

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, HELD ON JULY 19, 2010 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 Pro tem Berube at 7:00 p.m. with the following present:

Council Member, Joyce Berube	City Manager, Mike Castro
Council Member, Rod Erskine	City Secretary, Lorri Coody
Council Member, Curtis Haverty	City Attorney, Martha Williams
Council Member, Mark Maloy	
Council Member, Jill Klein	

Mayor Hamley was not present.

Staff in attendance: Mark Bitz, Fire Chief; Charles Wedemeyer, Chief of Police; Danny Segundo, Director of Public Works; Isabel Kato, Director of Finance; and Michael Brown, Director of Parks.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

1. Prayer by: Michael Brittain, Chaplain, American Legion Post #324
2. Pledge by: Jimmy Baughman, Commander of American Legion Post #324

C. PRESENTATIONS

1. Presentation of Police Department Employee of the Second Quarter, 2010.

Jimmy Baughman, Commander, and Howard Mead, Past Commander of American Legion Post #324 made the presentation of the award of the Police Department Employee of the Second Quarter to Officer Ryan Vasquez. Howard Mead gave a rendition of the duty activities that Officer Vasquez participated in that warranted the presentation of this award. Mayor Pro tem Berube assisted in the presentation of the award.

2. Presentation to the Mayor, Russell Hamley recognizing the City of Jersey Village.

Jimmy Baughman, Commander, and Howard Mead, Past Commander of American Legion Post #324 presented Mayor Pro tem Berube with a certificate of appreciation honoring the City of Jersey Village for its dedication.

D. 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 presentation 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 presentation to the City Council.

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Jim Pulliam, 15713 Tenbury, Jersey Village (713) 983-0932 – Mr. Pulliam stated his concern about the City's plans for the Transit Oriented Development. He told Council that the City doesn't need just a conceptual plan for the area South of US 290, it needs a master plan for the entire City that addresses:

1. The city's current and future infrastructure, including streets, water, and sewer and sewer needs;
2. The repair of the main sewer plant;
3. The city's flooding issues;
4. The future of the Golf Course;
5. The 43 acre detention pond and other parks and walking trails;
6. The needs of all city departments;
7. The desire for future development in the city; and
8. The city's needs in the years 2020, 2030, and 2040.

Mr. Pulliam also spoke to an article he read in a recent newspaper stating that the city could not support a Transit Oriented Development (TOD). He told Council that he was not in favor of the TOD and would like the money that would be spent on such a project to be spent in the main part of Jersey Village, north of US 290.

Jim Fields, 16413 St. Helier, Jersey Village (713) 466-0804 – Mr. Fields spoke to Council about items #1 and #9 that are to appear on the Regular Agenda of this meeting.

In connection with Item #1, pertaining to approval of Phase 3 of the TOD, Mr. Fields told Council that he only had a few questions for which he would like answers. These questions were as follows:

1. How much has the study for the TOD cost us already?
2. I have heard the cost of development of the TOD could be between \$30-\$40 million dollars. Is this true?
3. If the cost is \$30-\$40 million dollars, who will pay for it?

Mr. Fields noted that he did not get a response to his questions. He then told Council that because we are in the worst financial crisis in history, he recommends that the TOD project be halted until economic conditions improve.

In connection with Item #9 pertaining to the accounting of the 2002 and 2007 street bond monies, he told Council that he believes the monies should be spent on what the citizens intended – repairing and upgrading the streets and not new development. He told Council that Senate and Carlsbad are examples of streets needing repairs.

E. CITY MANAGER'S REPORT

City Manager, Mike Castro presented the following reports in his Manager's Report. Council had several question concerning the budget projections report pertaining to the insurance settlement from Hurricane Ike, the \$250,000 decrease in the Jersey Village Police Department

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Salaries Fund, the \$660,000 reduction for capital projects, the year end projections for the Golf Course Fund. Finance Director, Isabel Kato fielded each question and answered accordingly.

Council also engaged in discussion about the advertising methods for the Golf Course. Parks Director, Michael Brown explained the various methods used. Council gave a few new ideas and suggested that staff try them in order to improve revenues at the Golf Course.

- 1. Monthly Fund Balance Report, Red Light Camera Fund Report, Enterprise Funds Report, Governmental Funds Report, Quarterly Investment Report – June 2010, and Budget Projections as of June 2010.**
- 2. Departmental Request Report and Open Records Request, CD 2009-2010 Open Records Requests, Solicitor's Permit Requests, and Status Update on RV Renewal Process**
- 3. Fire & Emergency Services Departmental Report**
- 4. Police Activity Report, Warrant Report, Investigations/Calls for Service Report, Red Light Camera Summary Report, Crime Prevention Unit Monthly Report, and Staffing/Recruitment Report.**
- 5. Municipal Court Collection Report, Municipal Court Activity Report, Municipal Court Courtroom Activity Report, Report Graphs, and Court Proceeds Comparison Report.**
- 6. Public Works Departmental Report, Permit Departmental Report, Construction Up-Date Detail Report and Construction Update Summary**
- 7. Combined Monthly and Annual Mileage Report**
- 8. Golf Course Monthly Report; Golf Course Financial Statement Report, Parks and Recreation Departmental Report, and the Golf Course Financial Statement 2010 June**
- 9. Report from Code Enforcement**
- 10. Capital Improvements Projects Report**
- 11. White Oaks Bayou Capital Improvements Projects Report**
- 12. Police Department Expansion Project – Change Order No. 1**

F. 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 June 21, 2010.**
- 2. Consider Resolution No. 2010-34, canceling the Monday, August 16, 2010, Regular City Council Meeting, and calling a Special City Council Meeting on Monday, August 23, 2010 due to the 2010-2011 tax schedule.**

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RESOLUTION NO. 2010-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, CANCELING THE REGULAR COUNCIL MEETING TO BE HELD ON AUGUST 16, 2010 AT 7:00 P.M. IN THE CIVIC CENTER, 16327 LAKEVIEW DRIVE, JERSEY VILLAGE, TEXAS; CALLING A SPECIAL COUNCIL MEETING TO BE HELD ON AUGUST 23, 2010 AT 7:00 P.M. IN THE CIVIC CENTER, 16327 LAKEVIEW DRIVE, JERSEY VILLAGE, TEXAS; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

3. **Consider Resolution No. 2010-35, authorizing staff to seek proposals for depository services.**

RESOLUTION NO. 2010-35

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, AUTHORIZING THE BID FOR A CONTRACT FOR DEPOSITORY AND BANKING SERVICES.

4. **Consider Resolution No. 2010-36, adopting the Harris County All Hazard Mitigation Plan.**

RESOLUTION NO. 2010-36

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, ADOPTING THE HARRIS COUNTY ALL HAZARD MITIGATION PLAN.

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

Ayes: Council Members Erskine, Haverty, Maloy, and Klein
Mayor Pro tem Berube

Nays: None

The motion carried.

G. REGULAR AGENDA

1. **Consider Resolution No. 2010-37, suspending the August 6, 2010 effective date of CenterPoint Energy Houston Electric LLC'S requested rate change to permit the city time to study the request and to establish reasonable rates; approving cooperation with the Gulf Coast Coalition of Cities; and hiring Lloyd Gosselink Attorneys and Consulting Services to negotiate with the company and direct any necessary litigation and appeals and making other findings and provisions related to the subject.**

Martha Williams, City Attorney, introduced Thomas Brocato an attorney with Lloyd Gosselink Rochelle & Townsend, P.C. to speak to Council on this item. Mr. Brocato told Council that this item was to approve an Ordinance that:

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- suspends the August 6, 2010 effective date of CenterPoint Energy Houston Electric LLC'S requested rate change in order to permit the city more time to study the request and to establish reasonable rates;
- approves cooperation with the Gulf Coast Coalition of Cities; and
- hires Lloyd Gosselink Attorneys and Consulting Services to negotiate with the company and direct any necessary litigation and appeals

Tim Sbrusch, Service Area Director for CenterPoint Energy along with Chasta Martin attended the meeting on behalf of CenterPoint to address any questions directed to the company.

Item Background Information is as follows:

On June 30, 2010, CenterPoint Energy Houston Electric filed a rate case application with the City of Jersey Village. The Company is seeking a \$94 million rate increase. This is an overall increase of approximately 5%. However, the Company is proposing to increase residential rates by 16.18%. If approved, the increase would raise rates for the average residential customer by **\$6.25** per month.

The rate increase requested by CenterPoint will become effective on August 6, 2010, unless the city takes action to suspend the effective date. The statute permits cities to extend the effective date by up to 90 days in order to study the filing. The city must take action to suspend the effective date by August 4, 2010.

In connection with this rate increase, cities served by the Houston Division of CenterPoint are joining forces and forming a coalition to address concerns and protect their interests. The coalition is represented by the law firm Lloyd Gosselink. The coalition's position is that Council suspend the effective date of the Company's rate increase for the 90 days in order to allow the City time to evaluate the filing and determine what strategy, including settlement, to pursue.

Council Member Haverty moved to approve Resolution No. 2010-37, suspending the August 6, 2010 effective date of CenterPoint Energy Houston Electric LLC'S requested rate change to permit the city time to study the request and to establish reasonable rates; approving cooperation with the Gulf Coast Coalition of Cities; and hiring Lloyd Gosselink Attorneys and Consulting Services to negotiate with the company and direct any necessary litigation and appeals and making other findings and provisions related to the subject. Council Member Erskine seconded the motion. The vote follows:

Ayes: Council Members Erskine, Haverty, Maloy, and Klein
Mayor Pro tem Berube

Nays: None

The motion carried.

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RESOLUTION NO. 2010-37

RESOLUTION OF THE CITY OF JERSEY VILLAGE SUSPENDING THE AUGUST 6, 2010 EFFECTIVE DATE OF CENTERPOINT ENERGY HOUSTON ELECTRIC LLC'S REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH THE GULF COAST COALITION OF CITIES; HIRING LLOYD GOSSELINK ATTORNEYS AND CONSULTING SERVICES TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL.

2. **Consider Resolution No. 2010-38, authorizing an agreement with Kimley-Horn Associates Inc., for services relating to Phase 3 of a Feasibility Study regarding Transit Oriented Development within the City of Jersey Village.**

City Manager, Mike Castro introduced the item. He told Council that back in January of 2009, City Council authorized Kimley Horn and Associates to undertake Phase 1 of a feasibility study associated with Transit Oriented Development. Council was presented with the results of Phase 1 at a work session conducted on October 12, 2009. Phase 2 of the study was approved by Council in October 2009. This phase incorporated more detailed planning for the study, including the TOD conceptual plan as well as mixed-use design and coordinating the TOD with the Jones Road Extension Project. Phase 2 of the study is now complete.

Phase 3 is necessary to complete the study and basically involves the following steps:

- a. Developing Form Based Codes;
- b. Refining the capital cost estimates for the infrastructure program;
- c. Providing planning support in reviewing Proposed TOD Plats and Developments;
and
- d. Developing a fiscal framework for a municipal bond election.

Completion of Phase 3 of the study will provide City Council with sufficient information to determine the overall viability of Transit Oriented Development in Jersey Village. With the approval of this Phase, the feasibility study will be complete. Completion is expected in February 2011.

Joe Willhite with Kimley-Horn addressed Council. He called attention to the Final Report for Phase 2 of the Feasibility Study which was included in the packet.

He also gave a brief description of what can be expected from Kimley-Horn during Phase 3 of the study. Basically from a financial side, he said Phase 3 will provide information in order to address the following:

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1. Of the \$40 million worth of TOD infrastructure – Phase 3 will determine what portion of that burden will be the city's; and
2. Does the City want to move forward with the project?

Phase 3 will also include the Form Based Codes which addresses how the TOD will look and be developed. Without the codes, the area south of US 290 will fall into the current zoning codes (industrial), which are counterproductive to what the TOD conceptual plan.

Discussion was had about the completion date and if that date was going to keep the City in front of the curve in terms of the Gulf Coast Rail District and its plans for bringing rail to the area. Past discussions placed an importance on this factor. Both Mr. Willhite and City Manager Castro believe that while the gap in time is closing, the City is well situated, especially in the steps it has taken to affect this feasibility study.

Council also discussed the projected tax revenue for the TOD throughout the project and debt cycle. There was concern about being enough revenue to cover the debt. In connection with this, the questions mentioned in the Citizen's Comment section of the meeting concerning the cost of the TOD study and where will the money come from to pay for the TOD development.

In answering these questions, City Manager Castro explained that most of these questions were addressed back in January during the work sessions for the TOD. He stated that as the TOD is being built out, it is going to cost the City and there is risk involved. However, there is good potential and in the future it is projected that the City will see positive cash flow. Phase 3 of the study is to help the City gather detailed financial information to answer many of these questions, to see who we can partner with, and to see what developers are willing to contribute.

Council engaged in discussion about the Jones Road Extension Project. There was concern about how development of Jones Road will be affected by the February 2011 completion date of the feasibility study. Mr. Willhite explained that this has been taken into consideration and there is some concern because after the codes are available, Council still needs to implement them, but he believes there is enough time to plan.

Discussion was had about other TOD projects in the area and how they have been privately funded as opposed to publicly funded. Mr. Castro stated that the Skinner Road Project was funded by Metro Funds and Sales Tax monies. He is not sure about the TOD at I-10.

Council Member Haverty moved to approve Resolution No. 2010-38, authorizing an agreement with Kimley-Horn Associates Inc., for services relating to Phase 3 of a Feasibility Study regarding Transit Oriented Development within the City of Jersey Village. Council Member Klein seconded the motion. The vote follows:

Ayes: Council Members Erskine, Haverty, and Klein

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Mayor Pro tem Berube

Nays: Maloy

The motion carried.

RESOLUTION NO. 2010-38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, AUTHORIZING AN AGREEMENT WITH KIMLEY-HORN ASSOCIATES INC., FOR SERVICES RELATING TO PHASE 3 OF A FEASIBILITY STUDY REGARDING TRANSIT ORIENTED DEVELOPMENT WITHIN THE CITY OF JERSEY VILLAGE.

3. Consider Ordinance No. 2010-28, allowing a budgetary amendment to the 2009-10 budget (Transit Oriented Development – Phase 3 – Feasibility Study).

City Manager, Mike Castro explained that with Council's approval of Phase 3 of the feasibility study, a budget amendment will be necessary to ensure sufficient budget authority is available. Staff is recommending amendment the General fund (Fund 01) to authorize \$166,650 for the Consulting Services line item.

Council Member Haverty moved to approve Ordinance No. 2010-28, allowing a budgetary amendment to the 2009-10 budget (Transit Oriented Development – Phase 3 – Feasibility Study). Council Member Klein seconded the motion. The vote follows:

Ayes: Council Members Erskine, Haverty, and Klein
Mayor Pro tem Berube

Nays: Maloy

The motion carried.

ORDINANCE NO. 2010-28

AN ORDINANCE OF THE CITY OF JERSEY VILLAGE, TEXAS, AMENDING THE BUDGET OF SUCH CITY FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2009, AND ENDING SEPTEMBER 30, 2010; AND PROVIDING FOR SEVERABILITY.

4. Receive the Arbitrage Rebate Summary Report prepared by Arbitrage Compliance Specialists, Inc., as required by the United States Department of the Treasury for tax exempt bond issuance.

Finance Director, Isabel Kato explained that after Council approved Resolution 2010-12 on March 15, 2010, the City engaged the services of Arbitrage Compliance Specialists. This was necessary for the preparation of the arbitrage compliance computations as required by the United States Department of the Treasury for the tax exempt bond issuance and to act in accordance with one of the findings of our auditors, Belt Harris and

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Associates LLLP. The completed arbitrage rebate summary report was included in the meeting packet. It clearly states that the City of Jersey Village is free from any liability due to the Internal Revenue Service on the bond issuances for which the calculations were completed.

Ms. Kato introduced Mr. Richard Fletcher, Senior Account Manager from Arbitrage Compliance Specialists who was present to answer questions and concerns from Council.

Council received the report and Mayor Pro tem Berube called the next item as follows:

5. Consider Resolution No. 2010-39, authorizing an agreement with Richard Hillyer for consultant services for the review of the employees' group medical insurance plans.

Karen Farris, Human Resources Generalist, explained the item. She told Council that Staff is requesting the assistance of a consultant to assist the City of Jersey Village in the review of the group medical insurance plans and in the preparation and review of bid documents for proposals received for insurance coverage. Mr. Dick Hillyer has been a consultant for the City since 1998. Funds were approved and appropriated in the current fiscal year budget for such services. Staff anticipates the bid process will begin in September upon approval by Council of the bid document and authorization to solicit for proposals.

Discussion was had on the expected premium increases. Ms. Farris told Council that the city has two plans and it is expected that the \$500 deductible plan will increase 4% and the \$1000 deductible will increase 2%.

Council Member Maloy moved to approve Resolution No. 2010-39, authorizing an agreement with Richard Hillyer for consultant services for the review of the employees' group medical insurance plans. Council Member Erskine seconded the motion. The vote follows:

Ayes: Council Members Erskine, Haverty, Maloy, and Klein
Mayor Pro tem Berube

Nays: None

The motion carried.

RESOLUTION NO. 2010-39

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, AUTHORIZING AN AGREEMENT WITH RICHARD HILLYER FOR CONSULTANT SERVICES FOR THE REVIEW OF THE EMPLOYEES' GROUP MEDICAL INSURANCE PLANS.

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6. **Receive the Planning and Zoning Commission’s Preliminary Report recommending amendments to the Jersey Village comprehensive zoning ordinance, to provide for the placement of pawnshops in a new district J1, and to create a motor vehicle sales overlay district along the US 290 corridor; and Consider Ordinance No. 2010-29 calling a joint public hearing of the City Council and the Planning and Zoning Commission concerning the proposal to amend the city’s comprehensive zoning ordinance regarding pawnshops and motor vehicle sales.**

Danny Segundo, Public Works Director introduced Rick Faircloth, Vice Chair of the Planning and Zoning Commission to give the Preliminary Report. Mr. Faircloth told Council that the Commission was asked to review and rework the zoning ordinance pertaining to used car lots and other businesses along Jones Road north of US 290. In making the assignment, Council was concerned about the future development along Jones Road with the Extension Project underway and the tentative plans for a Transit Oriented Development south of US 290 near Jones Road. The expectation is that the City will be rezoned for beautifying and improving this area to pave the way for future development.

Mr. Faircloth told Council that in addition to the assignment by Council, there was also a need for the Commission to review the official zoning map in order to specifically designate a district for pawnshops. Section 371.003 of the Texas Finance Code requires that a City must designate at least one district for such purposes.

As a result of these two zoning issues, the Planning and Zoning Commission met on three occasions, the latest being July 12, 2010. After reviewing and discussing the issues in detail, the Commission makes its preliminary report. Basically, the Commission is recommending the following two changes to the comprehensive zoning ordinance:

1. The placement of pawnshops in a newly created District J1 only; and
2. The creation of a motor vehicle sales overlay district along the US 290 corridor, with additional language to allow for amortization of resulting non-conforming uses.

Additionally, the Commission is asking that Council call a Joint Public Hearing on these proposed changes for August 23, 2010 at 7:00 p.m.

City Attorney Martha Williams explained the two proposed ordinances. She told Council that State Law requires that they designate a district for pawnshops and creating the J1 district will resolve the current problem of not having a district designated. She also explained the proposed ordinance creating a motor vehicle overlay district and the amortization process that will be needed for resulting non-conforming uses should this ordinance be passed. Basically, she explained that, amortization is a method for eliminating the non-conforming use after a period of time.

Discussion was had about the possible properties that will be considered non-conforming use properties should the ordinance be approved. Additionally, Council considered the loss of tax revenue through loss of inventory versus the possibility of additional revenues that might be

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picked up should these existing businesses migrate to a “better use” that would bring in more tax revenue.

Council also discussed the concern for the small business establishments and how the amortization process might affect these businesses, leading to a discussion on the possibility of permitting existing business to continue in a non-conforming use status. Council also discussed that this might not be an issue if the existing businesses are only being leased and the owner of the property is not the owner of the business. The discussion came full circle with the conclusion that these type businesses are not what the City wants for this area.

Council Member Erskine moved to approve Ordinance No. 2010-29 calling a joint public hearing of the City Council and the Planning and Zoning Commission concerning the proposal to amend the city’s comprehensive zoning ordinance regarding pawnshops and motor vehicle sales. Council Member Klein seconded the motion. The vote follows:

Ayes: Council Members Erskine, Haverty, Maloy, and Klein
Mayor Pro tem Berube

Nays: None

The motion carried.

7. Consider Resolution No. 2010-40, authorizing the City Manager to enter into a contract with Weisinger Water Well, Inc., in an amount not to exceed \$25,000, to repair the 6” water well and replace the pump at the main well at Jersey Meadow Golf Course.

Michael Brown, Director of Parks and Recreation, introduced the item. He told Council that there are two wells located at the Jersey Meadow Golf Course. There is a 2” well located at the front of the property, which is used as a backup well for the irrigation. The second well is a 6” well located in the center of the property; this is the main well for the irrigation system.

On July 2nd staff realized that the main well was not working and was tripping the breaker on the main panel. Staff contacted three different contractors to examine the well. All three suggested replacement of the pump and repair of the well due to the motor being grounded. The City decided that due to the age of the equipment that during the repairs it is in the best interest of the City to replace the existing wire and airline.

Accordingly, the lowest bidder is Weisinger Well, Inc. with a base bid of \$19,085.00 and additional cost of \$13.25/ft for new 4” galvanized pipe. At this time, it is not known how much galvanized pipe will need replacing until construction begins. Therefore, staff is asking to enter into contract with Weisinger Wells, Inc. for an amount not to exceed \$25,000.00.

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With limited discussion on this item, Council Member Maloy moved to approve Resolution No. 2010-40, authorizing the City Manager to enter into a contract with Weisinger Water Well, Inc., in an amount not to exceed \$25,000, to repair the 6” water well and replace the pump at the main well at Jersey Meadow Golf Course. Council Member Erskine seconded the motion. The vote follows:

Ayes: Council Members Erskine, Haverty, Maloy, and Klein
Mayor Pro tem Berube

Nays: None

The motion carried.

RESOLUTION NO. 2010-40

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF JERSEY VILLAGE, TEXAS, AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH WEISINGER WATER WELL, INC., IN AN AMOUNT NOT TO EXCEED \$25,000, TO REPAIR THE 6” WATER WELL AND REPLACE THE PUMP AT THE MAIN WELL AT JERSEY MEADOW GOLF COURSE.

- 8. Consider Ordinance No. 2010-30, allowing a budgetary amendment in the amount of \$25,000 to the 2009-10 budget to repair the 6” water well and replace the pump at the main well at Jersey Meadow Golf Course.**

Michael Brown, Director of Parks and Recreation, explained that with the approval of the repairs of the water wells at the Golf Course, this budget amendment is necessary to pay for the repairs.

Council Member Erskine moved to approve Ordinance No. 2010-30, allowing a budgetary amendment in the amount of \$25,000 to the 2009-10 budget to repair the 6” water well and replace the pump at the main well at Jersey Meadow Golf Course. Council Member Maloy seconded the motion. The vote follows:

Ayes: Council Members Erskine, Haverty, Maloy, and Klein
Mayor Pro tem Berube

Nays: None

The motion carried.

ORDINANCE NO. 2010-30

AN ORDINANCE OF THE CITY OF JERSEY VILLAGE, TEXAS, AMENDING THE GENERAL FUND AND THE GOLF COURSE FUND BUDGET OF SUCH CITY FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2009, AND ENDING SEPTEMBER 30, 2010; AND PROVIDING FOR SEVERABILITY.

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9. Discuss and take appropriate action on how the remaining funds left over from the 2002 Bond Referendum/2003 Residential Street Reconstruction Project and the 2007 Residential Street Project should be spent.

Mark Maloy, Council Member introduced the item. He explained that the citizens voted for the 2002 Bond Referendum/2003 Residential Street Reconstruction Project and the 2007 Residential Street Project with the intent to repair residential streets.

City Manager Castro recited the Official Ballot Language for each Bond Series to Council as follows:

THE 2003 STREET BOND – OFFICIAL BALLOT LANGUAGE - PROPOSITION 3

"THE ISSUANCE OF \$5,000,000 GENERAL OBLIGATION BONDS AND THE LEVYING OF A TAX IN PAYMENT THEREOF FOR THE PURPOSE OF STREET IMPROVEMENTS AND SANITARY SEWER LINE AND WATER LINE EXTENSIONS, REPLACEMENT, AND REHABILITATION."

THE 2007 STREET BOND – OFFICIAL BALLOT LANGUAGE - PROPOSITION

“THE ISSUANCE OF \$8,500,000 GENERAL OBLIGATION BONDS AND THE LEVYING OF A TAX PAYMENT THEREOF FOR STREET, DRAINAGE, AND WATER LINES.”

Mr. Maloy stated that he is aware that there are monies left in these funds, and would like to know how much. He told Council that he wants to make sure that the remaining street bond money is used to repair residential streets, and explained that several years ago, there was an article in the JV Star that was written to present the 2002 bond election. The article specifically identified that the monies would be spent for residential streets. He asked for comments from other Council members pertaining to their position on how this money should be spent.

Council Member Klein gave a history of how the 2002 Bond Election process worked from a Council Member prospective. She stated that she remembers an article in the Star that was written to inform the residents about the election and to provide the initial list of streets to be repaired. Council Member Klein stated that all of these streets listed in the Article have been repaired, and there are monies still remaining in the fund.

City Attorney Williams stated that the monies from the 2002 Street Bond must be spent on Streets, Sewers, and water lines and since the streets were not specifically mentioned, the City has flexibility.

It was stated that the list in the JV Star was only so that the residents would have an idea as to what streets were being considered for repairs. Expectations for this project have been exceeded; therefore, voter expectations have been met.

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Nonetheless, there is a concern among some members of Council that residential streets within the city still exist that need repairs and as a result, the citizens who had voted to approve these funds should have the ability to benefit from the use of the money through improved residential streets.

Discussion was had about the legality of spending the 2002 bond monies on projects that may not be residential but do involve street improvements or sanitary sewer line and water line extensions, replacements, and rehabilitations within Jersey Village. In connection with this discussion, the City Manger mentioned the arbitrage process. He gave a brief explanation of this process which included the dangers that come along with letting bond money sit and how it can become punitive. City Manager Castro also explained that the monies spent out of these funds for the Jones Road Extension Project are for the utility lines, which make this project acceptable and in accordance with the bond proposition.

This item concluded with a discussion about the remaining monies in each of the funds discussed. Mr. Castro explained that bond funds are audited with project contractors at various intervals throughout the life of the bonds. Having received this agenda item on the evening of July 15, there was not enough time to schedule the contract audit to produce the fund balance numbers. A meeting has been scheduled for the audit in the near future; however, in the meantime, the following fund balance estimates are made by staff:

2003 Street Bond Fund Balance – Approximately \$134,000

2007 Street Bond Fund Balance – Approximately \$807,000

G. ADJOURN

There being no further business on the Agenda the meeting was adjourned at 8:40 p.m.

Lorri Coody, City Secretary