

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, HELD ON OCTOBER 15, 2018 AT 7:00 P.M. IN THE CIVIC CENTER, 16327 LAKEVIEW, JERSEY VILLAGE, TEXAS.

A. CALL TO ORDER AND ANNOUNCE A QUORUM IS PRESENT

The meeting was called to order by Mayor Ray at 7:00 p.m. with the following present:

Mayor, Justin Ray

Council Member, Andrew Mitcham

Council Member, Greg Holden

Council Member, Bobby Warren

Council Member, James Singleton

Council Member, Gary Wubbenhorst

City Manager, Austin Bleess

City Attorney, Charles Williams

City Secretary, Lorri Coody

Staff in attendance: Eric Foerster, Chief of Police; Mark Bitz, Fire Chief; Isabel Kato, Finance Director; Kevin T. Hagerich, Director of Public Works; and Jason Alfaro, Director of Parks and Recreation.

City Attorney Leah Hayes was not present at this meeting.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

- 1. Prayer by: Jeremy E. Ray American Legion Post 324 Chaplain.**
- 2. Pledge by: Stefanie Otto, Commander, Jeremy E. Ray American Legion Post 324.**

C. PRESENTATIONS

- 1. Presentation of Police Department Employee of the Third Quarter Award – by Stefanie Otto, Commander of the Jeremy E. Ray American Legion Post 324.**

Stefanie Otto, Commander of the Jeremy E. Ray American Legion Post #324, along with Mayor Ray, presented the Police Department Employee of the Third Quarter award to Detective Sgt. Devron Limerick.

- 2. Presentation of Employee of the Month September and October 2018.**

The Employee of the Month Program was developed to encourage recognition of Jersey Village employees who show exemplary individual achievement, contribution, and performance in their jobs. These individuals consistently exhibit a positive and supportive attitude and make contributions beyond the usual expectations of their employment.

City Manager Austin Bleess presented the October employee of the month award to Ernesto Rios. The September award was not presented at this meeting.

D. JUVENILE CURFEW PUBLIC HEARING AND RELATED ITEMS

- 1. Review the City of Jersey Village Juvenile Curfew Ordinance's effects on the community and on problems the ordinance was intended to remedy.**

Eric Foerster, Chief of Police, introduced the item. Background information about the Juvenile Curfew Ordinance is as follows: The City of Jersey Village, Texas initially passed its Curfew Ordinance on November 20, 1995 with Ordinance No. 1995-20, which added Chapter 42, Article III, Division 3, entitled "Curfew" to the Code of Ordinances. This Chapter imposes curfew hours for minors and provides certain exceptions, rules, and

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regulations for enforcement. The Ordinance was reenacted and continued on July 21, 2003 with the passage of Ordinance No. 2003-29; on October 19, 2009 with the passage of Ordinance No. 2009-51; on October 22, 2012 with the passage of Ordinance No. 2012-32, and on October 19, 2015 with the passage of Ordinance No. 2015-31.

The Texas Local Government Code requires a reexamination of the Curfew Ordinance every three (3) years to determine whether such provisions should be continued in effect, modified, or abolished.

To assist in the reexamination, Chief Eric Foerster gave a presentation concerning the ordinance's effects on the community and on the problems the ordinance was intended to remedy. It is staffs' recommendation that the current juvenile curfew ordinance continue in effect and remain as published and unchanged.

Chief Foerster told Council that before ruling on the continuance of the Juvenile Curfew Ordinance, Council must conduct two public hearings. The purpose of the hearings is to give interested parties the right to appear and be heard on the need to continue the City of Jersey Village's Juvenile Curfew Ordinance.

In completing the presentation, Chief Foerster answered the following questions from City Council:

Question: The police department has made many contacts with juveniles, but there have not been many citations issued. Why?

Answer: Contacts with juveniles can be made for any number of reasons, including traffic stops, accidents, or calls to homes. Most contacts do not warrant the issuance of citations.

Question: What kind of complaints has the department received concerning interactions with juveniles?

Answer: During the past eight (8) years, the department has received only one (1) complaint regarding a juvenile stop on Lakeview. The issue with the stop was training related. This training issue has been corrected.

Question: What is the purpose of the juvenile ordinance?

Answer: The juvenile ordinance is similar to a park ordinance that limits after hours use to deter vandalism. This is the same approach for the juvenile ordinance in that it permits contact with juveniles in order to deter any criminal activity.

Question: When was the change for the daytime curfew implemented?

Answer: 2012

Council engaged in discussion about the drop in burglaries as outlined in the Chief's presentation. It was noted that the drop occurs prior to implementing the daytime curfew.

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Some members noted that while the truancy laws have been decriminalized, officers can still pick-up juveniles and take them back to school.

Council also discussed the over-all low crime rate. Some felt that this lower level has more to do with Chief Foerster's leadership than with the implementation of the day-time curfew for juveniles. In support thereof, Council Member Singleton gave statistics from other cities demonstrating that the curfew ordinance is not effective and may very well be an infringement upon the juvenile's rights.

There was concern among members that both public hearings were scheduled in this meeting. It was the consensus of Council that the second public hearing should be rescheduled to the November 19, 2018 Regular Session City Council Meeting. Additionally, there was concern that the juvenile curfew ordinance will expire in moving the public hearing and not acting on the ordinance this evening.

Council engaged in discussion about the various tools that the juvenile curfew ordinance provides for law enforcement that are not available through other laws. Chief Foerster explained that the biggest difference is that the educational code provides the ability to pick-up juveniles based upon probable cause for a truant, but the curfew ordinance provides the backbone for stopping juveniles without the issues or requirements of being a truant. Therefore, in terms of crime prevention, the juvenile ordinance allows for juvenile stops without the truancy requirements.

Council then wondered if the juvenile curfew ordinance was unconstitutional. Chief Foerster told the Council that the Fifth Circuit Court of Appeals has sided with the curfew ordinance.

Some members felt that the curfew ordinance works well as currently written. In support thereof, it was noted that during the day the City has some 3,000 plus visitors reporting to schools in the City. Given these stats and the fact that our City is surrounded by the Houston metroplex, this law enforcement tool is important. Additionally, there is no evidence that this ordinance has been abused by the City's Police Department. It is a tool for the Police Department to do what is necessary to prevent criminal activity. Aside from the exceptions of home schooling, the tool is needed for effective policing.

Some members of Council offered a different perspective for the curfew ordinance in that it could be viewed as a protective blanket shielding juveniles from criminal predators. However, even under this perspective, there must be caution to prevent the protective measure from being too protective or smothering.

Council discussed in detail the standard for a stop, which is "reasonable suspicion." There was concern that this type of stop can be used to determine "probable cause." The discussion compared the truancy law to the juvenile curfew law in terms of stops/contacts with juveniles. Some members were concerned about the infringement of juvenile rights

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in that juveniles are being stopped only to find out they are exempt from the curfew ordinance.

Mayor Ray summarized the issues discussed, stating two issues: (1) procedural in that the 2nd public hearing should be rescheduled; and (2) more information is needed in order to make a decision. Accordingly, he stated that the 2nd public hearing will be rescheduled until the November 19, 2018 Regular Session City Council meeting and he asked that Council Members inform staff of their concerns/questions in order that they will be answered at the November 19, 2018 Meeting.

2. Conduct first public hearing on the need to continue the City of Jersey Village Juvenile Curfew Ordinance.

Mayor Ray opened the first public hearing on the need to continue the City of Jersey Village Juvenile Curfew Ordinance at 7:50 p.m.

Nancy Yetter, 16121 Capri Drive, Jersey Village, Texas (713) 419-3609: Ms. Yetter supports the juvenile curfew ordinance as currently written. She stated that on numerous occasions she has witnessed students out and about during the day and believes that the curfew ordinance will help to inform parents when their children are not in school. Additionally, she believes that the school may not have sufficient officers to enforce the truancy laws and does not want to tie the hands of our officers concerning this ordinance.

Fred Ziehe, 8409 Hawaii Lane, Jersey Village, Texas (713) 870-4162: Mr. Ziehe supports the juvenile curfew ordinance as currently written. He believes that the curfew ordinance is a tool to find things that look out of place and not a way to infringe upon constitutional rights. It is a way to question juveniles out and about during school hours. He also told City Council that he noticed some posts to the Nextdoor website citing that large groups of students are leaving the school each morning and flooding the neighborhood. To verify, he called the school district and was told that a large number of students arrive for school each morning, but there is not a large group leaving the school. The district further explained that the schedule provides for late arrivals and early dismissals for students leaving at staggered times. Those leaving early are either picked-up or drive themselves. This is a group that can easily be learned by our Police Department. Mr. Ziehe then reviewed his opinion of the statistics presented in Chief Foerster's presentation. He believes that police are not stopping juveniles just to stop them, rather the juveniles are being stopped when things look out of place. He supports the curfew ordinance and the police having this tool.

Laurel Calkins, 16001 Wall Street, Jersey Village, Texas (713) 466-1122: Ms. Calkins expressed her concern for both of the public hearings being scheduled at the same time. She thanked Council for rescheduling the second public hearing for November 19, 2018.

John Baucum, 15325 Chichester, Jersey Village, Texas (713) 822-8405: Mr. Baucum does not support the juvenile day-time curfew ordinance. He feels that this ordinance

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discriminates against juveniles that do not follow the public school schedule. He also supports having the second public hearing on another night in order to give more time for public comments. He provided statistics to support why he opposes the day-time curfew, stating that truancy is best handled by the School District. He wants the day-time portion of the curfew ordinance removed.

Rick Faircloth, 16010 Lakeview Drive, Jersey Village, Texas (713) 466-8065: Mr. Faircloth submitted a written statement to City Council opposing the day-time curfew. He told City Council if the day-time ordinance is upheld, we need to do a better job of educating juveniles and school officials about this ordinance.

With no one else signing up to speak, Mayor Ray closed the first public hearing at 8:04 p.m.

3. Conduct second public hearing on the need to continue the City of Jersey Village Juvenile Curfew Ordinance.

Mayor Ray stated that this item will be rescheduled to the November 19, 2018 Regular City Council Meeting in order that residents have additional time to make comments on the juvenile curfew ordinance.

4. Consider Ordinance No. 2018-19, continuing in effect Ordinance No. 1995-20, adopted on November 20, 1995, and codified as Chapter 42, Article III, Division 3, entitled “Curfew;” reflecting compliance with all requirements of state law and re-affirming the need to continue the curfew ordinance; and providing a penalty of an amount not less than \$50.00 nor more than \$500.00 for each day of violation of any provision hereof; making certain findings; repealing all ordinances or parts of ordinances inconsistent or in conflict herewith; providing for severability; and providing an effective date.

Council Member Mitcham moved to table this item until the November 19, 2018 City Council Meeting. Council Member Singleton seconded the motion. The vote follows:

Ayes: Council Members Singleton, Holden, Warren, Singleton, and Wubbenhorst
Nays: None

The motion carried.

E. BUDGET ITEMS

1. Discuss and consider approval of a motion to set the tax rate for debt service for tax year 2018.

Council Member Warren moved for approval of setting the Debt Service tax rate of \$0.126099 per \$100 value for the year 2018. Council Member Mitcham seconded the motion. The vote follows:

Ayes: Council Members Mitcham, Holden, Warren, Singleton, and Wubbenhorst

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Nays: None

The motion carried.

2. Discuss and consider approval of a motion to set the tax rate for maintenance and operation for tax year 2018.

Council Member Mitcham moved to approve setting the Maintenance and Operation tax rate of \$0.616401 per \$100 value for the year 2018. Council Member Warren seconded the motion. The vote follows:

Ayes: Council Members Mitcham, Holden, Warren, Singleton, and Wubbenhorst

Nays: None

The motion carried.

3. Consider Ordinance No. 2018-20, providing for the levy and collection of ad valorem taxes by the City of Jersey Village, Texas, for the year 2018.

With no discussion on the item, Council Member Mitcham moved to approve Ordinance No. 2018-20, providing for the levy and collection of ad valorem taxes by the City of Jersey Village, Texas, for the year 2018; providing for the date on which such taxes shall be due and payable; and providing for penalty and interest on all taxes not timely paid. He further moved that property taxes be increased by the adoption of a tax rate of .7425, which is effectively a 1.41 percent increase in the tax rate. Council Member Warren seconded the motion. The record vote follows:

Council Member Mitcham:	Aye	Council Member Singleton:	Aye
Council Member Holden:	Aye	Council Member Wubbenhorst:	Aye
Council Member Warren:	Aye		

Mayor Ray, although present, did not vote.

The motion carried.

ORDINANCE NO. 2018-20

AN ORDINANCE PROVIDING FOR THE LEVY AND COLLECTION OF AD VALOREM TAXES BY THE CITY OF JERSEY VILLAGE, TEXAS, FOR THE YEAR 2018; PROVIDING FOR THE DATE ON WHICH SUCH TAXES SHALL BE DUE AND PAYABLE; PROVIDING FOR PENALTY AND INTEREST ON ALL TAXES NOT TIMELY PAID; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH; AND PROVIDING FOR SEVERABILITY.

F. CITIZENS COMMENTS

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Citizens who have signed a card and wish to speak to the City Council will be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the comment is on the agenda, the City staff and City Council Members are prevented from discussing the subject and may respond only with statements of factual information or existing policy. Citizens are limited to five (5) minutes for their comments to the City Council.

Bruce Bowden, 16325 Lewis Street, Jersey Village, Texas (713) 410-9766: Mr. Bowden spoke to City Council about the proposed tax rate. He told City Council that while they have not increased the rate for many years, over the past four (4) years he has continuously paid more taxes. He complained that City workers drive around in trucks without working and it takes five (5) employees to pull weeds. He wants his taxes reduced. He also complained about the two (2) way traffic on the bridge at the Golf Course.

Mark Maloy, 7803 Hamilton Circle, Jersey Village, Texas (713) 553-8625: Mr. Maloy spoke “stockpiling of City revenues.” He gave information about how this “stockpiling” is happening in Jersey Village. He gave background information to support his position and complained about the spending of these “stockpiled” revenues on the recent land purchase and on the City’s Golf Course.

John Baucum, 15325 Chichester, Jersey Village, Texas (713) 822-8405: Mr. Baucum spoke in favor of increasing the homestead exemption from the current eight (8) percent to twenty (20) percent. He believes that the impact will only be \$500,000, but it will provide tax relief. Now is the time to provide this relief and still have the dollars needed to fund CIP projects.

Jim Fields, 16413 St. Helier, Jersey Village, Texas (713) 206-1184: Mr. Fields passed on his turn to speak.

Nic Arteaga, 16118 Seattle, Jersey Village, Texas (281) 222-7723: Mr. Arteaga spoke against increasing the homestead exemption. He is opposed because the City currently has financial strength and this strength allows us to be prepared for emergencies and not have to depend upon the Federal and State governments for assistance. He also stated that the City has many projects planned that require funding and he mentioned that it has been awhile since the City has had a street project. He believes that instead of the homestead exemption, the \$500,000 could provide dollars for enhancing the City. He does not support changing the homestead exemption rate.

G. CITY MANAGER’S REPORT

City Manager Bless gave his monthly report as follows:

- 1. Monthly Fund Balance Report, Enterprise Funds Report, Governmental Funds Report, Property Tax Collection Report – August 2018, General Fund Budget Projections as of September 2018, Utility Fund Budget Projections – September 2018, and Quarterly Investment Report – September 2018.**
- 2. Open Records Requests – Non-Police**
- 3. Fire Departmental Report and Communication Division’s Monthly Report**
- 4. Police Activity Report, Warrant Report, Investigations/Calls for Service Report, Staffing/Recruitment Report, and Police Open Records Requests**

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5. **Municipal Court Collection Report, Municipal Court Activity Report, Municipal Court Courtroom Activity Report, Speeding and Stop Sign Citations within Residential Areas Report, and Court Proceeds Comparison Report.**
6. **Public Works Departmental Report and Construction and Field Projects Update**
7. **Golf Course Monthly Report, Golf Course Financial Statement Report, Golf Course Budget Summary; Golf Course Social Media Summary Report, and Parks and Recreation Departmental Report**
8. **Report from Code Enforcement**
9. **City Social Media Summary Report**
10. **Officer Introductions – Issiac Gonzales and Tianna Arceneaux**

H. CONSENT AGENDA

The following items are considered routine in nature by the City Council and will be enacted with one motion and vote. There will not be separate discussion on these items unless requested by a Council Member, in which event the item will be removed from the Consent Agenda and considered by separate action.

1. **Consider approval of the Minutes for the Regular Session Meeting held on September 17, 2018, the Work Session Meetings held on September 17, 2018, and October 8, 2018, and the Special Session Meetings held on October 1, 2018 and October 8, 2018.**
2. **Consider Resolution No. 2018-68, appointing Katherine Marie Chancia as a Municipal Court Judge of the City of Jersey Village for the unexpired term that began on January 1, 2018 and ends December 31, 2019.**

RESOLUTION NO. 2018-68

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, APPOINTING KATHERINE MARIE CHANCIA AS A MUNICIPAL COURT JUDGE OF THE CITY OF JERSEY VILLAGE FOR THE UNEXPIRED TERM THAT BEGAN ON JANUARY 1, 2018 AND ENDS DECEMBER 31, 2019.

3. **Consider Resolution No. 2018-69, authorizing the City Manager to provide Harris County and Tetra Tech with a letter of intent, indicating that the City of Jersey Village will participate in the current All Hazard Mitigation Planning Process and will provide necessary support and information to Harris County and Tetra Tech during the 2018-2019 planning update.**

RESOLUTION NO. 2018-69

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, AUTHORIZING THE CITY MANAGER TO PROVIDE HARRIS COUNTY AND TETRA TECH WITH A LETTER OF INTENT, INDICATING THAT THE CITY OF JERSEY VILLAGE WILL PARTICIPATE IN THE CURRENT ALL HAZARD MITIGATION PLANNING PROCESS AND WILL PROVIDE NECESSARY SUPPORT

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AND INFORMATION TO HARRIS COUNTY AND TETRA TECH DURING THE 2018-2019 PLANNING UPDATE.

4. **Consider Resolution No. 2018-70, allowing members of the governing body for the City of Jersey Village to serve as volunteers for an organization that protects the health, safety, or welfare of the municipality.**

RESOLUTION NO. 2018-70

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, ALLOWING MEMBERS OF THE GOVERNING BODY FOR THE CITY OF JERSEY VILLAGE TO SERVE AS VOLUNTEERS FOR AN ORGANIZATION THAT PROTECTS THE HEALTH, SAFETY, OR WELFARE OF THE MUNICIPALITY.

Council Member Mitcham moved to approve items 1 through 4 on the consent agenda. Council Member Wubbenhorst seconded the motion. The vote follows:

Ayes: Council Members Mitcham, Holden, Warren, Singleton, and Wubbenhorst

Nays: None

The motion carried.

I. REGULAR AGENDA

1. **Consider Ordinance No. 2018-21, amending the Code of Ordinances of the City of Jersey Village, Texas at Chapter 62 Taxation, Article I. In General, Section 62-6 to increase the residential homestead exemption; providing for severability; and providing for repeal.**

Bobby Warren, Council Member, introduced the item. He told City Council that his proposed Ordinance would increase the residential homestead exemption from 8% to 20%.

It is important to provide some history concerning property taxes in Jersey Village to better understand why this is the right time to provide homeowners with a tax break. While the current tax rate of 74 and a quarter cents per \$100 of taxable property value has been in place now for at least 11 years, the value of properties in the City have risen significantly during that time. As a result, property tax revenues have skyrocketed.

The last time Council increased the homestead exemption was 2003, when it was raised from 4% to the current 8% exemption. At that time, the tax rate was 67 and one-half cents per \$100 of taxable property value. Property tax revenue at that time was \$4.2 million. In 2017 dollars, that would be approximately \$5.6 million. During the 2016-2017 fiscal year, the City collected over \$8 million in property taxes alone. That is a 42.8 % increase when accounting for inflation.

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Sales taxes have been no different. In 2003 the City collected nearly \$2.7 million in sales taxes, which would be over \$3.5 million in 2017 dollars. For the 2016-2017 fiscal year, the City collected \$4.26 million. That is a 21.7% increase when accounting for inflation.

This has not been a slow climb to reach this point, and homeowners have taken the hardest hit recently. Looking solely at single-family residences, the average home in Jersey Village has seen their property tax bill from the City rise from an inflation adjusted \$1,415 in 2013 to \$1,767 in 2017. That is a nearly a 25% increase in taxes collected by the City in just four years.

In 2015 when I first raised this issue as a citizen, I was reassured by multiple members of Council, many of whom are now my colleagues, that this was a temporary increase that was made necessary by the likely dip in sales tax revenues expected due to the disruption of businesses along Highway 290 during construction. Rather than witness a decrease in our sales tax base, however, we have seen a steady increase over time with an additional \$1.3 million in annual sales tax revenues collected by the City in 2017 over 2015. For calendar year 2018, the Texas Comptroller has reported paying over \$3.9 million to the City's general fund, which represents a nearly 5% increase in sales tax revenues compared to this time last year. That is phenomenal growth, and all signs are that it is sustainable.

Moreover, we recently completed the redemption of Certificates of Obligation issued to finance movement of utilities and easements related to construction on Highway 290. By paying back this debt early, we have saved money on interest and reduced our annual debt service payments by over \$833,000 from last year.

Most of these facts should be sources of pride for this City Council. Steadily increasing property values and sales tax revenues are all signs of a City that is on the rise, well managed, business friendly and clearly a community where people want to live.

It is time, however, for us to recognize that the windfall we received in 2015 was not intended to be permanent. Construction on U.S. Highway 290 in Jersey Village is substantially complete. Our sales tax revenue is clearly in no danger of evaporating anytime soon. If anything, in this thriving economy, it is likely to grow at an increasing rate.

The increase in the residential homestead exemption would cause only a modest impact to our revenues. City staff estimates that it would cost us \$550,000 per year to start and would not impact the budget until 2020. That is approximately 3% of the total expenditures budgeted for this fiscal year. It would, however, reduce the tax bill for the typical homeowner by 13%. That would put \$250 back into the pockets of the average household in Jersey Village. That may not seem like a lot, but I am willing to bet that there are many families in Jersey Village for whom a \$250 annual savings could be put to pretty good use.

Some have questioned whether this proposal would in any way impact the ability of the City to implement its current Capital Improvement Plan. After looking at our revenues and

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expenses, including those proposed capital investments, it is clear that none of these projects would be placed in jeopardy. Using a conservative assumption of a 1% annual increase in property tax revenues, 3% annual increases in sales tax revenues and 3% annual increases in operating expenses, we could complete our planned capital investments in a timely manner while not touching our 90-day reserve. Before you point out that council policy is to maintain a 150-day reserve, that is not actually true. A review of the language of the 2007 resolution, which created the facilities reserve balance shows that the 150-day operating level was merely used as a trigger to move funds into the facilities reserve balance. It does not create a new general fund reserve level, which remains at 90 days, which is consistent with Governmental Accounting Standards Board recommendations.

Finally, let's discuss the elephant in the room. Or, more appropriately, the elephants in Austin. Our own representatives in the legislature, Senator Paul Bettencourt and Representative Gary Elkins have both sought statewide caps on municipal property tax revenues. Earlier this year, Governor Greg Abbott endorsed the concept, calling for a 2.5% cap on property tax revenue growth requiring approval of two-thirds of voters to override that cap. I disagree with their approach, not in substance, but on principle. I believe that Jersey Village has a right to govern itself with minimal interference from Austin the same way that Texas has a right to govern itself with minimal interference from Washington, D.C. But, based on the numbers I cited earlier, we have done little to dissuade them that their proposal is not necessary.

And yet, despite their best efforts over the last several sessions, they have been unsuccessful in imposing a cap. Based on the activities in Austin, it is likely that if any proposal is passed and placed on the governor's desk, it's not likely to be as stringent as Gov. Abbott's proposal. That said, if a property tax revenue cap is imposed, we will manage just fine whether we pass my proposed ordinance tonight or not. If a true emergency arises which requires the approval of the voters to override a cap, I have the utmost faith in my neighbors to make the right decision.

I know that some of my colleagues on Council may be inclined to vote against this proposal out of an abundance of caution – a mistaken belief that our reserves and our revenues aren't stable enough to give homeowners their first tax break in 15 years. I could not possibly disagree more. All revenue streams have been on an upward trend for years now and we have reduced our debt payments. If we are not on solid enough footing to provide a tax break now, I fail to see what conditions would be necessary before we will act to stem the tide of rising property tax bills.

In completing the introduction, Council engaged in discussion on the item. Some members favored the homestead exemption increase, but wondered why the decision is being discussed tonight given such an increase affects the 2019-2020 budget year and will not go into effect until the 2019 tax year. Typically talks that will affect the next budget year are addressed during the July budget discussions.

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Council Member Warren explained that there have been many changes since May 2018 when this topic was initially discussed. It is those changes that encourage discussion of this topic at this time. When we see progress made with tax revenues and sales tax increases growing, then you couple that with Argos USA moving into Jersey Village, now is the time to have these discussions.

Some felt that with Council Member Warren claiming his statistics were conservative, it is also being conservative to wait until the budget discussions in July to move on this issue.

CIP projects and funds were discussed by the Council. Some felt that regardless of the exemption increase, the CIP pace presently underway cannot continue, and the resulting exemption of \$500,000 per year will not affect CIP projects.

Some members felt that we had budget discussion on this topic during the 2018-2019 budget talks. At that time it was decided that it would be fiscally responsible to wait and it would be prudent at this time to table the discussions until the 2019-2020 budget discussions when all the information is at hand and can be reviewed and discussed.

Council Member Warren explained why he agreed to wait on addressing an increase to the homestead exemption back in May of this year. At that time, there was a focus to pay down debt more quickly, but later he learned that the City can only pay debt when it is callable and not before.

Some members felt that in order to pay down debt there must be cash reserves. Cash reserves allow the City to do projects on a pay as you go basis. Having cash reserves is having financial flexibility. Residents have not been overtaxed. The reserves are in place because Council has underperformed in that CIP projects have not been scheduled and approved. We have a surplus because of what we have not done. With this in mind, the proper time to look at an increase in the homestead exemption is during the budget process.

Council Member Warren believes that the City has an excessive fund balance, but also agrees that we have many projects that need to be accomplished. However, we have waited for some time to reduce property taxes. In response, some Members agreed/supported an increase in the homestead exemption, but felt it would be better to wait until January or February 2019 in order to learn the results of current unknowns that will play a part in the decision making.

Mayor Ray stated that the City of Jersey Village provides residents with a high level of service. This comes at a cost. It is up to City Council to continue to provide the level that residents want. Changing the exemption is a big decision and needs much review and making such a decision this evening could be problematic. It is not clear that we will have the revenues necessary to complete the projects that need to be done until more information is available. As mentioned during the Citizens' Comment section of this agenda, it has been quite some time since the City has scheduled street improvements because such projects have been delayed due to flood mitigation projects. Having reserves allows the

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City to address things as they come up. With this in mind, the Mayor proposed that discussions be continued in advance of the 2019-2020 budget discussion once the City has more information about:

1. The outcome of the grants that have been applied for by the City;
2. The Jones Road Economic Development Project;
3. Argos USA sales tax revenues;
4. Needed Street repairs;
5. Flood mitigation; and
6. Facility repairs.

All of this Information should be evaluated before a decision can be made concerning an increase to the homestead exemption.

Discussion was had concerning the scheduling of a work session on the third Monday in January, which included the scope for this meeting. It was the consensus of City Council that each member will send a request to the City Manager outlining the information they will need to review in order to make this decision.

With no further discussion on the matter, Council Member Warren moved to table this item until the February 2019 Regular Session City Council Meeting. Council Member Singleton seconded the motion. The vote follows:

Ayes: Council Members Warren and Singleton.

Nays: Council Members Mitcham, Holden, and Wubbenhorst

The motion failed.

ORDINANCE NO. 2018-21 – NO ACTION TAKEN

AN ORDINANCE OF THE CITY OF JERSEY VILLAGE, TEXAS, AMENDING THE CODE OF ORDINANCES OF THE CITY OF JERSEY VILLAGE, TEXAS AT CHAPTER 62 TAXATION, ARTICLE I. IN GENERAL, SECTION 62-6 TO INCREASE THE RESIDENTIAL HOMESTEAD EXEMPTION; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR REPEAL.

2. **Consider Ordinance No. 2018-22, amending the Code of Ordinances of the City Of Jersey Village, Texas, at Chapter 18, Businesses, Article II, Sexually Oriented Commercial Enterprises, Division I, Generally, Section 18-31, to provide updated definitions; providing a severability clause; providing for repeal; providing a penalty as provided by Section 18-32 of the code; and providing an effective date.**

Christian Somers, Building Official, introduced the item. He told City Council that certain amendments to Chapter 18, Businesses, of the Code of Ordinances of the City of Jersey Village, Texas are necessary to update definitions regarding sexually oriented commercial enterprises. This item is to consider these amendments.

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With limited discussion on the matter, Council Member Singleton moved to approve Ordinance No. 2018-22, amending the Code of Ordinances of the City Of Jersey Village, Texas, at Chapter 18, Businesses, Article II, Sexually Oriented Commercial Enterprises, Division I, Generally, Section 18-31, to provide updated definitions; providing a severability clause; providing for repeal; providing a penalty as provided by Section 18-32 of the code; and providing an effective date. Council Member Warren seconded the motion. The vote follows:

Ayes: Council Members Mitcham, Holden, Warren, Singleton, and Wubbenhorst

Nays: None

The motion carried.

ORDINANCE NO. 2018-22

AN ORDINANCE AMENDING THE CODE OF ORDINANCES OF THE CITY OF JERSEY VILLAGE, TEXAS, AT CHAPTER 18, BUSINESSES, ARTICLE II, SEXUALLY ORIENTED COMMERCIAL ENTERPRISES, DIVISION I, GENERALLY, SECTION 18-31, TO PROVIDE UPDATED DEFINITIONS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR REPEAL; PROVIDING A PENALTY AS PROVIDED BY SECTION 18-32 OF THE CODE; AND PROVIDING AN EFFECTIVE DATE.

- 3. Consider Resolution No. 2018-71, authorizing the City Manager to enter into a contract with Clark Condon for the design and construction management of the gateway and wayfinding signs.**

Jason Alfaro, Director of Parks and Recreation, introduced the item. Background information is as follows: Last month the City Council authorized the City Manager to negotiate a contract with Clark Condon for the design, bidding, and construction administration of the gateway signage. This project is one of the main items identified in the 2016 Comprehensive Plan.

In our meeting with Clark Condon, we discussed several options for the best way to move forward. Since there are eight (8) gateway entrances and five (5) marquee signs, not including what may be created as part of the Jones Road Crossing, Clark Condon and Staff felt it would be good to get the bulk of the survey work and agreements with the County and Harris County Toll Road Authority (HCTRA) done at the start of the project. That way if we run into issues that need to be fixed we can move to the construction of a gateway at a different location.

The proposed contract with Clark Condon has up to \$200,000 for the preliminary design, design development construction documents, bidding, and construction administration. This is for the first round of signs. The second round, tentatively schedule for FY20 would

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require much less of this preliminary design and design development work, as it would already be completed.

Right now it is estimated we will be out to bid on this project in May. All of the bids would come back to Council for approval before the work is done, as required. Construction is estimated to begin in July.

Council engaged in discussion. There was concern that engaging this firm may not be the best decision for the City in that they initially charged the City \$60,000 for the Gateway and Wayfinding Master Plan and now there is additional expense for the design of the work. It was felt that perhaps the sign design work should have been included during the initial work performed by this company. Some felt that the bid for this work may not be competitive. There was also concern about the construction costs for this project.

In response, the Consultant from Clark Condon explained the difference between the work done on the Master Plan and the bulk of the work needed for this project. The bidding for the construction project will be done by the competitive bidding process, which will focus on bringing to the City Council recommendations of three (3) different contractors. The bids will be tabulated and presented for the Council's review.

City Manager Bless explained that the scope of this project falls under the professional bidding process and not the competitive bidding process since it involves design/engineering work. Additionally, he told the Council that \$1 million was placed in this year's budget for the design and construction work needed for this project, which is a project outlined in the City's Comprehensive Plan.

With no further discussion on the matter, Council Member Wubbenhorst moved to approve Resolution No. 2018-71, authorizing the City Manager to enter into a contract with Clark Condon for the design and construction management of the gateway and wayfinding signs. Council Member Mitcham seconded the motion. The vote follows:

Ayes: Council Members Mitcham, Holden, Warren, Singleton, and Wubbenhorst

Nays: None

The motion carried.

RESOLUTION NO. 2018-71

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH CLARK CONDON FOR THE DESIGN AND CONSTRUCTION MANAGEMENT OF THE GATEWAY AND WAYFINDING SIGNS.

- 4. Consider Resolution No. 2018-72, authorizing an agreement with Wells Fargo Bank, NA for depository services.**

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Isabel Kato, Finance Director, introduced the item. Background information is as follows: The current depository agreement between the City and Wells Fargo Bank, NA, which was issued for a three-year period, with two extensions expires on October 28, 2018. A Request for Proposal for banking services was issued. Two banks responded with proposals.

A comparative review of costs, revenue, services, and financial ability as well as an evaluation of various aspects of the proposals was done on these two proposals. Included in the meeting packet is a summary of the information used in the review. Both banks presented complete responses to the City's request for proposal. On these proposals, Wells Fargo offered to reimburse the city for courier service, a feature most cost effectively obtained through a financial institution. The two banks that submitted the proposal are Frost Bank and Wells Fargo Bank, NA. The evaluations of these two bank's proposals rank Wells Fargo Bank, NA first and Frost Bank second.

With limited discussion on the matter, Council Member Warren moved to approve Resolution No. 2018-72, authorizing an agreement with Wells Fargo Bank, NA for depository services. Council Member Wubbenhorst seconded the motion. The vote follows:

Ayes: Council Members Mitcham, Holden, Warren, Singleton, and Wubbenhorst

Nays: None

The motion carried.

RESOLUTION NO. 2018-72

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE,
TEXAS, AUTHORIZING A CONTRACT WITH WELLS FARGO BANK, NA FOR
DEPOSITORY SERVICES.

J. MAYOR AND COUNCIL COMMENTS

Pursuant to Texas Government Code § 551.0415, City Council Members and City staff may make a reports about items of community interest during a meeting of the governing body without having given notice of the report. Items of community interest include:

- Expressions of thanks, congratulations, or condolence;
- Information regarding holiday schedules;
- An honorary or salutory recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutory recognition for purposes of this subdivision;
- A reminder about an upcoming event organized or sponsored by the governing body;
- Information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; and

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- Announcements involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

Council Member Wubbenhorst: Council Member Wubbenhorst had no comments.

Council Member Singleton: Council Member Singleton thanked the Jersey Village Fire Department for their response to a recent fire in Jersey Village. He also thanked those attending the meeting and stated that he appreciates the Citizens' Comments. He reminded everyone of the upcoming Fall Frolic at Clark Henry Park.

Council Member Mitcham: Council Member Mitcham had no comments.

Council Member Holden: Council Member Holden had no comments.

Council Member Warren: Council Member Warren thanked the Jersey Village Fire Department for their work and he thanked everyone for attending the meeting.

Mayor Ray: Mayor Ray thanked the Cub Scout troop for coming to the meeting. He thanked Staff and City Council for their hard work and he thanked everyone for attending the meeting.

K. ADJOURN

There being no further business on the Agenda the meeting was adjourned at 9:20 p.m.



Lorri Coody, City Secretary