mayor McComb referred to Item 18. Contracts and Procurement Director Kim Baker stated that the purpose of this item is to provide a review of the local preference regulations and to discuss how to assist more local businesses to do business with the City.

Director Baker presented information on the following topics: local preference council policy; local preference state law; local preference state law 3% rule and the 5% rule; local preference challenges; and opportunities for local businesses.

Council members and Director Baker discussed the following topics: is research performed on out-of-state bidders; how "local" is defined; the purpose of vendor outreach is to register, educate and discuss challenges; suggestions for different types of vendor fairs used in surrounding areas, like on-the-spot bidding for smaller jobs; helping purchasers step out of their comfort zone and being more open minded regarding the importance of competitive pricing; that local preference does not apply to professional services, but the Contracts and Procurement Department will benchmark other cities; and keeping the monies in Corpus Christi.

P. EXECUTIVE SESSION:

None.

Q. IDENTIFY COUNCIL FUTURE AGENDA ITEMS

Mayor McComb referred to Future Agenda Items. The following item was identified: a request to meet with the three (3) City-appointed Commissioners of

the Port of Corpus Christi Authority.

R. **ADJOURNMENT**

The meeting was adjourned at 1:48 p.m.