

**MINUTES OF REGULAR CITY COUNCIL MEETING**

**Call to Order**

The City Council of the City of Katy, Texas, convened in regular session Monday, March 12, 2012, at 6:30 p.m., at Katy Municipal Complex, 910 Avenue C, Katy, Texas. The following City Officials were present:

Don Elder Jr., Mayor  
 Hank Schmidt, Mayor Pro Tem  
 Carol Adams, Councilmember  
 Larry Gore, Councilmember  
 Fabol R. Hughes, Councilmember  
 Bill Lawton, Councilmember  
 Art Pertile, III, City Attorney  
 Missy Bunch, City Secretary  
 Johnny Nelson, City Administrator  
 David Leyendecker, City Engineer

**Proclamation of Appreciation and Commendation – Talal Souhail Choukair (bravery and valor in aiding Katy police officer in distress)**

The Mayor read and presented a Proclamation of Appreciation and Commendation to Talal Souhail Choukair for his bravery and valor in aiding Katy Police Officer Robert Hughes during his distress in an altercation with a suspect. Police Chief Bill Hastings presented Mr. Choukair with a plaque of appreciation. Councilmembers each individually thanked Mr. Choukair.

**Public Hearing for Agreement Between City of Katy and Lennar Homes of Texas Land & Construction, Ltd., for Utility Functions, Services Allocation, Consenting to and Granting a Petition for Creation of Harris-Waller Counties Municipal Utilities District No. 2**

City Attorney Pertile explained the proposal before City Council is an ordinance granting the petition for the creation of an in-city municipal utility district (M.U.D.) that will be located on the former Green Meadows Golf Course. Also included is an allocation agreement for the City to provide water to the development, it is a residential development, along with the petition for the City to bring the current ordinance that allows for in-city M.U.D.s in line with what past tradition has been. The City has had several in-city M.U.D.s that have been created and have not followed the City's current ordinance. Pertile explained some of the M.U.D.s have had road powers. He commented that when M.U.D.s were first created they could not bond for roads, nor could they bond for recreational facilities; however, since that time and since when the City's ordinance was written, most M.U.D.s did not have those powers, but the recent M.U.D.s that have been created do have road and recreational powers. Pertile explained by approval of the proposed ordinance, it would amend the City's current ordinance allowing for what the City has previously been doing. He spoke of the creation of M.U.D.s by Statute calls for there to be an election of the residents, who have to vote for the creation of the M.U.D. Since the City has been creating these in-city M.U.D.s, there has been an allowance for the placement of HUD-Code manufactured homes placed on the property to getting the residency and the voting. Pertile explained the City's current ordinance would not allow HUD-Code manufactured homes to be place in these locations; however, by approving the proposed ordinance, it would amend the City's current ordinance, allowing for a HUD-Code

**Public Hearing for Agreement Between City of Katy and Lennar Homes of Texas Land & Construction, Ltd., for Utility Functions, Services Allocation, Consenting to and Granting a Petition for Creation of Harris-Waller Counties Municipal Utilities District No. 2 (cont'd)**

manufactured home to be placed on the property for the creation of the M.U.D. for a period up to twelve (12) months. Pertile explained that also included in the proposed ordinance is the allowance of Bond Anticipation Notes (BANS), which is when the M.U.D. gets a loan based upon the tax revenue that they are going to receive from the residents. Cities also do something similar called Tax Anticipation Notes (TANS), which allows a city to borrow money in anticipation of their your collection of ad valorem tax. He commented this is a common practice. The City's current ordinance has not allowed for these, because it has not been common with M.U.D.s; but it is now and that is why it is also included in the proposed ordinance. Councilmember Adams commented that she had read all 33 pages and commented that if an in-city MUD is being created, a lot of people are coming to Katy in the belief the City has no M.U.D. taxes, based on advertisements distributed by realtors; however, by creating an in-city M.U.D. those coming into the development will have a M.U.D. tax, a City tax and a homeowners association due, which she does not believe is a great thing for potential buyers of these homes. She asked about once the development bonds have been paid off, does the M.U.D. expire. City Attorney Pertile explained that when the M.U.D. debt gets down low and they ask for more bonds, that is the time when the City decides to take over the M.U.D, it does not automatically expire, but City Council can decide at some time in the future to pay off that debt or allow for them to reissue the debt for an additional 20-30 years. The utilities would still be a part of the City's utilities. Councilmember Gore asked about M.U.D.s outside the city limits and if they have a vote, whether they issue the bonds. City Attorney Pertile explained it would depend upon how the M.U.D. was set up, if there is a board. He commented this M.U.D. will be treated statutorily the same as any other M.U.D., but it would just be inside the City. Councilmember Gore understood the M.U.D. is unable to sell bonds without the City's approval. City Attorney Pertile explained there are two approvals that they have to go through, which is the Texas Commission on Environmental Quality, and the proposed plan is feasible and once approved, then to the City's financial advisor and he gives his opinion on whether or not he believes it is feasible, then they appear before City Council. If City Council does not approve it the City would at that time pay off the debt and take them in, otherwise you would allow them to exist. Councilmember Lawton asked if the residents that live in the proposed M.U.D. pay a M.U.D. tax and a city tax, similar to city residents. City Attorney Pertile explained the home in the M.U.D. will pay city taxes along with M.U.D. taxes and are given notice of such M.U.D. taxes. Councilmember Gore asked if WoodCreek Reserve was a M.U.D. City Attorney Pertile listed various in-city M.U.D.s, such as Katy Mills, WoodCreek Reserve and the old Silver Oaks Subdivision for examples. The Mayor opened a Public Hearing for the purpose of a proposed Agreement between the City of Katy and Lennar Homes of Texas Land & Construction, Ltd., for Utility Functions, Services Allocation, for the Consenting to and Granting a Petition for the Creation of Harris-Waller Counties Municipal Utilities District No. 2, at 6:52 p.m. All were given an opportunity to be heard and there were none. The Public Hearing was closed at 6:53 p.m.

**Ordinance No. 2529 for an Agreement Between City of Katy and Lennar Homes of Texas Land & Construction, Ltd., for Utility Functions, Services Allocation, Consenting to and Granting a Petition for Creation of Harris-Waller Counties Municipal Utilities District No. 2**

Motion was made by Councilmember Schmidt, seconded by Councilmember Gore, approving as printed and read (*caption*) an Ordinance (No. 2529) for an Agreement between City of Katy

**Ordinance No. 2529 for an Agreement Between City of Katy and Lennar Homes of Texas Land & Construction, Ltd., for Utility Functions, Services Allocation, Consenting to and Granting a Petition for Creation of Harris-Waller Counties Municipal Utilities District No. 2 (cont'd)**

and Lennar Homes of Texas Land & Construction, Ltd., for Utility Functions, Services Allocation, Consenting to and Granting a Petition for Creation of Harris-Waller Counties Municipal Utilities District No. 2. All voted Aye, and the motion carried.

**Comments from the Audience**

All were given an opportunity to be heard and the following spoke: 1) Jimmy Mendez, 2114 Clemson, Katy, introduced himself to the public and announced he is a candidate running for the City of Katy Councilmember At Large position. He spoke of having been in Katy for a number of years and commented there was an information sheet on the sign in table at the back of Council Chambers. There were no additional comments from the audience.

**Consent Agenda**

Motion was made by Councilmember Lawton, seconded by Councilmember Adams, approving and printed and presented the Consent Agenda as follows:

- 7) Consider BP MS 150 Bike Tour, Saturday, April 21, 2012 (start Rhodes Stadium, finish Austin, Texas) (portion inside city limits only)
- 8) Declare Surplus Property
  - A) Vehicles to be Sold at Auction (4 Ford Crown Victoria, 1 Chevrolet Suburban, 1 Chevrolet Silverado Truck and 1 Nissan Altima)
  - B) Electronics – to be Recycled at Keep Katy Beautiful Board's Don't Mess with Texas Trash-Off on March 24, 2012

All voted Aye, and the motion carried.

**Presentation by Katy Area Chamber of Commerce of 2011 Katy Rice Harvest Festival Gate Proceeds to the City of Katy Fireworks Funds in the Amount of \$12,258.00 - Ann Hodge, President/CEO**

Ann Hodge, President/CEO, Katy Area Chamber of Commerce, along with Chamber Board Representatives presented a check in the amount of \$12,258.00, percentage of proceeds from the 2011 Katy Rice Harvest Festival Gate fees, to Mayor Elder. These monies are to be placed in the City of Katy Fireworks Funds.

**Approval of Katy Area Chamber of Commerce Request for 32nd Annual Rice Harvest Festival, October 13th and 14th, 2012, - Includes Blocking Downtown Streets; "No Parking" Zone; Use of Social Services Parking Lot and Parcel of Land West for Carnival/Fun Zone; Downtown Parade on Saturday, October 6th (Note: Parade Route to be Presented for Approval at a Later Date)**

Ann Hodge, President/CEO, Katy Area Chamber of Commerce, gave a brief presentation on proposed 2012 Annual Rice Harvest Festival. She spoke of numerous portions of the event, such as photography contest, parade, public safety, music, decorating of gates by local High Schools, and taste testing of the cooking contest. She thanked the City of Katy for their partnership. Motion was made by Councilmember Adams, seconded by Councilmember Lawton, approving as printed and presented CA/BL to approve Katy Area Chamber of Commerce Request for 32nd Annual Rice Harvest Festival, October 13th and 14th, 2012, - Includes Blocking Downtown Streets; "No Parking" Zone; Use of Social Services Parking Lot and Parcel of Land West for Carnival/Fun Zone; Downtown Parade on Saturday, October 6th (Note: Parade Route will be Presented for Approval at a Later Date). All voted Aye, and the motion carried.

**Ordinance No. 2530 Declaring the Unopposed Candidate for Councilmember from Ward A Duly Elected; Providing that the May 12, 2012, Regular Election for City Officers Shall Not be Held for Councilmember from Ward A**

*Considera una Ordenanza que Declara al Candidato sin Oposición por Councilmember de Sala un Debidamente Decidida; Disponer que el 12 de mayo de 2012, Elección Regular para Oficiales de Ciudad no Será Sostenida para Councilmember de Sala A*

*Xem xét một sắc lệnh tuyên bố ứng cử viên Unopposed cho hội đồng thành viên từ Phường A Duly bầu; Cung cấp cho rằng tháng 12, 2012, cuộc bầu cử thường xuyên cho thành phố cán bộ sẽ không được tổ chức cho hội đồng thành viên từ Phường A*

*審議了條例宣布該候選人無人反對的是,安理會成員從病房的妥為選出;提供,5月12日,2012年,定期選舉為紐約市警官不得進行的是,安理會成員從病房a*

Motion was made by Councilmember Gore, seconded by Councilmember Lawton, approving as printed and read (*caption*) an Ordinance (*No. 2530*) Declaring the Unopposed Candidate for Councilmember from Ward A Duly Elected; Providing that the May 12, 2012, Regular Election for City Officers Shall Not be Held for Councilmember from Ward A. All voted Aye, and the motion carried.

*El movimiento fue hecho por Councilmember Cornean, seconded por Councilmember Lawton, aprobando como imprimido y leído (el título) una Ordenanza (el No 2530) Declaración del Candidato sin Oposición por Councilmember de la Sala un Debidamente Decidido; Disponer que el 12 de mayo de 2012, la Elección Regular para Oficiales de Ciudad no Será Sostenida para Councilmember de la Sala A. Todos votado Sí, y el movimiento llevado.*

*Chuyển động đã được thực hiện bởi Hoài Ñoàng Gore, seconded bởi Hoài Ñoàng Lawton, việc phê duyệt như in và đọc (type) một pháp lệnh (số 2530) tuyên bố ứng cử viên Unopposed cho Hoài Ñoàng từ Phường A Duly bầu; Cung cấp cho rằng tháng 12, 2012, cuộc bầu cử thường xuyên cho thành phố cán bộ sẽ không được tổ chức cho Hoài Ñoàng từ P. A. Tất cả bình chọn Aye, và chuyển động tiến.*

*議案是由councilmember戈爾、借調的councilmember勞頓,審批的印刷和讀取(標題)條例》(第*

*2530)宣布該候選人無人反對為councilmember病房從一個妥為選出;提供,5月12日,2012年,定期選舉為紐約市警官不得舉行councilmember為從病房a.所有投票贊成,議案獲得通過。*

**Resolution No. 479 Authorizing the Mayor to Sign an Agreement with an Electricity Provider for City Buildings and Facilities for a Term up to Seven Years**

Financial Director Byron Hebert explained the City's electrical contract would expire on March 31, 2012. He explained City staff had compiled agreement and pricing from companies interested in supply the City with its electrical needs. Hebert explained on March 2, 2012, the City had accepted preliminary agreement and pricing from four electrical suppliers and because of the nature of the electrical business, pricing could only be held for a short period of time. Hebert along with staff recommends that City Council give the Mayor the authority to enter into an agreement for up to seven (7) years for electrical services. He explained the City will take official pricing on March 15, 2012. He believes that with pricing at a historical low, a longer term contract would benefit the City's future needs. He commented the City's current electrical price per KWH is 8.5 cents and it appears pricing looks to be in the 5.3-6.0 cents range. Hebert noted with an annual average spending of \$1 million, the City could save up to \$300,000 annually. Councilmember Adams asked about any penalty for getting out of the contract in the future. City Attorney Pertile explained it would depend on which entity the contract was with, typically it can be as much as payment equal to 2 or 3 years of service. Motion was made by Councilmember Schmidt, seconded by Councilmember Lawton, approving as printed and presented a Resolution (*No. 479*) authorizing the Mayor to sign an agreement with an electricity provider for city buildings and facilities for a term up to seven years. All voted Aye, and the motion carried

**Councilmembers' Report**

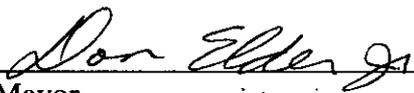
Councilmember Lawton thanked Ann Hodge and Chamber for all the work she/they do for the community and appreciates the strong community turn out. He thanked Mr. Choukair for placing himself in harm's way to assist a Katy Police Officer. Councilmember Gore echoed Councilmember Lawton's comments and believes it is a wonderful thing that the City recognized a citizen stood up and assisted Officer Hughes. Councilmember Adams thanked the Chamber for the firework funds and looks to the Rice Harvest Festival and thanks to Katy Police Department for recognizing Mr. Choukair. She announced the Annual Keep Katy Beautiful Trash-Off will be held on Saturday, March 24, 2012, she spoke of electronics being donated by the City for recycling. Councilmember Schmidt congratulated City of Katy employee Jamie Wolman and her husband for being honored by having Katy Independent School District naming an elementary school after them. Councilmember Hughes echoed comments about the Police force and congratulated Councilmember Adams for being unopposed for the upcoming City election. He expressed congratulations to Ann Hodge and the Chamber for representing the City so well.

**Mayor's Reports**

The Mayor thanked all involved with the Chamber's Rice Harvest Festival and the great quality of the event. He spoke of the success of the recent Southland Conference Basketball Tournament and Katy being recognized on ESPN. The Mayor thanked the Police Officers, Fire and EMS for putting their lives on the line every day. He thanked and applauded Mr. Choukair for his bravery.

**Adjourn**

Motion was made by Councilmember Lawton, seconded by Councilmember Adams, to adjourn the meeting. All voted Aye, and the motion carried. The meeting adjourned at 7:18 p.m.

  
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 Mayor

ATTEST:

  
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 City Secretary