

**MINUTES OF THE WORK SESSION MEETING OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, HELD ON APRIL 20, 2009 AT 6:00 P.M. IN THE CIVIC CENTER, 16327 LAKEVIEW, JERSEY VILLAGE, TEXAS.**

**A. The meeting was called to order by Mayor Hamley at 6:05 p.m. with the following present:**

Mayor, Russell Hamley	Mike Castro, City Manager
Council Member, Ernie English	Lorri Coody, City Secretary
Council Member, Greg Holden	Charles Wedemeyer, Chief of Police
Council Member, Joyce Berube	Danny Segundo, Director of Public Works
Council Member, Jill Klein	Isabel Kato, Director of Finance
	Michael Brown, Director of Parks
	Mark Bitz, Fire Chief

Council Member, Frances Wubbenhorst was not present when the meeting was called to order but joined the meeting in progress at 6:40 p.m.

Mayor Hamley called Item C on the work session agenda out of order as follows:

**C. Receive Presentation of Financial overview of the City.**

City Manager, Mike Castro gave a financial overview of the City to Council. The overview contained information on:

- Priorities
- What we know and what we can expect
- Explanation of revenues/expenditures
- Proposed Actions

In identifying the priorities of the City, Mr. Castro explained that the City must maintain financial viability of the city, avoid layoffs, maintain current level of service, avoid / dispel rumors, and convey an appreciation for the city's situation.

In identifying what we know, he told Council that the rest of nation is suffering worse than Texas; however, Texas is beginning to experience impact now with 4.4% to 6.5% unemployment, a decline in the oil & natural gas industry and a drop in property values.

As far as what we can expect, Mr. Castro told Council that the worst will come in late 2009; and the recovery cycle will be at least two years with a potential for local property tax declines of 2½ to 5%. The big unknown is the affects the economy will have on the inventory of local car dealerships and air condition vendors.

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Mr. Castro told Council about the Fiscal Year 2009 revenues and projected revenues through the year end as follows:

	<b>Budget (\$ millions)</b>	<b>As of Feb</b>	<b>Projected Year End</b>
<b>General Fund</b>	8.96	5.73	8.72
<b>Utility Fund</b>	2.83	1.14	2.7
<b>Golf Course</b>	1.32	0.56	1.34

Court revenues are off 16% (\$130,000), permit/licensing collections are off 56% (\$132,000), and interest earnings are off 65% (\$87,000), contributing to an expected revenue shortfall for FY 2009 of some \$350,000.

Mr. Castro also explained the Fiscal Year 2009 expenditure summary as follows:

	<b>Budget (\$ millions)</b>	<b>As of Feb</b>	<b>Projected Year End</b>
<b>General Fund</b>	9.82	2.95	9.82
<b>Utility Fund</b>	3.18	0.82	3.18
<b>Golf Course</b>	1.48	0.43	1.48

During the budget process, 48 supplementals were approved for the FY 2009 general fund budget, valued at \$1,734,628. Mr. Castro explained that, to date, staff has implemented 22 of these supplemental, deferring the remaining at a value of \$530,418. Mr. Castro explained that there were nine supplementals approved for the Utility fund, with eight of them being implemented, deferring one at a value of \$84,000. There were 16 supplementals approved for the Golf Course, 10 have been implemented, leaving six deferred at a value of \$108,760.

Mr. Castro explained the actions being taken to accommodate the economic hard times. Staff has implemented budget cuts of 1.5% across the board for the remainder of FY 2009 and has begun planning for a 3% cut for FY 2010. Staff has also been asked to identify actions to cut 7% from the FY 2010 budget should that become necessary as a worst case scenario.

City Manager Castro completed his overview made the following recommendations that:

- Council approve list of supplementals to be deferred for the three funds;
- An amendment be made to the FY 2009 CCPD budget so that \$350,000 come from that budget to fund the Police Department expansion project and \$350,00 come from the general fund as opposed to \$500,00 from the general fund and \$200,000 from the CCPD fund; and
- Change prosecutor payments from hourly to per docket.

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Council engaged in discussion about the presentation. They asked several questions concerning same. City Manager Mike Castro answered accordingly. There was limited discussion about this presentation.

Mayor Hamley then called the next item on the agenda in regular order as follows:

**B. Discuss and review the contract renewal and/or bid options regarding residential solid waste collection and disposal services.**

Public Works Director, Danny Segundo presented the item. He told Council that the City's current solid waste contract with WCA, Waste Corporation, expires October 1, 2009. Staff would like to consult with Council to discuss the current contract and Council's desire to renew the existing contract for a period of three years or to go out for bid for a new solid waste collection contract. He explained that the purpose of this item is for staff to gain some insight for direction on how to proceed with the city's waste collection contract.

In his presentation, Mr. Segundo reviewed the contents of the Council Packet for this item. He explained that during the course of the current contract the City experienced two rate increases and the current CPI rate is 4.1%. Each household in the City is currently paying \$13.06 per month for garbage service and there are 2,038 homes being serviced.

*Council Member Wubbenhorst entered the meeting at 6:40 p.m.*

City Manager Castro explained to Council that should they desire to go out for bid on this contract as opposed to renewing the existing contract that the bid process would need to begin fairly quickly.

Staff believes that this vendor has provided the City with good service during the life of this contract. A review was made of the complaints received by residents and Mr. Segundo told Council that during Hurricane Ike this vendor was very supportive in assisting the City with cleanup activities. Staff believes that this vendor has done a better job than their experience with other vendors supporting the City.

Council briefly discussed backdoor pickup and what it would entail to add this service to the existing contract during the renewal process. Mr. Segundo stated that the service was quoted at \$8.50 per household for an annual cost of \$200,000 with approximately \$80,000 coming out of the General Fund.

There was also a brief discussion about renegotiating the contract during renewal to see if any concessions could be reached. But staff reported that the vendor is firm on their pricing and confident that they are the lowest. Staff also pointed out the risks associated with going out for bid on this contract. There was mention of such items as added fuel charges and that the vendor could bid higher than just the CPI increase of 4.1%. The reasoning behind this was that this vendor was so much lower than all the other vendors during the last bid cycle.

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Upon completion of the discussion of this item, staff was asked to bring back a proposal for discussion no later than the June agenda.

**D. Adjourn**

There being no further business on the Agenda the meeting was adjourned at 6:55 p.m.

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Lorri Coody, City Secretary