



City of League City, TX

300 West Walker
League City TX 77573

Meeting Minutes City Council

Monday, January 9, 2017

6:00 PM

Johnnie Arolfo Civic Center
400 West Walker Street

Council Work Session

The City Council of the City of League City, Texas, met in a work session in the Johnnie Arolfo Civic Center at 400 West Walker Street on the above date at 6:00 p.m.

Mayor:

Pat Hallisey

City Council Members:

**Dan Becker
Hank Dugie
Larry Millican
Todd Kinsey
Greg Gripon
Keith Gross
Nick Long**

Interim City Manager:

John Baumgartner

Assistant City Manager/Director of Finance:

Rebecca Underhill

City Attorney:

Nghiem Doan

City Secretary:

Diana M. Stapp

Chief of Police:

Michael Kramm

Acting Director of Human Resources/Civil Service:

April Patterson

Director of Parks & Cultural Services:

Chien Wei

Director of Planning/Development:

Paul Menzies

Director of Public Works:

Gabriel Menendez

1. CALL TO ORDER AND ROLL CALL OF MEMBERS

Mayor Hallisey called the meeting to order at 6:00 p.m. and called the roll. All members of Council were present except Mr. Gross.

Absent 1 - Mr. Keith Gross

Present 7 - Mayor Pat Hallisey, Mr. Dan Becker, Mr. Hank Dugie, Mr. Larry Millican, Mr. Todd Kinsey, Mr. Greg Gripon and Mr. Nick Long

2. **DISCUSSION REGARDING WESTOVER PARKS REQUEST FOR DEDICATED LAND TO BE ADDED TO PARK'S MASTER PLAN**

Paul Menzies, Director of Planning/Development said the Turski's are here representing the Westover Park Home Owners Association (HOA). Chien and I will be helping facilitate but this is the HOA's request. I can answer questions regarding the agreement that we have between MUD 39 and the City. Chien can answer questions regarding the park piece.

Diane Turski said we live on Rainbourne Lane in Westover Park Subdivision and we are here along with our HOA president making the official request to turn the donated park that the city has from our developer of our subdivision into an official city park, and preferably include it in your Master Parks Plan that you have been working on. So we prepared a packet of information for each of you. We provided you a survey of the 16.5-acre site which is located off of League City Parkway. This land was donated by the developer to the City of League City and was designated as a park amenity for prospective home buyers in Westover Park. It is included in the utility agreement between MUD 39 and the City of League City. We are also the MUD 39 liaison committee for Westover Park and we attend all their meetings. The MUD 39 board members have confirmed to us as recently as the December meeting that a park is the only use of this site that they will approve. We attended all of the public Master Parks Plan meetings last summer and we filled out the online survey regarding parks. We think this proposed park could serve the city as a west side satellite park and be integrated into your Master Parks Plan serving the far west side. It could serve the nearby subdivisions of Rustic Oaks, Countryside, Brittany Lakes, Westwood, Newport, Magnolia Creek as well as Westover Park. We have provided a graph of a poll that we conducted regarding the amenities the residents would prefer to see in the park. The top five most requested amenities were a covered pavilion, splash pad, playground, dog park and hiking/biking trails. The other benefits we see of having this area used as a park would be the green space benefit as an amenity which encourages families to want to live in that area and also increases property values. The other is as flood control so that you have a sponge in the area. We are here to officially request that you direct the city staff to begin the process to designate our park site area as a park and include it in the Master Parks Plan that you are working on.

Mr. Menzies said the tract was obtained through an agreement between MUD 39 and the city. The agreement dates in 2000 but the actual transfer of the land was about 10 years ago (2006). The agreement was in exchange for the land the developer of Westover Park was to receive a reduction in park land dedication fees from, which were at the time \$500 to \$200. So a reduction of \$300 per lot, for 1300-1400 lots, would represent around \$400,000-\$500,000. So there was monetary value into the donation of the land.

In the MUD agreement the uses that are acceptable to both the city and the MUD include a natatorium, senior center, community center, school, library, fire station, park land, ball fields, playgrounds and open space. So it would appear that if the council was favorable to the request, piece one of getting the space dedicated just for parkland would be to go back and get an official agreement ratified by MUD and then the city to reduce all these uses in the agreement to just park space.

3. **PRESENTATION OF THE REPORT ON THE FOLLOW-UP CIP PROJECT DELIVERY AUDIT**

Michelle Tressler, City Auditor, said the original Capital Improvement Program – Project Delivery Audit Report was first issued in September 2014. The original three findings all revolved around the Project Delivery Manual that is kept up to date for all the CIP projects. So the first finding was the Project Delivery Manual does not address several important project management tasks as follows. There was no Lessons Learned section, no past history kept on contractors, no discussion on Risk Analysis, no discussion on Project Manager Performance Measurements, no discussion on linking cost and schedule, and no discussion on Project Management Thresholds. The second finding was the CIP spreadsheet is not always kept up to date. The last finding was the Actual Time vs. Budgeted Time and Variance Analysis are not consistently documented. All three of the original action plans have been partially implemented. The reasons for that were loss of key personnel, mainly the Director of Engineering and the Director of Public Works; Reorganization of the Department of Public Works, to include the Engineering Department, and the City Engineer replaced the Director of Engineering position. There is an additional Project Manager expected in the Spring. In light of these occurrences the purpose of this Follow-up Audit was somewhat altered. The management responses and action plans were updated to satisfy current personnel/structure and ensure these improvements are achievable. We will need to do an additional follow-up audit in FY2018.

To address the first finding that the Project Delivery Manual does not address several important Project Management tasks we have the following revised responses. Lessons Learned section - discussions have occurred on an informal basis, typically at staff meetings, but these discussions need to be summarized as post-project findings and documented. No Past History Kept on Contractors - three report cards have been developed, one for Construction, one for Professional Services and one for Delivery of Goods. Staff is currently conceding the report cards for a substantial completion of projects since January 2014 and hope to have that complete by the end of the month.

No Discussion on Risk – discussions have occurred on an informal basis but they have not been documented formally. They realize going forward they need to clearly identify the risk factors associated with a project's critical path. **No Discussion on Project Manager Performance Measurements** – all staff is evaluated annually in accordance with City procedures, but specific measures for project managers need to be developed. **No Discussion on Linking Cost and Schedule** – the information exists in various reports, but is not being captured in a formalized summary post-construction. **No Discussion on Project Management Thresholds** – revised project delivery manual will address project management thresholds. The revised implementation date for the Project Delivery Manual is January 5, 2018.

The next two findings also feed into the Project Delivery Manual so they have the same implementation date of January 5, 2018. The CIP spreadsheet is not always kept up-to-date. There is now a CIP monthly report being kept up to date and being provided to Council. Contractors, consultants, vendors are required to provide an updated project schedule with every invoice submittal. Actual Time vs. Budgeted Time and Variance Analysis are not consistently documents. The development of an accurate schedule and budget is a priority regarding the delivery of Capital projects and more time needs to be made for post-project comparison.

4. PRESENTATION OF THE REPORT ON THE CASH PROCESSING AND HANDLING AUDIT

Michelle Tressler, City Auditor, said in this audit we reviewed written cash handling procedures, utilized self-assessment questionnaires, in addition to interviewing personnel within each cash handling department, observed cash handling processes, verified change and petty cash funds, evaluated the design and effectiveness of cash handling controls. In this audit the term Cash means all methods of payment that are accepted by the City (cash, checks, money orders, credit cards, electronic payments, etc.) There were seven areas identified and observed within the City that handle cash: Library, Hometown Heroes Park (including Walker Street Pool), Records Management, Animal Services, Municipal Court, Finance and Building. Most departments are able to accept credit cards in addition to cash and checks, and some are able to accept internet payments for certain transactions (Parks and Rec, Records Management, Municipal Court and Utility Billing). In FY 2016 staff collected approximately \$5.2 million for various fines, fees, services and products. Revenue in Utility Billing for water and sewer services was approximately \$32.7 million.

Finding #1 - Improving controls at some locations could help prevent errors or irregularities or make their detection easier. For the Library, their revenue is small and low risk. They have a unique situation where there are different areas that take payments. While I did find a few things they could improve on they are working diligently to make sure they are doing the right thing. More than one employee is allowed to use the same cash register or drawer at the same time without a mitigating control, such as individual cashier codes. The key for the cash drawers is left unsecured in a drawer beneath the cash drawers. The drawers will only open if there is a transaction. If for some reason they need to get into the drawer, they need the key which was being left in a drawer that wasn't locked. Sales in the Adult Services area upstairs are done manually, outside of the Integrated Library System Sirsi. Revenue from the coin-operated machines, copiers/printers and fax machine is not reconciled. A report is available but the current staff does not know how to interpret it. Based on review of the transaction volume and amounts, a petty cash fund is no longer needed. One employee transports the deposit to the Finance Department unprotected. For the Building Department, they had 1 items. Their non-cash payments collected throughout the day are kept unsecured in a desk drawer. They rarely take cash payments so they would just keep their cash drawers locked in the safe unless they needed it. Their checks and credit card receipts were being kept in an unlocked desk drawer.

Management Responses - For the Library, their target date of implementing this was 1/4/17 so they had already started working on it before I finished the report. They did check with Sirsi and unfortunately they don't currently have the capability to assign individual cashier codes. Since they haven't had any issue reconciling their cash drawers they will just keep that in mind for any future updates if they are able to do that. There is possibly rescheduling they can do to have one circulation clerk assigned to the cash drawer for a longer period of time. The keys for the cash drawers are now all kept in secure locations. An additional sales account was added to Sirsi to account for the small items that are sold in Adult Services. After reaching out to EnvisionWare, the company supplying the software and hardware for public printing, and discussion with IT, Library staff was able to determine a more accurate interpretation of the print job report to aid in reconciliation. The petty cash fund was turned in on 10/18/16. When available, two employees transport the deposit to Finance. For the Building Department, all payments are kept secure throughout the day in a locked box.

Finding #2 – Training should be provided on a recurring basis to ensure that all staff is aware of their cash handling role and can be held accountable. All employees who handle cash have received and acknowledged receipt of the City's Cash Receipts and Petty Cash policies, but they are not kept in a public location for each access to review. There is no recurrence of training and/or acknowledgement of these policies. All signed forms, Cashier's Agreement and Acknowledgement of Receipt of Petty Cash Fund are kept on file in Finance with the exception of several employees in Parks and Rec and the Library. Management Responses - Finance will store the policies in Policy Tech and will require an electronic acknowledgement of the policies on an annual basis. The Accounting Manager will continue to be responsible for the routine audits for all cash handling area and they will include review of the departmental acknowledgements that

Parks and Rec and Library maintain.

Finding #3 – Jail and Animal Control lack the ability to take credit card payments. At this time the jail is only able to take cash payments for cash bonds and some fines. Animal Control is able to process credit card payments at the Animal Shelter, but not when they are at City sponsored off-site events. Both areas would benefit from being able to process credit card payments as a convenience for customers and as safety for the employees that need to secure and transport it. Management Response – Accounting will work with Bank of America to establish both a jail and a mobile machine.

5. DISCUSSION REGARDING CONTAINER REGULATION

Paul Menzies, Director of Planning/Development said we did some research and I will summarize the information that was provided to you. In the League City Code Section 125-120.B.5 “Storage Containers are prohibited from being used as accessory structures”. So if someone wants to come in and get a permit to put one of these at a business we cannot issue one. For full disclosure in doing research what we can tell is this was part of the 2005 revision to our zoning ordinance. There are containers that are out there that we know of that predate this revision so they are grandfathered. The best tool that we have to determine that is as we learn right now. There are a number of illegal installations since then that we are aware of and we are addressing those as they come up, not to say that we have all of them but we do know that we are not running around telling people to get rid of them immediately. We make them aware of the code and will work with them over the next couple of months to get them removed. One of the things that we have always allowed is on an active building construction sight, we allow the contractors to have them for the duration of that permit then they have to be removed. We did some research on other suburban high growth cities in Texas along with our neighbors and provided you that research. Of the 14 other cities on the list there are only 4 that do not allow for shipping containers to be used in this fashion (League City, Frisco, Sugarland and Plano). The remaining 10 cities, excluding Dickinson, heavily regulate their use. They are generally allowed just in industrial zoning districts, sometimes commercial zoning districts but almost without fail some sort of screening is required if they are allowed.

Council challenged staff to draft some amendments to the code from the discussions.

6. CONDUCT A WORK SESSION OF THE CITY COUNCIL TO RECEIVE INFORMATION CONCERNING AGENDA ITEMS APPEARING ON THE MEETING AGENDA FOR THE JANUARY 10, 2017 MEETING OF THE CITY COUNCIL OF THE CITY OF LEAGUE CITY.

NO VOTE OR ACTION WILL BE TAKEN ON ANY ITEM UNDER CONSIDERATION

7. **ADJOURNMENT**

At 7:35 p.m. Mayor Hallisey said, there being no further business this meeting is adjourned.

PAT HALLISEY
MAYOR

DIANA M. STAPP
CITY SECRETARY

(SEAL)

MINUTES APPROVED: February 14, 2017