

The City of West University Place

A Neighborhood City

CITY COUNCIL

Susan Sample, Mayor
Bob Kelly, Mayor Pro Tem
Burt Ballanfant, Councilmember
Brennan Reilly, Councilmember
Mardi Turner, Councilmember

STAFF

M. Chris Peifer, City Manager
Alan Petrov, City Attorney
Thelma Gilliam, City Secretary

CITY COUNCIL MEETING MINUTES

The City Council of the City of West University Place, Texas, met in workshop and regular session on **Monday, May 9, 2016**, in the Municipal Building, 3800 University, West University Place, Texas beginning at **6:00 p.m.**

SPECIAL MEETING/WORKSHOP

Agenda Items were as follows:

Call to Order. Mayor Sample called the meeting to order at 6:00 p.m. in the Conference Room. Council and Staff in attendance were: Mayor Pro Tem Kelly, Councilmembers Ballanfant, Reilly and Turner, City Manager Peifer, City Secretary Lenz, City Attorney Petrov, Public Works Director Beach, Parks and Recreation Director O'Connor and Police Chief Walker.

Task Force Chair Owen Rutz was also present.

1. Facilities Master Plan

Matters related to hearing recommendations from the Facilities Master Plan Task Force (Task Force) and providing the Task Force with further guidance. *Recommended Action: Hear recommendations and take any desired action.*

Chair Rutz presented this item and said after a very significant amount of analysis and discussion the Task Force has come to consensus on some basic recommendations. He said the opinions of the Task Force represent the thoughts of the 11-member Task Force and do not necessarily represent the thinking of West University citizens as a whole.

Mr. Rutz presented a PowerPoint presentation that reviewed the scope of the Facilities Master Plan Task Force (Task Force) that was discussed at the City Council workshop of January 4, 2016, and the Task Force recommendations.

Mr. Rutz said at the meeting of January 4, 2016, Council made and approved a motion to limit the scope of what the Task Force is looking at to the Library, the Community Building/Senior Center, the Public Works Out-Buildings as defined in the 2015 Master Plan document, the Public Works Maintenance Facility and the Dincans Facility. Mr. Rutz said the Task Force met weekly for 2-3 hours per meeting, consulted with architects PGAL who worked on the previous Master Plan, and toured all the City's facilities, except for the Ruffino Hills land field. He said they also reviewed and discussed the contents of the 2014 Master Plan and the two 2015 versions of the Master Plan and reviewed the Minutes of the January 4, 2016 Council workshop.

Mr. Rutz first provided thoughts of the Task Force on the following facilities:

- **Public Works Maintenance and Operations Facilities.** The Task Force recommends retaining these facilities at their current location on Milton Street because it sees no compelling reasons or benefits arising from a relocation of these facilities and feels that both facilities are in satisfactory condition and should, with normal regular maintenance and upkeep, adequately fulfill the City's needs for the next 10 years.
- **Dincans Facility.** The Task Force recommends retaining this property for the City's use or benefit for the foreseeable future because it feels that the Dincans facility provides flexibility to meet possible future needs of West University and that it would be very difficult to find and acquire similar property if such a need arises. Further, the Task Force sees Dincans as a valuable asset, which is most likely to increase rather than fall in value, and it sees no downside in its retention.

Councilmember Reilly asked if the committee reviewed what the value would be for a ground lease of that property. Mr. Rutz responded "no", because they did not go into that level of detail.

He said at this point, the Task Force would like to receive feedback from Council to see if it is anywhere close to what is expected.

- **Library, Community Center and Senior Center**
 - Complete the Library Improvements as budgeted in the 2016 Budget in the near term, which will allow the City enough time to properly solicit public feedback concerning the future use of the Library, the Community Center and Senior Center.
 - Canvass the West U Community to assess whether the Library, Community Building and Senior Center meet the residents' current and future needs and wants.
 - City Council could consider whether an opportunity might exist for a joint facility to better optimize the use of the limited space. *Mr. Rutz noted that the Task Force feels uncomfortable making any specific recommendations regarding this item without having additional input from West U citizens before moving forward on something like that.*

Councilmember Reilly asked if the consensus of the Task Force is that the City should investigate having a single facility and if it is based the perception that the current facility isn't adequate to the City's need or is in poor condition. Mr. Rutz responded that the gist of it was the Task Force didn't feel comfortable making that kind of analysis. He said they specifically did not let PGAL give them technical information and that the requested engineering study was never done. He said they felt that the whole basic issue was premature and did not belong in the presentation.

Mayor Sample asked if the Task Force sees this as one of the many options that can be included in the Master Plan. Mr. Rutz said the Task Force thinks that only the front page of the recommendation section of the 2015 Master Plan should be updated to include all the ideas and then get the citizen's input on it, because as the Task Force sees it, nothing needs to be at this particular point in time, until people say they want it to be done.

- **Long-term Planning for City Property.** Mr. Rutz said the Task Force has no recommendations that allude to any specific idea of what the City should do about long-term planning for city property other than there has to be a plan, because in order to do something five or ten years from now, planning for property acquisition has to start now. He said it became evident during the review of the options available for location of City facilities, there

were limited options to address the changing long-term needs of the community and future property opportunities will be increasingly limited and costly; and further, there is very little to no downside to securing property as West U and adjacent area are assets that hold their value.

Mayor Sample said she doesn't have any thoughts about acquiring property, but asked what the Task Force is thinking about in that regard. Mr. Rutz said there are a lot of hypotheticals which the Task Force is hesitant to talk about because it gets people all worked up.

Orval Marlow, member of the Task Force, spoke to say that they discussed acquiring small acquisitions for parking lots and things of such, but no serious acquisitions.

Councilmember Reilly said if he was trying to put together that type of a long-term plan, one of things he would like to document is a perceived inadequacies of the current facility or perceive the need for a future facility, so he looks for the Task Force to inform Council of what it is missing that it should be planning for or pointing out deficiencies Council needs to correct.

Councilmember Reilly also commented regarding the Task Force recommendation to hold on to the Dincans property for some need in the future. He asked what are the possible needs because, though it relatively costless, the City is missing out on opportunity costs which is something that is significant to long-term planning.

Councilmember Reilly said one of the things he was disappointed about was that the City has a property on Braes Bayou that the Task Force didn't even tour. He said it seems to him that whatever the Task Force is thinking it needs Dincans for in the future, the Braes Bayou property could probably serve the purpose (parking garbage truck, etc.) and it's not valuable property due to its location.

Mayor Pro Tem Kelly said the Task Force did an excellent job and basically is stating that what the City has now works and there is no critical need that needs to be addressed at this time other than what has been budgeted for upgrades to the library. He said he also agrees that now it is time to go the public for their input and once those are received then the City can start developing the options and carrying them out maybe through an election. He said the citizens will either vote it up or down.

Mr. Rutz requested further direction from Council at some point.

2. Adjourn

At 6:30 p.m., Mayor Sample closed and adjourned the workshop meeting.

REGULAR MEETING

Agenda Items were as follows:

Call to Order. Mayor Sample called the meeting to order at 6:35 p.m. in the Council Chambers. Council and Staff in attendance were: Mayor Pro Tem Kelly, Councilmembers Ballanfant, Reilly and Turner, City Manager Peifer, City Secretary Lenz, City Attorney Petrov, Public Works Director Beach, Parks and Recreation Director O'Connor and Police Chief Walker.

Senior Services Board Chair Michelle Moore was also present.

Mayor Pro Tem Kelly led the Pledge.

City Secretary Lenz confirmed that the notice of this meeting was duly posted in accordance with the Texas Government Code, Chapter 551.

3. Public Comments

This was an opportunity for citizens to speak to Council relating to agenda and non-agenda items.

Diane Wells, 3804 Coleridge, spoke regarding gun laws. She said she was surprised to learn that guns are perfectly legal at swim meets at the Rec Center, because if a gun goes off at one of the meets a bullet would be almost certain to hit someone. She said she checked with the office of Senator Joan Huffman and according to her office banning guns from the Rec Center is out of the City's control because it is a public facility. She asked if the City has a plan to ensure the safety of her grandchildren and their friends.

4. National Older Citizens and National Volunteer Month

Matters related to proclaiming the month of May 2016 as "National Older Citizens and National Volunteers Month" in the City of West University Place. A reception honoring WUP Volunteers and Senior Citizens will be held at 5:30 pm at City Hall. The reception will include light refreshments and the public is invited to attend. *Recommendation: Proclaim May as "National Older Citizens and National Volunteers Month" in the City of West University Place.*

Senior Services Manager Toby Brooks presented this item and thanked all the volunteers.

Mayor Sample then read the proclamation proclaiming May 2016 as National Older Citizens and National Volunteers month in the City of West University Place.

5. Milton Street Ground Storage Tank Rehabilitation

Matters related to authorizing funds from the Water Capital Improvement Project Fund to fund a 1.5 MG Storage Tank concrete floor. *Recommended Action: Authorize funds from the CIP fund for a 1.5 MG Storage Tank concrete floor.*

Public Works Director Beach presented this item and said that in 2015 funds were allocated for the rehabilitation of the 1.5 Million Gallon (MG) Storage Tank and the 400,000 Gallon Ground Storage Tank at the Milton Street facilities and upon completion of both projects it was found that there was a leak in the 1.5 MG Storage Tank that occurred during the rehabilitation process. He said after consulting with an engineer specializing in water storage tanks, staff decided that the most cost effective way of repairing the leak was to layer the bottom of the storage tank with a 6-inch concrete flooring and install a drain.

Mr. Beach said staff is recommending that City Council appropriate an additional \$64,000 from the Water/Sewer Capital Reserve Fund for work related to the Milton Street Ground Storage Tank Rehabilitation increasing the project budget from \$750,000 to \$814,000.

Councilmember Ballanfant moved to approve staff's recommendation. Councilmember Turner seconded the motion. **MOTION PASSED.**

Ayes: Sample, Kelly, Ballanfant, Reilly, Turner
Noes: None
Absent: None

6. Seniors' Exemption

Matters related to the exemption for senior West U residents. *Recommended Action: Discuss and take any desired action.*

Senior Services Board Chair Michelle Moore presented this item and thanked Council for recognizing the value of the City's senior citizens and the many volunteer hours they have donated for the betterment of the community.

Ms. Moore said residents are fortunate that West U has a history of providing significant incentives for the continuing residency of its seniors, but it's the property tax reduction that she is present to address.

Ms. Moore said in 1990 the City instituted its own senior tax reduction program in order to help seniors on a fixed income remain in their homes despite rising property taxes. She said due to escalating property values, Council enacted adjustments in 1993, 2003 and 2008 bringing the value of the senior reduction up 25% of the average taxable value for each revision. She said currently, the reduction represents only 19% of average taxable value and, according to the Harris County Appraisal District, the percentage of homes claiming the over 65 exemption in West U has increased from 18% to 23% over the last 20 years.

Ms. Moore said after analysis, the Senior Services Board (the "Board") proposes that the current over 65 tax reduction be restored to its historical level of 25% of average taxable value and because the 2015 average taxable value of a West U home is \$972,320 the Board proposes an adjusted tax reduction of \$243,000, effective with the next applicable annual budget cycle. She said this proposal affects the tax rate by only 4/10ths of one cent per \$100 value, approximately \$44, per household. She said, furthermore, the Board requests Council consideration of reviewing the senior tax exemption rate on a regular basis to ensure the historical level of 25% of average taxable value is maintained.

Ms. Moore said many of the seniors have lived in West U for decades and have paid taxes that funded extensive infrastructure upgrade, parkland acquisition and the construction of a brand new recreation center, all of which benefit the community-at-large. She said the Board believes that adopting the tax reduction would be a strong affirmation of the City's commitment to its seniors and recognition that seniors are essential to the City's quality of life.

After Ms. Moore's presentation and before Council's discussion, Mayor Sample called on members of the public who signed up to speak on the issue.

Chuck Guffey, 2809 Sunset spoke to say that Council needs to recognize that seniors living on retired income need an additional exemption on taxes because they no longer have an income they can deduct from their federal taxes.

Thomas Pielech, 4208 Ruskin Street, spoke to speak in opposition of an increase of the senior tax exemption. He said his chief concern with granting special privileges for classes of people based solely on their age is that there is no means testing for this special economic privilege. He said Council would be shifting the tax burden from wealthy, over 65 residents to hard working families and other residents. He said according to U.S. Census data, the average over 65 household in West U has an income of \$123,000, which is 5 times the household income level of average Harris County and Houston residents and that's without taking into account the tremendous real estate value. Mr. Pielech said residents over 65 already enjoy a host of benefits from West U and since

2010 the amount spent on senior citizen services per household is up 75%. He asked that Council reject an increase in the exemption and also look into means testing exemption itself, because it is unfair to be asking hardworking families to subsidize over 65 wealthy citizens.

Carlos De La Torre, 6700 Belmont, spoke to say that he is a member of the Senior Services Board and the Good Neighbor Team. He said senior residents contribute to the community by paying school taxes when they don't have children and by contributing to the parks and recreation facilities when the facilities are mostly directed at young families. He said he wants Council to realize that West U facilities are maintained by everyone for the benefit of everyone and it's impossible to try to split specifically the benefit that each one gets. Mr. De La Torre urged Council to think of how much the community gets from seniors when looking at senior benefits.

Alida Drewes, 6112 Fordham, spoke to say that it has been many years since the last senior exemption was granted and so Council should support an increase. She said seniors are not moving into West U buying \$2,000,000 homes to get the 65 exemption. She said many seniors are long-time residents living in lower priced homes as she does. She said the Senior Services Board has come forward to support West U seniors and it is past time to raise the exemption. She asked Council to do the right thing by voting to raise the senior exemption.

There were further comments from the public.

City Manager Peifer noted that tonight's vote is not whether or not to approve an ordinance, but whether or not Council wants staff to bring forward an ordinance at a future meeting that would reflect proposed changes. He said Council will have to determine whether this City is being equitable to both seniors as well as others that will shoulder the financial responsibility and whether the action will focus on those residents in need.

Regarding a question he was asked regarding senior exemptions for surrounding cities, Mr. Peifer said Piney Point offers \$21,000, Spring Valley offers \$20,000, Hedwig Village offers \$20,000 and Bunker Hill offers \$15,000.

Mr. Peifer noted that West U does not offer tax freezes, but it does offer deferrals and payment plans.

Councilmember Reilly asked about senior exemptions for the City's immediate neighbors such as Bellaire and City of Houston. Mr. Peifer responded that Southside Place mirrors West U at \$185,000, which is the highest exemption in Harris County; Bellaire's exemption is \$135,000 and the City of Houston's is \$160,000.

Councilmember Reilly asked about the City's deferral option and City Manager Peifer responded that a senior can defer a payment of property taxes that will accumulate and be charged against the estate at an interest rate of 8 percent annually.

City Manager Peifer said the deadline to adopt an ordinance to amend the exemption is July 1, 2016 for the next tax cycle.

Mayor Sample said she calculated the \$44 increase a year per household and amortized it to a 15-year bond and so the City would be borrowing approximately \$4,000,000 on a recurring basis every 15 years; so, she would want to take it the voting public to see if they would want to take on a permanent \$4,000,000 bond.

Councilmember Reilly asked if there is a way to mean test this directly or through proxies (age of home for example). He said he asked staff if the City could figure out a way to have a different tax rate based upon the age of a home, the number of years one lived there, a person's income, etc., and he was informed that the City can't as state law dictates that there has to be one tax rate for everybody over the age 65, regardless whether a person has a \$2,000,000 home who moved here last year or someone who has lived here for 50 years and is living in a \$400,000 home.

Councilmember Reilly asked Ms. Moore why they chose the average taxable value to set the exemption amount. Ms. Moore responded that the Board charted the trend to see how many times the City adjusted the exemption and every time it was adjusted it increased 25% of average taxable value, so to the Board it seemed it was a defacto policy.

Councilmember Reilly said it is very interesting to look at the numbers and how they've changed over time. He said from 1995 to 2003 the number of seniors decreased dramatically, so in inflation adjustment terms, the value of the exemption declined by over 20%. He said from 2003-2008 it decreased by 20% in the amount of tax. He said over those years, in nominal terms, the benefit went from \$374,000 to \$348,000, which was due to the dramatic decrease in the tax rate even though the number of seniors increased.

Councilmember Reilly said since 2003, the number of seniors has increased by 36%. He said due to the increased number of seniors the amount of the tax exemption has increased dramatically in nominal terms and in real terms. He said there is now a total tax cost of \$773,000 compared to the \$612,000 in 2009 after the last increase, so the actual amount of tax benefits that the seniors are getting is increasing dramatically.

Ms. Moore said it might be worthwhile for the Board to further explore other ideas and direction from Council. She said it has been quite some time since the last exemption and there are people that are on very low social security income. Councilmember Reilly said he sympathizes with the seniors, but he is concerned that the City's financial circumstances are quite different then it was in 2008 and 2003.

Councilmember Turner asked whether the Board discussed deferrals and payment plans and how they fit into the proposal for a 25% increase. Ms. Moore said the Board did not discuss deferrals and payment plans. Councilmember Turner said deferrals and payment plans seem to be a good way to go if someone wants to keep their house. She said is that not a possibility for some of the residents. Ms. Moore said that would require more research because the Board doesn't have an accurate account of residents the City has over 65 that could really benefit from this. Councilmember Turner said that is what bothers her about the proposal in general. She said she is not sure that Council has all the data it needs to make an intelligent decision.

Ms. Moore said the Board's purpose was to bring this forward to provide history of what they see as a defacto policy. She said in her opinion Council needs more answers on the demographics before it can make a decision.

Councilmember Ballanfant said Council will need more data on this. City Manager Peifer said he isn't sure how much more data the City can collect, but he will check into it.

Mayor Sample said how about doing an impact study for the people who will end up paying for it. She said there are a lot of families living paycheck to paycheck who moved here for the school. She said they work hard to pay for their homes and she doesn't want to stick them with the bill for the increased exemption.

Councilmember Reilly said the way these things work, the number will go up and will never come down. He said as the number of seniors increases the spreading of the costs increase. He said it is one thing when there are 4 or 5 under 65 for every over 65, but it's another thing when there's 2. He said it becomes very difficult to spread those costs out and it has to be thought about for the long-run and not just for the next year.

Ms. Moore said it would take someone who is more educated in demographics and research than she is to figure out how to do those projections. She said a suggestion was made by the Board that maybe members could possibly talk to Rice University or University of Houston graduate students to see if they could get some additional projections on the over 65 population.

Councilmember Ballanfant said the amount of debt the City is carrying is declining and a large portion of what is owed will decrease. He said the City wants to look at all the different options and be able to make a smart look forward of what the next 5 to 10 years will be like.

Councilmember Turner asked if staff has a source at the Harris County Appraisal District that could provide additional information, because the City needs to find a way to treat everyone fairly.

Ms. Moore said she and the Board are open to any creative solutions.

Councilmember Reilly said one solution is to continue doing what the City is doing right now, such as providing value to seniors through discounted programs at the recreational facilities.

Mayor Sample said the City does offer many services to seniors, including rides to where they need to go. She said the City offers its seniors great services.

Mr. Peifer said he is looking to Council to provide staff with direction on whether it wants staff to bring forward a proposed ordinance, do further research or something else.

Councilmember Turner said she would like to see additional data.

Mr. Peifer confirmed that it is his understanding that Council wants additional data on senior population, income level and projected debt service.

Mayor Sample asked what data will be collected with respect to the people who will be picking up the costs.

Mr. Peifer said the City could do some type of survey.

Councilmember Reilly said the best thing the City can do for its seniors is to keep the taxes low and not incur any new debt so residents are able to enjoy the anticipated decrease in the rate in 2021 and at that time take a look at increasing the exemption. He said another thing the City can do is publicize the deferral program so that seniors can understand what it is.

Mayor Sample said staff can also look at what other cities are doing.

Mayor Pro Tem Kelly said he has heard a lot of the pros and cons before over the years and said he thinks the strongest argument for raising the exemption in the past was the fact that there was no way of making it available to the people who needed it versus making it available to those who didn't need it. He said when staff generates all the numbers it will come across the same problem.

Mr. De La Torre spoke again and said the Board agrees that it would be much better if the City can direct the efforts that the community makes to support the seniors who need it. He said those serving on the Seniors Services Board and the Good Neighbor Team knows those that need it. He said they need direction in order to use the City's tax dollars so that they are distributed to those who need it, which is probably not by way of a tax exemption.

Mr. De La Torre said the Good Neighbor Team conducted a survey of the residents they serve and there is a great need for other services, such as a free connection to Direct Link for an emergency call and have a med alert button or something that would save the life of a senior who lives alone. He said the last thing the seniors need is for Council to eliminate or curtail the tax exemption without receiving anything in return.

Ms. Moore said the Board is willing to discuss any other solution Council has.

Mayor Sample said Council will need to think about this and provide direction later because she doesn't feel Council is ready to make a decision at this point.

Councilmember Reilly said he is not interested in an ordinance at this point, but he interested in hearing more about ways the City can publicize the deferment program and having a real market rate of interest on the program so that it is more attractive to the City's seniors so they don't feel like they are losing their homes by not paying their taxes.

Cynthia Johnson, 3805 Tennyson, spoke to say that the City might also want to look at the footprint of a senior home versus the footprint of a family home, so that the City is not just looking at what it's doing for seniors, but also the extensive amount of amenities provided to families. She said the footprint on a family home on goods and services is probably more significant than that of a senior home.

Mr. Peifer said staff will collect and provide Council with additional data and in the future the mayor or two councilmembers can add it to an agenda.

7. **Future Agenda Items**

Matters related to future agenda items. *Recommended Action: Discuss and take any desired action.*

Councilmember Reilly requested that an item for Council feedback to the Facilities Master Plan Task Force be added to the May 23, 2016 Council agenda. Mayor Pro Tem Kelly seconded the request.

Councilmember Reilly requested that an item to discuss meeting date changes be added to the Mayor 23, 2016 Council agenda. Mayor Pro Tem Kelly seconded the request.

8. **Consent Agenda**

All Consent Agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member requests in which event the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

A. **City Council Meeting**

Approve City Council Minutes of the April 25, 2016. *Recommended Action: Approve Minutes.*

Mayor Pro Tem Kelly moved to approve the Consent Agenda as presented. Councilmember Reilly seconded the motion. **MOTION PASSED.**

Ayes: Sample, Kelly, Ballanfant, Reilly, Turner
Noes: None
Absent: None

9. Council/Manager/Attorney Reports

City Manager Peifer gave an update on the parking lot that is contiguous to the Rec Center. He said the City's Public Works staff is spreading stabilized material on it for a stabilized surface and they will add car stops. He said before staff can spread an all-weather purpose surface, staff will need to either redirect the drainage flows up to Ruskin or purchase detention.

Regarding the lot behind the Rec Center, Mr. Beach spoke to say that the goal is to have the lot complete by June 1.

Mr. O'Connor spoke to say that staff is moving forward on upgrading the existing lot and going further north to the City's property line, which will probably give the City 35 to 40 parking spaces. He said this is significant because there was no definition before and people didn't know it was a parking lot.

Mr. Peifer reported that the Drug Take Back Program sponsored by the Drug Enforcement Agency collected between 700 and 800 pounds of drugs at the West U collection site.

Mayor Sample announced that the City is having a ribbon cutting on Wednesday night at 6:00 p.m. for the opening of the Colonial Park West End Redevelopment.

10. Adjourn

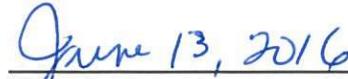
With no further discussion, Councilmember Ballanfant moved to adjourn the meeting at 8:05 p.m. Councilmember Turner seconded the motion. **MOTION PASSED.**

Ayes: Sample, Kelly, Ballanfant, Reilly, Turner
Noes: None
Absent: None

Prepared By:


Thelma A. Gilliam, City Secretary




Date Approved