

**MINUTES OF THE SPECIAL SESSION MEETING OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, HELD ON JULY 19, 2022 AT 6:00 P.M. IN THE CIVIC CENTER MEETING ROOM, 16327 LAKEVIEW, JERSEY VILLAGE, TEXAS.**

**A. CALL TO ORDER AND ANNOUNCE A QUORUM IS PRESENT**

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

Mayor, Bobby Warren  
Council Member, Drew Wasson  
Council Member, Sheri Sheppard  
Council Member, Michelle Mitcham  
Council Member, James Singleton  
Council Member, Jennifer McCrea

City Manager, Austin Bleess  
City Secretary, Lorri Coody

Staff in attendance: Kirk Riggs, Chief of Police; Mark Bitz, Fire Chief; Isabel Kato, Finance Director; Abram Syphrett, Director of Innovation and Technology, Laura Capps, Human Resource Manager; and Robert Basford, Assistant City Manager.

**B. CITIZENS' COMMENTS**

**Any person who desires to address City Council regarding an item on the agenda 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 not allowed to discuss the subject. Each person is limited to five (5) minutes for comments to the City Council.**

**Mark Maloy, 7803 Hamilton Circle, Jersey Village, Texas (713) 461-1430** – Mr. Maloy spoke to City Council about City events and the sale of alcoholic beverages. He mentioned that at the July 4, 2022 event, there are signs that say no alcohol beyond this point. He wondered why the City can make provisions for the sale of alcohol, but residents cannot bring their own alcohol. He also made corrections to the statistics that he provided to the City Council at the July 18, 2022, City Council Meeting concerning Golf Course expenditures. At the end of his comments, Mayor Warren explained why the City can sell alcohol at the Park, stating that it is because there is an Ordinance that was passed allowing this as well as the City has the required licenses.

**Andrew Mitcham, 15810 Acapulco Drive, Jersey Village, Texas (713) 202-6474** – Mr. Mitcham mentioned that the reason we have the no alcohol signs posted in that area of the park is because of its location and proximity to the school. He also stated that alcoholic beverage licenses are tied to bartenders and not companies in order to control the flow of alcohol. He gave a detailed explanation about alcoholic beverage license procedures. In addition to his alcoholic beverage comments, he stated that he is here tonight to advocate setting the tax rate at .76 cents. He stated that he reviewed the proposed budget and did not see anything that could be cut. He stated that all of the supplementals for police and fire are needed expenditures. He also mentioned that fuel prices are increasing; and therefore, the cost of operating the City is increasing. The proposed budget includes funding for six new firefighters. It is hoped that a grant will cover the cost for six more for only three years. Therefore, eventually, the City Council will need to increase taxes to cover the cost of these needed firefighters, and it is better to do that a little over time as opposed to one lump sum increase.

**C. RECESS THE SPECIAL SESSION AND BUDGET WORK SESSION**

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This item was not called. The Executive Session was not conducted.

**D. EXECUTIVE SESSION**

- 1. Pursuant to the Texas Open Meeting Act Section 551.087 Deliberation Regarding Economic Development Negotiations and Section 551.072 Deliberations about Real Property, a closed meeting to deliberate information from a business prospect that the City seeks to locate in Jersey Village TIRZ Number 2 and economic development negotiations, including the possible purchase, exchange or value of real property, related thereto.**

This item was not called. The Executive Session was not conducted.

**E. ADJOURN EXECUTIVE SESSION**

This item was not called. The Executive Session was not conducted.

**F. RECONVENE THE SPECIAL SESSION AND BUDGET WORK SESSION**

- 1. Discuss and take appropriate action regarding items discussed in closed session regarding economic development negotiations, including the possible purchase, exchange or value of real property, related thereto, and contractual obligations of the City under existing contracts related to Jersey Village TIRZ Number 2.**

This item was not called. No action was taken on this item.

- 2. Review and discuss the proposed fiscal year 2022-2023 municipal budget.**

City Council continued the review of the 2022-2023 Municipal; Budget as follows:

**Fund 2 - Utility Fund**

Department 40 - Revenues

There was limited discussion on this item to include the Seattle Street grant. City Manager Bless gave background information about the grant in terms of the timeline. He stated that it is doubtful that we will receive these funds for budget year 2022-2023.

Department 45 – Water and Sewer

There was discussion about the length of time that water meters last. City Manager Bless stated that they last about 10 to 15 years. Some members felt that it might be a good idea to have funds dedicated for replacement. There was also discussion about the increase in maintenance and if the City gets reimbursed for repairs needed as a result of contractor error. City Manager Bless stated that sometimes we do get reimbursed.

Some members had questions about problems with the water lines due to the drought and the shifting of the surface. City Manager Bless explained that sometimes it does cause

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issues. The White Oak Water Treatment Plant (WOB) costs were discussed – line 5019. City Manager Bleess explained the upcoming WOB projects and the increased costs for same as well as the funding, which is by cash call. The cash call method of funding causes issues with having the funds available from the various member entities to complete projects.

The increase of water authority fees was discussed. This increase is due to higher usage. The City of Houston contract was discussed. It is a 40-year agreement signed back in 2001.

The debt service fund increase was discussed. Finance Director Kato explained the reason for the increase. She stated that this rate will change every year depending upon the schedule implemented when the bonds were refunded back in 2007. Also, the User Equipment line item was discussed. City Manager Bleess explained that the generators and a tractor were not on the list and needed to be added which caused the need to increase this line item.

Department 46 – Utility Capital Projects

The repair of the booster pumps was discussed. This is a necessary repair. Council also discussed the Sanitary Sewer Line Inspections. A consultant will be hired to conduct these inspections. Most members felt that this assistance will be beneficial in the long run for the City by providing needed information about City infrastructure.

The meter reading system was discussed. It will be in the 2022-2023 budget.

There is \$11M dollars in the Utility Fund balance.

**Fund 3 – Debt Service**

Department 50

There was limited discussion on this item.

Department 51

There was limited discussion on this item.

**Fund 4 – Impact Fee Fund**

City Manager Bleess stated that there have been quite a few requests from businesses in the ETJ that are interested in receiving City water. So, staff is reviewing the need and may be bringing something to City Council for consideration early in the 2022-2023 budget year. Most of the requests are coming from the Charles Street area. If the need is great, this would result in an annexation. The pros and cons of annexation were discussed.

**Fund 5 - Motel Tax Fund**

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The revenue for this line item is increasing. There was limited discussion about this increase. Expenses charged toward this revenue were discussed. Some members wanted to know if expenses from Founder's Day could be charged against this line item. City Manager Bless explained that there are limited things that can be charged toward this account and Staff is diligent in the review of the statute to ensure all expenses that can be charged here are charged. The fund balance for this account is \$204,000.

**Fund 6 – Asset Forfeiture Fund**

There was no discussion on this item.

**Fund 7 Capital Replacement Fund**

This line item supports vehicles, equipment, and computers. City Manager Bless explained the vehicle replacement program for cars. It has been successful.

The expenses were discussed concerning the high-water truck, utility tractor and a woodchipper. Using the high-water truck for emergencies was discussed. Chief Bitz explained that our existing truck is not equipped to be used during traffic emergencies. Appendix D was reviewed.

**Fund 10 – Capital Improvement Fund**

The revenues were discussed.

**Department 91**

The list of Capital Improvements was reviewed and discussed. The funding for the E127 project was discussed.

The City Hall project timeline was discussed. City Manager Bless stated that should the project move forward, construction will run 10 to 12 months, so it is possible that we may not spend \$11M in budget year 2022-2023. As a result, some members wondered if this expense should be split across several years. City Manager Bless stated that historically we transfer the monies into the CIP for planned projects. There was discussion about either leaving it in budget year 2022-2023 or splitting it over several budget years. The current CIP fund balance is \$9.1M. The \$9.1M does not cover all the projects listed on page 61 and 62 of the proposed budget. There was detailed discussion about how the amounts are listed on these pages and if they should be spread over several years.

The fire department roof replacement project was discussed. There was also discussion about sand verses pebbles for the playground sand boxes at Carol Fox Park.

City Manager Bless explained to City Council that we can afford six projects in budget year 2022-2023, which are the E127 Project, Home Elevations, Seattle Street Project, Golf Course Clubhouse, Fire Station Roof Gutters, and Driving Range Nets. If we did all these projects, the unallocated fund balance would be set to zero.

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There was discussion about how to fund projects. City Manager Bless stated that at some point we will need to bond for streets and infrastructure. Council discussed the pros and cons of bonding for projects. Council also discussed raising taxes to fund projects. A pay as you go process was discussed. Some felt that the pay as you go option is no longer viable given the rate of inflation. Some members felt that bonding is a way to accomplish projects and pay overtime. For streets, it makes sense. Bonding makes projects more expensive; and therefore, other members were not in favor of bonding for projects.

City Manager Bless stated that two things have changes since prior discussions about moving forward with pay as you go. One, inflation and two, the State Legislature has capped us at 3.5%. Once we pay off existing debt, we will need to reduce the tax rate to stay within the 3.5% threshold.

The street list was discussed. These street repairs could cost \$8M to \$10M over the next five years. Therefore, it might be wise to bond to fund these projects. Bond election timing for streets was discussed.

*Mayor Warren called a short recess at 7:50 PM. He reconvened the meeting at 8:01 PM, with a quorum present.*

**Fund 11 – Golf Course Fund**

Revenues have increased about 9%. The transfer for 2021-2022 year-end budget was discussed. The projection is \$237,098. Golf Course expenses were discussed. The increase for part-time by \$3 per hour was discussed. Currently it is set at \$8 per hour. This would increase it to \$11 per hour. The golf cart maintenance costs were discussed. It was pointed out that the expenses for the course are flat.

The Travel and Training increase was discussed. Assistant City Manager Basford explained the reasoning behind the increase.

**Fund 12 – Court Restrictive Fee Fund**

There was limited discussion on this item.

**Fund 13 – CDBG Grant**

There was limited discussion on this item.

**Fund 14 – TIRZ2**

There was limited discussion on this item.

**Fund 15 – TIRZ3**

There was discussion about the Jersey Drive tear-down, rebuild project. Also, there was discussion that there should be a line item added for the sale of homes related to this project.

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**Fund 49 - JVPDEMSD**

There was limited discussion on this item.

**Fund 50 - CCPD**

There was limited discussion on this item.

**Capital Improvements Program (CIP)**

There was limited discussion on this item.

**Capital Improvement Fund Reconciliation**

There was limited discussion on this item.

There was discussion by the Council concerning the proposed budget and the possibility of increasing the tax rate. Some felt that the proposed budget is well put together. Some members wanted to know what the deficit would be if we adopt the proposed budget and leave the rate as is at .7425. City Manager Bless pointed out that given the tax rate calculation numbers are still very preliminary, it is hard to say what the deficit would be but a ballpark number would be about \$200,000.

The meeting handouts from last evenings discussions were reviewed and discussed.

The timeline regarding approving the budget and setting the tax rate was discussed.

The fund balance for the General Fund is \$7.4M, which would cover City operations for four months. It was pointed out that it is possible to draw down on the fund balance instead of increasing the tax rate.

With the discussions complete, Mayor Warren called on the Council Members for comments as follows:

**Council Member Singleton**: Council Member Singleton appreciates the hard work of Staff on preparing this proposed budget. Great job.

**Council Member Wasson**: Council Member Wasson stated that Staff has done a great job in preparing the proposed budget. He thanked all for the hard work that was put into the proposed budget.

**Council Member Sheppard**: Council Member Sheppard thanked all for their hard work.

**Council Member Mitcham**: Council Member Mitcham thanked all for their hard work. She appreciated the budget memo as it was informative and helpful. She feels Staff is well informed.

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**Council Member McCrea:** Council Member McCrea thanked all for their hard work in preparing the budget. She felt that the layout of the budget is very easy to understand. She appreciates the movement of the golf course toward a net positive.

**Mayor Warren:** Mayor Warren felt that going through the budget process is challenging, but we have a great product. He thanked Staff for their hard work and for the attention to detail in preparing the proposed budget. He also thanked City Council for preparing for these meetings in order to fully discuss the proposed budget.

**G. ADJOURN**

There being no further business on the Agenda the meeting was adjourned at 9:01 p.m.



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Lorri Coody, City Secretary