

**MINUTES OF A SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF PEARLAND, TEXAS, HELD ON MONDAY, APRIL 30, 2018, AT 6:30 P.M. IN THE COUNCIL CHAMBERS, CITY HALL, 3519 LIBERTY DRIVE, PEARLAND, TEXAS.**

Mayor Reid called the meeting to order 6:30 p.m. with the following present:

Mayor	Tom Reid
Mayor Pro-Tem	Derrick Reed
Councilmember	Tony Carbone
Councilmember	Gary Moore
Councilmember	Keith Ordeneaux
Councilmember	Trent Perez
Councilmember	Woody Owens
City Manager	Clay Pearson
City Attorney	Darrin Coker
City Secretary	Young Lorfing

Absent: Councilmember J. David Little.

Others in attendance: Jon Branson Deputy City Manager; Matt Buchanan President of Pearland Economic Development Corporation; Trent Epperson Assistant City Manager; John McDonald Director of Community Development; John McCarter Budget Officer; Chris Orlea Director Parks and Recreation; Cynthia Pearson Director of Finance; Vance Riley Fire Chief; Robert Upton City Engineer; Joshua Lee Communications Director; Daniel McGhinnis Chief Information Officer; Lawrence Provins Deputy City Attorney.

**Call to Order**

**Purpose of the Meeting:**

**Council Input and Discussion** – Regarding the Tax Increment Reinvestment Zone No. 2, (TIRZ) FY19 Bond Package, and Debt Service Rate.

City Manager Clay Pearson stated this is an extension of the early budget input meetings regarding the proposed 2019 Bond Program derived from a list of future projects brought forth over several years by multiple departments as part of the Capital Improvement Plan (CIP) budget process to meet the need of our citizens. Staff is looking for some direction based on recommendations tonight to move to the next step in perusing the 2019 Bond Program.

Assistant City Manager Trent Epperson presented the Tax Increment Reinvestment Zone No. 2 (TIRZ) and potential projects it can fund which will relieve those from being in the 2019 Bond Program.

Discussion ensued between Councilmember Moore and City Manager Clay Pearson regarding utilizing City funds for the Library, Fire Station and Park projects and the

reimbursement from the Tax Increment Reinvestment Zone No. 2 (TIRZ).

Discussion ensued between Councilmember Owens and City Manager Clay Pearson regarding an option of financing would be taking funds from Water/Wastewater, which would be a loan.

Councilmember Perez stated if the City can avoid Certificates of Occupancies through a legal tool creatively to fund these projects the City should do so. He is in favor of the City utilizing the Tax Increment Reinvestment Zone No. 2 (TIRZ) dollars to move these projects forward. He further stated he would like to see the Library completed sooner than later.

Councilmember Ordeneaux stated if the residents are wanting a standalone library and see value in that he will support it because value to create that library is coming from the west side area. The library and fire station he can go with because those two projects benefit the west side the most. He further stated he does like this idea and wants to stress as soon as the City has approval and the financing tied down to break ground and start these projects.

Mayor Pro-Tem Reed stated he hopes the library is at the top of the list. He agrees with everything that has been stated.

Councilmember Moore stated this is a good way to go. It gives the City an opportunity to receive funds from the Tax Increment reinvestment Zone No. 2 (TIRZ) and complete the projects on the books.

Councilmember Carbone stated as a body these projects were agreed to. The only chance to get reimbursed is getting them inside the Tax Increment Reinvestment Zone No. 2 (TIRZ). The City will be recouping some of the capital cost from other participants in the TIRZ. It is a good idea.

City Engineer Robert Upton presented the Capital Improvement Plan (CIP) Expenditure Summary and Bond Types.

Assistant City Manager Trent Epperson presented the Historical General Obligation Debt per Capita, Bond Agency Ratings and the Debt Service Impacts of 2019 Bond Package.

Discussion ensued between Councilmember Carbone and Deputy City Manager John Branson regarding the projection rate will be a conservative 4% up to 5.25% rate on the interest.

Discussion ensued between Councilmember Carbone and City Engineer Robert Upton regarding the exclusion of projects that fall out of the Master Drainage Plan and the funding source for the FM 518 TxDOT project.

Discussion ensued between Councilmember Moore and City Manager Clay Pearson regarding the increase in the debt tax rate, including some of the drainage projects and the FM 518 expansion with TxDOT.

Mayor Pro-Tem Reed stated regarding some of the projects he does not think they will be very appealing to the residents. If the goal is to get this bond passed marketing is going to be important. He further stated staff may want to shift some things around to put something else ahead of this bond.

Councilmember Moore stated he would like for staff to consider Fite Road from Cullen to McLean Road. There is a lot of traffic and the road is getting worse.

Councilmember Carbone stated the Tax Increment Reinvestment Zone No. 2 (TIRZ) financing makes sense, but this is a Public Relations (PR) nightmare in trying to explain it. Trying to prepare an elevator speech to get some votes is going to be difficult.

Councilmember Ordeneaux stated this cannot be marketed.

Assistant City Manager Trent Epperson stated one item included in the information with the 2007 Bond Package was projects with matching funds or other sources of funds to do those projects.

Mayor Pro-Tem Reed stated Councilmember Ordeneaux is right, this cannot be marketed, but Staff has to put it out for a vote.

Councilmember Ordeneaux stated Council structure's the bond, another group will sell the bond. There are legal implications when we start talking about how a bond is going to pass. Council's job is to create the bond, provide information and put it out for the voters. Any direction or anything that can be looked at as marketing cannot be done by this governmental body. He further stated Council has had multiple people state they want more park equipment, open and green space. Council and Staff is going to have to figure out how to pay for these improvements outside of bond elections. He stated the item on the list for him is the Dixie Farm Road site. Dixie Farm Road is Pearland's only connection to Interstate 45 and the more the City can do to help move the traffic going to that area of Houston will be better for Pearland.

Councilmember Perez stated Council needs to prioritize the City's needs. City wide the largest need is FM 518. The scope of Mimosa Acres needs to be expanded. The City needs to invest more in the areas with older roads that need drainage and roadway improvements. Hughes Ranch Road should be a high priority. He further stated he agrees with Councilmember Ordeneaux regarding using bond money and bond timing for routine maintenance is not a good idea. The City needs to have a better long term plan to continue to improve roadways and drainage. A Road and Drainage Enterprise Fund is a necessity at this point. Council and Staff need to be mindful of conversations at the state level regarding changing the requirements on bond elections. The governor has stated he would like bond elections to require a super majority as opposed to a simple majority.

Discussion ensued between Councilmember Perez and Fire Chief Vance Riley regarding the Burn Building Phase I Project.

Discussion ensued between Councilmember Perez and Director of Parks and Recreation Chris Orlea regarding the community swimming pool at Independence Park.

Discussion ensued between Councilmember Perez and City Engineer Robert Upton regarding the Forest Park traffic signal.

Councilmember Owens stated he agrees with the \$120,000,000. If the citizens are given the information they will want to see those projects completed and vote for it. He further stated at the time the Natatorium was being built citizens stated they would not be able to afford the dues to join the Natatorium and that is why the repairs were made on the pool at Independence Park.

Discussion ensued between Councilmembers regarding giving Staff direction to move forward with the Tax Increment Reinvestment Zone No. 2 (TIRZ) budget amendment and to go with the \$120,000,000 package projects. Staff will bring those back when completed and Council can look at the final list and other items such as FM518 and drainage projects.

**Adjournment:**


Meeting was adjourned at 9:03 p.m.

Minutes approved as submitted and/or corrected this the 21<sup>st</sup> day of May, A.D., 2018.



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Tom Reid  
Mayor

ATTEST:



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Young Loring, TRMC  
City Secretary

