

YOLANDA FORD
Mayor

VASHAUNDRA EDWARDS
Councilmember at Large Position No. 1

CHRIS PRESTON
Mayor Pro Tem
Councilmember at Large Position No. 2



CHERYL STERLING
Councilmember District A

JEFFREY L. BONEY
Councilmember District B

ANTHONY G. MAROULIS
Councilmember District C

FLOYD EMERY
Councilmember District D

CITY COUNCIL SPECIAL MEETING AGENDA

Notice is hereby given of a Special City Council Meeting to be held on **Monday, May 18, 2020**, at **5:30 p.m.** at: **City Hall, Council Chamber, 2nd Floor**, 1522 Texas Parkway, Missouri City, Texas, 77489, for the purpose of considering the following agenda items. All agenda items are subject to action. The City Council reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

NOTICE REGARDING PUBLIC PARTICIPATION

Due to the COVID 19 Disaster and the Center for Disease Control's recommendation regarding social distancing measures, the public will not be allowed to be physically present at this meeting.

The meeting will be available to members of the public and allow for two-way communications for those desiring to participate. Any person interested in speaking on any item on the agenda must notify the City by one of the following methods **before 4:00 p.m. on the day of the City Council meeting**:

1. Email or call the City Secretary at CSO@missouricitytx.gov or 281-403-8686; or,
2. Submit a "Public Comment Form" to the City Secretary from the following webpage: <https://bit.ly/39pw73Q>.

The request must include the speaker's name, address, email address, phone number and the agenda item number.

To livestream the meeting, the public may access the following link:
<https://www.missouricitytx.gov/780/MCTV>.

To access the meeting agenda packet in PDF format, the public may access the following link:
<https://www.missouricitytx.gov/407/City-Council>.

1. CALL TO ORDER

2. DISCUSSION/POSSIBLE ACTION

- (a) Presentation of City financial forecast with Jon Hockenyos.
- (b) Discuss the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- (c) Discuss the proposed ordinance amending the city personnel policy by establishing a notification process for employment claims against City Council's appointed officials, establishing a time limit for reporting potential paycheck errors for city employees, and requiring notification to the human resources department for certain employee absences.

- (d) Discuss the continuation of remote meetings as allowed by the governor and the status of operations.
- (e) Discuss the redevelopment incentive policy.

3. CLOSED EXECUTIVE SESSION

The City Council may go into Executive Session regarding any item posted on the Agenda as authorized by Title 5, Chapter 551 of the Texas Government Code. Notice is hereby given that the City Council may go into Executive Session in accordance with the following provision of the Government Code:

Texas Government Code, Section 551.071 – Consultation with attorney to seek or receive legal advice regarding pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the City under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act: BrandEra contract.

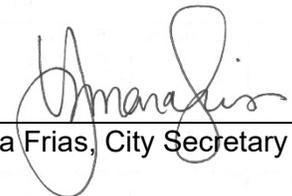
- 4. RECONVENE** into Special Session and consider action, if any, on items discussed in Executive Session.

5. ADJOURN

In compliance with the Americans with Disabilities Act, the City of Missouri City will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Maria Jackson, City Secretary, at 281.403.8686.

CERTIFICATION

I certify that a copy of the May 18, 2020, agenda of items to be considered by City Council was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on May 14, 2020, at 4:00 p.m.



Yomara Frias, City Secretary Department

COVID-19 and the City of Missouri City, TX Implications for Sales Tax Revenue

May 2020



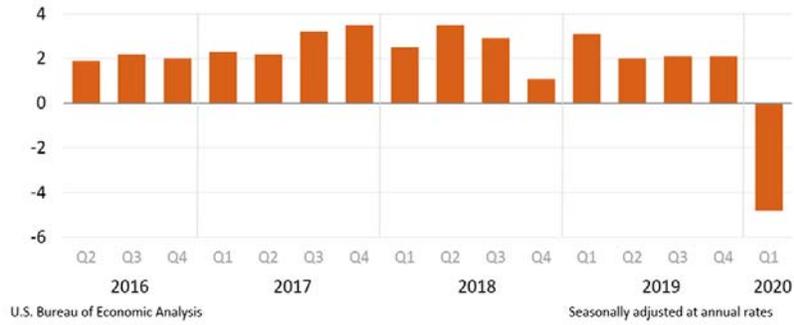
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Overview

- National and local data begin to reflect impact of COVID-19, but more to come – lag factor between events and data.
- GDP down almost 5% in Q1 – easily could be multiples of that in Q2 & Q3
- Massive jump in claims for unemployment - many have either not applied or been unable to get through.
- Real-time indicators (oil & industrial production) drop precipitously.
- Issues on the Horizon
 - Timing and level of ongoing govt. support– business & individual
 - Capacity vs willingness to spend
 - Pattern of recovery/rehiring
 - Secondary outbreak?

txp Overview

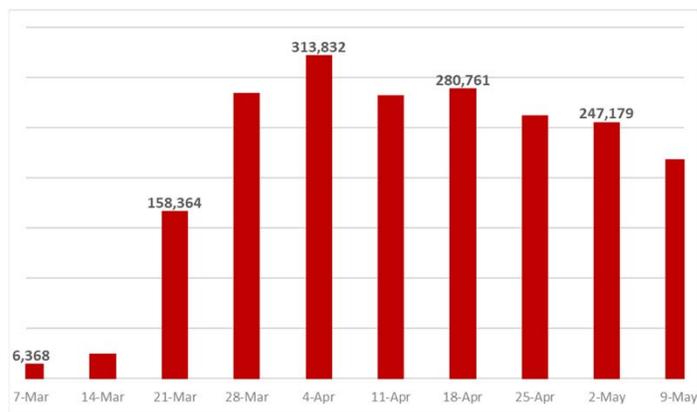
Real GDP: Percent Change from Preceding Quarter



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txp Overview

Texas Weekly Unemployment Insurance Claims



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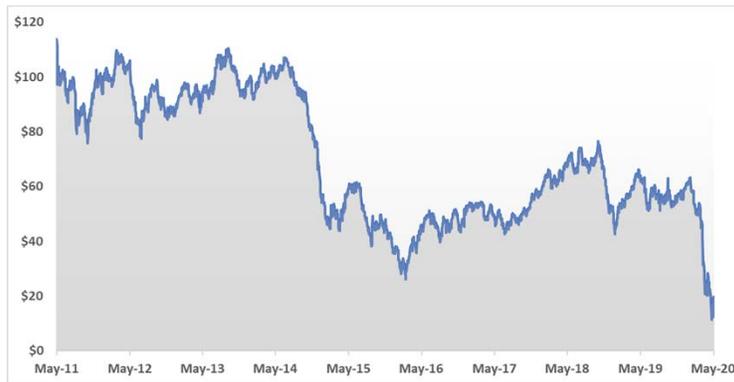
txp Overview

Texas Weekly Unemployment Insurance Claims by Industry

Industry	14-Mar	21-Mar	28-Mar	4-Apr	11-Apr	18-Apr	25-Apr
Accommodation and Food Services	2,556	64,909	60,621	44,415	30,556	28,860	19,232
Administrative & Waste Management & Remediation Services	2,044	11,065	11,976	22,934	18,354	18,177	14,440
Agriculture, Forestry, Fishing and Hunting	44	74	138	196	218	302	299
Arts, Entertainment, and Recreation	214	6,783	7,838	6,853	4,825	4,358	2,687
Construction	2,619	6,909	12,956	12,707	9,971	9,881	7,755
Educational Services	259	4,073	6,404	6,591	5,536	5,701	4,437
Finance and Insurance	402	1,114	1,824	2,699	2,069	2,177	1,712
Health Care and Social Assistance	905	13,939	36,901	36,581	24,546	21,327	14,162
Information	296	3,638	3,507	3,094	2,352	2,051	1,577
Management of Companies and Enterprises	138	708	1,448	1,364	1,062	920	648
Manufacturing	966	3,822	16,610	13,742	11,006	11,707	8,607
Mining	986	2,995	4,306	5,481	5,500	6,720	6,221
Other Services	472	8,279	18,520	17,736	11,411	9,390	5,527
Professional, Scientific, and Technical Services	1,078	5,059	9,669	11,545	9,384	8,496	6,755
Public Administration	124	437	669	836	822	833	1,040
Real Estate Rental and Leasing	355	2,405	4,757	5,122	4,099	3,958	2,706
Retail Trade	909	8,381	27,087	49,236	36,820	29,981	19,715
Transportation and Warehousing	1,986	3,526	5,560	7,247	6,729	7,584	6,554
Utilities	41	64	109	129	113	125	95
Wholesale Trade	604	2,499	6,852	10,620	7,540	7,214	6,408
Unknown	775	5,032	10,855	18,586	23,748	20,217	18,236
Grand Total	17,773	155,711	258,607	277,714	216,661	199,979	148,813

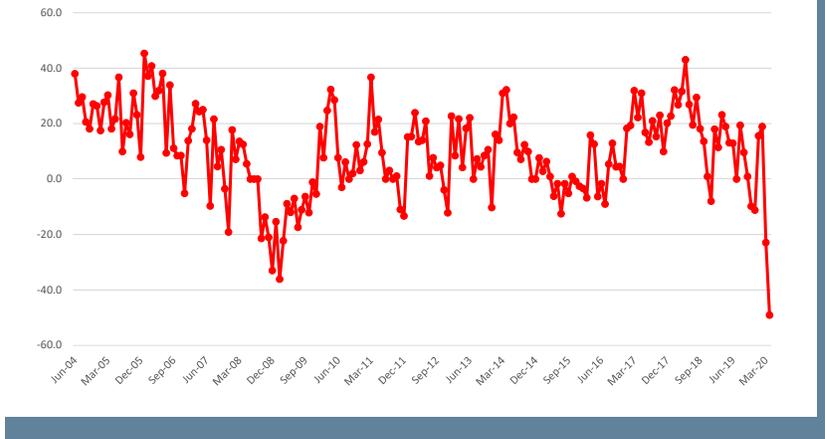
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West Texas Intermediate Daily Price (Dollars per Barrel)



txp Overview

Fed Texas Industrial Production Index



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txp Overview

Year-Over-Year May (March) Sales Tax Growth

Major Cities		Edge Cities		Stand-Alone Cities	
Austin	-4.5%	Flower Mound	-8.1%	Abilene	-2.1%
Dallas	-9.4%	Frisco	-12.0%	Beaumont	-7.9%
El Paso	-11.0%	Grapevine	-24.4%	Longview	-9.5%
Fort Worth	-6.5%	Missouri City	7.1%	Lubbock	-5.5%
Houston	-10.3%	New Braunfels	1.9%	McAllen	-8.0%
San Antonio	-10.8%	San Marcos	23.1%	Midland	-9.5%

- Negative Factors: travel/tourism, employment center, entertainment center, oil & gas, destination commerce (Border)
- Positive Factors: commuter out-migration, fulfillment/distribution center, isolation (at least at this stage).

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COVID-19 & Forecasting

- Changes in the economy inevitably ripple through to public sector revenue streams
- Shelter-in-place means many businesses have been closed, especially those that are customer-facing and non-essential
 - Retail, hospitality, entertainment, personal services, travel, lodging
 - In addition to access, lost/reduced income may also have an impact on spending.
- Jobs are the driver on the economy side
- For local governments, initial impact will be felt in transaction taxes, such as mixed-beverage, hotel occupancy, and general sales taxes.

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Forecasting Sales Tax

- Observed local correlation between job growth and sales tax for a long time.
 - Growth in jobs yields growth in income, which yields capacity for increased spending.
- St. Louis Fed picks up the idea for use in evaluating impact of COVID-19 by classifying occupations according to three criteria:
 - Whether those occupations are essential to public health or safety
 - Whether they involve work that can be completed off-site
 - Whether they are salaried
- Estimate that 66.8 million people nationally are employed in occupations that at high risk of layoff.
 - Sales, Production, and Food Preparation & Services, among others.

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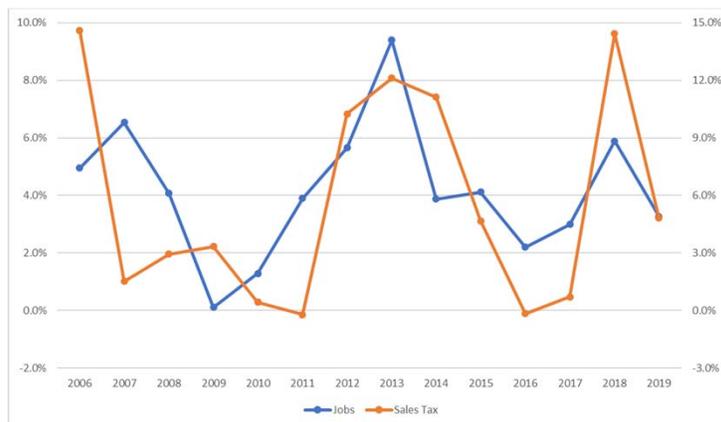
txp Jobs & Sales Tax

- Another approach looks at how many people work in occupations that require the worker to perform tasks in close physical proximity to other people - 27.3 million workers have occupations with a high contact intensity, e.g. Hairstylists, Food and Beverage Serving workers, and Flight Attendants, among others.
- Two different methodologies and datasets – likely significant overlap, but each capturing some aspects that the other ignores.
- St. Louis Fed takes average of the two $(66.8m + 27.3m/2) = 47.1$ million people nationally being laid off during this period.
- Summing to the initial number of unemployed in February, this resulted in a total number of unemployed persons nationally of 52.8 million. Given the assumption of a constant labor force, this resulted in an unemployment rate of **32.1%**.

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txp Jobs & Sales Tax

Houston MSA Private Employment & Missouri City Sales Tax Growth



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COVID-19 & Forecasting

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Forecasting Job & Revenue Loss

- Estimate how likely each of 400 occupations is to experience a period of joblessness. Aggregate into major occupational categories and do the cross-walk to major industries.
- Establish the correlation and overall relationship between job gain/loss and sales tax gain/loss of jurisdiction under analysis. Outcome: for every percentage point gain/lost in employment, sales tax moves up/down X percentage points.
- Account for mitigating factors.
- Create near-term scenarios around level of job losses and patterns of rehiring associated with shutdowns due to COVID-19. These scenarios form the basis of sales tax forecasts for FY 2020 & FY 2021.
- Develop forecasts of employment by sector for 2022-25 (or further). Integrate with historical patterns of growth to develop longer-term projections.

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txp Jobs & Sales Tax

Estimates of Percentage Job Loss

	Total Employed	Potential Lost	Lost as Share
Agriculture, Forestry, Fishing and Hunting	NA	NA	NA
Mining, Quarrying, and Oil and Gas Extraction	28	5	16.7%
Utilities	53	5	9.3%
Construction	402	86	21.4%
Manufacturing	1,310	120	9.1%
Wholesale Trade	288	65	22.6%
Retail Trade	3,370	1,336	39.6%
Transportation and Warehousing	210	33	15.7%
Information	272	51	18.8%
Finance and Insurance	388	70	18.0%
Real Estate and Rental and Leasing	332	80	24.0%
Professional, Scientific, and Technical Services	491	57	11.6%
Management of Companies and Enterprises	27	3	11.4%
Administration & Support, Waste Management and Remediation	529	137	25.8%
Educational Services	500	46	9.3%
Health Care and Social Assistance	2,312	406	17.6%
Arts, Entertainment, and Recreation	191	78	41.0%
Accommodation and Food Services	1,577	1,124	71.3%
Other Services (excluding Public Administration)	794	179	22.5%
Public Administration	407	54	13.3%
TOTAL	13,481	3,934	29.2%

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txp Mitigating Factors

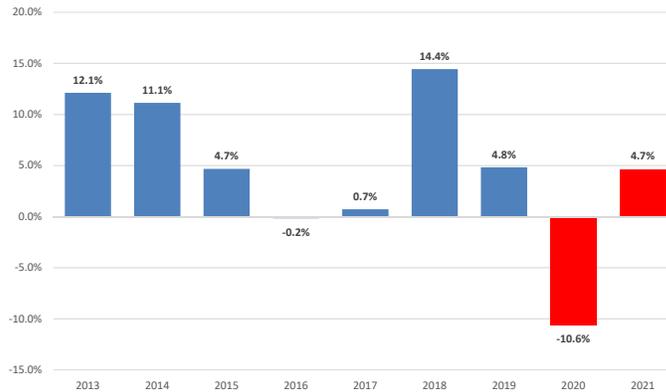
- March impacts only reflect COVID-19 for part of the month.
- Financial support from Federal sources.
 - High levels of unemployment compensation, the PPP program, and EIDL grants all help support consumer spending.
- Rent/debt service abatement also helps maintain spending.
- Shifting patterns of business activity.
 - Some firms able to pivot to maintain at least some revenue – food to go from restaurants, etc.
- Missouri City is a community with a high level of commuter “out-migration” – if you aren’t driving to work in another town, you are more likely to spend near home. Sugar Land sales tax down 9% in March; Pearland down 3.9%.

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Missouri City Sales Tax

Calendar Year Growth in Sales Tax – Baseline Scenario



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Missouri City FY Sales Tax Scenarios

Optimistic

	2019	2020	2021	2022	2023	2024	2025
Oct	\$818,215	\$830,196	\$705,932	\$768,064	\$830,598	\$874,808	\$921,372
Nov	\$941,591	\$949,777	\$864,480	\$907,129	\$998,748	\$1,051,908	\$1,107,899
Dec	\$813,762	\$865,845	\$826,965	\$846,405	\$878,550	\$925,313	\$974,565
Jan	\$764,190	\$813,092	\$788,751	\$825,484	\$869,422	\$915,699	\$964,439
Feb	\$1,028,091	\$1,152,065	\$1,134,821	\$1,064,388	\$1,121,043	\$1,180,713	\$1,243,559
Mar	\$732,188	\$799,921	\$799,921	\$741,707	\$781,187	\$822,767	\$866,561
Apr	\$802,651	\$777,434	\$777,434	\$760,828	\$801,325	\$843,977	\$888,900
May	\$901,738	\$965,631	\$933,684	\$964,215	\$1,015,538	\$1,069,592	\$1,126,524
Jun	\$835,887	\$648,213	\$742,050	\$823,191	\$867,007	\$913,156	\$961,761
Jul	\$786,078	\$550,757	\$668,417	\$827,241	\$871,273	\$917,649	\$966,492
Aug	\$952,200	\$738,411	\$845,306	\$971,190	\$1,022,884	\$1,077,329	\$1,134,673
Sep	\$878,287	\$707,386	\$792,837	\$851,205	\$896,513	\$944,232	\$994,490
Total	\$10,254,878	\$9,798,729	\$9,880,597	\$10,351,048	\$10,954,087	\$11,537,143	\$12,151,233

- Assumes full employment impact in April (June above), some employment impacts in May (July), 95% of workers rehired by end of the year, and growth in 2022-25 returns to long-term trends pre-COVID 19.

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Missouri City FY Sales Tax Scenarios

Baseline

	2019	2020	2021	2022	2023	2024	2025
Oct	\$818,215	\$830,196	\$693,505	\$761,851	\$806,878	\$838,780	\$871,943
Nov	\$941,591	\$949,777	\$850,263	\$900,020	\$970,226	\$1,008,586	\$1,048,463
Dec	\$813,762	\$865,845	\$814,005	\$839,925	\$853,460	\$887,204	\$922,282
Jan	\$764,190	\$813,092	\$776,581	\$801,910	\$833,615	\$866,574	\$900,836
Feb	\$1,028,091	\$1,152,065	\$1,117,577	\$1,033,992	\$1,074,873	\$1,117,371	\$1,161,549
Mar	\$732,188	\$799,921	\$775,974	\$720,526	\$749,014	\$778,628	\$809,413
Apr	\$802,651	\$777,434	\$754,161	\$739,100	\$768,323	\$798,700	\$830,279
May	\$901,738	\$965,631	\$933,684	\$936,679	\$973,713	\$1,012,211	\$1,052,232
Jun	\$835,887	\$623,190	\$729,538	\$799,683	\$831,300	\$864,167	\$898,334
Jul	\$786,078	\$550,757	\$668,417	\$803,617	\$835,390	\$868,419	\$902,754
Aug	\$952,200	\$667,149	\$809,674	\$943,455	\$980,757	\$1,019,533	\$1,059,843
Sep	\$878,287	\$681,093	\$779,690	\$826,897	\$859,590	\$893,576	\$928,906
Total	\$10,254,878	\$9,676,150	\$9,703,071	\$10,107,654	\$10,537,138	\$10,953,749	\$11,386,832

- Assumes full employment impacts in April & May (June & July), 90% of workers fully rehired by end of the calendar year, and growth in 2022-25 returns to long-term trends from 2006-2021.

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Missouri City FY Sales Tax Scenarios

Pessimistic

	2019	2020	2021	2022	2023	2024	2025
Oct	\$818,215	\$830,196	\$668,652	\$749,424	\$790,802	\$821,034	\$852,423
Nov	\$941,591	\$949,777	\$821,831	\$885,804	\$950,895	\$987,248	\$1,024,991
Dec	\$813,762	\$865,845	\$775,125	\$820,485	\$836,456	\$868,435	\$901,635
Jan	\$764,190	\$813,092	\$752,240	\$785,933	\$815,979	\$847,175	\$879,563
Feb	\$1,028,091	\$1,152,065	\$1,083,088	\$1,013,390	\$1,052,133	\$1,092,357	\$1,134,118
Mar	\$732,188	\$799,921	\$752,028	\$706,170	\$733,168	\$761,197	\$790,298
Apr	\$802,651	\$777,434	\$730,887	\$724,375	\$752,068	\$780,820	\$810,671
May	\$901,738	\$965,631	\$933,684	\$918,017	\$953,113	\$989,552	\$1,027,383
Jun	\$835,887	\$585,655	\$710,771	\$783,750	\$813,713	\$844,822	\$877,120
Jul	\$786,078	\$550,757	\$668,417	\$787,606	\$817,717	\$848,978	\$881,435
Aug	\$952,200	\$667,149	\$809,674	\$924,658	\$960,008	\$996,710	\$1,034,815
Sep	\$878,287	\$654,801	\$766,544	\$810,422	\$841,405	\$873,572	\$906,969
Total	\$10,254,878	\$9,612,323	\$9,472,942	\$9,910,033	\$10,317,457	\$10,711,900	\$11,121,424

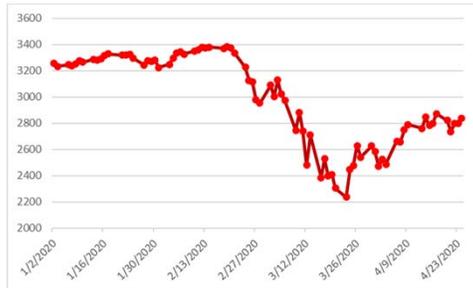
- Assumes full employment effects in April & May (May-July above), 80% of workers fully rehired by end of the calendar year, and growth in 2022-25 returns to trends from 2006-2021.

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txp Where to From Here?

- Stock market typically prices in the impact of a future event in something close to real time, in the process implicitly anticipating overall direction and pattern – argues for a “checkmark” recovery – rapid decline, slower rebound.

S&P 500 Closing Value YTD 2020



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txp Conclusions

- Consumer activity (retail & personal services) and hospitality are the two sectors hit first, and hardest, by COVID-19
- Other sectors also heavily influenced, especially in the near-term
 - Energy
 - Airlines
 - Non-essential Medical
 - Sales
 - Any unique transaction business, eg, Real Estate
- Missouri City feels impacts most strongly in sales tax
 - Could be impacts in other areas
 - Property taxes
 - Fund transfer from other entities
 - Social services
- Process, rather than definitive answers

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**COVID-19 and
the City of Missouri City, TX
Implications for Sales Tax Revenue**

May 2020



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CITY COUNCIL AGENDA ITEM COVER MEMO

May 18, 2020

To: Mayor and City Council

Agenda Item: 2(b) Discuss the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Submitted by: Eugene Campbell, Jr., Fire Chief

SYNOPSIS

Fort Bend County created a Local Government Assistance/ CARES ACT Advisory Committee consisting of appointed organizational representatives from throughout the county. They have been tasked to the following:

- Develop Priority Needs to respond to COVID-19 from supporting local governments and other subrecipients.
- Continue to implement procedures to track multiple current and new COVID-19 funding sources (including subrecipients)
- Perform Compliance checks and DOB
- Seek additional funds to cover County revenue loss
- Coordinate and establish regional alignment
- Establish and document Best Practices and future response needs.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Create a great place to live
- Public Safety

BACKGROUND

Chief Campbell is serving on the Fort Bend County LGA Advisory Committee as a representative for Missouri City. The CARES Act established the Coronavirus Relief Fund (the "Fund") and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments. To date the committee has carried out several processes to define and prioritize COVID-19 response needs for the distribution of approximately \$134 million allocated to Fort Bend County. The general guidelines for the funds to be distributed for the following:

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State of government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

This group has created the attached COVID-19 Prioritization Matrix that outlines how representatives ranked priority needs. In the latest communication from the County, the Commissioner's Court will be holding a special workshop in Commissioners' Court on May 19 at 1:00PM to address the budget for the use of Local Government Assistance funding.

Further, the city is in receipt of a letter from Governor Abbot's Office providing direction to the counties that was very clear that counties, like Fort Bend, were the recipients of the funds on behalf of the cities in the county. Each of the incorporated areas (i.e. Missouri City) located in a county (i.e Fort Bend) that received a direct allocation from Treasury should seek funding for COVID-19 expenses directly from that county.

Cities below 500,000 population wit/tin Counties exceeding 500,000 population

The direct Treasury disbursements to the 12 counties were calculated based on their population, less the total population inside cities larger than 500,000 that reside within those counties. In the same way that cities and counties across the rest of the state will be provided funding on a per capita basis, and are encouraged to work together to address expenses that cross jurisdictional lines, the 12 counties that received direct funding from Treasury based on the total number of residents in their counties (excluding those in the six largest cities) are expected to use their funds to address expenses incurred by incorporated areas with a population less than 500,000 that are located in those counties as well as the needs of residents in unincorporated areas of those counties. Each of the incorporated areas located in a county that received a direct allocation from Treasury should seek funding for COVID-19 expenses directly from that county.

Under Section 601(a) of the Social Security Act, as added by section 5001 of the CARES Act, these funds may only be used to cover costs that:

1. Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)
2. Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or government; and
3. Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Note: A cost is "incurred" when the responsible unit of government has expended funds to cover the cost.

Categories of Eligible Expenditures

1. Medical expenses
2. Public health expenses
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19 related public health measures.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency.
6. Any other COVID-19 – related expenses reasonably necessary to the function of government that satisfy the fund's eligibility criteria.

Staff is currently researching the application process and working with our consultants, as well as coordinating eligible FEMA funds as a direct source for the city

SUPPORTING MATERIALS

1. COVID-19 and CARES Act PowerPoint (*forthcoming*)

STAFF'S RECOMMENDATION

Staff seeks Council guidance and feedback regarding the CARES Act Funding recommendation to be submitted to the Fort Bend County Commissioners Court.

Director Approval: Eugene Campbell, Fire Chief
Interim City Manager Approval: Bill Atkinson



CITY COUNCIL AGENDA ITEM COVER MEMO

May 18, 2020

To: Mayor and City Council

Agenda Item: (2)(c) Discuss the proposed ordinance establishing a notification process for employment claims against City Council's appointed officials, establishing a time limit for reporting potential paycheck errors for city employees, and amending the City's leave policy.

Submitted by: James Santangelo, Assistant City Attorney

SYNOPSIS

Pursuant to a request from the City Council, this draft ordinance provides a notification process to councilmembers regarding both discrimination and harassment reports made against officials appointed by the City Council, as well as grievance reports made in response to personnel actions taken by such officials. On staff's recommendation, the proposed ordinance also imposes a limit of one year from the issuance of a City employee's paycheck to report an alleged error on such paycheck and amends the leave policy to provide for notice to the HR director for certain employee absences.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Develop a high performing City team

BACKGROUND

Under the current Missouri City Personnel Policy, which was adopted in 2017 and amended thereafter, employees have a duty to report discrimination or harassment to (1) their immediate supervisor; (2) their department director; (3) the HR director; (4) the City Manager; or (5) the Mayor. In the event such a report is given regarding the actions of the City Manager, City Attorney, or City Secretary, this draft ordinance requires such person who receives such a discrimination or harassment report to notify the Mayor not more than twenty-four hours after that person receives a report or complaint, and also notify the City Council not later than the next Council meeting for which legal notice under the Open Meetings Act can be provided.

Similarly, if a grievance report is taken through the process set forth in the Personnel Policy regarding the actions of the City Manager, City Attorney, or City Secretary, this draft ordinance imposes a duty on that appointed official to report the grievance to the Mayor within twenty-four hours and to Council not later than the next Council meeting for which notice can be posted.

The draft ordinance also requires employees to report any perceived errors in their paychecks within six months of the issuance of the paycheck in dispute, or else the ability to report such error is waived to the extent that the error can be waived pursuant to federal law.

Finally, the draft ordinance amends the leave policy by requiring an employee to report any unforeseeable leave to the HR Director before such employee is absent for more than three consecutive days or a forty-eight hour shift if the Family Medical Leave Act is to be invoked, and in any case, supervisors are required to report absences of more than three days to the HR Director under the proposed ordinance.

BUDGET ANALYSIS

Funding Source	Account Number	Project Code/Name	FY__ Funds Budgeted	FY__ Funds Available	Amount Requested
N/A					

Purchasing Review: N/A

Financial/Budget Review: N/A

Note: Compliance with the conflict of interest questionnaire requirements, if applicable, and the interested party disclosure requirements (HB 1295) has been confirmed/is pending within 30-days of this Council action and prior to execution.

SUPPORTING MATERIALS

1. Draft Ordinance
2. Changes marked

STAFF'S RECOMMENDATION

Approve the ordinance.

Director Approval:

E. Joyce Iyamu, City Attorney

**Assistant City Manager/
City Manager Approval:**

Bill Atkinson, Interim City Manager

ORDINANCE NO. O-20-__

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS; AMENDING THE PERSONNEL POLICY OF THE CITY OF MISSOURI CITY; PROVIDING A PROCESS FOR CITY COUNCIL NOTIFICATION OF DISCRIMINATION, HARASSMENT, AND GRIEVANCE REPORTS REGARDING CERTAIN CITY OFFICIALS AND PROVIDING TIME LIMITS TO REPORT ERRORS IN EMPLOYEE PAYCHECKS AND TO NOTIFY THE CITY OF ANY UNFORSEEABLE LEAVE TAKEN OR ANTICIPATED UNDER THE FAMILY MEDICAL LEAVE ACT; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

* * * * *

WHEREAS, Section 3.17 of the City of Missouri City Charter (“Charter”) grants the City Council of the City of Missouri City (“City Council”) the power to make investigations into the affairs of the City of Missouri City (“City”) and the conduct of any City department, division, or office; and

WHEREAS, Section 4.06.E of the Charter provides that the City Manager shall prepare personnel rules and the City Council will, by ordinance, adopt such rules with or without amendment; and

WHEREAS, the Interim City Manager has, at the request of the City Council, proposed a revision to the rules regarding the discrimination and harassment investigation process; and

WHEREAS, the Interim City Manager has also proposed a revision to the rules regarding the reporting of potential errors on the paychecks of City employees; and

WHEREAS, the City Council of the City of Missouri City now deems it appropriate to consider the City Manager’s proposed revisions and amend the personnel policy; and

WHEREAS, such action furthers Strategic Plan 2019 Goal No. 4 by developing a high performance city team; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS:

Section 1. The facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. *Policy amendment, Chapter 4.* Ordinance No. O-17-24, adopted on July 17, 2017, as amended, is hereby amended by adding a new subsection 4.3.3 of Section 4.3 of Chapter 4 of Exhibit “A” to provide as follows:

“Missouri City Personnel Policy

. . . .

CHAPTER 4: DISCRIMINATION AND HARASSMENT

. . . .

4.3 Procedure

. . . .

4.3.3 Notice to City Council of Report Regarding Appointed Officials

If an employee’s immediate supervisor or Department Director, the HR Director, or the City Manager receives a report of a potential violation of the protections in this policy under subsection 4.3.1 herein, such person shall notify the Mayor of such report if the person alleged to have committed the violation is the City Manager, City Attorney, or City Secretary in writing and within twenty-four hours after he receives such report.

Any person designated to receive a report of a potential violation of the protections in this policy under subsection 4.3.1 herein shall notify the City Council of such report if the person alleged to have committed the violation is the City Manager, City Attorney, or City Secretary no later than at the next properly called meeting of the City Council for which notice can be provided under Subchapter C of Chapter 551 of the Local Government Code, as such Subchapter may be amended, after such person receives a report.”

Section 3. *Policy amendment, Chapter 5.* Ordinance No. O-17-24, adopted on July 17, 2017, as amended, is hereby amended by deleting Section 5.2 of Chapter 5 of Exhibit “A” thereof, and substituting therefor a new Section 5.2 of Chapter 5 of Exhibit “A” to provide as follows:

“Missouri City Personnel Policy

. . . .

CHAPTER 5: COMPENSATION AND BENEFITS

. . . .

5.2 Errors on Paychecks

Employees should examine each paycheck and direct deposit notice. If an employee believes there is an error in his pay, including, but not limited to, a deduction that has been incorrectly assessed, the employee should promptly report the matter to his supervisor, who shall coordinate with HR and the Finance Department. Any such error shall be reported in the manner provided in this Section within six months of the date that the paycheck containing the alleged error was issued. Employees waive any and all claims for damages for an error in pay reported after either six months after the date on which the paycheck containing the alleged error was issued, or, if applicable, within the limitations periods described in 29 U.S. Code § 255, as such Section may be amended. The City will not retaliate against an employee for making such a report in good faith, and encourages employees to do so.”

Section 4. *Policy amendment, Chapter 8.* Ordinance No. O-17-24, adopted on July 17, 2017, as amended, is hereby amended by deleting Section 8.4 of Chapter 8 of Exhibit “A” thereof, and substituting therefor a new Section 8.4 of Chapter 8 of Exhibit “A” to provide as follows:

“Missouri City Personnel Policy

. . . .

CHAPTER 8: FAMILY MEDICAL LEAVE ACT

. . . .

8.4 Requests for Leave

Whenever leave is taken or anticipated to be taken that may be subject to the FMLA, the employee should fill out a FMLA leave request form. When the need for leave is foreseeable, the employee must provide the City with at least 30 days advanced written notice. When an employee becomes aware of a need for FMLA leave less than 30 days in advance, the employee must provide notice to the HR Director within twenty-four (24) hours after being absent from work on sick leave for three (3) consecutive days or a forty-eight (48) hour shift. Employees must give the City sufficient information for it to make a determination as to whether the employee’s absence is an FMLA-qualifying event. An employee’s supervisor shall notify the HR Director of any employee under his or her supervision who fails to report to work for three (3) consecutive days or more by the close of business on the fourth day after the last day the employee reported to work. Employees shall not be retaliated against for requesting or taking FMLA leave. Employees should report any alleged retaliation to HR immediately.

Section 5. *Policy amendment, Chapter 13.* Ordinance No. O-17-24, adopted on July 17, 2017, as amended, is hereby amended by deleting Section 13.1 of Chapter 13 of Exhibit “A” thereof, and substituting therefor a new Section 13.1 of Chapter 13 of Exhibit “A” to provide as follows:

“Missouri City Personnel Policy

. . . .

CHAPTER 13: GRIEVANCES

13.1 Grievance Report

An employee, other than a Department Director, an Assistant City Manager, or an appointed official, who is formally disciplined or to whom other personnel action has been taken may file a written grievance report as set forth herein. The report must be filed within 30 days of the action at issue.

An employee must first report any grievance(s) to the employee's supervisor. If the employee needs assistance in putting the grievance(s) in writing at any point in the grievance process, the employee may request assistance from his immediate supervisor or any supervisor in his chain of command (other than the City Manager), and that assistance will be provided.

If a grievance report is filed regarding a disciplinary or other personnel action taken by the City Manager, City Attorney, or City Secretary, such appointed official, as applicable, shall notify the Mayor in writing and within twenty-four hours after such appointed official learns of the grievance. Such appointed official shall also notify the City Council of such grievance report no later than at the next properly called meeting of the City Council for which notice can be provided under Subchapter C of Chapter 551 of the Texas Government Code, as such Subchapter may be amended, after such appointed official learns of the grievance.

The grievance report should include the following information:

- a. The employee's name and position title;
- b. The employee's supervisor's name and position title;
- c. The specific basis for the employee's grievance;
- d. The employee's desired outcome of the grievance report; and
- e. Whether the employee has previously reported the grievance to anyone and if so, when and to whom."

Section 6. *Repeal.* All ordinances or parts of ordinances in conflict herewith, if any, shall be and are hereby repealed only to the extent of such conflict.

Section 7. *Administrative procedures authorized.* The City Manager is hereby authorized to prepare and administer procedures and take such actions as are consistent with the provisions of this Ordinance and the Personnel Policy of the City of Missouri City, Texas.

Section 8. *Severability.* In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part

or provision hereof, other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED and APPROVED on first reading this ____ day of _____, 2020.

PASSED, APPROVED and ADOPTED on second and final reading this ____ day of _____, 2020.

Yolanda Ford, Mayor

ATTEST:

APPROVED AS TO FORM:

Maria Jackson, City Secretary

E. Joyce Iyamu, City Attorney

DRAFT

Missouri City Personnel Policy

. . . .

CHAPTER 4: DISCRIMINATION AND HARASSMENT

. . . .

4.3 Procedure

4.3.1 Responsibility of Employees

Any employee who is subject to, a witness to, or becomes aware of any conduct that might be considered a violation of the protections in this policy (including discrimination, harassment, or retaliation) must report the incident in a timely manner. The employee should make the report to (1) the employee's immediate supervisor, (2) the employee's Department Director, (3) the HR Director, (4) the City Manager, or (5) the Mayor. Employees have the right to bypass the chain of command in selecting which person to whom to make a complaint. Informing the person alleged to be violating the policy that the conduct is unwelcome does not constitute a report under this Section. If the person alleged to be violating the policy is one of the persons listed above, the employee must notify a different person in the list so that the matter is appropriately addressed. An employee should not assume that others who witnessed the conduct will know that the conduct is unwelcome and report it in accordance with this Section. Employees must therefore report the conduct regardless of whether or not any other employees were witnesses. Employees should be prepared to provide the following information in connection with the complaint:

- a. The employee's name and position title;
- b. The name(s) of the person or persons committing the violation, including their titles (if known);
- c. The specific nature of the violation, how long it has gone on, and any employment action (demotion, failure to promote, dismissal, refusal to hire, transfer, etc.) taken against the employee as a result of the behavior, or any other threats made against the employee as a result of the behavior;
- d. Names of witnesses to the violation; and
- e. Whether the employee has previously reported such violation and, if so, when and to whom.

Employees are not only encouraged to report instances of violations of this policy, they are obligated to do so. Employees are obligated to cooperate in every aspect of an investigation under this policy, including, but not limited to, coming forward with any relevant evidence, answering questions of an investigator, and fully and truthfully making a written report when required to do so by an investigator.

4.3.2 Investigation

After an incident described by this policy has been reported, HR will coordinate with the City Manager. The City Manager may delegate the investigation to another City employee or to an independent contractor at his discretion. In the event the complaint is against the City Manager, the Mayor shall delegate the investigation to a City employee or to an independent contractor. An investigation shall be conducted, and when appropriate, local law enforcement officials will be involved to ensure the safety of employees. An employee who is found to have engaged in conduct in violation of this policy is subject to appropriate disciplinary action, including termination of employment. A written record of all disciplinary action taken, including, but not limited to a verbal reprimand, shall be kept in the employee's personnel file.

4.3.3 Notice to City Council of Report Regarding Appointed Officials

If an employee's immediate supervisor or Department Director, the HR Director, or the City Manager receives a report of a potential violation of the protections in this policy under subsection 4.3.1 herein, such person shall notify the Mayor of such report if the person alleged to have committed the violation is the City Manager, City Attorney, or City Secretary in writing and within twenty-four hours after he receives such report.

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. . . .

CHAPTER 5: COMPENSATION AND BENEFITS

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encourages employees to do so.

. . . .

CHAPTER 8: FAMILY MEDICAL LEAVE ACT

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If a grievance report is filed regarding a disciplinary or other personnel action taken by the City Manager, City Attorney, or City Secretary, such appointed official, as applicable, shall notify the Mayor in writing and within twenty-four hours after such appointed official learns of the grievance. Such appointed official shall also notify the City Council of such grievance report no later than at the next properly called meeting of the

City Council for which notice can be provided under Subchapter C of Chapter 551 of the Texas Government Code, as such Subchapter may be amended, after such appointed official learns of the grievance.

The grievance report should include the following information:

- a. The employee's name and position title;
- b. The employee's supervisor's name and position title;
- c. The specific basis for the employee's grievance;
- d. The employee's desired outcome of the grievance report; and
- e. Whether the employee has previously reported the grievance to anyone and if so, when and to whom.

Document comparison by Workshare on Thursday, May 14, 2020 4:34:38 PM

Input:	
Document 1 ID	Personnel Policy Ordinance Discrimination, Harassment Report and Paycheck Error Amendment O.doc
Description	
Document 2 ID	Missouri City Personnel Policy 2020 changes ver 7 revised.docx
Description	
Rendering set	standard

Legend:	
Insertion	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Redline Summary:		
No.	Change	Text
1	Insertion	4.3.3 Notice to City...Appointed Officials
2	Insertion	If an employee's...he receives such report.
3	Insertion	Any person designated to...receives a report.
4	Insertion	HR and the Finance Department. Any such error shall be...Section may be amended. The City will not retaliate against
5-6	Change	the employee must provide notice as soon as practicable to the HR Director within...(48) hour

		shift . Employees must give the City sufficient
7	Insertion	whether the employee's absence is an FMLA-qualifying
8	Insertion	FMLA-qualifying event . An employee's...reported to work . Employees shall not be retaliated
9	Insertion	If a grievance report is...of the grievance .

Statistics:	
	Count
Insertions	8
Deletions	1
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	9



**Council Agenda Item
May 18, 2020**

2. DISCUSSION/POSSIBLE ACTION

- (d) Discuss the continuation of remote meetings as allowed by the governor and the status of operations.
-

Cover memo – *Forthcoming*



CITY COUNCIL SPECIAL SESSION AGENDA ITEM COVER MEMO

May 18 2020

To: Mayor and City Council
Agenda Item: 2(e) Discuss the redevelopment incentive policy.
Submitted by: Joseph Esch, Economic Development

SYNOPSIS

Review and discuss redevelopment incentive policy requirements.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Create a great place to live
- Maintain a financially sound City
- Grow business investments in Missouri City
- Have quality development through buildout

BACKGROUND

The city council has adopted an economic development plan, which includes a list of priorities. One of the top five priorities is attracting investment for new development and redevelopment along an area of Texas Parkway from US90A to Cartwright Road as well as along Cartwright Road from Texas Parkway to FM1092.

With the exception of Freeport Tax Abatement, which the city adopted and applies to manufacturing companies meeting state requirements, all economic development incentives offered by the City of Missouri City are discretionary, considered on a case-by-case basis. In all instances, the incentives require city council approval and/or TIRZ board approval of formal agreements in open regular session. As such, no project will receive incentives unless it meets with the approval of the majority of the elected leadership of the city.

In 2019, Council approved an incentive agreement for the redevelopment of Grand Park Center. At the time members of council expressed a desire to develop minimum architectural standards for consideration of public incentives. At the April 20, 2020 Council meeting, Council adopted minimum architectural standards for projects desiring to be considered for financial incentives. At the time, the meeting a number of questions were expressed over a number of incentive policy requirements including:

- Eligible project expenses for incentive projects receiving incentives
- Required amount of funding match provided by the applicant for incentives
- Required information to be provided by the applicant before project would be considered for incentives.

Since the last discussion, Councilman Maroulis requested this item be placed on the agenda. To further facilitate this discussion, staff attempted to set a committee meeting prior to the special meeting and was not able to do so due to the Council meeting schedule this week.

SUPPORTING MATERIALS

1. PowerPoint presentation

STAFF'S RECOMMENDATION

Receive update, discuss and provide feedback

Director Approval: Joseph Esch, Economic Development

**Assistant City Manager/
City Manager Approval:** Bill Atkinson, Interim City Manager

Redevelopment Incentive Policy Discussion

May 18, 2020

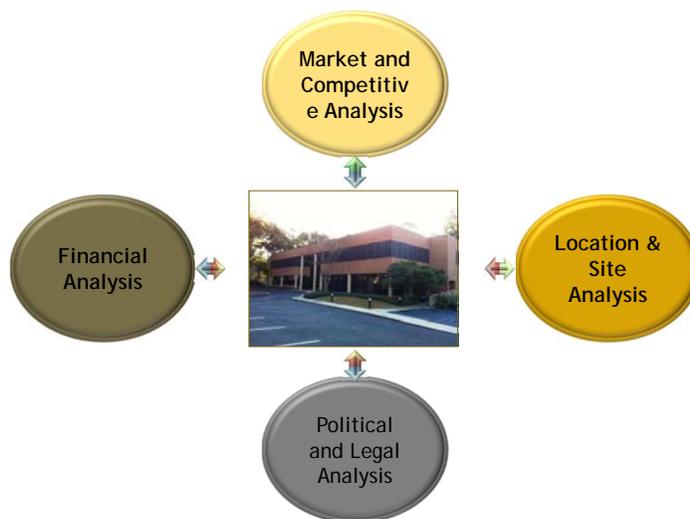
Summary from April 20, 2020 Council meeting

- ▶ Council approved use of existing development standards for new and redevelopment as the base line expectations
- ▶ Council expressed concern over the use of public incentives for basic building requirements (i.e developing a list of eligible and ineligible development costs)
- ▶ Staff discussed with Council the need to establish policy guidance to address their concerns

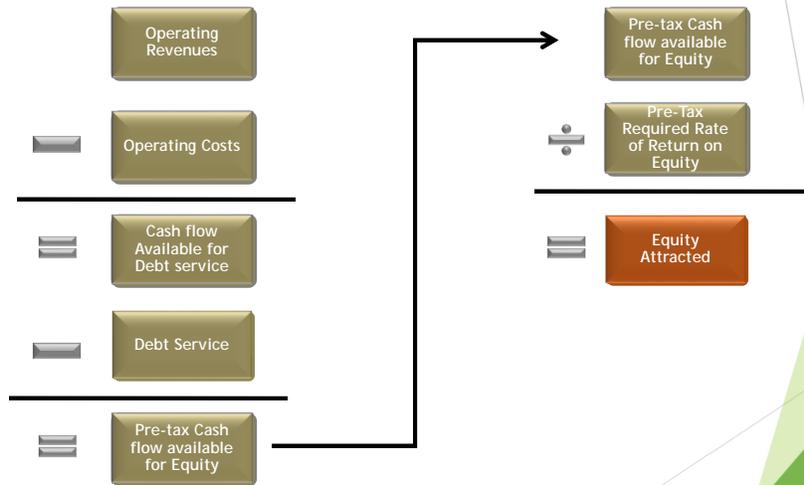
Goal for discussion

- ▶ Establish a list of points to include in a formal redevelopment policy for council action
- ▶ Policy points include
 - ▶ List of eligible project expenses
 - ▶ List of ineligible project expenses
 - ▶ Application requirements for projects to be considered

Market Context for Valuations

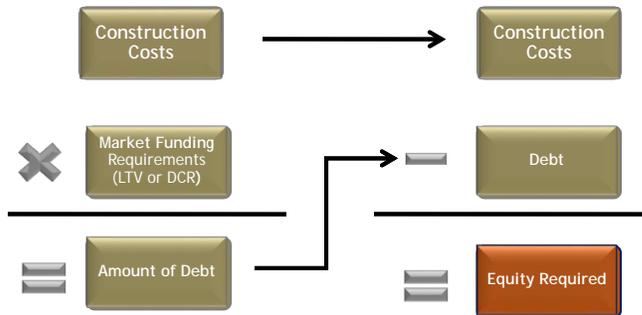


Equity Attracted

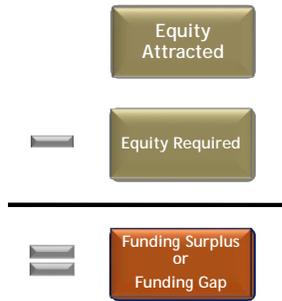


NOTE: Required Rate of Return is not an absolute. I will vary from party to party

Equity Required



Funding Surplus / Funding Gap



Funding Surplus = No need for Public Sector Support

Funding Gap = Amount of Public Sector Funding Required to Accomplish Project

Justifying the Gap



Income Property Valuation = IRV

- ▶ I = Net Operating Income (NOI)
- ▶ R = Capitalization Rate = the rate of return
- ▶ V = Value

$$\frac{\text{NOI}}{\text{CAP RATE}} = \text{Value}$$

NOTE: Cap rates are not absolutes. The market will have some consensus on cap rates, but each project is negotiable based on the specifics of the deal.

Retail Development - Assumptions

- ▶ Developing a multi tenant building for lease
- ▶ Developer seeking a market rate of return for investment
- ▶ Rental rates are
 - ▶ at market and
 - ▶ NNN = Tenant pays all common and customary expenses including CAM
 - ▶ stated as annual rates per square foot

High Level Market Comparison - New Development

Texas Parkway

- ▶ Rental rates \$9 -13 per SF
- ▶ 10,000 SF Building
- ▶ Development Cost \$110SF - \$125/SF
- ▶ Cap Rate dependent on tenant mix.
 - ▶ EX - Non Credit Tenant mix 9% - 10%
 - ▶ NOTE: If there is a mix of national Credit and Non Credit tenants there may be a blended CAP Rate

Highway 6

- ▶ Rental rates \$28 - \$32 per SF
- ▶ 10,000 SF Building
- ▶ Development Cost \$110SF - \$125/SF
- ▶ Cap Rate dependent on tenant mix. Ex National Credit Tenant 5%-7%

High Level Market Comparison - New Development

Texas Parkway

- ▶ NOI = \$90K - \$150K
- ▶ Development Cost
 - ▶ \$1.1MM to \$1.25 MM
- ▶ Value of income property at full occupancy
 - ▶ \$900k - \$1MM
- ▶ Cost to develop > Value

Highway 6

- ▶ NOI = \$280K - \$320K
- ▶ Development Cost
 - ▶ \$1.1MM to \$1.25 MM
- ▶ Value of income property at full occupancy
 - ▶ \$4MM - \$5.3MM
- ▶ Cost to develop < Value

Policy Requirements

Based on Council input the following are the requirements to include:

- ▶ Eligible Expenses
 - ▶ New Façade (material physical changes and not just painting the exterior)
 - ▶ Parking Lighting
 - ▶ Landscaping updates
 - ▶ Security Enhancements
 - ▶ New Monument Signage
- ▶ Ineligible Expenses
 - ▶ Required /deferred maintenance items required for standard upkeep (replacing roof, air conditioning, plumbing repair, etc...)
 - ▶ Façade Painting (see above)
- ▶ Applicants will provide elevations of the proposed improvements to be made as a part of an application for incentives.
- ▶ Applications for incentives will be approved by City Council. Staff will work with the Economic Development Committee to review applications for recommendation to the city council.

Discussion