

MINUTES OF THE

COMMISSIONERS' COURT

REGULAR MEETING - JULY 13, 2020

On the 13th day of July, 2020, there was a Regular Meeting of the Commissioners' Court in the Commissioners' Courtroom, 2840 Hwy 35 N, Rockport, Aransas County, Texas, with the following members present, via YouTube, or via Zoom: **C. H. "Burt" Mills, Jr.**, County Judge; **Jack Chaney**, Commissioner, Precinct 1; **Leslie "Bubba" Casterline**, Commissioner, Precinct 2; **Charles Smith**, Commissioner, Precinct 3; **Wendy Laubach**, Commissioner, Precinct 4; and **Valerie K. Amason**, County Clerk.

Other County Officers present in person, via YouTube, or via Zoom, were **Jerry Brundrett**, County Surveyor; **Jeri Cox**, Tax Assessor-Collector; **Alma Cartwright**, Treasurer; **Pam Heard**, District Clerk; **Bill Mills**, Sheriff; **Tracy Orr**, Administrative Assistant to the County Judge; **Jacky Cockerham**, Interim County Auditor; **Tana Taylor**, First Assistant County Auditor; **David Reid**, Road Administrator/Drainage Engineer/Stormwater Management Engineer; **Katherine Comeaux**, Development Services Coordinator; **Michael Geer**, Airport Manager; **Valerie Gonzalez**, Environmental Health Director; **John Strothman**, Pathways Project Manager; **Collin Jackson**, IT Director; **Anna Marshall**, Chief Deputy Tax Assessor-Collector and Tax Assessor-Collector Elect; **Linda Doane**, Human Resources Director; **Michele Carew**, Elections Administrator; **Lori Cesar**, Animal Control Director;

Long-Term Recovery Specialists: **Will Whitson; Kim Foutz;**

Members of Local City Government, Community Groups and other Interested Parties present:

PGAL/Architexas: Paul Bonnette, Principal/Project Manager; Larry Irsik, Senior Principal;

Coast & Harbor Engineering, a division of Hatch Mott MacDonald, Corpus Christi, TX: Aaron Horine, Senior Coastal Engineer;

Broadus & Associates: Michael Bishop, Senior Project Manager;

J. Schwarz & Associates, Inc.: Brandi Karl, Project Engineer;

Economic Development Corporation: Neill Amsler, President/CEO;

Quick Ventures LLC: Jatin Patel, President/Director;

RBC Global Asset Management (U.S.) Inc.: Robert "Bob" V. Henderson, Senior Portfolio Manager;

The Rockport Group at Morgan Stanley: John Jackson, Certified Investment Management Analyst/Senior Vice President;

Aransas County Citizens: Mary Hime; Scott Hime; Pat Rousseau, Commissioner Elect, Pct. 3; J. Mark Wagnon, Attorney At Law; Jennifer Horton;

Rockport Center for the Arts: Luis Puron, Executive Director;

Aransas County Historical Commission: Betty Stiles, Chair;

The Rockport Pilot Newspaper: Mike Probst, Editor and Publisher;

The Meeting was convened at 9:00 a.m. at which time a quorum was declared by Judge Mills, WHEREUPON, the following proceedings were had and done to wit:

CITIZENS TO BE HEARD

Scott Hime: I think you are all aware that there is an Erosion and Drainage Program that is scheduled for Fulton Beach Road. The presentation, I mentioned that in April of 2018 we had a multi-jurisdictional workshop and agreed that the most important thing for recovery was to repair and strengthen our attractions and venues, and to build new ones. Fulton Beach Road is a venue, it's an attraction. Looking at this picture (he gave to the Commissioners) I believe this is going to reduce the utility of that shoreline, it's going to make it less of an attraction than it has been since we've been here. There is a public meeting ACND has graciously given us a meeting, we have been denied that, we've been given presentations but we've been given no opportunity for input, it was decided before we got a chance to comment. On the handout the last page is a listing from the Rockport Pilot that describes the breakwater project, as originally proposed, was going to be a million dollars or so, this is a totally different beast, we believe it should have gone back for public comment to the citizens of the county. We have an opportunity now, Wednesday night at the pavilion, to get some public input. We are on the Agenda and we will have time to make some longer comments, but what I'm asking for today is that this Commissioners' Court take a direct interest in this, this is not the project that people thought it was. I took it to the Mayors of both Fulton and Rockport, they looked at the photo and said "Oh, this is not what I thought it would be". I really don't think this is a good thing, I'm asking you to take an interest in it, there are other solutions. I brought in Coastal Geologists, a Marine Biologist, Attorneys, all agree that there is another way to handle this and

we will present some of that Wednesday evening. Thank you.

PRESENTATIONS

1. Presentation of the 2019 Distinguished Service Award from the Texas Historical Commission to the Aransas County Historical Commission in recognition of its outstanding preservation work accomplishments.

Betty Stiles: This has been awarded for 10 consecutive years.

2. Presentation of the 2019 Aransas County Historical Commission of 2501 Volunteer Hours.

Betty Stiles: We present to you a check in the amount of \$62,525.00 representing the monetary value of man hours volunteered.

3. Presentation from William Whitson, of the Long Term Recovery Team. This will be a comprehensive presentation on the current status of the Recovery effort. The presentation will cover the Courthouse portion of the Downtown Anchor Project (DTA), grant status for various projects, general financing strategies, NEPA Compliance for the Downtown Anchor Project (DTA), Micro-hospital project, Cedar Bayou, Hazard Mitigation projects and more.

William Whitson and Kim Foutz went over the Hurricane Harvey Update Power Point presentation.

William Whitson, Paul Bonnett, and Larry Irsik went over the Downtown Anchor Project presentation.

(Inserts)

CONSENT ITEMS

Motion was made by Commissioner Smith and seconded by Commissioner Chaney to approve:

4. Minutes from the Regular Meeting of June 22, 2020.
5. Minutes from the Budget Workshop Meeting of June 29, 2020.
6. Official Public Blanket Surety Bond for Aransas County JP2 office.
7. A Western Surety Company Name Change for Michele M. Carew for Aransas County Elections Administration.
8. Accepting a donation from Aransas County Area Go Texas (AGT) in the amount of \$250 for Juvenile GED Grant.

Question. Motion carried unanimously.

It is so ordered.

LONG TERM RECOVERY REPORTS

9. Update and discussion on Long Term Recovery Status.

Question and Answer:

Commissioner Smith: Paul, in looking at the site plan, I'm showing here that parking for 215 spaces, that's all on the old site for the County Courthouse, right?

Paul: That's correct.

Commissioner Smith: Will that serve both buildings? And that meets the city standards for parking space?

Paul: Yes.

Judge Mills: We also have the parking lot north of that.

Paul: Yes, we've done a preliminary review of the parking

(Inserts)

standards and we feel we are in the guidelines. That has not been reviewed by the City as of yet.

Commissioner Smith: So the City is only providing for about 33 spaces down there on their property, is that right?

Paul: Yes, that's mostly for their staff and elected officials as well.

Commissioner Smith: All the rest of the parking spaces will be on county property, correct?

Paul: On County property, yes, but the community building, the plaza, and the parking area are all envisioned as being shared spaces by the City and the County.

Commissioner Casterline: It would probably be a good idea, on your plan, to draw the existing parking lot north of Mimosa Street on the plan.

Commissioner Smith: I would assure you that we have quite a few county employees that are going to also be using that parking lot. I just want to make sure there is going to be enough parking for the public, this is the public's house.

Paul: Right, and we do need to make sure that on those jury call days that, and we've run into that on other courthouses as well.

Commissioner Smith: I don't really think that 218 spaces is enough to handle the problem.

Will: The other county parking lot that Commissioner Casterline was mentioning, that's mostly going to be dedicated for county employees.

Commissioner Smith: I just think it would be a nice number to have, Judge how many employees do we have in this building, 115 or 120?

Judge Mills: About that.

Commissioner Smith: Well that takes care of that parking lot and then on a jury pull day you've got more than that.

Commissioner Casterline: And I think that the Commissioners Courtroom and also the Justice of the Peace, that it should be labeled as such. I was also curious about the offices surrounding that because, the JP's are both currently in the courthouse and once we reach a population of 50,000 the JP's have to move into their precincts and we have to go back to 4 JP's instead of 2, so I think that if we are building something for a long term process we probably need to go ahead now and move one of those JP's to their precinct. The other comment that I had, the front of the building is on the plaza and when you look at the views, if you are on the street it kind of like you are looking at the back of your house, you basically have to get out and walk into the plaza to appreciate the front of the building. I don't know if there is any way to tweak that to where you have more of a roadside appeal, because when you come into most towns and you come to the courthouse square your looking at the front not the back of the building.

Paul: Well, the approach that we've been taking is that these three buildings, they are all in close proximity to each other and we want them all to have the same or similar architecture language to relate to each other because the City will be able to use the Community Building, as will the County, so that's why it's positioned where it is. In working through the site plan and thinking about how they can relate to each other, we thought that having that plaza for the City, the County, and the Citizens of Rockport to use would be most beneficial. So that's the approach that we took but we can certainly look at some other ideas.

Commissioner Casterline: How confident are you that the square footage that we are talking about, how far out does that put us into the future?

Paul: When we talked to all of the departments we projected out 20-30 years in terms of the number of staff members, their needs, and we did have to reduce some square footage to make sure that we are meeting the budget, but we also are planning for a future potential addition, either to the North or to the West, so as the county grows, that some point in the future you could add on to the building.

Judge Mills: Besides that Commissioner, the JP area can be accessed if they have to move out.

Commissioner Casterline: Because 50,000 is not that far off.

Commissioner Chaney: Maybe 15,000 away.

Commissioner Casterline: I just don't think we ought to be putting somebody in the Courthouse that is going to have to be moved out in that certain time.

Commissioner Smith: The elevation of the first floor level, above sea level, how far up in the air are we?

Paul: We are about 6 feet above natural grade, so the finished floor is planned to be at elevation 12.

Commissioner Smith: The interior floor to ceiling height, how high are those?

Paul: We are planning on about a 16 foot floor to floor height, so that would be structure to structure, and there will be varying ceiling heights, higher in the lobbies and lower back in the staff rooms.

Commissioner Smith: So the courtrooms will be at least this high (indicating the current courtroom in the temporary building)?

Paul: This is pretty tall, this is taller than 16 feet.

Commissioner Smith: But since both courtrooms for the County and District Courts are located on the second floor, you could actually incorporate going up?

Paul: We could incorporate higher ceilings on the second floor, yes.

Commissioner Smith: What is the roof material?

Paul: We have standing seamed metal for the pitched roofs, there will be a section of low slope roofing, probably a modified bitumen. Low sloped roof in the middle where we have mechanical units on the building.

Commissioner Casterline: Will we have substantially better acoustics than this building?

Paul: Yes.

Commissioner Chaney: If the employees are going to park in the back, where is the rear entrance?

Paul: So that parking area that you see in the back of the Courthouse will be for Elected Officials and Judges.

Commissioner Chaney: I'm not talking about the Courthouse, I'm talking about that other parking on the block of the previous courthouse. It has to be ADA compliant but are they going to be able to enter in to the rear of the courthouse?

John: There will be a side entrance for the employees.

Commissioner Chaney: Ok, in your rendering here, how is that handicap accessible?

Paul: There is a ramp, to get that 6 feet elevation we may raise the plaza a little bit to be able to shorten the length of the ramp, but there will be a ramp in the front and ramps in the rear of both the Sally Port and the Judges and Elected Officials parking areas.

Commissioner Chaney: Also, on level one, in the event that we need security there, are you going to have a desk for security? Is there going to be a place for a security guard? Because I think when we get to a certain population we will be required to do that.

Paul: Correct, there will be plenty of room in front area there and we are designing in such a way that if you wanted to enclose that, and make it kind of an entrance vestibule, you would have another layer of security there.

Commissioner Chaney: Also, how big is the Justice of the Peace/Commissioners Courtroom, how big is that? Is it this big?

Paul: It's not as big as this, no.

Commissioner Chaney: Is it half as big as this?

Paul: Probably, I can get you the numbers on the square footage.

Commissioner Chaney: One of the problems that we had in the old courthouse was the fact that the courtroom was too small and as our population grows, I think to have a Commissioners Courtroom any smaller, or significantly smaller than what we have here, is a problem.

Paul: We can definitely look into that. In some of the initial programming discussions we talked about the number of people that we needed to accommodate, but we do need to revisit that.

Commissioner Casterline: Could you go over the cost, originally we were talking about three stories. What's the difference in the cost between stories and three?

Judge Mills: 10,000 square feet and around \$10,000,000 dollars.

Will: We've been battling engineering in this project, working very hard to stay within the envelope of the funding that we

felt was available and reasonable to the County. If you want to increase that then that is your prerogative.

Commissioner Casterline: But I think one of the major goals too was to build something that we don't outgrow for a long time.

Will: It has been a struggle but we have been working hard to stay within the budget constraints.

Commissioner Chaney: I think we are going to be at 50,000 a lot sooner than we anticipate. I can see the need to go ahead and design it for growth, so if we need to go up to a third level, or start thinking about building another one, or at least get the plans on the way to be available in five to seven years.

Will: Again Commissioner, the Staff has been working in the constraints of the budget, but if you and the public say "hey, you know we need a little more horsepower here, we are up to the task", this is the point and time in the process that you make those kinds of decisions and give them direction.

Commissioner Chaney: What would be the cost, per square foot, if we went with another story, overall?

Will: I don't know if it's dollar for dollar, but right now we're looking at somewhere between \$398 and \$399 a square.

Judge Mills: Then we need to do that.

Commissioner Smith: I think it's logical that we have a future plan from a ground stand point, Commissioner, to be able to move certain administrative functions into another building, that would be the thought process rather than totally re-designing what we have here. To me that would make more sense, I think we would have to lock up some of that property, though. We've done that before, and right now the property that we are building this on, the Commissioners Court acquired that twelve or fourteen years ago and that was a good plan at that point

because we needed it in order to satisfy that. But I also should point out that in the year 2005 or 2006 the forecast then was that about the year 2025 we would be at 55,000, but sometimes that just didn't work.

Commissioner Chaney: I'm not saying that we need to change anything right now, but we need to have a plan.

Commissioner Smith: A ground plan, a site plan is probably more in order than anything else.

Judge Mills: Yes ma'am, the District Clerk can attest that we cut some of her space.

Pam Heard: I can, I realize this isn't a final plan, I'm hoping it isn't, my space just isn't quite sufficient. I believe with tweaking it will be, we've got to have my vault attached to my office, right now it's down a secured hall where it's just not going to work, I believe it can work but we are still too small. I can't speak for any other departments, but before you decide let's make sure that the spaces are sufficient for all, that it works for everybody, and that there is room to grow.

Commissioner Chaney: Are we required to have two vaults, one for the County Clerk and one for the District Clerk?

Pam: Yes, we have separate vaults. They could adjoin back to back but they have to be separate, if they needed to, but separate, because the County Clerk is in charge of her records and I'm in charge of mine.

Commissioner Casterline: Pam, why wouldn't you do it like in the old courthouse, the County Clerk's, basically the front door, the whole room was a vault.

Pam: Yes, and you could do that with us too, the problem is they pieced us down around, we need to be in one spot. Right now there are eight of us and there is only a planned space for

seven and I actually have one more with the Court Administrator that is there once a week, so I need at least nine desks and that does not plan anything for the future. So again, we need a little more space and it needs to be organized to how we need it.

Valerie Amason: I don't believe that I have enough space with what's here (referring to the current two story plan).

Judge Mills: Alright, since we are talking about enlarging everything why don't we talk about how we are going to finance this. Everybody wants a bigger space. We did have a 55,000 square foot plan to begin with and we couldn't afford it with what we thought the people wanted to spend but we'll spend more.

Commissioner Casterline: To take you back in time a little bit, a few years ago when we initially started thinking about a new courthouse, before the storm, the Judge and I and another group went to what was then one of the newest courthouses in the State of Texas in Zapata, Texas. The first thing we found out was that it was too small, so I kind of have that engrained in my mind, there is no use in spending the money we are going to spend if we don't spend it wisely.

Judge Mills: Alright, so that opens up another can of worms. Come on up Mr. Henderson. We are going to skip from Item Number 9 to 19.

NEXT ITEM TAKEN OUT OF ORDER

Robert "Bob" Henderson: I'm very excited to be here, even as a Tax Payer, in addition to as a Consultant to the County, it's exciting to see the work that the Long Term Recovery Team has accomplished and the amount of money that we've been able to get

without having to borrow any money at all. Per the direction of yourself, your Honor, I have had the opportunity to look at the finances of the County in terms of what its existing debt load looks like, where your growth and taxable assessed valuation is, and the rapidity with which you are paying that debt off. We also have identified a refunding savings, we can refund about \$3,500,000 from 4% down to about 1.5% and save about \$427,000. When you put all of these things together the preliminary budget that William showed the court, less the cash available of about \$5,950,000, including monies for the Micro Hospital and the Hazard Mitigation Improvements on those three or four roads, leaves an amount of about \$14,250,000. Sounds like a big number but Aransas County has got a very modest amount of debt and what debt they do have is structured very short. I was very excited to come here today and say that we could do \$14,250,000 for no tax rate increase at all. That's how strong the County is in this environment, of course we know the interest rates and the market is very low, so with this interest they could invest in a 20 year debt for less than 2%. So it's a great time to issue debt terms with these interest rates and the structure of the County's existing debt, it gives you a lot of latitude. So, we are hearing a lot of discussion about maybe spending a little bit more money, needing to spend more money, I think it's great on a long-term planner, you don't want what happened in Zapata County happen, if you open it up too small. Mr. Whitson talked about \$10,000,000 to go back to \$55,000,000 from the, I think it was \$48,000,000 you're at now, \$10,000,000 on top of this plan would cost about 1.6 cents. Your I&S tax rate today is 5.3 cents for less than 7 cents on the I&S tax rate, we could do another \$10,000,000. I'm not telling you to do that, I'm just saying to give the community a sense of the magnitude, that

\$10,000,000 would be less than 1.7 cents on your tax rate, the first \$14,250,000 has no tax rate impact at all.

Commissioner Smith: Earlier in the discussion, I know Mr. Whitson pointed out that we needed more space because of growth in the court system, crime. I would point out that probably the largest single reason why we need more space today comes from the City of Austin at the State Capital Building, I might add. Every time that legislature meets they come up with additional requirements that require more employees, and guess what, they don't fund that at all. It's an unfunded mandate, I've talked about this issue before many, many, times. I wonder how long it's going to take for these folks up there to realize that they could curtail some of that stuff. But it does put a lot of pressure on planning at this level down here, there's no doubt about that.

Judge Mills: Alright, I'll let you know if we can go back to 55,000 square feet and lots of room for everybody for pennies on a dollar.

Mr. Henderson: Well we've got a lot of good news since you first started this, in terms of interest rates, in terms of debt structure, refinancing, we could pull all of the savings of the refinancing. One of the things I think that is important for the community to know is your net outstanding debt service on an annual basis is going to fall from 1.4 million dollars this fiscal year and in just 4 years it falls to \$800,000. So when we talk about maintaining a 5.3 cent existing I&S tax rate, that's just for 4 years and then it's going to fall under 5 cents, so you've got a great opportunity. One thing I want to say, I know there's going to be a meeting tomorrow to discuss

these plans further, Agenda Item #19, which I think you moved forward, is to consider a notice to move forward with certificates of obligation. That notice has been designed for \$14,250,000, but what's important to know about that is, \$14,250,000 is a not to exceed number, and we can change that number today to whatever number you want to change it to, say \$24,000,000. It does not commit the County to issue \$24,000,000 worth of debt, it just give a notice to issue up to \$24,000,000. What that allows us to do is stay on the time line and also part of the package has been triggered in the most recent Legislative Session to increase the notice period from 30 days to 45 days, so we need to get this done before you set your tax rate, obviously, in September. So we can go ahead, for today's purposes, increase the amount of money on the not to exceed figure, and then tomorrow in the Workshop you can work on refining those numbers.

Commissioner Smith: What was the ballpark number on going back to the 55,000 square foot?

Mr. Henderson: \$10,000,000.

Commissioner Smith: \$10,000,000 to go up another 10,000 square feet?

John: Give us a little time to get you an exact number by tomorrow, but it's going to be in that ballpark.

Commissioner Casterline: Bob, could you elaborate, my first impression is, it's seems like there is an urgency to get this approved to do the CO's. I'm assuming from your last comment that it has to do with us setting our tax rate for the coming year, can you elaborate on that?

Mr. Henderson: Yes, on the original page there is a timetable of events, State Law has recently been amended and it requires

us to post a notice of intent to issue in the local newspaper twice. The first time not being less than 45 days before you actually need to, to sell the debt. You have a regular meeting and State Law also requires that the certificates be approved at a regular meeting of the court, it can't be a special meeting of the court and you have to have a super quorum. It doesn't have to be approved by a super quorum, but you do have to have a super quorum in attendance. In order to meet your regular meeting, August 31st, we need to publish the first notice the day after tomorrow, July 15th and we've already pre-submitted it to the paper for that purpose. We can pull it today, we can change it today, but it's already been pre-submitted. So if you sell on August 31st then you can come back at your meeting in September to actually set the tax rate. What makes it critical is not the money, it's the timing of the notices and your schedule of your regular meeting.

Commissioner Smith: Do we have to have the money authorized before we sign a contract to build the Courthouse at whatever level we decide? My way of thinking is maybe we don't need the money in the CO, even in the next year.

Will: You'll need it by the time you bid and you are negotiating a contract, that's going to be in probably the March or April time frame.

Mr. Henderson: I can't practice law without a license and I don't have one, but I will tell you that my experience has been that lawyers have generally advised that before you sign contracts you need to have the money.

Will: The feds will ask for that too.

Mr. Henderson: The other thing is, of course, we can't be sure of where our interest rates are going to be at budget time next year and this is a great time to issue that debt.

Commissioner Chaney: There is rarely a time when you can pay less by putting something off than you do by doing it now, except when interest rates are not high. So, my initial thought is that we had the original plan of 70,000 square feet and we need to revisit that. Or, like Commissioner Smith said, we need to try and find some additional areas that we can do this all at the same time, because when it was 3% we said this is never going to go lower but it's gone lower. But it's not going to get lower than 1.5% or 2%, it just can't unless they are going to pay us to borrow money.

Mr. Henderson: And I go back to the discussion that I heard from the court, do you want to spend \$20,000,000 on a courthouse, and that's what your spending and you're getting 9 ½ million of it from other sources, but do you want to only spend \$20,000,000 on a courthouse when it's going to be too small when you open it up?

Commissioner Smith: Bob, just so that everything is clear, if we were to tell the newspaper today to change the notice to say, not to exceed \$24,250,000, that doesn't commit us at this time but it gives us leeway and flexibility to go through the problem?

Mr. Henderson: Yes, you have not committed the county until you come back on August 31st and approve definitive sales, certificates of obligation, and if the number turns out to be, whatever it is, some number between \$14,000,000 and \$24,000,000, whatever the number is that's what you're committing to.

Commissioner Smith: So, the problem before us today is simply, if we make a decision to keep our options opened up to the higher number, it's simply just keeping an option open?

Mr. Henderson: Yes.

Commissioner Smith: Fair enough.

Judge Mills: That being said, thank you Bob. Ms. Rousseau, you had wanted to speak on this item.

Pat Rousseau: Oh, I was curious what the certificates of obligation would be issued for and that's been answered, thank you.

Judge Mills: Alright, we are on that Agenda Item, does anybody have anything they want to say?

Commissioner Chaney: Judge I would make a motion to seek \$24,250,000.

Commissioner Smith: I don't think the motion should be "to seek \$24,250,000, I think the motion should be to put a notice in the newspaper with a maximum amount not to exceed \$24,250,000.

Commissioner Chaney: I'll second that motion.

19. Motion was made by Commissioner Smith and seconded by Commissioner Chaney to approve Resolution #R-25-2020, a Resolution authorizing publication of notice of intention to issue certificates of obligation **not to exceed the maximum amount of \$24,250,000.**

Question. **Will Whitson:** Just one question, as direction for the staff. We have always been focused on value engineering and driving the costs down and getting the best we can for the dollar, so I'm assuming even though we have the leeway, your

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direction still is to value engineer this project and get the most bang for the buck?

Judge Mills: And get the room that's needed in the building.

Commissioner Chaney: Yes.

Motion carried unanimously.

It is so ordered.

Judge Mills: Alright, let's go back to item #10.

10. Update and discussion on the County Application for a workforce development and entrepreneurship center through the Economic Development Administration.

Kim Foust went over the Power Point Presentation.

COUNTY REPORTS

11. Motion was made by Commissioner Smith and seconded by Commissioner Casterline to approve the 2nd Quarterly 2020 Report for the Rockport Center for the Arts.

Question. Motion carried unanimously.

It is so ordered.

COUNTY ROADS

12. Motion was made by Commissioner Casterline and seconded by Commissioner Chaney to approve acceptance of a 15 foot drainage easement from Jacob Trapper at Lot 1, Block No. 4, Copano Cove Subdivision, Unit No. 4, according to the plat recorded in Volume 3, Page 46, Aransas County.

Question. Motion carried unanimously.

It is so ordered.

(Inserts)

13. Motion was made by Commissioner Chaney and seconded by Commissioner Casterline to approve the Concept Plan for Ocean Reef Subdivision development off State Highway 35 Business, south of Palm Harbor Subdivision.

Question. Motion carried unanimously.

It is so ordered.

14. Motion was made by Commissioner Chaney and seconded by Commissioner Smith to approve Amended Order #0-03-2020, to amend Infrastructure Requirements for Rental Communities in Aransas County, Texas [Tabled 06-22-2020].

Question. Motion carried unanimously.

It is so ordered.

15. Motion was made by Commissioner Smith and seconded by Commissioner Chaney to approve authorizing the County Judge to sign County Transportation Infrastructure Fund Grant Agreement with the State of Texas, through the Texas Department of Transportation (TxDOT), for an eligible award of \$152,394 for the County-Identified Transportation Infrastructure Projects (County match 10%).

Question. Motion carried unanimously.

It is so ordered.

CONTRACTS, AGREEMENTS, GRANTS & LEASES

16. Motion was made by Commissioner Smith and seconded by Commissioner Casterline to approve Resolution #R-21-2020, a Resolution recognizing Rebuild Texas's efforts to assist Aransas County and Cristina Cornejo's outstanding leadership, initiative and support of Aransas County.

(Inserts)

Question. Motion carried unanimously.

It is so ordered.

17. Motion was made by Commissioner Smith and seconded by Commissioner Casterline to approve Resolution #R-22-2020, a Resolution designating authorized signatories for the Hurricane Harvey Infrastructure Community Development Block Grant-Disaster Recovery Program (CDGG-DR) Contract 20-065-098-C270.

Question. **Commissioner Casterline:** Who are they? Judge and... ?

Judge Mills: Judge and Alma? **Jacky Cockerham:** Yes sir. Motion carried unanimously.

It is so ordered.

18. Motion was made by Commissioner Casterline and seconded by Commissioner Smith to approve Resolution #R-23-2020, a Resolution to adopt CDBG-DR Program Civil Rights Policies: Citizen Participation Plan and Grievance Procedures, Section 3 Policy, Excessive Force Policy, Limited English Proficiency (LEP) Standards Plan, Section 504 Policy and Grievance Procedures, Code of Conduct Policy and Fair Housing Policy.

Question. **Commissioner Casterline:** This is a standard thing with these grants that you have to approve. **Pat Rousseau:** I

have a question, is this a new set of policies or a revised set of policies that have been in effect and you just do this on an annual periodic basis? **Commissioner Casterline:** Every year,

it's required by USC, on every single grant you have several things that you have to make sure to include in that specific agenda item. **Pat Rousseau:** And these are ones that

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we have been doing in the past? **Commissioner Casterline:** Yes, required by USC. **Commissioner Smith:** Required for grant money.

Motion carried unanimously.

It is so ordered.

19. Discuss and approve Resolution #R-25-2020, a Resolution authorizing publication of notice of intention to issue certificates of obligation this item was heard after Item #9.

20. Motion was made by Commissioner Smith and seconded by Commissioner Casterline to approve Resolution #R-26-2020, a Resolution of Aransas County, Texas, authorizing the submission of a public works and economic adjustment assistance program grant application (including CARES Act funding) to the Department of Commerce, Economic Development Administration, and authorizing the County Judge to act as the County's Executive Officer and authorized representative in all matters pertaining to the County's participation in the EDA program.

Question. **Commissioner Smith:** One quick question, Kim, when this comes back does it have to be voted on to approve it to accept the grant. **Kim Foutz:** Yes sir. **Commissioner Smith:** Ok, so that it, it has to come back to the court for acceptance? **Kim Foutz:** Yes, it's a contract. **Judge Mills:** Ms. Rousseau, any questions? **Pat Rousseau:** I had questions and Ms. Foutz answered them earlier with her presentation, thank you.

(Insert)

Motion carried unanimously.

It is so ordered.

21. Motion was made by Commissioner Chaney and seconded by Commissioner Smith to approve authorizing the County Judge to sign a contract agreement with Randy Bingham, PA-C, Inmate Health Care Service Provider, per Texas Department of State Health Services Tuberculosis Standards for Texas Correctional and Detention Facilities.

Question. Motion carried unanimously.

It is so ordered.

PLANNING & BUDGET OFFICE

22. Motion was made by Commissioner Smith and seconded by Commissioner Chaney to approve June 2020 Indigent Health Care Report.

Question. Motion carried unanimously.

It is so ordered.

23. Motion was made by Commissioner Smith and seconded by Commissioner Casterline to authorize the County Judge to sign the Optional Health Care Services Notification for Indigent Health Care Services for the fiscal year September 1, 2020 - August 31, 2021. There are no changes.

Question. Motion carried unanimously.

It is so ordered.

24. Motion was made by Commissioner Casterline and seconded by Commissioner Chaney to approve new job description for Records Clerk. No new monies.

Question. **Commissioner Smith:** This is for the Sheriff's

(Inserts)

Department?

Sheriff Mills: This is an existing position that is vacant at this point and when I went to refill it I found out there was not job description on file so we created one.

Commissioner Smith: Was it budgeted?

Sheriff Mills: Yes.

Motion carried unanimously.

It is so ordered.

25. Discuss the two methods for calculating the voter-approval tax rate, and direct the Aransas County Tax Assessor-Collector as to which method to use: 1) Per Texas Property Tax Code Sec. 26.04(c)(2)(B): VOTER-APPROVAL TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.035) + (CURRENT DEBT RATE + UNUSED INCREMENT RATE), or 2) Per Texas Property Tax Code Sec. 26.04(c-1) and Sec. 26.07(b): VOTER APPROVAL TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE, due to current tax year disaster declaration by the governor and the disaster's impact on the taxing unit (Under this method, this calculation shall continue until the earlier of, the 2nd tax year in which the total taxable value of property exceeds the total taxable value of property on January 1 of the tax year in which the disaster occurred, or the 3rd tax year after the tax year in which the disaster occurred).

Jeri Cox: I would like to say a few things, Senate Bill 2 was passed in the last Legislative Session and became effective January 1, 2020. This new law changed procedures for rate calculations reducing the City's and County's roll back rates,

(Insert)

which are now called voter approved rate, from 8% down to 3 ½% above the no new revenue rate. Another change is, any adopted rate higher than the voter approval rate triggers an automatic mandatory approval election, which is not 3 ½%, whereas in the past it meant the voters had the right to petition for an election with a certain amount of signatures. This new law also created special taxing units, which Aransas County is not a special taxing unit because it doesn't meet the specific criteria outlined in the tax code. The special taxing units that are created continued to calculate and use that 8% election trigger rather than the 3 ½%, but in the new law, Section 2604 of the Code states: "The governing body of a taxing unit, other than a special taxing unit, may direct the designated officer to calculate the voter approval rate of the taxing unit and the manner provided for a special taxing unit if any part of the taxing unit is located in an area declared a disaster area during the current tax year by the Governor or by the President of the United States". So, the 8% would not even be an option and this item would not be on the agenda if we weren't experiencing the Pandemic and Disaster Declaration we are currently under. It is the opinion of two delinquent tax law firms and the Texas Municipal League that this Pandemic Disaster Declaration has activated a condition in Senate Bill 2 that allows local governments, in the year of a disaster, to designate the property tax rate increase at 8% and if certain conditions are met the local governments could do so for the next two years. But it is the opinion of some state leaders, including Governor Abbott, that this condition only applies to physical damage from a natural disaster and not economic damage that we are experiencing as a result of COVID 19 and that local governments in Texas must adhere

to the new 3 ½% calculation for a voter approval rate. I read articles about state leaders who were discussing ways to penalize the local governments who take advantage of this loophole by new legislation in the next session that would force a lower property tax rate on any locality that uses a voter approval rate above the 3 ½% above the no new revenue rate. So, I just wanted to kind of throw all of that out there to you before you make a decision.

Commissioner Smith: Mrs. Cox, is there any reason why we have to make that decision today?

Jeri Cox: Yes, because I get numbers next week from the Appraisal District about our values.

Commissioner Smith: But you can't do anything until you get those numbers, right?

Jeri Cox: That's right, but I was told this is the Commissioners' Court Agenda where it needed to happen before I start calculating.

Commissioner Smith: We can't give you, in my opinion, what we are going to need until we have all of the budget numbers, which would include projected revenue on that, so you're asking us to make a decision before we have all of the information assessed?

Jeri Cox: So maybe our discussion of budget should have been on the agenda before mine.

Commissioner Smith: I can't answer that question, I didn't set the agenda.

Jeri Cox: I know, I didn't either.

Commissioner Casterline: Is Budget discussion on the agenda here?

Commissioner Chaney: They are not asking us to set the tax rate today, they are just asking which plan we want to go with.

Jeri Cox: Right, how do you want me to calculate the voter approval rate? And if I'm not directed to choose using the 8%, then legally I have to calculate at 3 ½%.

Commissioner Chaney: But if we needed to go to 4.2% we would have to choose the 8% to do it or raise the tax rate?

Jeri Cox: Right, because if you don't direct me to do that, when I calculate, not this coming weekend, but the next week, then I would have to stick to the 3 1/2% and you wouldn't be able to use anything higher.

Commissioner Casterline: Can't you calculate it both ways?

Jeri Cox: I have to be directed because there are lines in the code where I manually, on the formula, have to put in my calculator, 3 ½% or 8%.

Commissioner Casterline: Can't we direct you to do it both ways and give us the option?

Jeri Cox: I did ask Mr. Henderson to stay for this agenda item, I had another entity ask me a question, and then hearing yawl talking about increasing debt, possibly through more bonds, if the bond issue increased it more than the 1.7 that he mentioned, if it throws us over the roll back rate, would we have to have the mandatory election?

Commissioner Smith: Is our debt service and sinking fund that is computed is in the roll back rate?

Jeri Cox: Well that was my question, because Senate Bill 2 was 150 pages long and I haven't been able to memorize it yet. So, he kindly called the attorney and it still stands on the way it was. I believe that Mr. Mendez said that there was a version where that could have triggered, but they went and stayed with the way you calculated above the no new revenue rate, times the

3 ½% or 8%, plus your debt rate. So, we would be covered in that aspect.

Commissioner Smith: I thought the limitation was on the maintenance tax rate?

Mr. Henderson: And effectively it still is, and so what my recommendation would be, and what Mr. Mendez is recommending, and what we've seen in a lot of other communities, given that you just need to preserve the latitude so you can do your budget numbers, is to go ahead and direct at the 8%.

Commissioner Smith: Even when there is a difference of opinion out there in the legal community, or no?

Mr. Henderson: Well, this legislation is very confusing to say the least, what you're doing this morning is to direct what calculation she is going to make. But until you actually adopt a budget and set a tax rate, you won't know if you've exceeded the 3 ½% or the 8%. So it's a moot point, and then we don't have to worry about the Governor's comments unless you exceed 3 ½% and then we would worry about it, I guess, at that time. But in terms of preserving latitude through your calculations, I would recommend and the bond attorney is recommending that you do Option 2 here.

Commissioner Smith: And keep the upper limit?

Mr. Henderson: Keep your latitudes, yes sir.

Judge Mills: Alright.

25. Motion was made by Commissioner Smith and seconded by Judge Mills to approve directing the Aransas County Tax Assessor-Collector to use method number 2) Per Texas Property Tax Code Sec. 26.04(c-1) and Sec. 26.07(b): VOTER

APPROVAL TAX RATE = (NO-NEW-REVENUE MAINTENANCE AND OPERATIONS RATE x 1.08) + CURRENT DEBT RATE, due to current tax year disaster declaration by the governor and the disaster's impact on the taxing unit (Under this method, this calculation shall continue until the earlier of, the 2nd tax year in which the total taxable value of property exceeds the total taxable value of property on January 1 of the tax year in which the disaster occurred, or the 3rd tax year after the tax year in which the disaster occurred).

Question. Motion carried unanimously.

It is so ordered.

26. General Discussion of the 2021 Budget with elected officials and department heads.

Jacky Cockerham: I just want to remind the Commissioners that our workshops are August 3rd and 4th. Based on the sell and talking about selling the bond issue, we may need to look at the date that we are going to adopt the tax rate, because we were going to adopt the tax rate on the 31st, so it may be that we need to push it back to September 14th so that we catch that bond issue and get everything in there.

Commissioner Smith: I thought we had to have it done in August?

Jeri Cox: We put out a calendar, and if you go above your voter approval rate that means that you have to adopt by early in August to have the mandatory election. So we were trying to work the calendar where that would be covered, in that case.

Jacky: We will make sure and keep everybody on track, I just wanted to let you know that, that may change the date that we actually adopt the tax rate.

Jeri Cox: August, we kind of push the August dates because of hurricane season.

Commissioner Chaney: Jacky, can we get an update as to where we are on the budget, you know, like we were asking last time? Can we get that before the end?

Jacky: Yes sir.

27. Motion was made by Commissioner Smith and seconded by Commissioner Casterline to approve Budget Line Item Transfers **of which there were none.**

Question. Motion carried unanimously.

It is so ordered.

28. Motion was made by Commissioner Casterline and seconded by Commissioner Chaney to approve Accounts Payable and Payroll/Payroll Liabilities **including transfers from Venues to cover some bond issues.**

Question. Motion carried unanimously.

It is so ordered.

REPORTS FROM COMMISSIONERS, ELECTED OFFICIALS &

DEPARTMENT HEADS WHEREIN NO ACTION WILL BE TAKEN

Michele Carew: I just wanted to remind everybody that tomorrow is Election Day for the Democratic Primary Run-off. I also wanted to let the court know that voter turn-out has increased by 1,000% compared to where it was four years ago.

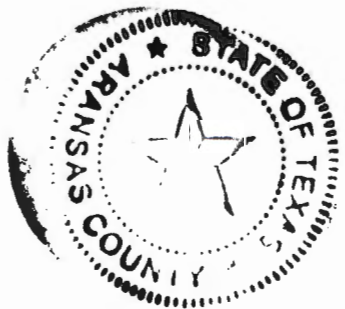
(Insert)

July 13, 2020

No further business presenting, the Court adjourned at 11:34 a.m. on a motion made by Commissioner Smith and seconded by Commissioner Casterline.



C. H. "BURT" MILLS, JR., COUNTY JUDGE



VALERIE K. AMASON,

EX-OFFICIO CLERK OF THE

COMMISSIONERS' COURT