

MINUTES OF THE SPECIAL WORK SESSION MEETING OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, HELD ON JULY 14, 2023 AT 8:00 A.M. IN THE CIVIC CENTER, 16327 LAKEVIEW, JERSEY VILLAGE, TEXAS.

A. The meeting was called to order by Mayor Warren at 8:00 a.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: Robert Basford, Assistant City Manager; Mark Bitz, Fire Chief; Kirk Riggs, Chief of Police; Isabel Kato, Director of Finance; Laura Capps, Human Resource Manager, Abram Syphrett, Director of Innovation and Technology, and Jordan Kettler, Accounting Manager.

B. CITIZENS' COMMENTS: 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.

There were no Citizen's Comments.

C. Review and discuss the proposed fiscal year 2023-2024 municipal budget.

City Manager Bleess began the review by calling Council's attention to the City Manager's Memo included in the proposed 2023-2024 municipal budget. This memo highlights key aspects of the municipal budget, taking into account the significant inflationary pressures experienced in recent years, rising infrastructure costs, and the community's expectations for maintaining high-quality infrastructure, parks, and services. It highlights the impacts across all funds and the specific impacts to the General Fund, the Utility Fund, the Impact Fee Fund, the Hotel Occupancy Tax Fund, the Capital Replacement Fund, and the Capital Improvements Fund.

To navigate the challenges posed by inflationary pressures and rising infrastructure costs, the proposed budget employs a multi-faceted approach. This approach includes diligent cost management, exploring alternative funding sources, seeking partnerships and grants, and prioritizing capital projects based on community needs and available resources. By carefully balancing these factors, we strive to ensure the long-term sustainability and prosperity of our city while delivering the high-quality infrastructure, parks, and services that our community expects and deserves.

City Manager Bleess asked if Council had any questions concerning the City Manager's Memo.

With no questions, City Manager Bleess suggested that the process begin with a department-by-department review. What follows will be the departmental budgets wherein City Council had discussion and/or questions.

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Revenues for the General Fund

There was discussion about the estimates that will come in from the Harris County. Finance Director Kato explained how these numbers are calculated and cautioned that the numbers may change as we move through the process due to tax contests.

Sales Taxes

There was discussion about the 26% increase over what was budgeted last year. Some wondered what the increase will be for budget year 2023-2024. City Manager Bless stated that it will be around \$800,000 which will be about a 3% increase.

GENERAL FUND

Department 11 – Administrative Services

There was discussion about the health insurance given it shows a decrease. City Manager Bless stated that the rates are down 5% since we went out for bids this year. There was also discussion about the salary item. Bless explained based upon the salary survey this item shows an increase of 15%.

Because of the questions, City Council moved to the Salary Survey on page 153. Human Resource Manager Capps explained the survey to the Council and how it was composed, reviewed, and calculated. Salaries for police and fire were discussed. Ms. Capps explained that the goal that City Council set back in 2018 is to be above average compared to like cities.

Some members wanted to know if the quality of employees hired and retained has improved since the decisions made in 2018. Ms. Capps stated that we are seeing better qualified employees and gave the example of staff in utilities are now certified and these type employees are very hard to hire and keep. It was mentioned that a few years ago Spring Valley lost all their certified utility employees, and we were able to help them out given we have certified employees in this area. Ms. Capps stated that our Department Heads and Managers encourage training and professional development. City Manager Bless stated that because of this development we are able to promote within.

The turnover rate was reviewed and discussed. Ms. Capps explained that our rate is comparative to that of like cities.

The increases being proposed were discussed and how they will be applied. Ms. Capps explained that it will be a 14% increase over the minimum. There were many questions about this process to which Ms. Capps responded accordingly.

Some members had a concern with using the average from the survey as our minimum. Other members pointed out that this is the average from the industry and were not concerned. This

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aspect was discussed in detail. Council asked that the detailed information from the survey be distributed to them via email for further review.

So, to be clear, the average from the survey is our minimum starting salaries. Some members felt that our mid-range should be above other cities mid-range.

Some members felt that more cities could be included in the survey. City Manager Bless explained that the result of the survey is from those cities that responded, and the list of comparable cities was compiled back in 2017.

Turnover and reasons for people leaving were discussed. It was explained that for the most part those leaving the city do not leave because of low pay. In terms of police, officers leave for more opportunity within the department, such as being a member of a SWAT team.

Some members felt that stating the average as the minimum will attract the best talent instead of the average employee. Others felt that there needs to be a middle ground and do not believe that setting salaries according to this method should be an across-the-board process.

Others pointed out that in Jersey Village we have just enough employees to get the job done. We do not have an excessive employee base. Therefore, it is important to hire and retain experienced and dedicated employees.

There was discussion about COVID and how this disrupted pay for many places. Some wondered if our City has seen a big jump in what was paid in 2019 as compared to today and how does this compare to salaries in general. Ms. Capps stated that salaries in general have increased. She also explained about salary ranges and how there is flexibility in that type of system.

The CPI increases over the past years were discussed and how this also affects the need to keep salaries competitive.

Salaries for various positions in the survey were reviewed.

Benefits offered to employees were discussed and how this figures into the total compensation package. Ms. Capps explained how we compare and where we are ahead, behind, and comparable to other cities. However, for the most part what we offer is comparable with other cities.

For the most part, Council is happy with this process and trusts that the system will work if we continue to keep these standards.

Referral bonuses were discussed. Ms. Capps explained that we do not have an issue with recruiting, so referral bonuses are not needed at this time.

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Council discussed having a housing program to encourage police and fire employees to have roots in the city. Chief Bitz stated that we had a program like this for volunteer firefighters and explained how the program worked.

With no further questions, the department-by-department review continued as follows:

Council engaged in discussion about the election process and the recent legislation that abolished the Harris County Elections Administrator's Office and how this affects our elections.

Department 12 – Legal/Other Services

There was discussion about the liability insurance increases. City Manager Bleess hopes to see these rates level out over the coming years.

It was mentioned that the golf course transfer is set at \$0.00.

Some members wondered if over the past days if there has been a decrease in customers due to the bridge closure for construction of the new clubhouse. Assistant City Manager Basford stated that there has not been a decrease in customers. He also stated that without the constant cut-through traffic the course is more peaceful and operates as a true course at this point. A permanent closure of the bridge cut-through was discussed.

Department 13 – Info Technology

There was discussion about the redundant internet. This will be an annual fee.

Council discussed that they currently use laptops and moving forward is the desire to move to IPADs or some other device. Some felt that the full functionality of a laptop is not needed. However, the keyboard on a laptop is nice.

Department 15 – Accounting Services

The decrease in consulting fees was discussed. Finance Director Kato explained that this line item is for the auditor and bank fees. She explained the reason for the decrease.

Department 19 – Municipal Court

The decrease in Judge's pay was discussed. City Manager Bleess explained that the number of court days has decreased which has resulted in a decreased in this expenditure.

The jury expense was discussed.

Council took a short recess before going into the police budget at 9:48 a.m.

Department 21 – Police

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The police radios were discussed. Chief Riggs explained that for this year it will be best to make repairs as opposed to purchasing new radios at this time. Discussion was had about why the City purchases new radios all at one time as opposed to an integrated approach. Also, different brands of radios were discussed. Chief Bitz explained that Cy-Fair requires the Motorola brand. Radios are included in the equipment replacement fund so there are monies available to purchase new radios.

Car maintenance was discussed. Chief pointed out that the maintenance mostly includes oil changes and new tires. Some members wondered how each department figures out where to go for maintenance. The city has a service agreement with Lone Star Chevy, but fire department vehicles go to Siddons Martin.

The total fund for the police department is supplemented by the CCPD Fund.

Department 23 – Communications

This department is budgeting for one new position. Some wondered if the new position will decrease the over-time budget. Chief Bitz explained that the over-time budget is to pay for extra shifts due to sick employees so he does not anticipate that the new position will result in a decrease to the over-time budget.

Department 25 – Fire Department

It was pointed out than when we made the decision to create the Fire Control Fund, it has helped pay for the shift from volunteer to full-time firefighters. With this budget, the department will have six firefighters per shift. The goal is to have eight firefighters per shift.

In terms of volunteers, we are averaging one volunteer per call. At some point in the not so distant future, it will not be worth the expense of training to keep volunteers.

Staffing was discussed and how it works with Cy-Fair Fire Department.

Department 30 – Public Works

Some members wondered why there is no overtime. City Manager Bless explained that this department is just the administrative side of public works, so there would not be any overtime.

Department 31 – Community Development

The CRS Program was discussed. It is expected that this program saves residents some 25% on their flood insurance premiums. This budget year we expect to move from a rating of a six to a five, which would be equal to the best rating in the region.

Department 32 – Streets

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The sidewalk replacement program was discussed. This program is for unplanned operational small segments. The actual replacement program is in the CIP and represents the larger segments of replacements.

Mosquito spraying was discussed.

Department 33 – Building Maintenance

The cost for waste services was discussed.

Department 36 – Fleet Services

Discussion was had about moving away from employees to outsourcing work for this department. The equipment that had previously been purchased for this department was discussed given the move to outsourcing. City Manager Bleess explained that it would not be wise to clear out the equipment for this department until we see if the outsourcing is going to work. The licenses for this department were for software, but staff will check to make sure if this line item is still needed given it no longer has staffing. It was pointed out that this line item is for title and registration as well.

It was pointed out that by outsourcing the savings is approximately \$150K.

Department 38 – Recreation

The fireworks presentation the 4th of July celebration was discussed. Also, the advertising costs for this department were discussed. Assistant City Manager Basford explained that the cost for the play guide has increased.

Founders Day was discussed. Some wondered if this line item should be increased. Mr. Basford explained that some of the cost from this year were “one offs” so this amount should be sufficient.

Concerts in the park were discussed. Mr. Basford stated that this option has been discussed and may be used to boost attendance at the Farmer’s Market and perhaps getting a more popular star for the 4th of July celebration. Some members wanted a concert that is not connected to another event. It was proposed that this line item for concerts should be increased to \$8K. Pool events were discussed. Mr. Basford explained the different types of events that could be implemented for this budget.

It was the consensus of Council that the concert line item be increased so a concert event could be implemented in perhaps the cooler months of the year.

Department 39 – Parks

Some members wondered what the department will look like with the new position being requested. Assistant City Manager Basford explained how this will work. It was explained

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that the new position will help with some of the programs at the new clubhouse once it is complete.

The cameras at Clark Henry Park were discussed. The chipper and the street sweeper were discussed.

General Fund totals were reviewed and discussed. It was pointed out that there is about a \$1.3M increase from last year, not including transfers and it is a \$10M increase with the transfers. (\$700K is the grants and \$600K is for salaries)

UTILITY FUND

Department 40 – Revenues

City Manager Bleess directed Council to page 165 to review the rate study information that suggests the need for a rate increase. City Manager Bleess explained how the study was conducted as well as an explanation of the summary of the results.

The sewer averaging was discussed. It was pointed out that many residents do not have a second meter in order to water their grass so as not to incur sewage fees while watering. Some wondered why we just don't charge more for usage as opposed to the averaging. City Manager Bleess pointed the Council to pages 177 thru 179 that compares the various types of homes and usage, which takes into account homes that only have one meter.

The pricing/cost for water and sewer was discussed. Some wondered why it costs so much. It was pointed out that there is no fee at all for sewer if you use a sprinkler system to water grass.

Changing the methodology to increase revenues may not be as transparent as it would be if there was just an increase for usage as opposed to averaging. Some wondered if other cities use averaging. City Manager Bleess explained that not many cities use averaging.

Some wondered how many homes in the city have two meters. City Manager Bleess stated that we have 2271 residents and 745 have a second meter. The cost of meters was discussed.

Some wondered if we kept the same program, how the numbers would look compared to making the change. These numbers were reviewed.

It was the consensus of Council to approve the City Manager's proposal tying costs to consumption as opposed to averaging.

Alternatives from using the City of Houston for water were discussed. City Manager Bleess will investigate alternatives for future consideration.

Department 45 – Water and Sewer

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Some members wondered about the water report. It always shows an admonishment for turning our paperwork in late. City Manager Bless explained why this happened. We submitted it on the 1st and it was due on the 30th.

The debt service increase was discussed. Some wondered why the payments are increasing if we are getting toward the end of paying it off. Finance Director Kato explained that these rates are charged according to a schedule.

Department 46 – Utility Capital Projects

The pilot project for sewer inspections was not as successful as hoped. So, staff is looking into another company to assist with inspections. The lift station rehab was discussed. Some wondered if there are grant funds. City Manager Bless stated that there really aren't any that would work well for this project. He did explain that they city is applying for grants for the White Oak Bayou Project. Some wondered if maintenance could delay the lift station project. Assistant City Manager Basford explained that this project is beyond maintenance and rehab is needed.

The budget for the water valves was decreased. Mr. Basford explained the reason for this decrease.

At this point, City Council moved on the review of the various funds for the City as follows:

MOTEL TAX FUND – Department 55-56

Discussion was had on how often these taxes are paid.

ASSET FORFIETURE FUND – Department 60

Council had questions about how we get monies for this fund. Chief of Police Riggs explained the process.

City Council recessed for lunch at 11:53 a.m. City Council reconvened at 12:39 p.m.

CAPITAL REPLACEMENT FUND – Department 71

The program of selling cars annually was discussed. City Manager Bless stated that in the past we have either broken even or had a small profit. This year will be a bit different given the increase in the cost of vehicles, but in the long run it is expected that it will be profitable, especially since purchasing new every year saves on repairs.

The revenue from the vehicle sales was discussed. City Manger Bless explained that this year we have not sold any vehicles since it has been difficult to get new vehicles due to inventory issues. Therefore, the revenues on this line item are lacking.

Council Member Mitcham left the meeting for a short period at 12:45 p.m.

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CAPITAL IMPROVEMENTS FUND – Department 90-91

The rock wall equipment being stored at the Golf Course was discussed. Assistant City Manager Basford explained that this is a second rock wall sent by the company to replace the first one that was installed but is aging faster than expected. In sending the second rock wall, the company stated that they would not be asking for the first one to be returned. Staff is deciding what to do with the second rock wall.

The nature trail was discussed. It is located over the bridge toward the water. It is an overlooking structure on the detention pond. Some wondered about the fountain. Mr. Basford stated this would be a water fountain.

Some wondered how the approval of the bond propositions in November, if approved, affect the budget. City Manager Bleess explained that staff would come back to City Council after the bond election and some of the work would begin in 2024.

GOLF COURSE FUND – Department 81-88

The timeline for the golf course clubhouse was discussed. It is expected that the project will be complete in June or July of next year.

Concessions for the clubhouse were discussed. Mr. Basford stated that an RFI will be sent out possibly in August just to see what the options are available for the course. The contract for current concessions is year by year.

The communication (fiber) line that was run a few years back to service the golf course was discussed. City Manager Bleess stated that this line works well. Mr. Basford stated that they experience few disconnects since the install. The robots at the course were discussed. Mr. Basford stated that this is a test project for mowing the course with robots. They work 24/7 and are very quiet.

There will not be a golf course transfer in this budget year.

TIRZ3

There was discussion about the status of this year's project and when the building of the homes would begin. There were questions about the incremental revenues for TIRZ3. City Manager Bleess stated that we should see some next year but certainly in 2025. We currently have four (4) lots that will be developed.

JV FIRE CONTROL, PREVENTION, AND EMERGENCY MEDICAL SERVICES FUND

There were questions about revenues versus expenditures. City Manager Bleess stated that it is expected that we will spend what we take in.

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JV CRIME CONTROL AND PREVENTION DISTRICT FUND

The interest earned on this fund was discussed. The flock camera system was discussed as well as the cameras being planned at the park and other areas of the city. There was discussion about linking the security cameras with the flock camera system.

The radios for fire and police were discussed as well as the funding for Motorola.

CAPITAL IMPROVEMENTS PLAN

The estimates for projects were discussed. Some wondered if there is an adjustment for inflations. City Manager Bless stated that inflation has been built into the pricing.

There was also discussion about the meter readers for utilities to track consumption.

Manhole covers were discussed. There is a problem with one of them on Jones. City Manager Bless stated that this issue has been reported to Harris County.

Home elevations were discussed. It seems that the interest is not what it was in the beginning. Therefore, depending upon interest in the future, this project may not continue annually.

The street list was discussed. Some of these will be completed if the bond propositions are passed. The process for moving forward on streets after the bond election projects compete was discussed. Some wondered if we should go out for a bond on all of the streets that need repairing instead of a small few. The pros and cons of this were discussed. Council would like for the City Manager to visit with our financial advisors to see if there are benefits for including all streets and to see if the term of the bonds would be better if greater than 30 years.

Repairs to Congo and partnering with the school district were discussed.

Council Member Mitcham rejoined the meeting at 1:44 p.m.

Council discussed in detail the various options for repairing the 17 streets that are over 50 years old. Street assessments were discussed.

The fencing and gates to close in the parking lot at the police department and fire department was discussed. Both Chiefs stated that the fencing and the gates are highly recommended to secure the property of the City and that of City's employees.

The need for a flashing stop sign at Senate and Lakeview was discussed. The lighting on Philippine was discussed. These two projects were recently requested by residents. City Manager Bless stated that these two projects can be handled with this year's operational budget. After discussing the flashing stop signs and the fact that there have only been two accidents at this intersection in the last year, Council decided that it may be best to keep monitoring this intersection to see if something might need to be done.

The playground structure at Carol Fox Park was discussed as well as the baseball field.

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The 90-day reserve was discussed as well as the ten-year financial projections.

This completed the review of the proposed budget. With the review complete, Mayor Warren asked each Council Member for comments as follows:

Council Member Sheppard thanked staff for their hard work. It was easier to go through the budget this year.

Council Member Wasson stated that it is hard to project a budget with the state laws that little information, but staff always does a better job. He stated that with the increase of sales tax, we are reaching our set goals. He likes the meeting in the one day format as opposed to spreading it over two to three nights.

Council Member Singleton thanked Staff for their hard work. He appreciates all the work from Staff. He stated that all departments in the City are managed well.

Council Member McCrea stated that the process works well, and she appreciates that we are adaptable and that we look for ways to improve. Good job.

Council Member Mitcham feels the budget is cohesive, easy to read, and she appreciates the salary survey. She cannot say enough about the quality of our Staff. She appreciates the day meeting as well. She is thankful that this Council, while we all come from different backgrounds, works well together. We are good team.

Mayor Warren appreciates the one-day format for this meeting as well. He credits the City Secretary for managing the availability of Council to schedule meetings. This is my seventh time to review the budget and each time it gets easier. He thanked Staff for their hard work and keeping the process easy.

ADJOURN

With no further discussion, the meeting was adjourned at 2:55 p.m.

Lorri Coody, City Secretary

