

1 The Charter Review Commission held a regular meeting on Monday, December 8, 2014 at 7:00 p.m. in
2 Seabrook City Hall, 1700 First Street, Seabrook Texas in the second floor conference room to discuss,
3 and if appropriate, take action on the items listed below.

4
5 THOSE PRESENT WERE:

6 LAURA DAVIS	CHAIR
7 JOHN CHISLER – Ex. Abs.	MEMBER
8 KEVIN FERGUSON	VICE-CHAIR
9 DELAINA HANSSEN	MEMBER
10 DON HOLBROOK	MEMBER
11 DAVID JOHNSON – Ex. Abs.	MEMBER
12 ELAINE RENOLA	MEMBER
13 GAYLE COOK	CITY MANAGER
14 STEVEN L. WEATHERED	CITY ATTORNEY
15 MICHELE L. GLASER	CITY SECRETARY

16
17 Chair Laura Davis called the meeting to order at 7:00 p.m.

18
19 **1.0 PUBLIC COMMENTS AND ANNOUNCEMENTS – None.**

20
21 **1.1 Receive comments from Mayor Royal regarding proposed Charter amendments.**

22
23 Mayor Royal thanked members for their hard work. Mayor Royal informed members that that
24 the 2015 Texas State Legislature may reduce the ability of Texas cities to raise taxes and issue
25 bonds. He asked members to consider revising Section 5.21 to increase spending without a
26 special election from \$1,000,000 to between \$3,500,000 and \$4,000,000. He thanked members
27 for the proposed ballot proposition to increase council terms from two three-year terms to two
28 four-year terms.

29
30 **2.0 NEW BUSINESS**

31
32 **2.1 Review/Consider the Minutes of November 17, 2014.**

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34 Motion was made by Mr. Ferguson and seconded by Mrs. Renola

35
36 To approve the minutes as presented.

37
38 MOTION CARRIED BY UNANIMOUS CONSENT.

39
40 The following items were taken out of order.

41
42 **2.3 Review/Consider ballot propositions, including wording of the propositions. Review will**
43 **include assigning a budget impact to each amendment.**

44
45 Members assigned a priority to each ballot amendment with one being the most important and
46 three being the least important. After all amendments were rated, members discussed the
47 feasibility of deleting some amendments or combining amendments.

Motion was made by Mr. Holbrook and seconded by Mr. Ferguson

To combine ballot propositions 6 and 7, 16 and 17, 20 and 21 and 26 and 27. (See Exhibit A.)

MOTION CARRIED BY UNANIMOUS CONSENT.

Motion was made by Mr. Ferguson and seconded by Mr. Holbrook

To delete ballot propositions 1, 4, 10 and 13. (See Exhibit A.)

MOTION CARRIED BY UNANIMOUS CONSENT.

Members next reviewed the budget impact of the remaining propositions as listed at the end of each proposition and highlighted in yellow. (See Exhibit A.) No vote was taken to approve the budget impact statements. The wording of the statements will be reviewed by the city attorney.

2.2 Review/Consider language for Charter Amendments, specifically those amendments made at the November 18 meeting. Review may include revisiting the entire charter (Articles I – XII) for both proposed and possible new amendments.

Members reviewed outstanding items.

Section 5.21. Citizen approval required for certain expenditures and use of reserved funds.

Mrs. Cook presented a new option for rewording Section 5.21 and various scenarios as to how this amendment may impact the budget, including the highest amount in the current budget that could be spent without an election. (See Exhibit B.) Members discussed the percentage to be used in the wording and whether the total to be spent should be calculated for each expenditure as currently written in the Charter or for all expenditures in a fiscal year.

Motion was made by Mr. Holbrook and seconded by Mrs. Renola

To amend Section 5.21 as follows:

The Council may approve a non-emergency, capital expenditure in an amount not to exceed 20 percent of the combined General and Enterprise Operating and Reserve Fund Budgets in effect at the time of the expenditure less any required reserve fund balance established by resolution. Voter approval shall be required for a non-emergency, capital expenditure in excess of the permitted amount.

Capital expenditures for emergencies or disasters, as declared by federal, state or city government, which pose an imminent threat to public health and safety, may be made in any amount without voter approval.

~~[(a) — Capital Expenditures of One (1) Million or More Dollars A favorable majority vote of the people is required for each capital expenditure of one (1) million dollars or more provided~~

that the expenditure is not required for an emergency or disaster that includes the City of Seabrook as declared by the Governor of the State of Texas or the President of the United States or an emergency or disaster is declared by the majority vote of City Council only because of an imminent threat to public health and safety. (10/13, 10/20/14))

[(b) *Use of Reserve Funds.* A favorable majority vote of the people is required for each expenditure of thirty (30) percent or more from reserve funds provided that the expenditure is not required for an emergency or disaster that includes the City of Seabrook as declared by the Governor of the State of Texas or the President of the United States or an emergency or disaster is declared by the majority vote of City Council only because of an imminent threat to public health and safety.]

Ayes: Davis, Hanssen, Holbrook, Renola.

Abstain: Ferguson.

MOTION CARRIED BY MAJORITY VOTE.

Members generally agreed that the budget impact for the amendment to Section 5.21 could not be determined, but no vote on the budget impact was taken.

Section 6.06. Development of Property.

and

Section 11.28. Other Charter Requirements.

Members discussed the possible effect that Section 11.28 had in limiting EDC spending on private properties as contained in Section 6.06 and also in limiting the maximum to be spent as contained in Section 5.21. Mrs. Davis stated that EDC was formed as a separate entity as defined by state law.

Mrs. Glaser confirmed that Section 6.06 was in effect before EDC was formed, but Section 11.28 was implemented in 2005 after EDC was formed. Mrs. Glaser also stated that an amendment to exclude EDC from adhering to Section 6.06 failed in 2010. Members discussed an amendment to repeal Section 11.28 or to exclude EDC from Section 11.28. In answer to a question from Mrs. Renola, Mrs. Cook stated that the city could be adversely affected if EDC were to be limited to a maximum expenditure, especially if the amendment to Section 5.21 failed and the spending limit remained at \$1,000,000. Chair Davis recommended that Section 11.28 be amended to state that EDC shall be subject to the ethical, non-financial aspects of the charter, but not the financial aspects of the charter.

Motion was made by Mr. Holbrook and seconded by Mrs. Renola

To direct the city attorney to reword Section 11.28 with accompanying ballot language to provide that the Economic Development Corporation shall be subject to non-financial, ethical provisions of the charter, but shall not be subject to the financial provisions of the charter.

MOTION CARRIED BY UNANIMOUS CONSENT.

142 **2.4 Review/Prepare final report to City Council.**

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144 This item was deferred.

146 **4.0 ROUTINE BUSINESS**

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148 **4.1 Establish future meeting dates and agenda items.**

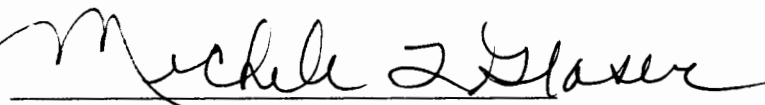
149
150 The next agenda will include a final review of all charter amendment language, ballot
151 propositions and preparation of a final report.

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153 Upon motion, Chair Davis adjourned the meeting at 9:11 p.m.

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155 Approved on this 15th day of December 2014.

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Laura Davis, Chair


Michele L. Glaser, TRMC, City Secretary



BALLOT AMENDMENTS WITH EXPECTED FISCAL IMPACT

- 1 ~~Shall Article II "The Council", Section 2.01 "The Council" and the remaining sections of Article II be amended to identify the Mayor and Councilmembers collectively as "Council" or "City Council" to avoid an ambiguity in reference to the Charter? No budget impact.~~
- 2 Shall Article II, Section 2.01, "The Council" be amended to allow a member of Council, including the Mayor, to be elected for no more than two consecutive 4-year terms rather than two consecutive three-year terms as currently provided in the Charter, to begin with the General Municipal Election in 2017 for the Mayor and Councilmembers in positions 2, 4 and 6 and in 2018 for Councilmembers in positions 1, 3 and 5? Will save money, as only two general elections every four years will be held, instead of two general elections every three years.
- 3 Shall Article II, Section 2.05, "Vacancies, forfeiture, filling of vacancies" (c), and related charter requirements for filling a vacancy, including Section 8.13, "Results of election", (c) "Recall" be amended to allow an affirmative vote of four or more councilmembers to fill a vacancy on Council by appointment if the remaining term of the vacant position is 12 months or less as permitted by state law? Can save money, as appointment is less costly than a special election.
- 4 ~~Shall Article II, Section 2.07, "Prohibitions" (b) and (c) be amended to clarify that the 'manager' referred to in these subsections is the 'City Manager'? No budget impact.~~
- 5 Shall Article II, Section 2.08, "Administrative offices and departments" be amended to delete the list of city departments, as the names and number of departments can periodically change by approval of an ordinance by City Council? No budget impact.
- 6 Shall Article II, Section 2.09, "City Secretary" be amended to require an affirmative vote of four or more councilmembers to appoint a city secretary? Currently appointment of a city secretary requires an affirmative vote of two-thirds of all councilmembers present? No budget impact.
- 7 Shall Article II, Section 2.09 "City Secretary" be amended to require an affirmative vote of four or more councilmembers to remove a city secretary? There is no specific provision in the Charter for removal at this time. No budget impact.
- 8 Shall Section 2.08. "Administrative Departments" and Section 2.09. "City Secretary" be moved from Article II. "The Council" to Article IV "Administrative Departments" for easier reference? No budget impact.

Comment [m1]: Combine 6 and 7 into one amendment

Proposed Ballot Amendments
(Including budget impact)
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- 9 Shall Article II, Section 2.12 "Rules of Procedure" be amended to clarify that all council actions shall be adopted by an affirmative vote of a majority of Councilmembers present ~~and voting aye or nay~~, except as provided elsewhere in the Charter or in state law? No budget impact.
- ~~10 Shall Article II, Section 2.13, "Passage of Ordinances in General," (a) be amended to allow an ordinance to adopt a technical code by reference provided that the technical code is authenticated by the city secretary and is available for review by the public? No budget impact.~~
- 11 Shall Article II, Section 2.13, "Passage of Ordinances in General" (b) "Procedure" be amended to delete the requirement that substantial changes to an ordinance require the ordinance to go back to first reading? No budget impact.
- 12 Shall Article II, Section 2.13, "Passage of Ordinances in General," (c) be amended to require that city ordinances with penalty clauses shall be posted on the city website within 10 days of approval and that an ordinance's effective date after passage shall be governed by state law instead of by the posting date? Currently, the City Charter requires that such ordinances shall be effective after posting on the city website and TV channel for a period of two (2) weeks. There is no change to the requirement that ordinances with penalty clauses must be published once in the official city newspaper. No budget impact.
- ~~13 Shall Article II, Section 2.13, "Passage of Ordinances in General" (e) be amended to more clearly explain that failure to post an adopted ordinance with a penalty clause on the city web site and TV channel shall not affect the validity of the ordinance? No budget impact.~~
- 14 Shall Article II, Section 2.14 "Emergency Ordinances" be amended to require an affirmative vote of at least four councilmembers to approve an emergency ordinance, except for emergency appropriation ordinances which are covered in Section 5.05 and require an affirmative vote of five (5) or more councilmembers? No budget impact.
- 15 Shall Article II, Section 2.15 "Authentication, Recording, Codification, Printing and Distribution of Ordinances" (b) and(c) be amended to require that the Municipal Code and all approved ordinances and resolutions shall be available for review at city hall and on the city website? Currently these documents must be available at city hall and in a library selected by Council. Cost saving as ordinances will be in electronic form. May result in savings in labor and copying.
- 16 Shall Article IV, "Administrative Departments", Section 4.02, "City Attorney" (a) "Appointment and Qualifications of City Attorney" be amended to require an affirmative vote of four or more Councilmembers to appoint a City Attorney? Currently, the City Attorney may be appointed by an affirmative vote of a majority of councilmembers present.

Comment [m2]: Combine 16 and 17

Proposed Ballot Amendments
(Including budget impact)
Page 3

- 17 Shall Article IV, Section 4.02 (d) "Removal of City Attorney" be amended to require an affirmative vote of four or more Councilmembers to remove the City Attorney? Currently, the City Attorney may be removed by an affirmative vote of a majority of councilmembers present. No budget impact.
- 18 Shall Article V. "Finance", Section 5.21 "Citizen Approval Required for Certain Expenditures and Use of Reserved Funds" be amended to require voter approval of all non-emergency capital expenditures that exceed 20 percent of the combined budgets of the General Fund and Enterprise Fund most recently approved by the City Council? Currently, voter approval is required for all non-emergency capital expenditures of \$1,000,000 or more. Budget impact to be decided after final revision of amendment.
- 19 Shall Article VII. "Nominations and Elections", Section 7.01. "Nominations and Elections" be amended to allow the general city election to be held on a date other than the second Saturday of May, if allowed by state law? May save money if election is held with Harris County.
- 20 Shall Article IX, "Municipal Court", Section 9.02. "Judge of the Municipal Court" be amended to require an affirmative vote of four or more councilmembers to appoint the Municipal Court Judge and Alternate Judges? Currently, judges are appointed by a majority of councilmembers present. No budget impact.
- 21 Shall Article IX, Section 9.02. "Judge of the Municipal Court" be amended to require an affirmative vote of four or more councilmembers to remove the judge and/or alternate judges during their terms unless otherwise required by law? There is no specific provision in the Charter for removal at this time. No budget impact.
- 22 Shall Article X. "Franchises and Public Utilities", Section 10.05, "Ordinances Granting Franchises" be amended to provide that franchise ordinances shall be approved in the same manner as other city ordinances after two readings, unless otherwise required by state law? Currently, franchise ordinances require three readings and shall not be acted upon until 42 days after the first reading and the full text of the ordinance shall be published one time in the city's official newspaper. May save money.
- 23 Shall Article XI. "General Provisions", Section 11.08, "Fire Department and Fire Marshal", be amended to recognize that providing fire protection services to citizens is essential and that the city may continue to provide this service with the Volunteer Fire Department and/or related fire service providers as provided by law? The only two methods of fire service listed in the current Charter are by a contract with the Seabrook Volunteer Fire Department or by the establishment of a paid city fire department. Budget impact cannot be quantified due to variables.

Comment [m3]: Combine 20 and 21

Proposed Ballot Amendments
(Including budget impact)
Page 4

- 24 Shall Article XI, Section 11.18. "Charter Review Commission" be amended to allow the appointment of a Charter Review Commission no sooner than two (2) years and no later than five (5) years after the most recent appointment of the Commission? Currently a Charter Review Commission must be appointed every five (5) years at the first Council meeting in July. Budget impact cannot be quantified due to variables.
- 25 Shall Article XI, Section 11.16, "Amending the Charter" and Section 11.18 "Charter Review Commission" be combined for easier reference? The new Section 11.16 shall be titled "The Charter Review Commission and Amending the Charter" and all subsequent sections in Article XI shall be renumbered accordingly. No budget impact.
- 26 Shall Article XI. Section 11.24. "Comprehensive Master Plan Review Commission" be amended to allow the appointment of a commission no sooner than two (2) years and no later than five years after the most recent appointment of the Commission? Currently a Comprehensive Master Plan Review Commission may be appointed not less than nor more often than once every five (5) years. Budget impact cannot be quantified due to variables.
- 27 Shall Article XI, Section 11.24, "Comprehensive Master Plan Review Commission" (b) be amended to allow the six (6) month term of the Comprehensive Master Plan Review Commission to be extended by City Council? Currently, there is no provision for an extension. Budget impact cannot be quantified due to variables.

Comment [m4]: Combine 26 & 27

D. CERTAIN EXPENDITURES AND USE OF RESERVED FUNDS

Section 5.21. Citizen approval required for certain expenditures and use of reserved funds.

The Council may approve non-emergency, capital expenditures in an amount not to exceed 20 percent of the combined General and Enterprise Operating and Reserve Fund Budgets in effect at the time of the expenditure less any required reserve fund balance established by resolution. Voter approval shall be required for non-emergency, capital expenditures in excess of the permitted amount.

Capital expenditures for emergencies or disasters, as declared by federal, state or city government, which pose an imminent threat to public health and safety, may be made in any amount without voter approval.

~~{(a) *Capital Expenditures of One (1) Million or More Dollars* A favorable majority vote of the people is required for each capital expenditure of one (1) million dollars or more provided that the expenditure is not required for an emergency or disaster that includes the City of Seabrook as declared by the Governor of the State of Texas or the President of the United States or an emergency or disaster is declared by the majority vote of City Council only because of an imminent threat to public health and safety. (10/13, 10/20/14)}~~

~~{(b) *Use of Reserve Funds.* A favorable majority vote of the people is required for each expenditure of thirty (30) percent or more from reserve funds provided that the expenditure is not required for an emergency or disaster that includes the City of Seabrook as declared by the Governor of the State of Texas or the President of the United States or an emergency or disaster is declared by the majority vote of City Council only because of an imminent threat to public health and safety.] (Election of 5-7-2005)}~~

Ballot Language

Shall Section 5.21 "Citizen approval required for certain expenditures and use of reserved funds" (a) and (b) be replaced with a new section with the same title, allowing the City Council to made non-emergency capital expenditures in an amount not to exceed 20 percent of the combined General and Enterprise Operating and Reserve Fund Budgets, in effect at the time of the expenditure, less any required fund balance established by resolution and requiring voter approval for non-emergency capital expenditures greater than this amount? Currently, non-emergency capital expenditures of \$1,000,000 or more or 30 percent or more of the Reserves must be approved by a majority of Seabrook voters.

General Fund Operating Budget	\$ 9,625,003
General Fund Reserves	\$ 3,913,916
Enterprise Fund Operating Budget	\$ 6,586,047
Enterprise Fund Reserves	<u>\$ 2,214,002</u>

\$22,338,968

Less General Fund Reserves 25%	\$ 2,083,609
Less Enterprise Fund Reserves 15%	\$ 734,311

Total	\$19,521,048
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20% of Total	\$ 3,904,209
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30% of Total	\$ 5,856,314
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