

MINUTES OF THE SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, HELD ON MAY 10, 2010 AT 6:00 P.M. IN THE CIVIC CENTER AT 16327 LAKEVIEW DRIVE, JERSEY VILLAGE, TEXAS

The meeting was called to order at 6:00 p.m. with the following present:

Mayor, Russell Hamley
Council Member, Joyce Berube
Council Member, Rod Erskine
Council Member, Curtis Haverty
Council Member, Ernie English
Council Member, Jill Klein

Council Member Elect, Mark Maloy

City Manager, Mike Castro
City Secretary, Lorri Coody
City Attorney, Bill Olson attending for Martha Williams

Additional Staff in attendance: Mark Bitz, Charlie Wedemeyer, Danny Segundo, Isabel Kato, Michael Brown, Bob Blevins, and Kimberly Maldonado.

DISCUSSION ITEMS

1. Discussion regarding annexation in the vicinity of the proposed Jones Road extension.

Council Member Haverty introduced this item by explaining to Council that he wanted to get a better understanding of prior annexations involved with Jones Road, both the annexation of the street itself and the area around the street. He stated that understanding the annexation history may help Council understand what can and cannot develop in this area.

City Manager Castro distributed a map of the Jones Road Extension area. Mr. Castro explained the map. He told Council about the 300 foot and 400 foot buffer lines that have been drawn on the map near the proposed Jones Road Extension. The 300 foot buffer line is the recommendation of our City Engineer and the 400 foot is the recommendation of the Kimley-Horn Consultants. The buffer lines represent the area where developers will most likely build to be close to the Jones Road Extension. Beyond these buffer lines, development is not likely. City Manger Castro stated that without zoning and without annexation there really is no control over what is being built in this area.

City Engineer Frank Brooks addressed Council. He gave information about the cost of annexing in terms of services for this area from a study that was done in 2006. He told Council that the cost for the entire area would be about \$14 million and the cost for to annex and provide services just along the 529 corridor would be approximately \$8 million.

The study also reviewed the amount of revenue that the annexed property would bring to the City and at that time it was felt that the revenue would not support the cost of the services that the City would need to provide so the annexation was not pursued.

SPECIAL SESSION MEETING OF THE CITY COUNCIL
CITY OF JERSEY VILLAGE, TEXAS – MAY 10, 2010

Discussion was had about the location of the annexation boundary lines of the 2006 study and how these lines might be adjusted for the present day plan and what the cost might be. It was also discussed if residents could opt out of the services once an annexation took place, meaning could they keep their own water wells as opposed to having to convert to the services that the city would provide. City Engineer Brooks explained that once the property was annexed, residents would have to switch over to city services. City Engineer Brooks explained that without City services in the ETJ, new construction/development is not appealing at this time.

Many questions were asked about the annexation process and the cost for same. With these questions in mind, City Manager Castro explained the current tasks being performed by the Kimley-Horn Consultants as they relate to the TOD Feasibility Study. He told Council that the Consultants are tasked with breaking down the TOD plan into three phases for purposes of annexation and bond/debt capacity, and to bring the recommendations back to Council for consideration.

City Attorney Bill Olsen explained the annexation process from a legal standpoint. He explained that the process starts with a municipal service plan which outlines the services that the City will provide. In order to understand the level of services that are needed in the annexed area, Mr. Olsen explained that a comparison is made to the existing areas of the city and services. A city must include comparable services in the annexed area within 2½ years but no more than 4½ years. Mr. Olson explained that Municipal Service Agreements are contracts with the land owners and can result in de-annexation if the City fails to comply with the terms of the agreement.

A detailed discussion followed on the types of services that must be extended to residents in the annexed area. Also, the annexation process was explained, including the exceptions. City Attorney Olson also explained how development agreements work.

No action was taken on this item

2. Discussion regarding various methods of funding proposed for Transit Oriented Development improvements.

Council Member Haverty introduced the item. He asked for an overview of financial methods that might be used to finance a TOD that do not include the City selling bonds.

In response, City Manager Mike Castro gave a presentation. He outlined three methods:

- a) Tax Increment Reinvestment Zones
- b) Municipal Management Districts
- c) Development Agreements

In completing the presentation, City Manager Castro fielded questions from the Council and answered accordingly.

SPECIAL SESSION MEETING OF THE CITY COUNCIL
CITY OF JERSEY VILLAGE, TEXAS – MAY 10, 2010

3. Discuss and take appropriate action concerning the License Plate Recognition Program.

Parks and Recreation Director, Michael Brown presented the item, telling Council that this item is on the agenda to bring back information requested from the discussions on this topic by Council in its April 19, 2010 meeting.

Council was updated with the following information:

- a) The license plate recognition cameras cannot be placed on buildings;
- b) A demo model may be available for a mobile unit but not a stationary unit; and
- c) A camera must be placed on both incoming and outgoing lanes in order to capture both the license plate and a picture of the car.

Discussion was had on how the cameras might be used as a deterrent and as such, the number of cameras needed might be reduced.

Council Member Haverty gave a detailed explanation of his understanding of how the license plate recognition program works based upon his conversations with the vendor. Discussion followed this explanation, which included a discussion about the use of a mobile device as opposed to a stationary device.

No formal action was taken on this item.

BUDGET ITEMS

1. Overview by Mike Castro, City Manager

City Manager Castro began the session by giving an overview of the overall condition of the City. He told Council that the financial condition of the City is stable, but there is concern for next year. The revenues for this budget year will be near what was projected and the expenditures will be within budget. However, the Golf Course fund will be off due to weather which affected demand. He explained that the City is stable because we prepared for the recession and we continue to prepare.

Mr. Castro listed the Positive Developments as the:

- Opening of the bypass channel
- Completion of street rehabs – three additional projects
- Initiation of PD expansion
- No major cuts implemented / required this year.
- Continuation of equipment purchases

He told Council that the significant supplementals were:

- Swimming pool re-plaster
- White Oak Bayou O and M
- 2% COLA

SPECIAL SESSION MEETING OF THE CITY COUNCIL
CITY OF JERSEY VILLAGE, TEXAS – MAY 10, 2010

- Golf Course equipment
- Court Security

Mr. Castro reviewed his short-term concerns with Council. He explained that property values and sales tax values will continue to fall next year. He told Council that there are many unknowns/implications with Health Care Reform and he is just not sure how this will affect our budget. Additionally, there are the unknowns associated with the TOD. If it is Council's desire to move forward with Phase 3 of study, funds will need to be budgeted accordingly. Mr. Castro ended the topic of concerns with the Golf Course stating it will need considerable help from the general fund again this year.

Mr. Castro outlined the FY 2011 Initiatives as follows:

- Jones Rd. Extension
- Transit Oriented Development
- Police Department Expansion
- Contingency planning for prolonged recession

His long-term concerns are:

- Structured deficit spending
- Continuation of street project initiatives
- 290 Corridor widening / schedule
- Transitioning of city
- Legislative activities - RLC, annexation, franchise fees, tax and revenue caps, federal union creation
- COH utility charges

City Manager Castro closed his presentation with a summary. He told Council that we will be close to the budgeted numbers in the General Fund this year, spending only \$500,000 into our reserves. However, next year we will begin the year with spending our reserves before even considering supplementals. He told Council that the Golf Course is a big unknown. If trends continue, we will be making hard decisions before FY 2011 is complete. Nonetheless, he told Council that we have delayed the effects of the recession through budget discipline.

Discussion was had about the falling property values and how staff obtains this information. City Manager Castro explained that the information is obtained from the Harris County Appraisal District. Council also discussed that the expected future growth from property and sales tax revenues is not great. Accordingly, the growth that can be expected from the TOD is promising. Therefore, the method of funding the TOD with the best financial tool becomes increasingly important. There was discussion that the alternative to TOD growth would be any growth that the City might experience over the years from "tear downs."

SPECIAL SESSION MEETING OF THE CITY COUNCIL
CITY OF JERSEY VILLAGE, TEXAS – MAY 10, 2010

With no further discussion on the City Manager's presentation, Mayor Hamley moved to the next item on the agenda and called for the Fire Department's Departmental Presentation.

2. Departmental Presentations:

- a. Fire Department – Fire Chief Mark Bitz gave the presentation. Upon completion of his presentation, discussion was had about the cost of making his department fully paid as opposed to volunteer. Chief Bitz stated it would be approximately another \$1.4 million for salaries of which \$200,000 of this would be off-set by billings for services. Council also discussed the availability of paramedics and the cost of these services to the city as well as how the Fire Department Budget has grown over the past 10 years as compared to other departments.

Discussion was also had about the Emergency Management portion of the Fire Department's budget. City Manger Castro explained that the Fire Chief also serves as the Emergency Management Coordinator. Traditionally the expenditures for both have been combined, but for tracking purposes, in the 2010-2011 budget, the Emergency Management portion of the budget will be separated out and will have its own section in the budget.

Mayor Hamley called a 10 minute recess at which time the Police Department followed:

- b. Police Services

Discussion was had about the Police Chief's presentation. It was the consensus of Council that a mobile device supplemental be submitted during the August budget workshop for Council's consideration.

ADJOURN

There being no further business on the agenda the meeting was adjourned at 9:17 p.m.

Lorri Coody, City Secretary