

MINUTES OF THE SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, HELD ON MAY 17, 2011 AT 6:00 P.M. IN THE CIVIC CENTER AT 16327 LAKEVIEW DRIVE, JERSEY VILLAGE, TEXAS

The meeting was called to order by Mayor Pro tem Berube at 6:03 p.m. with the following present:

Mayor Pro tem, Joyce Berube
Council Member, Curtis Haverty
Council Member, Mark Maloy
Council Member, Jill Klein

City Manager, Mike Castro
City Secretary, Lorri Coody

Council Member Elect, Harry Beckwith III, PE

Additional Staff in attendance: Mark Bitz, Eric Foerster, Danny Segundo, Isabel Kato, Michael Brown, Bob Blevins, and Courtney Rutherford.

Mayor, Russell Hamley and Council Member, Rod Erskine were not present when the meeting was called to order. Mayor Hamley joined the meeting in progress at 6:07 p.m. and Rod Erskine joined the meeting at 6:40 p.m.

B. BUDGET ITEMS - CONTINUED

2. Departmental Presentations:

- e. Information Technology – Bob Blevins, Director of Information Technology gave the presentation. Upon completing his presentation, City Manager, Mike Castro told Council about changes that were made to the City’s cell phone policy. He explained that the City now gives employees a monthly stipend for cell phone reimbursement as opposed to providing a city-owned cell phone. He explained the advantages of this type of program.

Discussion was had about the different supplementals requested in the presentation. Specifically, discussion was had about social networking and other “like to have” items. Mr. Blevins explained that technology has a lot to offer. There are things that are necessary, and then there are things that are nice to have. Council will need to decide the level with which they are comfortable.

Council discussed supplementals for a generator for city hall, the installation of GIS systems in public work’s vehicles and the need for part time help in the IT department. Council also discussed a wireless network for use at city hall.

- f. City Secretary – Lorri Coody, City Secretary gave the presentation. The focus of the presentation was on the department’s records management efforts. In completing the presentation, Council engaged in discussion about the records management program by asking questions. Ms. Coody responded accordingly.

Council Member Erskine joined the meeting in progress during the City Secretaries presentation.

- g. Finance Department – Isabel Kato, the Finance Director, gave the presentation. In completing same, Council engaged in discussion about the various aspects of the

SPECIAL SESSION MEETING OF THE CITY COUNCIL
CITY OF JERSEY VILLAGE, TEXAS – MAY 17, 2011

department with a focus on revenues and expenditures. Ms. Kato fielded the questions and responded accordingly.

Council Member Klein left the meeting at 7:05 p.m.

- h. Public Works – The presentation was made by Danny Segundo, Director of Public Works. Throughout his presentation, Council engaged in discussion about various topics. There was discussion about an increase in charges from the City of Houston for the raw water it sells to Jersey Village. Mr. Segundo explained that this increase is really due to a re-calibration of the meter which measures that sale. Recently, the City of Houston performed this re-calibration and during the process discovered an error with the old calibration. The pipe coming into the City is an 18 inch pipe, but the old calibration was for a 16 inch pipe. Because the meter was calibrated incorrectly, the resulting charges to the City of Jersey Village were inaccurate. Consequently, Mr. Segundo explained; with the current calibration, we can expect the charges and costs to go up. Discussion continued about the charges we pass along to our customers and if those will be sufficient to cover the cost that we now pay for raw water from the City of Houston. Staff explained that at this point it is not certain because of the calibration error. Time is needed to understand how the calibration is going to affect the price we need to charge.

Council engaged in lengthy discussions concerning effluent from the city's Philippine sewer plant, and the prospects of using this effluent as a means to water the golf course. Discussion was had on the measures/steps needed to implement such a program. Discussion was also had on a future interconnect in order to have the capability to service Jersey Village Crossing. It was the consensus of Council that Staff begin to research what it would take to rehab/build a new sewer plant.

In connection with water related issues, Council engaged in discussion about a meter replacement program. Mr. Segundo explained his department's activities related to research about new meters. He is especially impressed with the wireless version that provides detailed data about customer water usage. He believes that water meters of this type would be very beneficial to the city.

Discussion was had concerning the need to establish criteria for prioritizing and assigning streets to a street repair program. Mr. Segundo explained that his department has compiled a list of streets that they believe are in need of repair; however, it is necessary that Council and Staff meet in work session to discuss the details for identifying Council's desires in compiling a prioritized list of streets needing repairs throughout the city.

Council discussed garage door garbage service and the need to survey residents to determine resident interest in the return of this service. The different types of surveying were discussed, but it was not the consensus of Council to survey residents on this issue.

Mayor Hamley recessed the meeting from 8:30 p.m. to 8:37 p.m. and resumed with:

SPECIAL SESSION MEETING OF THE CITY COUNCIL
CITY OF JERSEY VILLAGE, TEXAS – MAY 17, 2011

C. CONCLUDING REMARKS AND SUMMARY

City Manager, Mike Castro addressed Council with a summary of the retreat. He stressed the need for strategic direction in the areas of streets, tear downs, and sewer plant infrastructure. He reviewed again the fiscal health of the general fund and recommended a strategic plan that encompasses a \$5 to \$7 million street project funded with cash now followed by construction of a new city hall funded by revenue bonds once the City pays down its debt in 2015. He also recommended that staff begin plans for tear downs and research on the sewer plant infrastructure.

In completing his summary, Council engaged in discussion about the amount of funds left in the 2007 street bond account. Staff stated that there is approximately \$900,000 left in that fund. In addition to this balance, the interest rate on bonds for borrowing purposes was discussed as well as the option to pay off debt with the cash as opposed to repairing streets. City Manager Castro informed the Council that in order to pay off debt, it must be “callable,” and at this time, the city has no debt that is “callable.”

Council also engaged in discussion about a healthy maximum debt level. Mr. Castro explained that there are really no rules of thumb in this area; however, in comparison to other cities our size, we have much more debt. Nonetheless, due to our fiscal health, we do have a AA bond rating, which is the highest rating a city our size can obtain.

There was discussion about a decision that was made in 2007 regarding a “savings account” for building a new city hall. Mr. Castro explained that the decision was not so much that a “savings account” be established, but that any monies over and above a 150 day fund balance would be considered for use in building a new city hall.

Council engaged in discussion about investment strategies for the City. Mr. Castro explained that due to accounting procedures and laws, municipalities are limited in what, where and how they are able to invest excess funds. Therefore, most cities, including Jersey Village, invest in TXPOOL which pays very little return on investments. Therefore, it makes good financial sense to use cash for a street project as opposed to going into debt for the project.

The need for a work session was again discussed in order to establish the criteria for placing streets on the priority list.

Council Member Klein re-joined the meeting in progress at 8:50 p.m.

Council discussed the option of using debt as opposed to cash for funding a street project. City Manager Castro explained that in issuing debt Council should consider that the implications of same. He told Council that annual payment for the 2007 street bond debt is approximately \$450 annually and to pay this is the equivalent of a five cent tax rate increase.

It was the consensus of council that we do a street project with cash and that a work session be held to determine criteria and priority.

SPECIAL SESSION MEETING OF THE CITY COUNCIL
CITY OF JERSEY VILLAGE, TEXAS – MAY 17, 2011

Council then focused attention on tear downs. Staff believes it is important to address this issue proactively for once the tear down process begins, it will be difficult to establish rules and regulations, and implementing change will be difficult if not impossible. Staff would like strategic direction from Council concerning the need to begin work on this issue. Preparation includes code changes which will require a consultant to help with the review process and make recommendations. It will require experts who have done this type of work before. The process will be similar to that taken for the slab elevation project. Council engaged in discussion about tear downs. Council believes that this process will bring once land values exceed the value of the improvements on the property. The consensus of Council was that planning for this process should begin.

There was brief discussion pertaining to annexing the property South of US Highway 290 near FM 529 and selling some of the golf course property and making the rest into a park.

ADJOURN

Mayor Hamley announced that there is no need for the May 18, 2011 meeting. With no other items on the agenda, the meeting was adjourned at 9:52 p.m.

Lorri Coody, City Secretary