

ALLEN OWEN
Mayor

JERRY WYATT
Councilmember at Large Position 1

CHRIS PRESTON
Councilmember at Large Position 2



YOLANDA FORD
Councilmember District A

DON SMITH
Councilmember District B

ANTHONY G. MAROULIS
Councilmember District C

FLOYD EMERY
Mayor Pro Tem
Councilmember District D

CITY COUNCIL SPECIAL MEETING AGENDA

Notice is hereby given of a Special City Council Meeting to be held on **Tuesday, January 3, 2017, at 6:00 p.m.** at: **City Hall, Council Conference Room, 2nd Floor, behind the Council Chamber, 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.

1. CALL TO ORDER

2. DISCUSSION/POSSIBLE ACTION

- (a) Consider the proposed legislative agenda and, if necessary, authorize staff to prepare a resolution adopting the 2017 legislative agenda.
- (b) Consider Charter amendment recommendations and, if necessary, authorize staff to prepare an ordinance ordering a Charter election.

3. CLOSED EXECUTIVE SESSION

The City Council may go into Executive Session regarding any item posted on the Agenda as authorized by Chapter 551 of the Texas Government Code.

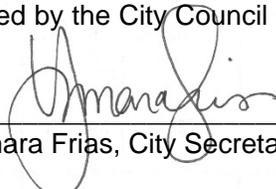
4. RECONVENE into Special Session and Consider Action, if any, on items discussed in Executive Session.

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 January 3, 2017, agenda of items to be considered by the City Council was posted on the City Hall bulletin board on December 30, 2016, at 4:00 p.m.



Yomara Frias, City Secretary Department

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the City Hall bulletin board on the ____ day of _____, 2017.

Signed: _____ Title: _____



CITY COUNCIL AGENDA ITEM COVER MEMO

January 3, 2017

To: Mayor and City Council
Agenda Item: 2(a) 2017 Legislative Agenda Workshop
Submitted by: Anthony Snipes, City Manager
Joseph Esch, Director of Economic Development
E. Joyce Iyamu, City Attorney

SYNOPSIS

Provided for City Council's consideration is the proposed 2017 Texas Legislative Agenda document to be considered for adoption at a later meeting.

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Create a Great Place to Live
- Maintain A Financially Sound City Government
- Grow Business Investments In Missouri City
- Have Quality Development Through Buildout

BACKGROUND

Staff and Council have identified multiple legislative issues during the last two years. Several of those issues have been included in the proposed legislative priorities and agenda document. Draft legislative agenda issues and documents were also presented and discussed on November 3, 2016, with the Finances and Services Committee, and with the City Council on June 20, 2016, November 7, 2016, and December 19, 2016. No new legislative items were received between December 19, 2016, and December 28, 2016. A brief summary of the background of the items listed on the proposed legislative agenda is as follows:

- **Property tax revenue caps:** Last session, multiple bills, including, House Bill 365, House Bill 957, Senate Bill 156, and Senate Bill 182, were proposed by the Texas Legislature to limit the amount of taxes local governments could raise without an election. This issue, which was the subject of a special Texas Senate committee that toured the state, continues to be one of the most significant issues the City may face in the next legislative session. This item was included in Resolution No. 15-01, adopting the City's 2015 legislative agenda, and in draft legislative agenda documents presented and discussed on November 3, 2016, with the Finances and Services Committee, and with the City Council on November 7, 2016 and December 19, 2016.
- **Hotel occupancy tax revenue:** The City Council initially received a presentation on the use of hotel occupancy tax revenue on August 17, 2015. At that time, staff identified the limitation in the law that prevents the City from using its hotel occupancy tax revenue for sporting events attracting tourists because of the City's location, in part, in a county (Harris County) of over one million in population. This item was included in draft legislative agenda documents presented and discussed on November 3, 2016, with the Finances and Services Committee, and with the City Council on November 7, 2016, and December 19, 2016.
- **Sales tax elections for economic development and other purposes:** The City's ability to raise its sales tax is limited by state law. This item would allow the local electorate to vote on increasing the

current sales tax limit for various purposes, including economic development. This item was included in draft legislative agenda documents presented and discussed on November 3, 2016, with the Finances and Services Committee, and with the City Council on November 7, 2016, and December 19, 2016.

- **Special district annexation:** Multiple utility districts, in whole or in part, are contained within the City's boundaries. The proposed legislation would allow the City to annex entire districts without absorbing the debt obligations of the districts. This item was included in draft legislative agenda documents presented and discussed on November 3, 2016, with the Finances and Services Committee, and with the City Council on November 7, 2016 and December 19, 2016.
- **Vesting of certain permits:** The City has attempted to obtain compliance from residents for certain building and property maintenance code regulations for years. A challenge in obtaining compliance is the two-year minimum timeframe for building permits. The proposed legislation would clarify that the two-year minimum timeframe provided by Chapter 245 of the Texas Local Government Code does not apply to a permit issued for the construction of a structure intended for human habitation that is issued under regulations adopting uniform building, fire, electrical, plumbing or mechanical codes adopted by national code organizations. This item was included in draft legislative agenda documents presented and discussed on November 3, 2016, with the Finances and Services Committee, and with the City Council on November 7, 2016 and December 19, 2016.
- **Crime district:** Certain areas of the City desire enhanced security services. State law allows a municipality to adopt an additional sales tax to pay for such services. Such tax is still limited by existing sales tax caps. As a city that is a participant in a transit authority, the City is already limited in the amount of sales and use taxes that may be assessed. This proposed legislation would allow the imposition of a sales and use tax that exceeds the current maximum allowed to create a crime district. This item was included in draft legislative agenda documents presented and discussed on November 3, 2016, with the Finances and Services Committee, and with the City Council on November 7, 2016 and December 19, 2016.
- **Redevelopment incentive program:** The City is exploring methods of increasing economic development and redevelopment investments in the City. On or about November 16, 2016, staff attended a conference regarding economic development and legislation. This proposed legislation would offer a state franchise tax credit for investing in qualifying projects in qualifying redevelopment areas. Such program could serve as a pilot project patterned after the federal new market tax credit program. This item was included in draft legislative agenda documents presented and discussed on December 19, 2016 with the City Council.
- **Utility liability waiver:** The City is a participant in the Metropolitan Transit Authority of Harris County (METRO). One of the initial incentives of participating in such authority was access to mass transit (i.e. high-speed rail). To foster opportunities for mass transit, this proposed legislation would limit the liability of a public utility, as the owner, easement holder, occupant, or lessee of land, provided that the public utility agrees to allow public access or use of such land for mass transit. This item was included in draft legislative agenda documents presented and discussed on December 19, 2016 with the City Council.

Key dates for the 2017 regular session of the Texas Legislature (the "85th Session") are as follows:

- Early filing for legislation: November 14, 2016;
- The 85th Session begins: January 10, 2017;
- 60-day bill filing deadline: March 10, 2017;
- Adjournment: May 29, 2017; and
- Deadline for the governor to sign or veto bills: June 18, 2017.

BUDGET ANALYSIS

Purchasing Review: N/A
Financial/Budget Review: N/A

SUPPORTING MATERIALS

1. Draft 2017 state legislative agenda document

STAFF'S RECOMMENDATION

Determine legislative priorities.

CITY OF MISSOURI CITY, TEXAS

2017 LEGISLATIVE AGENDA



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DRAFT

City Council's Legislative Priorities

The City's legislative agenda is fluid in nature. As such, this document may be adjusted based on local issues or the climate in the Texas Legislature. The City Council's goal is to work with other entities, including, but not limited to, other cities and the Texas Municipal League, in a spirit of collaboration and teamwork. When the positions of such entities are consistent with the City's positions, Missouri City may support those entities.

General Principles

1. Missouri City opposes legislation that would diminish municipal revenue and the City's ability to provide City services and enhance City infrastructure, such as, streets, roads, and bridges and water and wastewater treatment systems.
2. Missouri City opposes legislation that would erode the authority of home-rule municipalities.
3. Missouri City supports legislation that enhances the City's ability to solve problems and improve the quality of life for its residents.
4. Missouri City supports legislation that promotes the interests of the City's residents, including, but not limited to, initiatives that:
 - a. sustain the City's authority to set its budget;
 - b. sustain the City's authority to levy taxes in accordance with the needs of its residents;
 - c. preserve the City's authority to enact appropriate zoning regulations;
 - d. allow the City to provide adequate fire, police, code enforcement, and park services;
 - e. foster economic development; and
 - f. increase efficiency in the provision of open meetings and records.
5. Missouri City opposes legislation that increases the City's costs.
6. Missouri City supports legislation that provides funding for basic services and community amenities, such as, public safety, infrastructure, and parks.



Overview of Issues

The City of Missouri City has identified the following primary issues that may have the most significant impact on the quality of life of its residents, as well as, the city's position to support or oppose certain legislation.

Primary Issues

- ❖ Preservation of local control.
- ❖ Maintenance of local funding mechanisms and control.
- ❖ Preservation of the authority for home-rule municipalities.
- ❖ Rejection of unfunded state mandates.

Support

- ❖ Support legislation that would preserve local control.
- ❖ Support the ability of cities to hold a single election to eliminate one sales and use tax and adopt another.
- ❖ Support legislation that would allow local governments to meet statutory notice requirements by providing public notices on the websites of such local governments.
- ❖ Support legislation that promotes the interests of the City's residents, including but not limited to, initiatives that sustain the City's authority to set its budget and levy taxes in accordance with the needs of the City's residents.
- ❖ Support additional funding options for city and regional transportation programs.
- ❖ Support state-funded and local-option funding choices for economic development and transportation purposes.
- ❖ Support legislation that would protect the City's previous and future investments in the Texas Municipal Retirement System (TMRS).
- ❖ Support legislation that would expand the use of public, educational and government (PEG) fees to include operational and related costs associated with PEG channels.
- ❖ Support legislation advocated by entities to which the City of Missouri City belongs that is consistent with the positions set forth by the City. Such legislation may include, but is not limited to:
 - a. Legislation relating to regulating pay day lending establishments;
 - b. Increasing the efficiency of intergovernmental relationships between local governments and state agencies; and
 - c. Preserving and protecting municipalities' annexation authority and extraterritorial authority.

Oppose

- ❖ Oppose legislation that erodes the City's ability to govern its affairs.
- ❖ Oppose legislation that imposes unfunded requirements on the City.
- ❖ Oppose legislation that changes the current property and sales tax systems, as well as, other income producing structures and that would cause the City to lose revenue or the ability to raise revenue.
- ❖ Oppose legislation that would further lower the appraisal cap.
- ❖ Oppose legislation that erodes the authority of home-rule cities to annex.
- ❖ Oppose legislation that would restrict the zoning authority of cities.
- ❖ Oppose legislation that would limit Missouri City's ability to raise revenue for providing city services.
- ❖ Oppose legislation that would impose expanded collective bargaining rights.
- ❖ Oppose legislation that would expand the current "meet and confer" law.
- ❖ Oppose legislation that would restrict the use of economic development tools available to local governments such as tax abatement, tax increment reinvestment zones and Chapter 380 agreements.
- ❖ Oppose legislation that erodes municipal authority over municipal right-of-ways or prevents the City from being compensated for the use of public property.
- ❖ Oppose legislation that erodes municipal sovereign immunity.

Proposed 2017 State Legislative Agenda

The specific areas of interest for the 2017 legislative agenda are as follows:

1. **Property tax revenue caps:** Legislation that would limit the City's ability to provide services to its residents and businesses, including, but not limited to, legislation that reduces the rollback rate from eight percent to a lower rate.
2. **Hotel occupancy tax revenue:** Legislation that would allow municipalities *primarily* located in counties with a population of one million or less to expend hotel occupancy tax funds on sporting events.
3. **Sales tax elections for economic development and other purposes:** Legislation that would allow municipalities to hold elections to increase the sales tax above the current limit for the purpose of economic development or for other governmental purposes.
4. **Special district annexation:** Legislation that allows a municipality to annex land within a special district without dissolving the district and without taking on the debt obligations of the district.
5. **Vesting of certain permits:** Legislation that would clarify that Chapter 245 of the Texas Local Government Code does not apply to a permit issued for the construction of a structure intended for human habitation that is issued under regulations adopting uniform building, fire, electrical, plumbing or mechanical codes adopted by national code organizations.
6. **Crime district:** Legislation that would allow the City to impose a sales and use tax rate that exceeds the current maximum allowable sales and use tax limitation to create a crime district for enhanced security.
7. **Redevelopment incentive program:** Legislation that would provide an incentive for investing in redevelopment projects. Such legislation would offer a state franchise tax credit for investing in qualifying projects in qualifying redevelopment areas. Such program could serve as a pilot project patterned after the federal new market tax credit program.
8. **Utility liability waiver:** Legislation that would limit the liability of a public utility, as the owner, easement holder, occupant, or lessee of land, that agrees to allow public access or use of its premises for mass transit.



CITY COUNCIL AGENDA ITEM COVER MEMO

January 3, 2017

To: Mayor and City Council
Agenda Item: 2(b) 2016 Charter Recommendations
Submitted by: E. Joyce Iyamu, City Attorney

SYNOPSIS

The City Council of the City of Missouri City (the City Council) received the 2016 Charter Review Commission (the Commission) Final Report (the Final Report) on December 19, 2016. The deadline to order an election for the May 6, 2017 uniform election date is February 17, 2017. **Staff seeks direction from City Council as to:**

1. **proposed Charter amendments, if any;**
2. **ballot language to facilitate the preparation of an ordinance for the purpose of ordering a charter election, if necessary; and**
3. **the date on which to call an election, if necessary.**

STRATEGIC PLAN 2019 GOALS ADDRESSED

- Create a Great Place to Live
- Maintain A Financially Sound City Government

BACKGROUND

On December 19, 2016, the City Council received the 2016 Charter Review Commission Final Report. Pursuant to Section 11.13 of the Charter, the City published a summary of the Final Report on December 28, 2016. The Final Report recommended that the City Council make the following changes to the City Charter:

- revise the section governing the timeframe for the election of the mayor pro tem;
- remove the requirement that the City Council must concur with the city manager's appointment, removal, or suspension of department directors and assistant city managers;
- change the name of the city's finance department from the "finance department" to the "financial services department;" and
- change the month in which the fiscal year begins from July to October.

Pursuant to Section 9.004 of the Texas Local Government Code, the City Council may order an election to be held on the first authorized uniform election date prescribed by the Texas Election Code, May 6, 2017, or on the earlier of the date of the next municipal general election, November 7, 2017, or the next presidential general election, November 3, 2020. If the City Council chooses to order a special election for the purpose of submitting recommended measures to the City's residents, a proposed schedule for the Charter election process is as follows:

- Tuesday, January 17, 2017 - *If the City Council opts for a May election and authorizes staff to prepare an ordinance ordering a special election on any measure, the proposed ballot and ordinance language may be presented to the City Council at a special meeting.*

- Monday, February 6, 2017 – *If staff is authorized to prepare an ordinance ordering a special election on any measure*, the City Council may **consider and adopt an ordinance ordering a special election** (one reading at one meeting is required).
- Friday, February 17, 2017 – The City Council must order an election on a measure by this date for the May 6, 2017 uniform election date.
- Wednesday, April 19, 2017 – *If staff is authorized to prepare an ordinance ordering a special election on any measure*, the **first publication** of two notices of the Charter election must be published before the 14th day before the date of the election (April 22, 2017).
- Wednesday, April 26, 2017 - *If staff is authorized to prepare an ordinance ordering a special election on any measure*, the **second publication** of two notices of the Charter election must be published (same day in each of two successive weeks).
- May 6, 2017 – First uniform election date of 2017.

A charter amendment approved by the majority of voters will not take effect until the City Council adopts an ordinance declaring that the charter amendment is adopted.

BUDGET ANALYSIS

A special election may cost up to \$25,000 (based on the difference between the cost of the 2013 general election and special charter election and the 2015 general election).

Purchasing Review: N/A

Financial/Budget Review: N/A

SUPPORTING MATERIALS

1. 2016 Charter Review Commission Final Report
2. Proposed ballot language

STAFF'S RECOMMENDATION

Consider the 2016 Charter Review Commission recommendations.

If desired, identify additional Charter amendments.

If desired, determine whether to call a special election on May 6, 2017, or on November 7, 2017, to consider any Charter amendment. Staff recommends that City Council call a special election on May 6, 2017.

If the City Council desires to order a special election to consider measures based on some, all, or none of the 2016 Charter Review Commission's recommendations or based on any other recommendation, a member of the City Council may make the following motion:

"I move that we authorize staff to prepare an ordinance ordering a special election for the purpose of submitting the following items to the voters of the City of Missouri City:

(Specify items.)"



City of Missouri City

2016 Charter Review Commission

Joe Workman, Chair · Robin Elackatt · Scott Moseley · Eunice Reiter · Cheryl Sterling

Final Report

To: Mayor and Council

cc: Anthony Snipes, City Manager; Bill Atkinson, Assistant City Manager; Scott Elmer, Assistant City Manager; and Maria Jackson, City Secretary

From: Charter Review Commission

Date: December 12, 2016

Re: 2016 Charter Review Commission Final Report

INTRODUCTION

On July 18, 2016, the City Council appointed the following five residents to serve as the 2016 Charter Review Commission (Commission) members: Robin Elackatt, Scott Moseley, Eunice Reiter, Cheryl Sterling, and Joe Workman. The Commission selected Joe Workman as its Chair. The purpose of the Commission was to review the Charter of the City of Missouri City (Charter) in accordance with Section 11.13 of the Charter to determine if any changes to the current Charter were merited. The Commission held several meetings, all of which, were open to the public, and reviewed various issues related to the Charter. Additionally, the Commission considered recommendations that were provided by the public throughout the course of the Commission’s meetings. This report is divided into two parts: Section I, Revisions, and Section II, No Revisions. All references to sections within Section I and Section II are references to Charter sections, unless otherwise noted. At this time, the Commission recommends making certain Charter revisions as discussed further in Section I and thus proceeding with a Charter election.

I. REVISIONS

The Commission recommends presenting the following Charter amendments to the voters on the next authorized uniform election date prescribed by the Texas Election Code.

1. **Section 3.05. Mayor and Mayor Pro Tem (clarifying timeframe for election of mayor pro tem).**

The Commission recommended amending Section 3.05 to clarify that the mayor pro tem of the city council may be elected at the first regular city council meeting following a general election to elect councilmembers, or, if there is a runoff decided by a special election, after such special election.

Pros of amending the Charter: The proposed change would modify the Charter to clarify that the mayor pro tem election may occur after a special election to elect a city councilmember.

Cons of amending the Charter: No cons were determined to exist.

VOTE TO AMEND CHARTER: Ayes: 5 Nays: 0

The Commission proposed that the Charter be revised to read as follows:

ARTICLE III. - CITY COUNCIL

.
Sec. 3.05. - Mayor and mayor pro tem.

The mayor shall be the official head of the city government and act as chief administrative officer of the city and fulfill all duties of city manager until a city manager is appointed. He shall be the chairman and shall preside at all meetings of the city council. The mayor shall vote upon all matters before the city council except when the matter involves the consideration of his own official conduct or where his financial interest is involved. He shall see that all ordinances, bylaws, motions and resolutions of the council are faithfully obeyed and enforced. He shall sign all ordinances and resolutions; and when authorized by the council, he shall sign all official documents, such as conveyances, grant agreements, official plats of city property, contracts and bonds. He shall appoint special committees as he deems advisable and also those special committees as instructed by the council. He shall perform such other duties consistent with the Charter or as may be imposed upon him by the city council.

The mayor pro tem shall be a councilmember and shall be elected by the council at the first regular council meeting following the later of each ~~regular~~general city election or special city election for the election of the mayor or one or more councilmembers. The councilmember elected as the mayor pro tem shall hold the title and serve in such capacity at the pleasure of the council. The mayor pro tem shall act as mayor during the absence or disability of the mayor and when so acting in this capacity shall have the authority conferred upon the mayor.

2. **Section 4.01. City Manager (City Manager's ability to appoint, suspend, or remove directors without Council concurrence).**

The Commission recommends amending Section 4.01 to delete the requirement that the city manager obtain the concurrence of the city council for the appointment, suspension, or removal of department directors.

Pros of amending Charter: The proposed change would be consistent with the council-manager form of government.

Cons of amending the Charter: The Commission considered whether the proposed change would allow the city manager to terminate employees without city council oversight. Ultimately, the Commission determined that the city council retains authority over its chief administrative officer, the city manager, and may hold that individual accountable for staff performance.

VOTE TO AMEND CHARTER: Ayes: 4 Nays: 0

The Commission proposed that the Charter be revised to read as follows:

ARTICLE IV. - ADMINISTRATIVE SERVICES

Sec. 4.01. - City manager.

- A. Appointments and qualifications: The council by majority vote of the entire council shall appoint a city manager who shall be the chief administrative and executive officer of the city. The method of selection shall be left to the discretion of the city council so long as the method insures orderly, nonpartisan action toward securing a competent and qualified person to fill the position. The city manager shall be chosen solely upon the basis of his executive and administrative training, experience and ability and need not when appointed be a resident of the City of Missouri City; however, during the tenure of his office he shall reside within the city. The city manager shall be bonded at city expense in the amount of not less than twenty-five thousand dollars (\$25,000.00).
- B. Compensation: The city manager shall receive compensation as may be set by the council according to his experience, education and training. The compensation shall be agreed upon before appointment with the understanding that the council may change it at their discretion.
- C. Term and removal: The city manager shall not be appointed for a definite term but may be removed at the discretion of the council, by vote of the majority of the entire council. The action of the council in suspending or removing the city manager shall be final. It is the intention of this Charter to vest all authority and fix all responsibilities of such suspension or removal in the council.
- D. Powers and duties: The city manager shall be responsible to the council for the proper administration of all the affairs of the city and to that end shall have the power and be required to:
 - 1. See that all state laws and city ordinances are effectively enforced.
 - 2. Except as ~~prohibited~~provided by this Charter, the city manager shall appoint, suspend or remove all or any one of the directors of departments ~~with the concurrence of the council~~; and ~~he~~ shall employ, suspend or discharge all other employees of the city.
 - 3. Attend all meetings of the council except when excused by council.
 - 4. Prepare the budget annually and submit it to the council and be responsible for its administration after its adoption.

5. Prepare and submit to the council at the end of the fiscal year a complete report on the finances and administrative activities of the city for the preceding year.
 6. Keep the council advised of the financial condition and future needs of the city and make such recommendations as may seem to him advisable.
 7. Perform such other duties as may be prescribed by this Charter or required of him by the council, as consistent with this Charter.
- E. Acting city manager: The city manager, within sixty (60) days after taking office, shall designate by letter filed with the city secretary, a qualified administrative officer of the city to perform the duties of the city manager in his absence or disability and to then be known as "acting city manager." Such designation shall be subject to approval by council. No person while serving as a member of city council or as the city secretary shall ever serve at the same time as city manager or as acting city manager. No member of the city council shall, during the time for which he is elected or for two (2) years thereafter, be chosen as city manager or acting city manager.
- F. Assistant city manager: There shall be such assistant city manager(s) who may be appointed by the city manager ~~with the concurrence of the council~~ and who, if designated as the "acting city manager," shall act in the absence or disability of the city manager. Such assistant city manager(s) shall receive such compensation as may be set by the city manager.

3. Section 7.01 Tax administration functions (changing the name of the department of finance to the department of financial services)

The Commission recommended amending Section 7.01 to change the terminology "department of finance" to "department of financial services." Section 7.01 refers to the "department of finance." Staff contends that the terminology, "Finance Department," is limiting, as it implies that the department's functions are solely to provide financing support, and does not encapsulate all of the services provided by the department, including, but not limited to, purchasing and accounts payable. The proposed new terminology is "financial services."

Pros of amending Charter: The proposed change would clarify the various roles and functions of the City's Finance Department.

Cons of amending the Charter: None identified.

VOTE TO AMEND CHARTER: Ayes: 5 Nays: 0

The Commission proposed that the Charter be revised to read as follows:

ARTICLE VII. - TAX ADMINISTRATION

Sec. 7.01. - Tax administration functions.

There shall be established a department of ~~finance~~financial services, which, among other responsibilities, shall administer the assessment and collection of taxes.

4. Section 9.01 Fiscal year (changing from a July through June fiscal year to an October through September fiscal year).

The Commission recommended amending Section 9.01 to provide a fiscal year beginning in October instead of July. Section 9.01 of the Charter provides that the fiscal year of the City shall begin on the first day July and end on the last day of June of each calendar year. Such year constitutes the budget and accounting year. In a presentation to the Commission on September 12, 2016, staff indicated that the current July 1 to June 30 fiscal year makes it difficult to establish a budget that can, with some certainty, be supported by the taxes that are to be collected because, by June 25, the date by which the City's budget must be adopted, staff is not aware of the final amount of taxes to be collected for that year. The Commission also received a request to consider changing the City's fiscal year from July 1st through June 30th to January 1st through December 31st. Finance staff recommended a fiscal year beginning in October instead of January because of the potential logistical challenges related to beginning the fiscal year in January.

Pros of amending the Charter: Beginning the City's fiscal year in October instead of July could make the budgeting process more precise and efficient because the City would have a better idea as to the amount of taxes that are to be collected by the adoption of the budget and the beginning of the new fiscal year. Additionally, the October through September fiscal year would make the City's fiscal year consistent with several benchmark cities, including Sugar Land, Stafford, and Rosenberg.

Cons of amending the Charter: The proposed change may require the City to extend the current fiscal year by an additional three months and, temporarily, require additional administrative steps that would otherwise not be required.

VOTE TO AMEND CHARTER: Ayes: 5

Nays: 0

The Commission proposed that the Charter be revised to read as follows:

ARTICLE IX. - FINANCIAL ADMINISTRATION

Sec. 9.01. - Fiscal year.

The fiscal year of the city shall begin on the first day of ~~July~~October and end on the last day of ~~June~~September of each calendar year. The fiscal year established by this section shall also constitute the budget and accounting year.

Sec. 9.02. - Public record.

Copies of the budget as adopted shall be public records and shall be made available to the public upon request.

Sec. 9.03. - Annual budget.

A. Content: The budget shall provide a complete financial plan of all city funds and activities and, except as required by state law or this Charter, shall be in such form as the city manager deems desirable or the council may require. A budget message explaining the budget both in fiscal terms and in terms of the work programs shall be submitted with the budget. It shall outline the proposed financial policies of the city for the ensuing fiscal year, describe the important features of the budget, [and] indicate any major changes from the current year in financial policies, expenditures, and revenues, with reasons for such changes. It shall also summarize the city's debt position and include such other material as the city manager deems desirable. The budget shall begin with a clear general summary of its contents; [and] shall show in detail all estimated income, indicating the proposed

property tax levy, and all proposed expenditures, including debt service, for the ensuing fiscal year. The proposed budget expenditures shall not exceed the total of estimated income. The budget shall be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal year and actual income and expenditures of the preceding fiscal year, compared to the estimate for the budgeted year. It shall include in separate sections:

1. An itemized estimate of the expense of conducting each department, division and office.
 2. Reasons for proposed increases or decreases of such items of expenditure compared with the current fiscal year.
 3. A separate schedule for each department, indicating tasks to be accomplished by the department during the year, and additional desirable tasks to be accomplished if possible.
 4. A statement of the total probable income of the city from taxes for the period covered by the estimate.
 5. Tax levies, rates, and collections for the preceding five (5) years.
 6. An itemization of all anticipated revenue from sources other than the tax levy.
 7. The amount required for interest on the city's debts, for sinking fund and for any maturing serial bonds.
 8. The total amount of outstanding city debts, with a schedule of maturities on any outstanding bond issue of the city.
 9. Such other information as may be required by the council.
 10. Anticipated net surplus or deficit for the ensuing fiscal year of each utility owned or operated by the city, if any, and the proposed method of its disposition; subsidiary budgets for each such utility giving detailed income and expenditure information shall be attached as appendices to the budget.
 11. A capital program, which may be revised and extended each year to indicate capital improvements pending or in process of construction or acquisition, and shall include the following items:
 - a. A summary of proposed programs;
 - b. A list of all capital improvements which are proposed to be undertaken during the five (5) fiscal years next ensuing, with appropriate supporting information as to the necessity for such improvements;
 - c. Cost estimates, method of financing and recommended time schedules for each such improvement; and
 - d. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.
- B. Submission: On or before the first day of ~~June~~September of each year the city manager shall submit to the council a proposed budget and an accompanying message. The council shall review the proposed budget and revise as deemed appropriate prior to general circulation for public hearing.

- C. Public notice and hearing: The council shall post in the City Hall and shall publish a general summary of the proposed budget and a notice of a public hearing on such proposed budget in accordance with state law.
- D. Amendment before adoption: After the public hearing, the council may adopt the budget with or without amendment. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law or for debt service or for estimated cash deficit, provided that no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income plus funds available from prior years.
- E. Adoption: The council shall adopt the budget by ordinance on one reading on or before the 25th day of ~~June~~September of each year. Adoption of the budget shall require an affirmative vote of at least a majority of all members of the whole council. Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.
- F. Failure to adopt: If the council fails to adopt the budget by the 1st day of ~~July~~October of each year the amounts appropriated for the current fiscal year shall be deemed adopted for the ensuing fiscal year on a month to month basis with all items in it prorated accordingly until such time as the council adopts a budget for the ensuing fiscal year. The levy of property tax normally approved as a part of the budget adoption will be set to equal the total current fiscal year tax receipts, unless the ensuing fiscal year budget is approved by ~~July~~October 1st of the current fiscal year.

II. NO REVISIONS

The following issues were presented to the Commission and either, (1) no change was recommended or (2) the proposed change failed to garner an affirmative vote of a majority of the Commission:

1. Section 3.06. Vacancies, forfeiture, automatic resignation, filling of vacancies (resign to run).

The Commission discussed amending Section 3.06 to eliminate the City's automatic resignation requirement for councilmembers who run for positions on the city council other than the positions they currently hold. Section 3.06.C provides that if a member of the city council becomes a candidate for election to the office of mayor or for any place on the city council other than the specific office or place the person is then holding, such announcement of candidacy "shall constitute an automatic resignation of the office then held to be effective as of the date of the election to which such candidacy relates." State law does not provide for the automatic resignation of terms of two years or less. A commissioner made a motion to eliminate the City's automatic resignation requirement. **The motion failed to receive a second.**

2. Section 4.02, City Attorney, and Section 4.04, City Secretary (appointment by city manager)

The Commission discussed amending Section 4.02 and Section 4.04 to allow the city manager (instead of the city council) to appoint the city attorney and the city secretary. Section 4.02 provides that, "the council shall appoint as the attorney for the city (referred to as city attorney) a competent and duly qualified and licensed attorney...." Section 4.04 provides that, "there shall be a city secretary who shall be appointed by a majority vote of all the council." The

Commission discussed the prevailing practice of appointing city attorneys and city secretaries. The Commission discussed the potential challenges related to allowing a city manager to appoint a city attorney and a city secretary. **No action was taken on this item.**

3. **Section 4.05. Administrative departments (allowing the city manager to discontinue, redesignate, or combine departments).**

The Commission received information on amending Section 4.05 to allow the city manager to establish, discontinue, redesignate, or combine departments. **No action was taken on this item.**

4. **Section 4.06 Human resources system (limiting employees' authority to make campaign contributions to City campaigns).**

The Commission received information on amending Section 4.06 to remove language prohibiting an employee from making a campaign contribution to a political party supporting a candidate for election to a City office. Subsection 4.06.C prohibits an employee from contributing to the campaign fund of any person seeking election to a city office or to any political party supporting a candidate for election to a city office, nor shall an employee be solicited for this purpose. **No action was taken on this item.**

5. **Section 4.06 Human resources system (allowing the city manager to promulgate a personnel manual without council adoption).**

The Commission received information on amending Section 4.06 and other corresponding provisions that would remove the city council from the process of classifying employees and establishing rules for the appointment and promotion of employees. **No action was taken on this item.**

6. **Section 6.01. Elections to be held under this charter (November general election date).**

The Commission discussed amending Section 6.01 to change the City's election date from the uniform election date in May to the uniform election date in November. Section 6.01 provides that elections for the mayor and the at-large city councilmembers must be held in May of each even-numbered year and elections for district councilmembers must be held in May of each odd-numbered year. Texas Election Code Section 41.0052 allows a home-rule municipality to change its election date from May to November by resolution no later than December 31, 2016. On Monday, October 10, 2016, the Commission voted on whether to recommend that the city council include a Charter amendment to change the date on which the City schedules its elections from May to November. **The motion failed.**

VOTE TO AMEND CHARTER: Ayes: 2

Nays: 3

On October 17, 2016, the city council adopted a resolution changing the City's uniform election date from May to November (R-16-32), as authorized by Texas Election Code Section 41.0052. On November 14, 2016, the Commission received information on City Council's adoption of a

resolution changing the City's uniform election date. The Commission voted on whether to recommend that the city council include a Charter amendment to make the Charter consistent with City Council Resolution Number R-16-32 by changing the date on which the city schedules its elections from May to November. **The motion failed.**

VOTE TO AMEND CHARTER: Ayes: 2

Nays: 2

7. **Section 6.01. Elections to be held under this charter (term limits).**

The Commission discussed amending Section 6.01 to provide term limits for city councilmembers and the mayor. Certain Commissioners discussed keeping the Charter language as it currently reads because they stated that not having term limits benefits the City and allows the City to retain good councilmembers. Further, such Commissioners stated that voters' ability to vote officials out of office serves as an adequate method of limiting the terms of ineffective councilmembers. At least one other Commissioner stated that term limits are needed to prevent ineffective councilmembers from remaining in office. A motion was made to adopt term limits on the positions of the mayor and councilmembers. **The motion failed to receive a second.**

8. **Section 6.01. Elections to be held under this charter (length of terms).**

The Commission discussed amending Section 6.01 to provide three-year terms for city councilmembers and the mayor. Pursuant to Article XI, Section 11 of the Texas Constitution, the City may provide for a term of office that exceeds two years, but that does not exceed four years for elective and appointive officers. An officer who has a term that exceeds two years would be subject to the automatic resignation provision of the Texas Constitution. Additionally, pursuant to the Texas Constitution, vacancies for offices with terms exceeding two years but not exceeding four years must be filled by a special election called for such purpose. After discussion, **no action was taken on this item.**

9. **Section 11.13. Charter Review Commission (increasing the number of members).**

The Commission discussed amending Section 11.13 to increase the number of Charter Review Commission members from five (5) to seven (7). Section 11.13 provides that the Charter Review Commission "shall consist of five (5) citizens of the City of Missouri City." The Commission discussed whether to increase the size of the Commission based on population increases and the number of councilmembers. **No action was taken on this item.**



Joe Workman, Chair
2016 Charter Review Commission

**2016 Charter Review Commission
Draft Ballot Language**

CHARTER PROPOSITION NO. 1

Shall Section 3.05 of Article III of the Charter of the City of Missouri City be amended to clarify that the mayor pro tem of the city council may be elected at the first regular city council meeting following a runoff decided by a special election?

CHARTER PROPOSITION NO. 2

Shall Section 4.01 of Article IV of the Charter of the City of Missouri City be amended to provide that the city manager may appoint, suspend, and remove department directors and assistant city managers without the concurrence of the city council?

CHARTER PROPOSITION NO. 3

Shall Section 7.01 of Article VII of the Charter of the City of Missouri City be amended to change the name of the city's finance department to the "financial services department" to better describe the department's functions?

CHARTER PROPOSITION NO. 4

Shall Section 9.01 of Article IX of the Charter of the City of Missouri City be amended to change the City of Missouri City's fiscal year from July 1 through June 30 to October 1 through September 30?