



NEWS RELEASE

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The Woodlands Township holds special board meeting; corrects misinformation disseminated in the community

THE WOODLANDS, TEXAS (October 1, 2021) – The Woodlands Township Board of Directors held a Special Meeting on Thursday, September 30, 2021, open to the public, and addressed misinformation being disseminated in the community.

The Board of Directors discussed reports regarding the Incorporation Election that have been attributed to the Howard Hughes Corporation in local media news stories, in community meetings and on social media. The two commissioned reports, “A Report on The Woodlands Township Incorporation Financial Model,” as well as “A Critique of the Novak Consulting Group’s Law Enforcement Report,” did not use updated 2021 numbers and understated Township funding regarding the Township’s Incorporation financial model.

“You can vote for Incorporation or vote against it,” Chairman Gordy Bunch stated, “but we want our residents to at least have the facts and correct data information to be able to educate themselves.”

Assistant General Manager of Finance, Monique Sharp, detailed the factual information regarding Incorporation and its associated costs based on the Township’s three-year long Incorporation Planning Study and the related financial model that form the basis for the tax rate that is included in the upcoming November 2, 2021 election that will determine whether the community becomes the City of The Woodlands. Ms. Sharp’s detailed description of these two reports can be found online along with another local developer’s released assertions: [Law Enforcement](#) | [Incorporation Financial Model](#)

Ms. Sharp began her presentation noting the Township, as a governmental agency, must provide transparent, timely and accurate financial information prepared in compliance with generally accepted accounting principles, the governmental accounting standards board and best practices advocated by the Government Finance Officers Association (GFOA).

Equally as important, Township financial information must be accurate for credit rating agencies, bond holders, bond disclosure counsel, banking and other financial institutions and auditors. S&P Global Ratings earlier this year raised its rating on The Woodlands Township general obligation (GO) debt to AA+, placing the Township in the top 4% of governmental agencies in the State of Texas. No other special purpose district has achieved a higher rating.



Erroneous information circulating in the general public, and not produced by The Woodlands Township, regarding incorporation states a higher tax rate will be required of a new municipality. In fact, the Board of Directors established the maximum initial tax rate that is part of the incorporation ballot initiative as \$0.2231 per one hundred dollars (\$100) valuation of taxable property, which is the same tax rate currently assessed by the Township. Whether as a Township or as a city, the Township's financial model maintains the same tax rate throughout the five (5) year plan.

"There is no intention of this Board of Directors to raise tax rates," said Chairman Bunch. "We are benefiting from a change of law for internet sales tax collection to help fund budget items that create the high level of services and amenities expected by our residents and businesses."

Here is the ballot language. Registered voters in The Woodlands may vote "For" or "Against":

THE WOODLANDS TOWNSHIP – PROPOSITION A

Authorizing the Type-A city incorporation of The Woodlands Township District and the adoption of an initial property tax rate of not more than \$0.2231 per one hundred dollars (\$100) valuation of taxable property

THE WOODLANDS TOWNSHIP – PROPOSITION B

Upon incorporation of The Woodlands Township District into a Type-A General Law City to be called the City of The Woodlands, the transfer of the rights, powers, privileges, duties, purposes, functions, responsibilities, the authority to issue bonds, and the authority to impose taxes from The Woodlands Township District to the City of The Woodlands

The reports were based on outdated information rather than the Township's updated incorporation financial model approved by the Board this summer. Videos and documents of new information were and are available to the public online prior to the release of these non-Township consultant reports in mid September:

- June 23, 2021 Board meeting video and documents
- July 23 – 24, 2021 Board Planning Session videos/documents
- July 28, 2021 Board meeting video and documents
- August 13, 2021 Board meeting video and documents
- August 16, 2021 Board Budget Workshop video/documents
- August 17, 2021 Board Budget Workshop video/documents
- The Woodlands Township 2021 Budget and Five-Year Plan
- The Woodlands Township 2022 Budget and Five-Year Plan

The HHC commissioned consultant reports have resulted in inaccurate information being circulated in The Woodlands community. When comparing the Township's Incorporation



Financial Model to the reports, the differences are evident through these facts:

- The HHC consultant's claim that law enforcement operations and capital were underfunded by \$7.7 million was based on analyzing a different law enforcement model than the one approved by The Woodlands Township's Board of Directors.
- The HHC consultant's report did not include \$5.9 million already in the Township base budget for public works.
- The HHC consultant was off by \$2.5 million plus an additional \$1.25 million budgeted annually by the Township for concrete and asphalt street rehabilitation.
- The HHC consultant was off by \$12.2 million on the incorporation reserve balance in the year of 2025 developed by the Township.
- The HHC consultants understated funding for already funded, current Township contracted law enforcement personnel by \$11.4 million.
- The HHC consultants understated funding for additional Township direct law enforcement personnel upon incorporation by \$4.8 million to \$7.3 million.
- The HHC consultants understated available Township funding for law enforcement vehicles by \$6.1 million.

The total amount by which the HHC commissioned report understates funding available in The Woodlands Township Incorporation Model is \$28.3 million plus \$1.25 million on an ongoing annual basis. The other HHC commissioned report understates the amount available for Law Enforcement by \$22.3 million – \$24.8 million.

Chairman Bunch has been addressing misinformation being circulated in the public regarding law enforcement. "Law enforcement was a crucial point for us as a board to make sure we had a multi-year transition agreement and ensure public safety is addressed in the event a vote for incorporation passes," he said. "The Township currently fully funds 92 deputies through the Montgomery County Sheriff's Office. A five-year transition agreement, approved less than 12 months ago between Montgomery County and The Woodlands Township, ensures law enforcement services will remain at current levels during the entire transition period. Each year of the transition, the City of The Woodlands would add more of its own officers to its own public safety team while Montgomery County would gradually and correspondingly reduce the number of Sheriff's deputies funded through The Woodlands contract. All City of The Woodlands patrol units would cover residents and business in both Montgomery County and Harris County equally."

Early voting starts Monday, October 18, 2021 and voters must be registered to vote in the county of their residence. The deadline to register is Monday, October 4, 2021.

In other items, The Woodlands Township Board approved an addendum to the Law Firm/Client Engagement Agreement with Messer, Fort, McDonald PLLC;

For additional information, please visit www.thewoodlandstownship-tx.gov. The meeting may



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The Woodlands, TX

be watched in its entirety at www.thewoodlandstowship-tx.gov/meetingvideos.

