

MINUTES OF THE BUDGET WORK SESSION MEETING OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, HELD ON JULY 22, 2013 AT 6:00 P.M IN THE CIVIC CENTER MEETING ROOM AT 16327 LAKEVIEW DRIVE, JERSEY VILLAGE, TEXAS 77040.

**A. The meeting was called to order by Mayor Erskine at 7:15 p.m. with the following present:**

Mayor, Rod Erskine  
Council Member, Justin Ray  
Council Member, Sandra Joachim  
Council Member, Harry Beckwith III, PE  
Council Member, Sheri Sheppard  
Council Member, Jill Klein  
  
City Manager Mike Castro  
City Secretary, Lorri Coody

Staff in attendance: Mark Bitz, Fire Chief; Eric Foerster, Chief of Police; Danny Segundo, Director of Public Works; Isabel Kato, Director of Finance; Michael Brown, Director of Parks; Donna Ginn, Accounting Clerk II, and Bob Blevins, IT Administrator.

**B. Review and discuss the proposed fiscal year 2013-2014 municipal budget.**

City Manager Mike Castro began the review of the 2013-2014 municipal budget with a presentation including an overview of the following important areas:

- Budget Goals
- Systemic Issues
- General Fund Revenues Vs. Expenditures FY 04 through FY 13
- FY 12-13 Accomplishments
- Revenue Estimates – General Fund for FY 2014
  - Project General Fund Revenues
  - Assessed Valuations – FY 05 through FY 13
  - Sales Tax Trend – FY 10 through FY 13

At this point in the presentation, Council engaged in discussion about the interfund transfers and how they work. Basically the monies from such programs as the Crime Control and Prevention District and the Utility Fund are transferred from those funds into the General Fund for processing.

Council also discussed the practice of auditing the state sales tax reports to insure that businesses are properly paying the tax to Jersey Village and not to the City of Houston. City Finance Director, Isabel Kato, told Council that the state reports are checked monthly to insure that they are correct. With no further discussion, Mr. Castro continued his presentation on the following areas:

- Property Tax Rate
- Franchise Fees, Service Fees, and Fines
- FY 2012-2013 Revenue and Expenditure Projections

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- FY 2013-2014 Revenue and Expenditure Projections – Base Budget
- FY 2013-2014 Revenue and Expenditure Including Supplementals
- Operational Goals for FY 2013-2014
- FY 14 - Supplementals
- Compensation
  - 10 – 20 – 3 Program
  - Public Safety and Fire to (-10% of market)
  - All other employees (-20% of market)
  - Those at compensation (3% merit)
  - Total for all departments = \$296,780

In hearing the compensation proposal, Council engaged in discussion about the compensation proposal. Staff confirmed that the 3% merit has been built into the base budget along with the associated benefits. However, the 10% and 20% numbers have been included in the supplemental sheets. Council questioned the 3% merit and how it works. They wondered if all staff will get the 3%. City Manager Castro explained that using an across the board 3% for the base calculation typically comes out close to correct because during the evaluation process some employees receive under the 3% for merit increase and some receive above the 3%. Typically the “over and under” averages to 3% across all employees. With no further discussion about the compensation proposal, City Manager Castro continued his presentation with the following areas:

- Utility Fund
- Coming Attractions
- Budget Calendar

Upon completing the overview of the 2013-2014 fiscal municipal budget, Mayor Erskine called for a review of the budget by division and department (the yellow sheets) as follows:

- General Fund - Revenues and Expenses

Council engaged in discussion about the assessment and collection of fees for the City. Council wondered if staff has conducted a review/comparison of state fees to city fees to insure that the city is collecting all that it is entitled to collect. An example was given for alcoholic beverage permits. Council also discussed different practices for increasing the city’s revenue. They questioned why the fine revenue was set so low when it appeared that more revenue would be collected as a result of fines. City Finance Director, Isabel Kato explained that it has been the practice of staff to project conservatively.

Council continued the review of the budget by division and department as follows:

- Utility Fund - Revenues and Expenses
- Debt Service Fund - Revenues and Expenses
- Impact Fee Fund - Revenues and Expenses
- Motel Tax Fund - Revenues and Expenses

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- Asset Forfeiture Fund - Revenues and Expenses
- Capital Replacement Fund – Revenues and Expenses
- Traffic Safety Fund – Revenues and Expenses
- Capital Improvements Fund - Revenues and Expenses
- Golf Course Fund - Revenues and Expenses
- Court Restricted Fee Fund - Revenues and Expenses
- Street Bond Fund - Revenues and Expenses
- Jones Road Extension Fund
- Red Light Camera Fund - Revenues and Expenses
- JV Crime Control Fund – Revenues and Expenses

Public Works Director, Danny Segundo presented the Capital Improvements Projects for the City. Basically he told Council that everything for next year in the CIP will be associated with the US 290 expansion project. The rest of the city's projects have been rolled forward one year with no changes from what was presented in prior years for the CIP.

Council engaged in discussion about the CIP. There was concern that the \$4M slated for a new city hall might not be enough. City Manager Castro stated that in addition to the \$4M stated here, staff will look to other sources for revenue. He mentioned that the Crime Control and Prevention District Budget might be able to contribute as well as the Traffic Safety Fund. In considering these other funding sources, Mr. Castro felt comfortable with the \$4M figure even though he figures the new building could cost as much as \$5 to \$6 million.

Next Council reviewed the Supplementals for all funds one item at a time. Each item was introduced by the appropriate department head as follows:

**General Fund**

28 Supplementals for the General Fund totaling \$395,208

**Utility Fund**

6 Supplementals for the Utility Fund totaling \$422,500

**Capital Replacement Fund**

10 Supplementals for the Capital Replacement Fund totaling \$-11,316

**Golf Course Fund**

4 Supplementals for the Golf Course Fund totaling \$70,843

**Fund 15- Red Light Camera**

1 Supplemental for the Red Light Camera Fund totaling \$4,114

**Fund 50 – Crime Control**

1 Supplemental for the Crime Control Fund totaling \$172,000

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**Adjournment**

The meeting was adjourned at 10:25 p.m.

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Lorri Coody, City Secretary