



MINUTES OF THE CITY COUNCIL WORKSHOP MEETING

A WORKSHOP MEETING OF THE CITY COUNCIL OF THE CITY OF DEER PARK, TEXAS HELD AT CITY HALL, 710 EAST SAN AUGUSTINE STREET, DEER PARK, TEXAS ON MARCH 17, 2026 BEGINNING AT 6:15 P.M.

MEMBERS PRESENT:

JERRY MOUTON	MAYOR
SHERRY GARRISON	COUNCILWOMAN
TJ HAIGHT	COUNCILMAN
TOMMY GINN	COUNCILMAN
JUSTIN LEAGUE	COUNCILMAN
RON MARTIN	COUNCILMAN
GEORGETTE FORD	COUNCILWOMAN

OTHER CITY OFFICIALS PRESENT:

JAMES STOKES	CITY MANAGER
SARA COSTLOW	ASSISTANT CITY MANAGER
JIM FOX	CITY ATTORNEY
ANGELA SMITH	CITY SECRETARY

SEC 551.127 VIDEO CONFERENCE ATTENDANCE - Not used.

CALL TO ORDER - Mayor Mouton called the workshop to order at 6:15 p.m.

COMMENTS FROM AUDIENCE - No comments were received from the public.

WORKSHOP ITEMS

1. PRESENTATION OF THE FISCAL YEAR 2024-2025 ANNUAL AUDIT BY CROWE, LLP.
- Stephanie E. Harris, CPA, Partner with Crowe, LLP, highlighted the unmodified opinion from the auditor's report which is the highest level assurance that can be provided to City Council. This indicates all disclosed financial statements were presented fairly and are materially correct. Ms. Harris provided an overview of Governmental Accounting Standards Board (GASB) Statements No. 101 and No. 102. Government Accounting Standards Boards (GASB) 101 resulted in a restatement of beginning net position, decreasing it by approximately \$3.9 million. GASB 102 did not have a material impact on the City. Ms. Harris reported there were no corrected misstatements. One uncorrected misstatement was noted related to a restatement of net position for sales tax remitted in error to the City. No difficulties or disagreements with management were reported, and there were no consultations with other accountants. No significant or adverse events were identified in connection with the audit. Federal programs were tested in accordance with Uniform Guidance requirements for the 2024–2025 audit in regards to hurricane Beryl 2024.

Assistance Listing Number	Program Name	2024-25 Expenditures
97.036	Disaster Grant – Public Assistance	\$1,060,974

Ms. Harris presented financial highlights based on full accrual accounting, including total assets as of September 30, 2025.

Financial Highlights

- **Government-Wide Summary:**
 - **Total assets** at September 30, 2025: **\$448.5M**
 - Total net increase of \$18.9M, reduction in current assets and an increase in capital assets;
 - **Total liabilities** **\$212.8M**
 - Net decrease of \$2.6M
 - **Ending Net Position** **\$234.2M**
 - Increase of \$17.9M or 8.3%
- **General Fund Summary:**
 - **Fund balance** at September 30, 2025 **\$54.8M**
 - Increase of \$2.6M or 5%
 - Total represents 107% of the fund's 2025 expenditures
 - Unassigned fund balance represents 97%

Ms. Harris reported that the City’s financial statements are presented fairly in all material respects. She also stated that management and staff were well prepared and responded timely to audit requests. Assistant City Manager Sara Costlow expressed appreciation to Finance staff for their discipline, procedures, protocols, and internal controls contributing to a successful audit.

2. DISCUSSION OF ISSUES RELATING TO POTENTIAL DESIGN OPTIONS FOR THE EXISTING COURT AND THEATRE BUILDING AND THE OLD FIRE STATION #1. - Parks and Recreation Director Kenny Walsh presented design options for the Court and Theatre Building and former Fire Station No. 1. In coordination with Studio Red, options included renovation of the existing theatre or construction of a black box theatre. Mr. Walsh reported the estimated construction cost for the new black box theatre at \$7,744,662 and noted current overcrowding and space limitations currently at the theatre. He also presented an estimated cost of approximately \$2,076,363 for renovations to the existing theatre, including demolition and additional parking.



DEER PARK ESTIMATED OVERALL BUDGET
New Black Box

CONSTRUCTION		3/17/2026
New Black Box (11,527 SF)		\$4,570,000
Sitework Total		\$1,705,033
Total Construction Cost:		\$6,275,033
A. CONTINGENCY		
	7%	\$439,252
B. PROFESSIONAL FEES		
Design Services (SD thru CA)		\$550,000
Reimbursable Expenses		\$27,500
C. OTHER OWNER EXPENSES		
Geotechnical Engineering		\$4,500
Survey Update		\$17,000
Traffic Meeting and Form A		\$3,500
Commissioning Agent		\$0
Testing and Balancing		\$0
Construction Materials Testing		\$25,000
AV and Technology		\$0
Security (Intrusion Detection) System		\$0
Surveillance (Cameras)		\$0
Access Control		\$0
Phone & Data Cabling		\$0
Signage & Graphics		\$25,000
Other Furniture, Fixtures & Equipment		\$0
D. PERMIT COSTS		
Water/Sanitary Sewer (Tap Fees)		\$0
Building Permit		\$0
Texas Accessibility Review & Final Inspection Fees		\$1,375
Sub-total of Owner Expenses (A+B+C)		\$1,093,127
Escalation Per Year	6%	\$378,502
TOTAL OVERALL BUDGET		\$7,744,662

DEER PARK ESTIMATED OVERALL BUDGET
Existing Theater Renovations, Fire Station Demo, and New Parking

CONSTRUCTION		3/17/2026
Theater Building Renovations		\$1,375,000
Demolition of Old Fire Station, Paving, Base, and Haul Off		\$87,967
New Parking Lot		\$292,000
Total Construction Cost:		\$1,664,967
A. CONTINGENCY		
	7%	\$116,548
B. PROFESSIONAL FEES		
Design Services (SD thru CA)		\$175,000
Reimbursable Expenses		\$8,750
C. OTHER OWNER EXPENSES		
Geotechnical Engineering		\$0
Survey Update		\$0
Traffic Meeting and Form A		\$0
Commissioning Agent		\$0
Testing and Balancing		\$0
Construction Materials Testing		\$5,000
AV and Technology		\$0
Security (Intrusion Detection) System		\$0
Surveillance (Cameras)		\$0
Access Control		\$0
Phone & Data Cabling		\$0
Signage & Graphics		\$5,000
Other Furniture, Fixtures & Equipment		\$0
D. PERMIT COSTS		
Water/Sanitary Sewer (Tap Fees)		\$0
Building Permit		\$0
Texas Accessibility Review & Final Inspection Fees		\$1,200
Sub-total of Owner Expenses (A+B+C)		\$311,498
Escalation Per Year	6%	\$99,898
TOTAL OVERALL BUDGET		\$2,076,363

Councilwoman Garrison and Councilman League inquired about performance and storage space, and Mr. Walsh stated the revised design maintains programming and storage areas but reduced some items.

Councilmember League inquired about funding options. City Manager Jay Stokes stated the City has sufficient funds, as noted in the audit, to complete theatre renovations using available cash. He noted that construction of a new black box theatre would likely require voter approval through a bond election.

Councilwoman Ford inquired about election costs if Council were to pursue a bond election for a black box theatre, and the City Secretary Angela Smith stated costs would primarily be limited to required publication expenses if an election was shared with a general election. Councilwoman Garrison inquired about the age of the theatre, and Artistic Managing Supervisor Susan Mele stated the facility has been in use since 1987, and she stated that staff supports either option and that any improvements, including renovation or expansion, would be beneficial based on Council direction.

Council expressed appreciation to Ms. Mele for her dedication to youth theatre programs. Mayor Mouton suggested proceeding with renovations to the existing theater building as phase one using available funds, with a future Phase Two to consider development of a black box theater with Council discussion at a later date. Council directed staff to return to Studio Red for architectural services associated with the renovation. It was noted by Mr. Stokes that upon completion of the renovation, anticipated approximately this time next year, Council may evaluate a second phase, which could include development of a black box theater and may be considered for a future bond election, tentatively in May 2028. It was general consensus by Council to move forward with the renovations phase one at this time.

3. DISCUSSION OF ISSUES RELATING TO CHARTER REVIEW PROCESS AND CHARTER REVIEW COMMITTEE. - City Manager Jay Stokes introduced City Secretary Angela Smith,

who provided an overview of the formation of a Charter Review Committee and the proposed timeline for the charter review process as part of the Leadership/Governance Strategic Goal. The proposed structure includes Council appointing one resident each, with participation from the City Manager, Assistant City Manager, City Attorney, and City Secretary, for a term not to exceed two years. Staff outlined a timeline for committee meetings, development of recommendations, and Council consideration, with a potential charter amendment election in May 2027. City Manager Jay Stokes requested that Council submit the names of potential appointees, who must reside within the City limits, to the City Manager or the City Secretary. Council will approve the committee at their April 7, 2026 meeting.

4. DISCUSSION OF ISSUES RELATING TO THE QUARTERLY FINANCIAL REPORT FOR THE FISCAL YEAR 2025-2026 FIRST QUARTER ENDED DECEMBER 31, 2025. - Finance Director Nicole Ganey gave a summary on the General Fund revenues that are trending on target, with 49% of budgeted revenues collected through December 31 and property tax collections at 45% of the levy. Industrial District revenues reached 98.5% of expected payments and exceeded budget by approximately \$187,000 despite a decrease from the prior fiscal year. Expenditures are also on target, with 22% expended and an additional 18% encumbered. Ms. Ganey reported on property taxes collected quarter one (Q1) \$28.9 million ad valorem and industrial district payments collected through December 31, 2025. Ms. Ganey reported that sales tax collections for quarter one (Q1) 2026 increased by approximately \$154,000, or 9.08%, compared to quarter one (Q1) 2025, and are trending ahead of budget, with 11.43% of the Fiscal Year 2026 budget received for the City and related entities. The General Fund reserves total \$54,160,555, representing 94% of budgeted expenditures; accordingly, the City can sustain operations for approximately 343 days, assuming no changes in operations.
5. DISCUSSION OF ISSUES RELATING TO A POTENTIAL RESTROOM FACILITY AND OPTIONS FOR POTENTIAL HANDBALL COURT AT SAN JACINTO PARK. - Parks and Recreation Director Kenny Walsh provided an update on a potential restroom facility and options for potential handball court at San Jacinto Park. Following discussion with City Manager Jay Stokes on adding restroom at San Jacinto Park, led staff to consider using the potential restroom back wall for a one-wall handball court. The restroom are estimated at \$200,000 now, if made to be used as handball, the cost would be higher. Council asked for new designs and pricing before any decision is made.
6. DISCUSSION OF ISSUES RELATING TO AN ORDINANCE REGULATING MOTOR ASSISTED SCOOTERS, SELF-BALANCING TRANSPORTERS, AND E-BIKES. - Police Chief Grigg discussed the proposed ordinance and recommended revising the fourth paragraph to replace 'eliminate traffic' with 'mitigate traffic.' Chief Grigg provided an overview of Section 62-193, outlining "Restrictions and prohibitions for motor-assisted scooters, self-balancing transporters and e-bikes." Councilman League inquired about the purpose of the proposed changes, and Chief Grigg stated the intent is to enhance safety for e-bike riders. Councilwoman Ford inquired about public communication and education efforts regarding the new safety measures. City Manager Jay Stokes stated that staff will explore providing information through the City's social media channels upon adoption of the ordinance.

ADJOURN - Mayor Mouton adjourned the workshop meeting at 7:21 p.m.

ATTEST:

APPROVED:

Angela Smith, TRMC, CMC
City Secretary

Jerry Mouton, Jr.
Mayor