I. SPECIAL SESSION – 6:00 P.M.

A. CALL TO ORDER AND ANNOUNCEMENT OF A QUORUM – Mayor Cindy Siegel.

Mayor Cindy Siegel called the City Council of the City of Bellaire, Texas, to order at 6:03 p.m. on Monday, May 21, 2007. The Bellaire City Council met at that time and on that date in Special Session (Executive Session) for the purpose of consulting with City Attorney Alan P. Petrov regarding litigation in the matter of Robert Via and Esther Guy-Via v. The Zoning Board of Adjustment of the City of Bellaire. The Special Session (Executive Session) opened in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas, then moved to the Council Conference Room located directly behind the Council Chamber. Mayor Siegel announced that a quorum was present consisting of herself and the following members of City Council:

- Councilman Will Hickman, Position No. 1;
- Councilman John F. Monday, Position No. 2;
- Mayor Pro Tem Peggy Faulk, Position No. 3;
- Councilwoman Debra Marz Davison, Position No. 4; and
- Councilman John Jeffery, Position No. 6.

Councilman Pat McLaughlan, Position No. 5, arrived shortly after the Bellaire City Council convened into the Council Conference Room for the closed portion of the Special Session (Executive Session). Other officials present were City Manager Bernard M. Satterwhite, Jr., City Attorney Alan P. Petrov, and City Clerk Tracy L. Dutton. City Clerk Dutton did not participate in the closed portion of the Special Session (Executive Session).

B. CONVENE in Executive Session (Closed Session) in the Council Conference Room, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas, under Chapter 551, Open Meetings Act, Texas Government Code, Section 551.071, Consultation with Attorney, regarding litigation in the matter of Robert Via and Esther Guy-Via v. The Zoning Board of Adjustment of the City of Bellaire.

MOTION TO CONVENE IN EXECUTIVE SESSION:

A motion was made by Mayor Pro Tem Peggy Faulk and seconded by Councilwoman Debra Marz Davison to convene in Executive
Session (Closed Session) in the Council Conference Room, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas, under Chapter 551, Open Meetings Act, Texas Government Code, Section 551.071, Consultation with Attorney, regarding litigation in the matter of Robert Via and Esther Guy-Via v. The Zoning Board of Adjustment of the City of Bellaire.

VOTE ON MOTION TO CONVENE IN EXECUTIVE SESSION:

Motion carried unanimously on a 6-0 vote as follows:

FOR: Siegel, Cindy
     Hickman, Will
     Monday, John F.
     Faulk, Peggy
     Davison, Debra Marz
     Jeffery, John

OPPOSED: None

ABSENT: McLaughlan, Pat*

*Councilman Pat McLaughlan arrived shortly after the Bellaire City Council convened in Special Session (Executive Session) and he participated in the remainder of that session.

C. RECONVENE (Open Session) in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas, and take action, if any, on item(s) discussed in Executive Session.

Mayor Cindy Siegel advised that the Bellaire City Council had met in Special Session (Executive Session) related to litigation in the matter of Robert Via and Esther Guy-Via v. The Zoning Board of Adjustment of the City of Bellaire and received an update on the issues of the case from Bellaire’s City Attorney.

MOTION REGARDING INSTRUCTION TO CITY ATTORNEY:

A motion was made by Councilman John F. Monday and seconded by Councilman Pat McLaughlan to instruct the Bellaire City Attorney to seek out a litigator to defend the City in the action or matter of Robert Via and Esther Guy-Via v. The Zoning Board of Adjustment of the City of Bellaire and report his recommendation(s), as well as a fee schedule for said legal services, to City Council for their approval.
VOTE ON MOTION REGARDING INSTRUCTION TO CITY ATTORNEY:

Motion carried on a majority vote of 6-1 as follows:

FOR:  Siegel, Cindy
       Monday, John F.
       Faulk, Peggy
       Davison, Debra Marz
       McLaughlan, Pat
       Jeffery, John

OPPOSED:  Hickman, Will

ABSENT:  None

D. ADJOURNMENT.

MOTION TO ADJOURN SPECIAL SESSION (EXECUTIVE SESSION):

A joint motion was made by Councilman Pat McLaughlan and Mayor Pro Tem Peggy Faulk and seconded jointly by Councilwoman Debra Marz Davison and Councilman John F. Monday to adjourn the Special Session (Executive Session) at 7:25 p.m. on Monday, May 21, 2007.

VOTE ON MOTION TO ADJOURN SPECIAL SESSION (EXECUTIVE SESSION):

Motion carried unanimously on a 7-0 vote as follows:

FOR:  Siegel, Cindy
       Hickman, Will
       Monday, John F.
       Faulk, Peggy
       Davison, Debra Marz
       McLaughlan, Pat
       Jeffery, John

OPPOSED:  None

ABSENT:  None
II. REGULAR SESSION – 7:00 P.M.

A. CALL TO ORDER AND ANNOUNCEMENT OF A QUORUM – Mayor Cindy Siegel.

Mayor Cindy Siegel called the City Council of the City of Bellaire, Texas, to order at 7:25 p.m. on Monday, May 21, 2007. The Bellaire City Council met at that time and on that date in Regular Session in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas. Mayor Siegel announced that a quorum was present consisting of herself and the following members of City Council:

- Councilman Will Hickman, Position No. 1;
- Councilman John F. Monday, Position No. 2;
- Mayor Pro Tem Peggy Faulk, Position No. 3;
- Councilwoman Debra Marz Davison, Position No. 4;
- Councilman Pat McLaughlan, Position No. 5; and
- Councilman John Jeffery, Position No. 6.

Other officials present were City Manager Bernard M. Satterwhite, Jr., City Attorney Alan P. Petrov, and City Clerk Tracy L. Dutton.

B. INSPIRATIONAL READING AND/OR INVOCATION – Councilwoman Debra Marz Davison.

Councilwoman Debra Marz Davison joined her fellow Council members in thanking Library Director Mary A. Alford and her staff for delivering by email topics relating to the day or week that an inspirational reading was to be given. Councilwoman Davison stated that she would like to deliver something of her own this evening, but particularly liked one reference that Director Alford forwarded and found it worthy of note. Thursday, May 24, 2007, was National Tiara Day. Councilwoman Davison encouraged the ladies to get their tiaras out, dust them off, and wear them proudly on that day.

Councilwoman Davison continued and advised that she received some inspiration during the previous week when City Manager Bernard M. Satterwhite, Jr., and the entire City Staff hosted a delegation of five from Azerbaijan. She was impressed with the courage, determination, and goodwill of the delegation. They were willing to contribute to better their particular region of their small country. Their country was about the size of Maine and located in Southeast Europe between Armenia and the Caspian Sea.

When Councilwoman Davison inquired from one of the translators what the one thing was they all found most interesting, her answer
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surprised Councilwoman Davison. The translator said the delegation all spoke of the high level of volunteerism within the City.

It surprised Councilwoman Davison only because the delegation had only been here such a brief time—two days in Washington, D.C., and approximately three days in Bellaire. She wondered how volunteerism was noticed as being so prevalent unless those who were mentoring and touring the guests had presented it as so.

With that, Councilwoman Davison thanked City Manager Satterwhite and his Staff, Mayor Siegel, and, in particular, the McLaughlans for hosting an evening reception, for extending such gracious, informative, and inspirational arms to our new friends from Azerbaijan.

C. PLEDGES TO THE FLAGS – Councilwoman Debra Marz Davison.

1. U.S. PLEDGE OF ALLEGIANCE.

2. PLEDGE TO THE TEXAS FLAG.

Councilwoman Debra Marz Davison led the audience and City Council in the U.S. Pledge of Allegiance and the Pledge to the Texas Flag.

D. APPROVAL OR CORRECTION OF MINUTES:

APPROVAL of minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held Monday, May 7, 2007 – Action by Members of City Council (Item submitted by City Clerk Tracy L. Dutton).

MOTION TO APPROVE MINUTES:

A motion was made by Councilman Will Hickman and seconded jointly by Mayor Pro Tem Peggy Faulk and Councilman Pat McLaughlan to approve the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held Monday, May 7, 2007.

VOTE ON MOTION TO APPROVE MINUTES:

Motion carried on a majority vote of 4-0-3 as follows:

FOR: Siegel, Cindy
     Hickman, Will
     Faulk, Peggy
     McLaughlan, Pat
OPPOSED: None

ABSENT: None

ABSTAIN: Monday, John F.* Davison, Debra Marz* Jeffery, John*

*Councilmen John F. Monday and John Jeffery and Councilwoman Debra Marz Davison abstained from voting on the minutes of the Regular Session of the Bellaire City Council held May 7, 2007, due to their absence from that meeting.

E. PERSONAL/AUDIENCE COMMENTS:

Lynn McBee, 5314 Evergreen Street, Bellaire, Texas:

Ms. McBee addressed City Council and noted that she had four topics to discuss this evening.

Firstly, she referred to the bid award on the agenda for engineering services with Traffic Engineers, Inc. (TEI), for the design of the City’s traffic signal improvements under which the City had a grant from the Texas Department of Transportation (TXDOT). Ms. McBee advised that she opposed the separate award of this service to an outside contractor because it was federal/TXDOT money. It was her understanding that TXDOT would normally do the engineering for such a project under federal standards, as well as construction administration and contract administration. The TEI proposal contained a service consisting of construction administration at a cost of $29,790, and that service would also be provided by TXDOT. Ms. McBee indicated that the City was adding 20% to the project, while 80% was supported by federal/state funds. As such, the City should not be trying to maneuver a different set of standards or control the project separately. In closing on this topic, Ms. McBee registered her opposition to TEI in this instance.

Secondly, on the topic of street name changes, Foundation Surgical Hospital wished to change the name of one of the City’s existing streets, and a very long proposed ordinance change had been developed to address street name changes. Ms. McBee indicated that she did not see a purpose or introduction in the form of ordinance to justify why the City would do this in the first place. It seemed to her that the intent of the legislation ought to spell that out. Ms. McBee noted that the ordinance put people through hoops to request such a change, but it did not address the inconvenience to those who might happen to live on the same street as being changed, such as identification listings, telephone directory, etc. Harris County would
have to change precinct lists, and the City would have to change its maps. In other words, the change of a street name was a big deal. In closing, Ms. McBee advised that a street name had not been changed since Fournace Place, and she did not see any justification for it in this day and age, particularly for an ego trip for someone who happened to own a business on a street.

Thirdly, with respect to the Trolley Pavilion in Paseo Park, Ms. McBee advised that she had looked through her file and found a City Council resolution adopted in 1994 that allowed the Trolley Pavilion to occur. She noted that a building that the Lion’s Club used for their meetings preceded the Trolley Pavilion. The City gently kicked the Lion’s Club out in order to restore that building. It seemed that the only thing that had been preserved was the roof that dated back to 1911 when the original Pavilion was built. The remainder was reconstructed. Ms. McBee advised that the architect was Charles Sundin and Partners, and the contractors were Hersch Levitt.

Ms. McBee also came across a document dated May of 1994 that indicated that the Bellaire Historical Society, after investigating it, decided to remove the then in-place concrete slab underneath that 1911 building. The reason was unknown. Now that the slab was not there, the City had problems with the building. She was not going to suggest what to do with it, and noted that she was opposed to building it in the first place. Things could be commemorated without having to reconstruct them.

Finally, on the TEI contract, Ms. McBee noted that she attended the Houston-Galveston Area Council public hearing on traffic improvements. Colby Wright of TEI was handing out a proposal on the City of Bellaire traffic improvement system, which consisted of two phases. She did not see both phases in the proposal that TEI had presented to City Council this evening. Phase I consisted of fiber optic interconnects on Bellaire Boulevard and Bissonnet Street and the traffic signal improvements on those two arterials. Phase II consisted of South Rice Avenue and Newcastle Drive, which was not presented in the material that Ms. McBee had looked at when City Council considered this project the first time. So, there would likely be another design contract down the line for Phase II. She did not believe there was any federal and/or state funding allocated for that phase at this time.
Rob Via, 900 Lennette Court, Bellaire, Texas:

It was noted that Mr. Via had left the meeting prior to Personal/Audience Comments.

Keith Bowers, 4909 Jessamine Street, Bellaire, Texas:

Mr. Bowers addressed City Council and advised that he also opposed the contract for engineering design services for traffic signal improvements. He advised that the City should not enter into a separate contract for engineering services that TXDOT was already going to do.

With respect to the Trolley Pavilion, Mr. Bowers inquired as to how the problems could have occurred. For $150,000, he indicated that he would be happy to come in and install a concrete pedestal under the Trolley Pavilion. He felt that someone’s estimates were off with respect to that particular cost.

Mr. Bowers advised that sales taxes were down significantly this year. The average was only 12% thus far. The projected shortfall would, therefore, be over $500,000 this year. At the same time, expenses had increased 8% over the previous year.

Mr. Bowers noted further that the Aquatics Complex would not be open for this year’s swimming season, yet he had not seen any adjustment in the budget for the Parks & Recreation Department with respect to either costs or revenues. As a result, he indicated that there would be a shortfall of approximately $100,000 in revenues in the Parks & Recreation Department. In October, the City of Houston would be raising their water rates again, which was another $100,000 in unanticipated expenditures.

Mr. Bowers continued and indicated that Bellaire had $8 million in unallocated, unpledged, and undedicated funds in the budget for City Council to spend any way they wanted to. He felt that was too much. Municipal monies needed to be very carefully stewarded. Mr. Bowers felt that the City was in a situation where the budgets had excess monies in them so that the operating departments looked good when it came time to perform. It was easy to meet a budget when there was 20% fat in it. He did not appreciate the City taking taxpayer money and putting it in its pocket.

In closing, Mr. Bowers passed out a document regarding municipal finance versus personal finance. He stated that the City should not be
using user fees to build or maintain things. Bond money should be used for that purpose because bond money cost the taxpayers a whole lot less of their take-home pay.

Robert Riquelmy, 506 Winslow Lane, Bellaire, Texas:

Mr. Riquelmy addressed City Council and suggested that City money could be well used by asking the Building and Standards Commission (Commission) to look into the Trolley Pavilion issue. For example, the genesis, design, engineering, permitting, inspection, and the acceptance of the Trolley Pavilion should be reviewed. This type of failure in Bellaire was, unfortunately, not uncommon. It happened in homes and in City Hall. The Commission could learn something from a failure so recent and be able to make better recommendations to City Council. The Commission would need a budget to do this analysis, but it would be money well spent. The Commission should have their own engineer and whatever they needed to provide recommendations to City Council with respect to the quality of buildings in Bellaire.

Mandy Nathan, 5211 Laurel Street, Bellaire, Texas:

Ms. Nathan addressed City Council and advised that she was present to report on how the Patrons for Bellaire Parks, Inc. (Patrons), were doing on their Wortham Challenge Grant. As most knew, the Patrons were trying to reach a $500,000 goal in the 12 months preceding June 30, 2007. When that goal was reached, the Wortham Foundation would make a $250,000 donation to Bellaire Town Square.

During the past two weekends, the Patrons were the beneficiaries of the Bellaire New Home Showcase. The Patrons made $30,000 on that one event. The Patrons expressed their thanks to the Bellaire builders for choosing them for the second year in a row and to the volunteers who spent many hours on the event, and to all that came and visited the houses as it was a win-win situation for everyone in Bellaire.

The Patrons had spent the last few months getting the word out to the entire Bellaire community, such as postcards of the Bellaire Town Square Conceptual Plan, a newsletter, a water bill insert a few months ago, a water bill insert to be rolled out shortly, and press releases for the Southwest News, the Examiner, and the Houston Chronicle newspapers. As a result of the communication, Bellaire residents had been responding and the Patrons had made a great deal of progress. As of yesterday, the Patrons were at $440,000 of their $500,000 goal.
The Patrons believed that they could make the goal and would make the goal; however, the Patrons needed the Bellaire residents and businesses that had not contributed yet to make their pledges and donations.

Ms. Nathan noted that Bellaire Town Square would be Bellaire’s showcase. The Aquatic Center and the pool house would be open in August. She suggested that residents drive by and take a look at the construction in progress, as it was very impressive. Once the Aquatic Center and pool house were completed, the other features of Bellaire Town Square would be constructed as funding became available (i.e., the playground, trails, pavilion, event lawn, and skate park). The Patrons had already raised pledges and donations in excess of $1 million, and the additional $250,000 would be raised. Ms. Nathan urged residents to give now to make the park happen—to give green to get green.

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**Mayor Cindy Siegel** noted that City Council had received a written comment, which she read as follows:

*Elaine Riquelmy, 506 Winslow Lane, Bellaire, Texas:*

The City of Bellaire agenda statement to be addressed by Council tonight as item 3 under New Business lists five options to consider for the future of the Trolley Pavilion.

*In light of the statement at a Parks meeting May 16, 2007, by the head of the Parks Department that the Pavilion has been used only 24 hours during the last year, I would like to suggest a sixth option for consideration, which is actually a "green" version of Option 1.*

The green version is this: demolish the Trolley Pavilion and replace it with grass. This has the added benefit of being considerably cheaper than any of the other five options.

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**F. REPORTS:**

1. CITY MANAGER’S REPORT – *City Manager Bernard M. Satterwhite, Jr.*

*City Manager Bernard M. Satterwhite, Jr.,* presented the *City Manager’s Report* to City Council. The report consisted of the following Mission Areas: Residential Safety, Residential Quality of Life, and Internal Operations/Productivity, as well as
Current Issues/Information, and Upcoming City Council Meetings/Events.

MISSION AREAS:

Residential Safety

City Manager Satterwhite noted that Emergency Medical Services Day (EMS Day) was held on Saturday. There was a real good turnout and it accomplished its purpose. South Rice Avenue was closed down for the event, which may have caused an inconvenience for some, but worked well for the event.

City Manager Satterwhite apprised everyone of the fact that this week was National Hurricane Preparedness Week and that there would be a statewide hurricane exercise on June 6, 2007. Along with the statewide exercise, the City’s internal training would include a simultaneous tabletop exercise. The exercise was expected to begin at 8:00 a.m. and conclude at 4:00 p.m. Elected officials and the press would be invited to participate in and/or monitor this exercise.

Flood insurance rate maps were noted to become effective on June 18, 2007. Those without flood insurance needed to be sure and get their insurance. City Manager Satterwhite advised that there was a 30-day waiting period to get flood insurance. There would be a very short grace period to get the insurance after the flood insurance rate maps became effective. It was noted further that there was a link to the flood insurance rate maps on the City’s website.

Residential Quality of Life

The Annual Library Summer Reading Program, “Sail Away with Books,” was scheduled to begin next Tuesday. It was noted that the Summer Reading Program was a very successful program for the Library each year.

Additionally, Summer Day Camp at the Parks & Recreation Department was scheduled to begin on Tuesday of next week.

Finally, as of this Thursday, school would be out, and the City would have survived the Ferris Street reconstruction. By the time school was scheduled to start again in the fall, the reconstruction should be completed.
Internal Operations/Productivity

The City Hall foundation leveling work was completed during the previous week. The process went very smoothly, and quotations for cosmetic improvements were being obtained at this time. After giving the foundation some time to settle (approximately one month), cosmetic improvements would be underway (i.e., cracked walls, painting, etc.).

City Manager Satterwhite urged everyone to take a look at the improvements made to the front desk area at the Parks & Recreation Center. The improvements were budgeted for $23,000, but only $4,600 was spent. One of the reasons for the reduction was due to donated furniture that the City received earlier in the fiscal year. It was noted that the City Hall Receptionist’s furniture was also part of the furniture that had been donated, as was some of the furniture at the Library and Public Works. More of the furniture would be moved into City Hall after cosmetic improvements had been made. City Staff had basically taken a $60,000 budgeted furniture replacement project and would complete it for a little over $20,000. The donated furniture was valued at approximately $250,000.

CURRENT ISSUES/INFORMATION:

The Neighborhood Meeting for Rebuild Bellaire, Phase One, was held last Thursday evening. Approximately 1,000 letters were sent to people on the affected streets, as well as people in the affected areas. Nineteen people attended the Neighborhood Meeting, and the primary focus of discussion for that meeting was sidewalks, specifically sidewalks on Evergreen Street. There was a concern raised during that meeting by a number of residents who expressed that they would prefer to have sidewalks constructed on only one side of Evergreen Street.

City Manager Satterwhite referred to the concern expressed by resident Russ Pitman related to the fence on Pin Oak Lane that backed up against Fournace Place. Based on the City Attorney’s recommendation, the City sent a letter last Friday requiring the fence to be moved back to the property line. The homeowner has ten days to move the fence.
UPCOMING CITY COUNCIL MEETINGS/EVENTS:

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Type of Meeting</th>
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<tbody>
<tr>
<td>05/30/2007</td>
<td>7:00 p.m.</td>
<td>Centennial Planning Committee</td>
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<tr>
<td>06/02/2007</td>
<td>8:30 a.m.</td>
<td>City Council, Boards, Commissions, and Committees</td>
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<td>Meeting with Kendig Keast Collaborative</td>
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<tr>
<td>06/04/2007</td>
<td>7:00 p.m.</td>
<td>Regular Session</td>
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<tr>
<td>06/18/2007</td>
<td>7:00 p.m.</td>
<td>Regular Session</td>
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QUESTIONS/COMMENTS FROM CITY COUNCIL:

{Legend: A – Answer; C – Comment; Q – Question; R – Response}

Mayor Cindy Siegel

Q: Mayor Siegel advised that she had heard that the Summer Day Camp was not as full as it had been in the past. She inquired as to whether there were still openings.

A: City Manager Satterwhite and Director of Parks & Recreation Jane L. Dembski advised that there were still openings in the Summer Day Camp.

C/Q: Mayor Siegel noted that just because there was some construction ongoing in Bellaire Town Square, there would still be many things to do in Summer Day Camp. She also advised that the deadline for applications to Boards, Commissions, and Committees had been extended until May 31, 2007. She urged interested individuals to visit the City’s website and download the application.

Mayor Siegel asked for confirmation as to the opening of the Aquatic Facility.

A: City Manager Satterwhite indicated that the Aquatic Facility was scheduled to open tentatively during the first part of August. The Grand Opening was scheduled to occur on August 25, 2007.

Councilman John F. Monday

C/Q: Councilman Monday reported that the Parks & Recreation Advisory Board was looking for a placeholder date to plan for a Grand Opening and August 25, 2007,
was selected. The Aquatic Facility was expected to open, however, before that date.

Councilman Monday inquired as to the status of the search for a Finance Director.

A: **City Manager Satterwhite** advised that the search was not going well. An offer had been extended to a person that was highly qualified; however, that offer was turned down. The City had found a Facilities Director and would be introducing him at the next City Council Meeting. With respect to the Chief Financial Officer, the City would be going back to the drawing board.

Q: **Councilman Monday** noted that some time ago, the City had negotiated with the Texas Department of Transportation during the reconstruction of Loop 610 that if certain conditions existed at the Fournace Place exit, certain options would be considered. He inquired as to whether there had been excess traffic congestion at that particular intersection (i.e., Fournace Place and Loop 610 Service Road) to lead the City to invoke a different option.

A: **City Manager Satterwhite** advised that he did believe that traffic had increased in the area, but not beyond any of the projections. There was some concern in that area during rush hour times, but the normal traffic did not appear to be more than anticipated. He did note that the City had not performed any traffic counts in that area.

**Councilman John Jeffery**

Q: **Councilman Jeffery** inquired as to whether the contractor that had performed the work to level the City Hall foundation would need to come back in again.

A: **City Manager Satterwhite** stated that the City intended to let the foundation sit for approximately one month before repairing any of the cracks in the walls. The City would probably have the contractor and engineer come back and take another look at the foundation after a month. The elevations would probably be checked at that time. Currently, the elevations were within plus or minus 2/10s, and some settlement was expected.
**Councilman Will Hickman**

**Q:** Councilman Hickman asked if the City of Houston had a monopoly on surface water or whether there was some other entity, county, or city that Bellaire could build a pipeline to.

**A:** City Manager Satterwhite stated that at one time the City looked into building its own water plant and taking water directly out of Brays Bayou. Although such an option was feasible, City Manager Satterwhite did not believe that it was highly practical or economical. He did not know the reliability of the water and noted that no one owned that water. Other than that, Houston had a monopoly.

City Manager Satterwhite indicated further that he had read in the paper that the cities of Southside Place and West University Place were considering going back to buying water credits to pump 50% of their water needs and purchasing the other 50% from Houston. The credits were cheaper than purchasing surface water from Houston.

**Mayor Cindy Siegel**

**Q:** Mayor Siegel inquired as to whether there was an appeal process that the City could consider since Houston was a monopoly.

**A:** City Attorney Alan P. Petrov advised that the City could appeal to the Texas Commission on Environmental Quality (TCEQ). Purchasers could appeal the rates charged for their water supply directly to the TCEQ.

**Councilman Will Hickman**

**Q:** Councilman Hickman inquired as to whether the appeal would strictly apply to the rate Bellaire was charged by the City of Houston and/or to the 50/50 limit with respect to pumpage.

**A:** City Attorney Petrov advised that the appeal before the TCEQ would be for the rates charged by the City of Houston.
Q: Councilman Hickman inquired as to which entity set the limit on how much Bellaire could pump from the ground.

A: City Attorney Petrov advised that The Subsidence District set the limit on how much Bellaire could pump from the ground.

Mayor Cindy Siegel

Q: Mayor Siegel inquired as to whether there was a time period in which a purchaser needed to appeal the rate charged by a supplier (i.e., Houston).

A: City Attorney Petrov indicated that the time period was 90 days from the effective date of the rate increase. The effective date of the rate increase, in this instance, was September 1, 2007.

C: Mayor Siegel advised that she would like for this issue to be placed on a future agenda in time for the City to file an appeal, if so desired.

Note: Councilman John Jeffery left the Council Session at this time and did not participate in the remainder of the meeting.

MOTION TO ACCEPT REPORT INTO THE RECORD:

A motion was made by Councilman Will Hickman and seconded by Mayor Pro Tem Peggy Faulk to accept the City Manager’s Report as presented by City Manager Bernard M. Satterwhite, Jr., into the record.

VOTE ON MOTION TO ACCEPT REPORT INTO THE RECORD:

Motion carried unanimously on a 6-0 vote as follows:

FOR: Siegel, Cindy
      Hickman, Will
      Monday, John F.
      Faulk, Peggy
      Davison, Debra Marz
      McLaughlan, Pat

OPPOSED: None
ABSENT: Jeffery, John

2. FINANCIAL REPORT – Interim Chief Financial Officer Vickey O’Donnell.

Interim Chief Financial Officer Vickey O’Donnell presented the Financial Report for the City of Bellaire, Texas, to City Council. She began by noting that the City was seven months into its fiscal year 2007 budget. Normally at this time, the expenditure levels would be at 58%. Both the General Fund and Enterprise Fund expenditures were at 53%.

With respect to revenues, the General Fund was at 76.9% and the Enterprise Fund was at 45.9%. Water sales were still lagging behind due to the amount of rainfall this year. For example, the City had 24 inches of rain this year as compared to eight inches last year.

City Manager Bernard M. Satterwhite, Jr., added that it appeared that sales taxes were running behind last year because the City had received a rebate from the state based on an audit that had been performed. The projections for sales tax for this fiscal year were on target.

Expenditures and revenues were discussed during the Mid-Year Review earlier in the month. It was noted at that time that specific adjustments would not be made at that time because the City was within material limits. If adjustments were needed due to possible shortfalls, City Staff would let City Council know.

QUESTIONS/COMMENTS FROM CITY COUNCIL:

{Legend: A – Answer; C – Comment; Q – Question; R – Response}

Mayor Cindy Siegel

Q: Mayor Siegel advised that it was her understanding the state did not provide the City with the amounts that businesses paid in for sales tax.

A: City Manager Satterwhite stated that the City could dig and get some of that information, but it was not provided as a matter of course.

Q: Mayor Siegel inquired as to examples of miscellaneous revenue.
A: Interim Chief Financial Officer O’Donnell advised that the majority of miscellaneous revenue consisted of insurance rebates from the Texas Municipal League Intergovernmental Risk Pool (TML).

Councilman Will Hickman

Q: Councilman Hickman noted that miscellaneous revenue for wastewater sewer taps was at 1,460%. He inquired as to whether that should be changed in the budget and if the City was selling more sewer taps than was anticipated.

A: Interim Chief Financial Officer O’Donnell advised that the City had evidently sold more sewer taps than had been anticipated this year. She agreed that a budget adjustment could be made to correct that percentage.

Mayor Cindy Siegel

Q: Mayor Siegel asked for confirmation that the City did not normally make budget amendments on the revenue side.

A: City Manager Satterwhite agreed with Mayor Siegel that an adjustment would not normally be made on the revenue side unless something major had occurred. He agreed that the City needed to adjust next year’s budget if the City was not estimating the correct number of sewer taps sold on a going forward basis.

MOTION TO ACCEPT REPORT INTO THE RECORD:

A motion was made by Councilwoman Debra Marz Davison and seconded by Councilman Pat McLaughlan to accept the Financial Report for the City of Bellaire, Texas, as presented by Interim Chief Financial Officer Vickey O'Donnell into the record.

VOTE ON MOTION TO ACCEPT REPORT INTO THE RECORD:

Motion carried unanimously on a 6-0 vote as follows:

FOR: Siegel, Cindy
Hickman, Will
Monday, John F.
G. NEW BUSINESS:

1. ADOPTION OF ORDINANCES:

Bid Awards/Agreements

a. CONSIDERATION of and possible action on a recommendation from Consulting Engineers Klotz Associates, Inc., and the Bellaire Public Works Department to award Bid No. 07-011, Wastewater Treatment Plant Odor Control Improvements, to the lowest bidder, R & B Group, Inc., in an amount not to exceed $158,000.00 and adoption of an ordinance authorizing the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, on behalf of the City of Bellaire, Texas, a Standard Form of Agreement with R & B Group, Inc., for said services in an amount not to exceed $158,000.00 – Action by Members of City Council (Item submitted by Director of Public Works Joe Keene).

SUMMARY:

City Manager Bernard M. Satterwhite, Jr., stated that this improvement was part of the Klotz Associates, Inc., study done on the water/wastewater treatment system. The improvement was designed to reduce odor at the Wastewater Treatment Plant.

MOTION TO AWARD BID AND ADOPT ORDINANCE:

A motion was made by Councilman Pat McLaughlan and seconded by Councilwoman Debra Marz Davison to award Bid No. 07-011, Wastewater Treatment Plant Odor Control Improvements, to the lowest bidder, R & B Group, Inc., in an amount not to exceed $158,000.00 and to adopt an ordinance authorizing the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, on behalf
of the City of Bellaire, Texas, a **Standard Form of Agreement with R & B Group, Inc., for said services** in an amount not to exceed $158,000.00.

**QUESTIONS/COMMENTS FROM CITY COUNCIL:**

{Legend:  A – Answer; C – Comment; Q – Question; R – Response}

**Councilman Will Hickman**

**Q:** Councilman Hickman asked for a description of what was to be built, noting he pictured it as a vent hood for a grid filter.

**A:** Ralph Cox, P.E., Klotz Associates, Inc., and Resident, 545 South Second Street, Bellaire, Texas, noted that the study identified two major sources of odor at the Wastewater Treatment Plant. One source was at the headwork (intersection of Edith Street and Baldwin Avenue), which was what this particular project would address. When wastewater came into the plant, it was lifted through some pumps and then through some screens. A great deal of odor was generated in this process. The improvement would consist of an enclosure over the screens with ventilation fans to exhaust the air out of the enclosure through some dry scrubbers (containing activated carbon filters). This would help eliminate odors at that end of the Wastewater Treatment Plant and hide the screens for aesthetic purposes.

**Q:** Councilman Hickman inquired as to the second source of odor.

**A:** Mr. Cox indicated that the other source of odor was at the intersection of Edith Street and Newcastle Drive (the backend of the plant where the solids handling occurred). He believed that the odor could be mitigated through a combination of changing some practices in the operation, combined with some technology.

**Q:** Councilman Hickman inquired as to the status of having Bellaire’s wastewater treated by the
City of Houston or another entity versus doing it ourselves.

A: City Manager Satterwhite stated that the City had looked into such an option for quite some time. The big sticking point was the buy-in or impact fee of approximately $2 million to use Houston’s plant. After the impact fee, Bellaire would still have to pay a wholesale rate, which was not unlike the water contract.

The concern City Manager Satterwhite had was the fact that Houston had double the capacity in their plant versus what was taken in, yet the impact fee seemed to be set by ordinance and was not negotiable.

The Head of the Houston Public Works Department had told Bellaire that the impact fee might be negotiable, so the City went down to talk with them at length about it. At the end of the discussion, Houston offered to spread the impact fee out over time, but would not reduce it. From a cost-benefit perspective over time, it was cheaper for Bellaire to treat its own wastewater.

City Manager Satterwhite noted further that there were four wastewater treatment plants within a one-mile radius in this area. Until some of the contractual issues became more of a benefit to the smaller cities, he believed the smaller cities would continue to treat their own wastewater.

Mayor Cindy Siegel

Q: Mayor Siegel stated that she believed the buy-in or impact fee was closer to $8 million and asked for confirmation of this.

A: City Manager Satterwhite advised that he believed Mayor Siegel was correct.

Councilman John F. Monday

Q: Councilman Monday stated that he was not familiar with the “hood” in this particular project, but understood that there were fans and filters
that needed to be changed. He inquired as to the annual operating expense related to this improvement (i.e., electricity, filters, etc.).

A: Mr. Cox advised that the annual operating expense would be relatively nominal. The motor sizes on the scrubbers were one to one and one-half horsepower. The expected life of the media for this type of application was approximately 2-3 years, and he believed that cost would be between $200-$300.

Q: Councilman Monday inquired as to the “stink factor” reduction once this improvement was made.

A: Mr. Cox stated that the Chief Plant Operator and his staff were doing other things to try to mask the odors. He believed that there would be a big difference once the improvement was in place. He noted that the amount of odor varied from day to day. There was still another part of the plant that would eventually need to be addressed. The improvement would definitely make a big impact on the northeast corner of the Wastewater Treatment Plant.

To address the operating costs further, the staff at the Wastewater Treatment Plant were doing some things now that they would not have to do once the improvement was installed. He guessed that it would probably be a wash in terms of operating costs.

VOTE ON MOTION TO AWARD BID AND ADOPT ORDINANCE:

Motion carried unanimously on a 6-0 vote as follows:

FOR: Siegel, Cindy
     Hickman, Will
     Monday, John F.
     Faulk, Peggy
     Davison, Debra Marz
     McLaughlan, Pat

OPPOSED: None

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Contracts and Agreements

b. RECONSIDERATION of and possible action on a recommendation from the Bellaire Public Works Department to accept a Proposal from Traffic Engineers, Inc., for the performance of engineering services necessary for the design, administration, construction monitoring, construction observation, and traffic control plans for an estimated 11 traffic signalized intersections throughout the City of Bellaire, Texas, and authorization for the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, for and on behalf of the City of Bellaire, Texas, a Contract and Agreement for Engineering Services with Traffic Engineers, Inc., for the services outlined in the Proposal in an amount not to exceed $264,800.00 – Action by Members of City Council (Item submitted by Director of Public Works Joe Keene; Reconsideration requested by Mayor Cindy Siegel).

MOTION TO RECONSIDER ACTION TAKEN ON A PROPOSAL FOR ENGINEERING SERVICES:

A motion was made by Mayor Cindy Siegel and seconded by Mayor Pro Tem Peggy Faulk to reconsider action taken on May 7, 2007, related to a Proposal from Traffic Engineers, Inc., for the performance of engineering services necessary for the design, administration, construction monitoring, construction observation, and traffic control plans for an estimated 11 traffic signalized intersections throughout the City of Bellaire, Texas, and on the adoption of an ordinance authorizing the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, for and on behalf of the City of Bellaire, Texas, a Contract and Agreement for Engineering Services with Traffic Engineers, Inc., for the services outlined in the Proposal in an amount not to exceed $264,800.00.

{Note: This agenda item failed on May 7, 2007, on a vote of 2-2 with Councilman Will Hickman and Mayor Pro
Tem Peggy Faulk voting in favor and Mayor Cindy Siegel and Councilman Pat McLaughlan voting against. Mayor Cindy Siegel requested that the agenda item be reconsidered on May 21, 2007, in accordance with the Rules of Procedure, 2006-2008, previously adopted by the Bellaire City Council.

**VOTE ON MOTION TO RECONSIDER ACTION TAKEN ON A PROPOSAL FOR ENGINEERING SERVICES:**

Motion carried on a majority vote of 5-1 as follows:

**FOR:**
- Siegel, Cindy
- Hickman, Will
- Monday, John F.
- Faulk, Peggy
- Davison, Debra Marz

**OPPOSED:**
- McLaughlan, Pat

**ABSENT:**
- Jeffery, John

**MOTION TO ACCEPT PROPOSAL FOR ENGINEERING SERVICES AND TO ADOPT AN ORDINANCE RELATED THERETO:**

The motion under reconsideration that was originally made on May 7, 2007, by Mayor Pro Tem Peggy Faulk and seconded by Councilman Will Hickman was as follows: to accept a Proposal from Traffic Engineers, Inc., for the performance of engineering services necessary for the design, administration, construction monitoring, construction observation, and traffic control plans for an estimated 11 traffic signalized intersections throughout the City of Bellaire, Texas, and to adopt an ordinance authorizing the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, for and on behalf of the City of Bellaire, Texas, a Contract and Agreement for Engineering Services with Traffic Engineers, Inc., for the services outlined in the Proposal in an amount not to exceed $264,800.00.

**SUMMARY:**

City Manager Bernard M. Satterwhite, Jr., advised that part of the discussion from the previous Council
Session was related to whether or not enough information had been presented as to the need for the system and the need for the City's own engineers.

City Staff started looking into potential avenues for replacement of the Bellaire traffic signal system in the late 1990s. The Metropolitan Transit Authority of Harris County, Texas (METRO), committed to several upgrades along some of Bellaire’s main thoroughfares several years ago. These upgrades consisted of Opticon detectors that allowed emergency vehicles to turn a traffic signal light “red” upon approaching an intersection. These METRO-initiated upgrades to the regional traffic signal system resulted in modest improvements and increased operating costs for Bellaire in the long run. Additionally, it was noted that many of the City’s existing traffic signals were over 30 years old and in need of modernization.

Approximately two years ago, Traffic Engineers, Inc. (TEI), began to seek federal funds to assist with the replacement/improvement of Bellaire’s existing traffic signals. The estimated total replacement cost for the system was $6 million (i.e., up-to-date state of the art system).

Subsequently, the Texas Department of Transportation (TxDOT) and the Houston-Galveston Area Council (H-GAC) agreed to provide $2 million through a grant program for the first phase which would include 11 traffic signals on Bellaire Boulevard and Bissonnet Street and fiber optic cable for communication purposes. City Manager Satterwhite noted that the City had asked for $5 million under the grant, but was awarded $2.5 million ($500,000 of which represented a match by Bellaire). There were only 10-12 entities that received air quality mitigation grants under the referenced grant program.

The goal of the traffic signal system would be the improvement of safety, efficiency, and reliability. With respect to safety, left turn phasing would be added to Bellaire Boulevard at Avenue B and Bellaire Boulevard at First Street. All intersections included improvements to upgrade to current Americans with Disabilities Act (ADA) requirements and all pedestrian signals would be state of the art. Although this could be done without replacing the system, there was a cost-benefit of upgrading the system with the available grant funding.
Regarding efficiency, it was noted that traffic signal timing would be improved. For example, the annual energy savings for converting to LED technology would be $22,000 at today’s costs. While energy savings alone would not justify the investment, it was a significant component as the City looked for ways to further lower its consumption of energy.

Battery backup would be provided at strategically important intersections to assist in meeting the City’s goal of improved reliability.

With respect to communications, it was noted that fiber optic cable would allow for remote control of timing plans from the Public Works Service Center. The fiber would also allow for connection of the City Hall, Police Department, Fire Department, Public Works Department, and TranStar.

Finally, it was possible to upgrade the poles and mast arms to a better architecture. This was certainly not a reason to change the system, but the opportunity was there while upgrading the system as a whole. The poles and mast arms could be replaced by similar galvanized steel or powder coated or the City could choose to install upgraded decorative poles (for an additional cost to be borne by the City).

In answer to the question of whether or not the City should engage its own traffic consultant for this project, City Manager Satterwhite indicated that the City needed to have some control over this project. He referred to some issues the City was currently having with the box culvert project on Loop 610, noting that the City did not get to have the necessary control in that instance. He did not wish to insinuate that TXDOT did a bad job; their interests were simply different than the City’s interests.

Further, TEI was familiar with the deficiencies in the existing signal system. TEI could continue to monitor and operate the system upon completion. TEI could also continue to seek external funding for future phases, if there were to be any. City Manager Satterwhite indicated that at this point in time there were no plans for a future phase.

TEI would monitor the project during construction and act as the City’s project representative, although TXDOT
would perform the actual inspection. TEI would work directly for the City of Bellaire on this project and the City would have access to TEI during design work. TEI would represent Bellaire in meetings with TXDOT and manage change orders.

Funding the consulting fee through TXDOT would reduce the funds available for construction. Of the $2,500,000 funding available for this project, approximately $250,000 was already committed to TXDOT for plan review, bidding, awarding, administration, and construction inspection. Of the remaining $2,250,000 in funds, approximately $730,000 was committed to the 27,000 linear feet in fiber optic interconnect along Bellaire Boulevard, Bissonnet Street, the connection to the Bellaire City Hall, and the connection to TranStar. The fiber optic interconnect was noted to be the key component necessary to be able to utilize the grant funding.

The remaining funds available, approximately $1,520,000, could be used for traffic signal reconstruction or traffic signal modernization. A traffic signal reconstruction would install all new signal equipment and completely remove the existing signal equipment. A traffic signal modernization would utilize the existing signal equipment and install only peripheral items, such as LED signal heads, LED pedestrian heads and VIVDS cameras. It was noted that VIVDS cameras were monitoring cameras and not red light cameras. The traffic signal modernization would utilize existing signal poles, conduits, wiring, etc. The estimated cost for a traffic signal reconstruction was $160,000 and $40,000 for a traffic signal modernization. If future funding could be secured under this grant program, intersections that were previously modernized would not be eligible for additional improvements since they would already have fiber interconnect.

The City of Bellaire had eleven traffic signals along Bellaire Boulevard and Bissonnet Street that could be reconstructed or modernized. Based on $1,520,000 in funding, eight traffic signals could be reconstructed and three traffic signals could be modernized.

If the City of Bellaire wished to be reimbursed for consultant costs under the grant program, the amount of funds available for traffic signal reconstructions would
be reduced. Assuming consultant costs were reimbursed, the funding available for traffic signals would be $1,250,000, which would allow for only six traffic signal reconstructions and five traffic signal modernizations. For $300,000 more in City money, Bellaire could upgrade all 11 intersections with fiber optic interconnect.

City Manager Satterwhite indicated that he saw an opportunity with this project to put a lasting state of the art upgrade into the City’s traffic signal system. Additionally, the new components would be capable of being updated.

QUESTIONS/COMMENTS FROM CITY COUNCIL:

{Legend:  A – Answer; C – Comment; Q – Question; R – Response}

Councilman John F. Monday

Q: Councilman Monday referred to the second bullet from the bottom of page 3 of the proposal submitted by TEI. He inquired as to how the City could hire one person and hold them or not hold them responsible for some things that another entity did. The last two lines of the paragraph stated that TEI would not be responsible for the failure of contractors to perform the work in accordance with the contract documents; however, this was what they would be paid to do.

He inquired as to whether City Attorney Petrov was comfortable with the wording of the proposal. In other words, would the City be getting what it was paying for from TEI? TEI stated that they would make efforts to ensure that the contractor awarded the job from TXDOT performed, yet there appeared to be no accountability or liability for that. He inquired as to whether that was appropriate?

A: City Attorney Alan P. Petrov stated that the City was hiring TEI to ensure that the contractors fulfilled their obligations; however, TEI was not going to assume responsibility should those contractors fail to fulfill those obligations.
The proposal indicated that TEI would make sure that the contractor performed, but they would not guarantee that it would happen.

**Mayor Cindy Siegel**

**Q:** Mayor Siegel inquired as to whether the language referenced by Councilman Monday was typical. In other words, did the contracts the City had with its consulting engineers, Claunch & Miller, Inc., contain the same type of language?

**A:** City Attorney Petrov advised that this language was pretty typical.

**Councilman John F. Monday**

**Q:** Councilman Monday referred to the fee schedule contained within the proposal. He noted that the City was hiring TEI to perform construction observation. There was a notation in the proposal, “N/A,” and he inquired as to whether that notation meant “Not Applicable” or whether it meant there was no charge for that particular service. He also inquired as to the lump sum cost of $29,000 for construction administration, noting his uncertainty as to the procedures related to that service.

**A:** City Manager Satterwhite advised that this proposal was fairly similar to proposals entered into with other engineering firms.

**C:** Councilman Monday advised that if City Attorney Petrov felt comfortable with this proposal from a contractual standpoint, then he would be comfortable with it.

**R:** City Attorney Petrov stated that the City needed to be comfortable with what it was purchasing. The City was not purchasing a guarantee of the work of other contractors from TEI. As long as the City was comfortable with that, then he was comfortable with the proposal.
Councilman Pat McLaughlan

Q: Councilman McLaughlan advised that he appreciated the merits of the overall traffic signal improvement system; however, this was not the agenda item. The agenda item this evening was whether or not the City would award a contract to TEI. He planned to discuss that particular item and not the merit of the $2.5 million upgrade.

Councilman McLaughlan continued to have a problem with this issue and noted that he heard different things this evening than he had heard previously.

He inquired as to whether TEI had written the grant proposal.

A: City Manager Satterwhite advised that former Chief Financial Officer Louise T. Richman had written the grant proposal. TEI provided information and developed the conceptual plan for the project that was used to prepare the grant proposal.

Q: Councilman McLaughlan inquired as to whether TEI was paid for that work.

A: City Manager Satterwhite advised that he did not believe that TEI was paid for the work.

Q: Councilman McLaughlan advised that discussion related to this project had occurred among members of City Council several times over the last two years. The project was always presented on the basis that it was a $2.5 million project, that Bellaire would have to ante up $500,000, and that TXDOT would put in $2 million. As he recalled, Bellaire was going to rebuild 11 intersections for the total of $2.5 million.

During the last City Council Meeting, an additional $264,000 was requested over and above the $2.5 million. It was his understanding that the $264,000 was recommended by City Staff to ensure that TEI would perform the design work. He also understood that if Bellaire did not
specify or chose its own consulting engineer, that the engineering costs would be wrapped into the TXDOT cost. In other words, TXDOT would absorb the cost of the engineering design work. City Staff felt that better engineering would result if the City worked the project through TEI.

Councilman McLaughlan asked City Manager Satterwhite who would do the engineering work if TXDOT chose the engineer.

A: City Manager Satterwhite and Director of Public Works Joe Keene stated that they did not know.

Director of Public Works Joe Keene and Deputy Director of Public Works David Ritz stated that TXDOT would request proposals from engineering firms for the services.

C: Councilman McLaughlan stated that TXDOT might choose TEI.

A: City Manager Satterwhite stated that TXDOT would not choose TEI.

Dan Lynch, TEI, advised that TXDOT would be reluctant to select TEI through a “request for proposals” at this point because TEI had been so involved in the project already. In other words, TEI had discussed funding and worked through the concept with TXDOT. When TXDOT went through the process of requesting proposals, the City would participate in the selection process. TXDOT would feel that the City’s vote would be tainted because of the fact that TEI worked with the City and prepared the preliminary conceptual plan on this project.

City Manager Satterwhite stated that TXDOT did not have a problem with TEI’s involvement from the City’s perspective; however, the cost of that involvement would not be funded with the grant.

Mr. Lynch stated that his firm had contracts currently with Montgomery County, Sugar Land,
Houston, and Harris County for similar projects funded in the same way.

Q: Councilman McLaughlan advised that he appreciated TEI doing the conceptual plan work for the City and asked for confirmation that TEI did not get paid for that work.

A: Mr. Lynch indicated that TEI did not get paid for the work. The work consisted of a five-page report outlining the concept of the project.

Several years ago, the City began to see its traffic signal system deteriorate and the maintenance costs increase. As a result of that, he suggested that the City look into external funding to help upgrade the system. Since TEI was knowledgeable about the funding, he prepared a 5-10 page written report and did not charge the City since he knew the City’s system. Additionally, he did not wish to charge the City for something that might not receive external funding.

C: Councilman McLaughlan stated that, from his point of view, the City did not necessarily have a direct relationship with TEI with respect to this project.

R: Mr. Lynch advised that the main reason to select TEI to perform on this project was because TEI was the best firm to do it, especially taking into account their familiarity with the City’s system.

Q: Councilman McLaughlan inquired as to whether traffic engineers were registered, professional engineers and qualified by TXDOT.

A: Mr. Lynch advised that Councilman McLaughlan was correct.

C: Councilman McLaughlan advised that the decision point for him was the fact that the City could save its taxpayers $264,000 if TXDOT handled the engineering portion of the project.
R: City Manager Satterwhite stated that the City would receive $264,000 less of infrastructure.

C: Councilman McLaughlan stated that City Council was previously informed that 11 intersections would be addressed.

R: City Manager Satterwhite advised that he did not mean to mislead anyone. He did advise City Council some time ago (when the grant was accepted) that it would probably be the City’s choice to hire an engineer and assume those costs so that the City could get more infrastructure from the grant. The infrastructure to be addressed was 11 intersections, eight of which would be reconstructed and three of which would be modernized.

If the City lost the $264,000, then six intersections would be reconstructed and five would be modernized.

Q: Councilman McLaughlan recalled that when the City Council discussed this issue previously, 11 intersections would be addressed.

A: City Manager Satterwhite and Mayor Siegel both indicated that 11 intersections would still be addressed.

Q: Councilman McLaughlan inquired as to how many signals needed to be addressed.

A: City Manager Satterwhite advised that the City needed to eventually address all of its signals, which currently totaled 20.

Q: Councilman McLaughlan asked for confirmation that modernization could be performed for $40,000 versus reconstruction at a cost of $160,000 per intersection.

A: City Manager Satterwhite advised that this was correct; however, the funding would not cover modernizing all intersections.

Q: Councilman McLaughlan stated that the $264,000 cost for engineering services was not
included in the current budget. He inquired as to where the funding would come from.

A: City Manager Satterwhite advised that City Staff had discussed taking the $264,000 out of the rest of this year’s sidewalk budget as there were not any more projects scheduled this year. Other areas of the budget could be looked at as well. A budget amendment would be presented to City Council for this expenditure at the next meeting if this were approved.

Q: Councilman McLaughlan stated that he would not like to see the City diminish its sidewalk repair program. In his mind, he was not able to get his arms around this relationship with TEI wherein the City was going to fund them $264,000 of taxpayer money. Certainly the City had been told that TXDOT was going to absorb some or all of the cost. For that reason, he would not support the award of $264,000 for additional engineering services.

Councilman Will Hickman

Q: Councilman Hickman asked for confirmation that the total amount of the project would be $2.5 million and that the City could either pay an additional $264,000 for engineering or take it out of the $2.5 million and reduce what was left over for the actual construction or infrastructure work.

A: City Manager Satterwhite advised that Councilman Hickman was correct.

Mayor Cindy Siegel

C: Mayor Siegel advised that she wished to point out IH 59 and Loop 610. For that reason, she would support this agenda item. She would rather have control of the engineering versus TXDOT. There was a great deal of traffic coming down Bissonnet Street and Bellaire Boulevard everyday. Again, for that reason, she would support this agenda item and was ready to vote on it.
Mayor Pro Tem Peggy Faulk

C: Mayor Pro Tem Faulk advised that the City had discussed this issue at length over the years; therefore, she wished to call the vote.

MOTION TO CALL FOR A VOTE:

A motion was made by Mayor Pro Tem Peggy Faulk and seconded by Councilman Will Hickman to call for a vote on the motion for reconsideration.

VOTE ON MOTION TO CALL FOR A VOTE:

Motion carried on a majority vote of 4-2 as follows:

FOR: Siegel, Cindy
     Hickman, Will
     Faulk, Peggy
     Davison, Debra Marz

OPPOSED: Monday, John F.
         McLaughlan, Pat

ABSENT: Jeffery, John

VOTE ON MOTION TO ACCEPT PROPOSAL FOR ENGINEERING SERVICES AND TO ADOPT AN ORDINANCE RELATED THERETO:

Motion carried on a majority vote of 5-1 as follows:

FOR: Siegel, Cindy
     Hickman, Will
     Monday, John F.
     Faulk, Peggy
     Davison, Debra Marz

OPPOSED: McLaughlan, Pat

ABSENT: Jeffery, John

{Ordinance was subsequently numbered: 07-024}

c. CONSIDERATION of and possible action on a recommendation from the Bellaire Public Works Department to award Bid No. 06-015, Contractual
Services for Repairs to the Evergreen Water Well Site, to Alsay Incorporated in an amount not to exceed $94,800.00 and adoption of an ordinance authorizing the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, on behalf of the City of Bellaire, Texas, a Standard Form of Agreement with Alsay Incorporated for said services in an amount not to exceed $94,800.00 – Action by Members of City Council (Item submitted by Director of Public Works Joe Keene) (Note: This item was postponed during the May 7, 2007, Regular Session).

MOTION TO AWARD BID AND ADOPT ORDINANCE:

The motion on the floor for the above-referenced agenda item prior to its postponement on May 7, 2007, was made by Mayor Pro Tem Peggy Faulk and seconded by Councilman Will Hickman as follows: to award Bid No. 06-015, Contractual Services for Repairs to the Evergreen Water Well Site, to Alsay Incorporated in an amount not to exceed $94,800.00 and to adopt an ordinance authorizing the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with Alsay Incorporated for said services in an amount not to exceed $94,800.00.

SUMMARY:

City Manager Bernard M. Satterwhite, Jr., advised that this agenda item had been discussed two meetings ago prior to bringing this bid award forward at the last meeting. There was discussion at the last meeting related to the fact that there was no comprehensive plan to eliminate a specific water well. This was still the case. City Staff would be bringing an item forward very soon to refurbish the elevated storage tank at the Feld Park Water Plant. Since Feld Park was the site of the City’s surface water, the well at that site might not be refurbished in the future.

City Manager Satterwhite noted further that Ralph Cox, P.E., Klotz Associates, Inc., had remained at the meeting this evening since his firm had performed the Water Distribution and Production Study for the City. He
was available to answer any questions City Council might have regarding that and this particular well site.

In closing, City Manager Satterwhite advised that each of the City’s water plants had three functions—production, storage, and distribution. The City felt that it was cost-effective to maintain what was in place until the projects related to refurbishment were completed.

**QUESTIONS/COMMENTS FROM CITY COUNCIL:**

{Legend:  A – Answer; C – Comment; Q – Question; R – Response}

**Councilman Will Hickman**

Q: **Councilman Hickman** inquired as to whether certain parts of town got more well water and other parts of town got more surface water or whether it was evenly mixed.

A: **Director of Public Works Joe Keene** advised that it was evenly mixed.

Q: **Councilman Hickman** advised that the main portion of this agenda item appeared to be the purchase of a new pump. He inquired as to a guarantee or warranty that the City might receive as a result of this purchase. He also noted that this was a remanufactured pump and inquired as to whether the City would be better off purchasing a new pump.

A: **Director of Public Works Joe Keene** advised that, in this case, remanufacturing the pump was the way to go. The warranty related to the purchase of this pump was one year.

Q: **Councilman Hickman** inquired as to the age of the existing pump and its average life expectancy.

A: **Ralph Cox, P.E., Klotz Associates, Inc.** advised that the particular pump that Alsay Incorporated was proposing in this bid was a remanufactured submersible pump and motor. Both the pump and motor were housed together at the bottom of the well. The pump was “like-
new” in that the castings were original, but all of the moving parts, bearings, seals, sleeves, etc., were all “like-new.”

The problem was that this pump was a very specialized pump, and there were only a few manufacturers that even made them. A new pump would have to be obtained from Germany and was significantly more costly than the remanufactured pump.

Mr. Cox continued and advised that the existing pump had been in the well for 17 years, and that the typical life for a moving piece of mechanical equipment like this pump ranged from 15 to 20 years.

City Manager Satterwhite indicated that part of the cost was removing the pump and then reinstalling it.

Mr. Cox stated that the cost of the remanufactured pump, per se, was approximately $40,000. The other parts, power cabling (several hundred feet), reworking the well casing, replacing the well screen, and labor made up the remainder of the cost.

Q: Councilman Hickman advised that this was the point that he was trying to make. Since the City was spending a great deal of money on labor to rework the well, it seemed that the City should buy the best possible pump for the project.

A: Mr. Cox stated that he would agree if a new pump were available. Essentially, the City was buying a “new” pump. The original parts were the cast, static parts. He did not recall the cost of a new pump.

Deputy Director of Public Works David Ritz advised that the cost of new pump was double the cost of the remanufactured pump, assuming it was available.

Q: Councilman Hickman inquired as to whether there would be a way to get a warranty that was greater than one year in length.
A: Mr. Cox stated that there would always be extended service plans available. Typically, the vendor was the one providing the 12-month warranty. This was a typical timeframe on any construction project. It was actually the contractor’s bonding company that was providing the warranty.

Councilman Pat McLaughlan

C: Councilman McLaughlan indicated that he continued to be concerned regarding the City’s expenditure of taxpayer funds. He inquired as to whether there was too much available money in the City?

This particular well had not been operating for a year. There had been no water shortages and a major fire had occurred while the well was down without issue. He knew that City Council had asked City Staff to put together a plan as to how the City might be able to decommission at least one of the City’s water wells. If this water well were refurbished, the City would have four operational water wells. The State of Texas only required two wells.

Councilman McLaughlan advised that the City really needed to put forth an effort, which Ralph Cox could help with, to look at the four water wells and decide which ones could be decommissioned so that the City could quit spending money on four wells when the State told the City that only two were needed. For that reason, he would not support this expenditure.

VOTE ON MOTION TO AWARD BID AND ADOPT ORDINANCE:

Motion carried on a majority vote of 5-1 as follows:

FOR: Siegel, Cindy
      Hickman, Will
      Monday, John F.
      Faulk, Peggy
      Davison, Debra Marz
OPPOSED: McLaughlan, Pat

ABSENT: Jeffery, John

{Ordinance was subsequently numbered: 07-025}

**Code Amendment(s)**

d. CONSIDERATION of and possible action on a recommendation from the Building and Standards Commission of the City of Bellaire, Texas, to adopt an ordinance amending Chapter 9, Buildings, of the Code of Ordinances of the City of Bellaire, Texas, by adding a new Division 4, entitled Demolition and Salvage of Residential Structures, to Article II, Building Codes, for the purpose of establishing a process for demolishing residential homes and salvaging reusable materials within the City – Action by Members of City Council (Item submitted by Vice Chair Dirk Stiggins, Building and Standards Commission of the City of Bellaire, Texas).

**SUMMARY/PRESENTATION:**

Vice Chair Dirk Stiggins, Building and Standards Commission of the City of Bellaire, Texas, advised that he was present this evening to review a proposed addition to the City’s Code by the Building and Standards Commission of the City of Bellaire, Texas, entitled “Demolition and Salvage of Residential Structures.”

The purpose of the proposed addition was to establish a process for demolishing residential structures. The proposed ordinance required such work to be conducted in a safe and timely manner with a single party having overall responsibility for the work. Such accountability encouraged safe work practices.

The purpose of the single point of accountability was to ensure that there was no misunderstandings as to who was responsible should the work effort not go as planned.
Highlights of the Proposal:

As noted, the responsible party was the party the City Building Official would grant a permit to. That party would be the person the City Building Official or his representative would look to during the performance of the entire operation. The permit did not require that the holder salvage reusable materials. If the permit holder desired to salvage reusable materials as part of the demolition of the home, it needed to be requested as a part of the permit process.

It was hoped that this addition to the City Code would encourage demolition contractors to seek out salvage contractors such that they would combine their operations and create additional added value. The Building and Standards Commission hoped that professionals that removed materials as a part of salvage operations would do so in such a way as to retain more value of the materials taken out of the property. This would increase the amount of money that could be put toward the demolition operation. In other words, this would be a win-win situation for everyone involved. The demolition contractor would have additional funds to reduce his costs and the City would have less material going to the landfill site.

Salvage was defined as the controlled removal of materials only while a residential structure was being demolished. If someone removed something out of the home and sold it, this would not be considered a part of the salvage operation. A responsible party seeking a permit would be required to have general liability insurance and to post a $1,000 performance bond. This was noted to be a good business practice.

The proposed ordinance also required that the work must be done in a timely and safe manner. If there were problems, the City Building Official could grant extensions to the time requirement. If the demolition were not completed by the end of the workday, then the structure was to be secured in a safe manner and sealed off with no trespassing signs in prominent positions all around the property.

In summary, Vice Chair Stiggins advised that the Building and Standards Commission wished to
recommend the passage of the proposed ordinance by City Council.

**MOTION TO ACCEPT RECOMMENDATION AND ADOPT ORDINANCE:**

A motion was made by Councilman Will Hickman and seconded by Mayor Pro Tem Peggy Faulk to accept a recommendation from the Building and Standards Commission of the City of Bellaire, Texas, to adopt an ordinance amending Chapter 9, Buildings, of the Code of Ordinances of the City of Bellaire, Texas, by adding a new Division 4, entitled Demolition and Salvage of Residential Structures, to Article II, Building Codes, for the purpose of establishing a process for demolishing residential homes and salvaging reusable materials within the City.

**QUESTIONS/COMMENTS FROM CITY COUNCIL:**

{Legend:  A – Answer; C – Comment; Q – Question; R – Response}

**Councilman Will Hickman**

Q: Councilman Hickman inquired as to whether a homeowner could remove materials from his or her own home prior to the demolition.

A: Vice Chair Stiggins advised that the homeowner could do so.

**Mayor Pro Tem Peggy Faulk**

Q: Mayor Pro Tem Faulk inquired as to how the Building and Standards Commission determined the seven-day requirement for completion of the demolition and whether this was a common timeframe for such an operation.

A: Vice Chair Stiggins advised that most demolitions were completed within a few days. The Building and Standards Commission was merely trying to provide a reasonable timeframe. If someone wanted to conduct a salvage operation as well, additional time might be needed so that professionals could carefully remove materials, such as doors and flooring.
Q: Mayor Pro Tem Faulk referred to the possibility that there might be inclement weather during the operation, such as excessive rain, and inquired as to whether the Building Official would be reasonable in granting an extension.

A: City Attorney Alan P. Petrov advised that there was a provision within the ordinance for the Building Official to grant extensions. Excessive rain and other inclement weather would certainly be a reason to grant an extension.

Councilman Pat McLaughlan

C: Councilman McLaughlan advised that the Building and Standards Commission had done an excellent job in putting this ordinance together, noting that it was certainly needed in the City. There was confusion as to the demolition process and whether or not salvaging was or was not allowed. His only suggestion was whether or not seven days was enough time. If someone were going to seriously salvage material, it might take longer than that.

R: Vice Chair Stiggins noted that as City Attorney Petrov had pointed out, the ordinance was written so that the City Building Official could grant an extension, and he was certain that he would do so if it were in the best interests of the City.

Councilman John F. Monday

Q: Councilman Monday inquired as to other contractors in the City that were required to post performance bonds. In other words, was this a unique requirement?

A: Vice Chair Stiggins advised that it was his understanding that the demolition contractors were currently required to post a $1,000 performance bond. The ordinance was written so that the salvage contractor could work under the same umbrella as the demolition contractor and that there was a single point of responsibility.
City of Bellaire
City Council

Minutes of Meeting
Monday, May 21, 2007

Councilman Will Hickman

Q: Councilman Hickman inquired as to the reason for combining the permit. In other words, why were there not two permits—one for salvage and one for demolition?

A: Vice Chair Stiggins stated that the thought process by the Building and Standards Commission was that a single responsible party doing work at the site was preferable. By combining them, the Building Official had one party that he could query or “blame” if an issue arose. There was no reason why both contractors could not work under the same contractual relationship.

Q: Councilman Hickman noted that he had recently demolished a home. He felt that the demolition contractor would see the additional salvage operation as a “hassle.”

A: Vice Chair Stiggins advised that he understood what Councilman Hickman was stating. This process was a purely optional operation. The demolition contractor could salvage if he chose to. If not, it was his prerogative. If the homeowner wished to direct that some salvage operations were to occur, the homeowner could work that out with the demolition contractor. Piecemeal salvaging could occur by an owner while still living in their home—nothing would prevent them from doing that.

VOTE ON MOTION TO ACCEPT RECOMMENDATION AND ADOPT ORDINANCE:

Motion carried unanimously on a vote of 6-0 as follows:

FOR: Siegel, Cindy
     Hickman, Will
     Monday, John F.
     Faulk, Peggy
     Davison, Debra Marz
     McLaughlan, Pat

OPPOSED: None
e. CONSIDERATION of and possible action on a recommendation from the City Clerk and City Attorney to adopt an ordinance amending Chapter 27, Streets, Sidewalks, and Public Places, to the Code of Ordinances of the City of Bellaire, Texas, by adding a new Article VIII, Street Name Changes, for the purpose of establishing a process and setting forth fees for changing existing street names in the City of Bellaire, Texas – Action by Members of City Council (Item submitted by City Clerk Tracy L. Dutton and City Attorney Alan P. Petrov).

SUMMARY:

Mayor Cindy Siegel noted that the City recently had a request from Foundation Surgical Hospital related to a name change where the hospital’s parking garage was currently located. That street was called “Terminal Street.” A letter requesting the change was sent to the Mayor and she asked the City Clerk and City Attorney to work together and research whether or not a policy existed and to create one for City Council consideration, if necessary.

City Attorney Alan P. Petrov advised that the City Clerk took the lead in looking into what other cities did or had done with respect to this issue. Bellaire did not have an existing process in its Code where someone could request a name change. Other cities did have such a process in their Codes, and the City Clerk pulled some examples for a joint review. A process was developed that the City Council could adopt. City Attorney Petrov noted that this did not mean that the City Council had to change any street names. The process simply gave someone who wanted to make application to change a street name a way to do so. City Council had the ultimate decision as to whether or not to change a street name.
MOTION TO ACCEPT RECOMMENDATION AND ADOPT ORDINANCE:

A motion was made by Councilman Will Hickman and seconded by Councilwoman Debra Marz Davison to accept a recommendation from the City Clerk and City Attorney to adopt an ordinance amending Chapter 27, Streets, Sidewalks, and Public Places, to the Code of Ordinances of the City of Bellaire, Texas, by adding a new Article VIII, Street Name Changes, for the purpose of establishing a process and setting forth fees for changing existing street names in the City of Bellaire, Texas.

QUESTIONS/COMMENTS FROM CITY COUNCIL:

{Legend:  A – Answer;  C – Comment;  Q – Question;  R – Response}

Councilman Will Hickman

Q: Councilman Hickman asked for confirmation that the action this evening had nothing to do with the letter from Foundation Surgical Hospital. The action this evening was to establish a process where it would be possible for them or anyone else who wanted to change the name of a street.

A: City Attorney Petrov advised that Councilman Hickman was correct.

Mayor Cindy Siegel

C: Mayor Siegel advised that it was her understanding from email correspondence that the City Clerk had copied the Mayor on that Foundation Surgical Hospital understood that if the ordinance passed this evening, they would need to start a petition.

R: City Clerk Tracy L. Dutton advised that Mayor Siegel was correct. She added that Foundation Surgical Hospital commented that they felt the ordinance was fair and not too onerous.
Councilman Pat McLaughlan

C: Councilman McLaughlan advised that he felt that the City had a lot of things on their plate at this time. He referred to the number of entities that would have to be contacted regarding the name change, such as Harris County, Fire Dispatch System, U.S. Postal Service, etc. He noted that the Foundation Surgical Hospital’s address was a West Loop address. He felt that this was one problem that the City did not need to deal with.

Mayor Pro Tem Peggy Faulk

Q: Mayor Pro Tem Faulk advised that she wished to be clear with the term “street.” In other words, she hoped that someone could not come in and change the name of a few blocks of a particular street. For example, if someone wanted to change “Evergreen” Street, would the request have to include the full length of “Evergreen” Street and not just a portion of it? In other words, how did the City define the term “street?”

A: City Attorney Petrov advised that he believed that the assumption would include the full street.

Q: Mayor Faulk asked if the City had defined “street” in that way in the Code.

A: City Attorney Petrov advised that “street” had not been defined to be the full length.

C: Mayor Pro Tem Faulk and Mayor Cindy Siegel suggested that “street” be defined in the Code.

R: City Manager Bernard M. Satterwhite, Jr., pointed out that the ultimate decision rested with City Council.

C: Mayor Pro Tem Faulk stated that she wished to rely on City Attorney Petrov to come up with a definition for “street” to be included in the ordinance.
Councilman John F. Monday

Q: Councilman Monday referred to the first section of the ordinance and the statement “not less than 51% or more of all owners fronting the City street . . . .” He inquired of the City Clerk as to whether that simple majority was the common methodology found in other cities. He noted that he was surprised that it was not a higher percentage.

A: City Clerk Dutton indicated that the City of Sugar Land required a higher percentage—75%. The 51% figure used in the ordinance was just to get the process started and to show that there was an interest on the street. The Cities of Houston and Austin both required 51% in their petition process. City Clerk Dutton indicated that she and City Attorney Petrov had only located four cities with ordinances. The fourth city, Conroe, did not have a petition requirement.

Mayor Cindy Siegel

Q: Mayor Siegel asked if City Attorney Petrov wanted to suggest a definition for “street” this evening.

A: City Attorney Petrov advised that he would change the application section of the ordinance.

Councilman Will Hickman suggested that after Sec. 27-126, Application, Section (a), the wording be as follows: “An application to change an existing street name for all blocks within the City’s boundaries must be filed . . . .”

AMENDMENT (NO. 1) TO MOTION TO ACCEPT RECOMMENDATION AND ADOPT ORDINANCE:

An amended motion was made by Councilman Will Hickman and seconded by Mayor Pro Tem Peggy Faulk to define “street” by adding the phrase “for all blocks within the city’s boundaries” to Sec. 27-126, Application, Section (a), to read as follows:
(a) An application to change an existing street name for all blocks within the city’s boundaries must be filed with the city clerk in writing directed to the city council in the form of a petition signed by:

VOTE ON AMENDMENT (NO. 1) TO MOTION TO ACCEPT RECOMMENDATION AND ADOPT ORDINANCE:

Amended motion carried unanimously on a 6-0 vote as follows:

FOR:
Siegel, Cindy
Hickman, Will
Monday, John F.
Faulk, Peggy
Davison, Debra Marz
McLaughlan, Pat

OPPOSED: None

ABSENT: Jeffery, John

VOTE ON MOTION TO ACCEPT RECOMMENDATION AND ADOPT ORDINANCE, AS AMENDED:

Motion, as amended, carried on a majority vote of 5-1 as follows:

FOR:
Siegel, Cindy
Hickman, Will
Monday, John F.
Faulk, Peggy
Davison, Debra Marz

OPPOSED: McLaughlan, Pat

ABSENT: Jeffery, John

{Ordinance was subsequently numbered: 07-027}

2. ADOPTION OF RESOLUTION:

Budget Parameters

CONSIDERATION of and possible action on the adoption of a resolution setting forth guidelines and parameters
for City Staff for the budget of the City of Bellaire, Texas, for the fiscal year commencing October 1, 2007, and ending September 30, 2008 – Action by City Council (Item submitted by City Manager Bernard M. Satterwhite, Jr.).

SUMMARY:

City Manager Bernard M. Satterwhite, Jr., noted that the proposed budget for fiscal year 2008 would be presented to City Council for the first time in July of 2007. The resolution this evening would assist City Staff in the preparation of that budget. City Manager Satterwhite summarized the guidelines and parameters as follows:

General Fund

Within the General Fund, the tax rate would be determined based on the effective tax rate and truth-in-taxation calculations, as well as budgetary requirements within the following parameters:

- Maintenance of a minimum fund balance of two months working capital;
- Future pay-as-you-go Capital Improvement Program obligations would be funded;
- Non-personnel operational expenditure increases would be limited to a rate not to exceed the Municipal Price Index (MPI); and
- Provision for the Employee Compensation Plan and associated benefit costs.

It was noted that the Municipal Price Index (MPI) was at a lower rate this year than the previous year. During the previous year, the MPI was at 5%; however, this year the MPI was at approximately 2.9%. The reason for the decrease was due to the fact that construction material costs had leveled off. With the exception of the current rise in fuel costs, fuel costs had actually leveled off during the year. City Staff would not exceed the MPI in the proposed 2008 budget. There was some concern regarding future fuel costs, as those costs now seemed to be at an all-time high.

Additionally, City Manager Satterwhite noted that City Staff was working on some options to the City’s health insurance plan,
which could be implemented in fiscal year 2008 to help mitigate the rise in those costs.

**Debt Service Fund**

Within the Debt Service Fund, the tax rate would be determined based on the following requirements:

- Sufficient to pay the annual principal and interest charges of the City of Bellaire’s long-term debt plus associated costs; and
- Maintenance of a minimum of two months of working capital taking into account the annual transfer of $950,000 to the Debt Service Fund from the Enterprise Fund.

City Manager Satterwhite noted that, in light of rising water costs, City Staff would look at the possibility of eliminating the transfer from the Enterprise Fund to the Debt Service Fund, thereby keeping it in the Enterprise Fund. As long as this would not cause an increase in the Debt Service Fund tax rate to a level that was unacceptable, City Staff needed to look at that.

**Capital Improvement Program**

A designated amount of not less than $2 million would be allocated to the Comprehensive Five-Year Capital Improvement Program, and a designated amount of not less than $1 million would be allocated to the Vehicle, Equipment and High Technology Replacement Program.

**Enterprise Fund**

With respect to the Enterprise Fund, City Manager Satterwhite noted that a transfer not to exceed $950,000 from the Enterprise Fund to the Debt Service Fund representing the service of existing debt would be made.

As noted previously, City Manager Satterwhite indicated that City Staff might ask for the transfer to be made in a lower amount.

**Service Recognition Program**

City Manager Satterwhite stated that City Staff wished to continue forward with the funding of a proposed service
recognition program that would provide employees with an incentive to retire. This would assist in certain areas where the organization might be restructured or streamlined.

**MOTION TO ADOPT RESOLUTION:**

A motion was made by Councilwoman Debra Marz Davison and seconded by Councilman Pat McLaughlan to adopt a resolution setting forth guidelines and parameters for City Staff for the budget of the City of Bellaire, Texas, for the fiscal year commencing October 1, 2007, and ending September 30, 2008.

**QUESTIONS/COMMENTS FROM CITY COUNCIL:**

{Legend:  A – Answer; C – Comment; Q – Question; R – Response}

**Mayor Cindy Siegel**

**Q:** Mayor Siegel referred to the City’s recent audit report and asked if City Staff would be more clearly identifying the purposes or uses for the funds within the Capital Improvement Program.

**A:** City Manager Satterwhite stated that if the audit was broken down closely, most of the funding was identified. He agreed that there needed to be more clearly defined line items in the financial reports. City Staff did this well in the budget, but not well in the financial reports.

**Q:** Mayor Siegel asked for confirmation that the funding would be more clearly defined and tied between the budget and the financial report. She inquired, also, if that would address the auditors’ concern.

**A:** City Manager Satterwhite stated that when the budget was approved with the reserves carved out, the reserves would be transferred into the appropriate Capital Improvement Program or Vehicle, Equipment, and Technology Program and the reconciliation would be done as the City went along.

**Q:** Mayor Siegel inquired as to whether the funding would be “semi-restricted.”

**A:** City Manager Satterwhite stated that the City could not call it “restricted” as this was not the proper term, but it would be designated.
AMENDMENT (NO. 1) TO MOTION TO ADOPT RESOLUTION:

An amended motion was made by Councilman Will Hickman and seconded by Mayor Pro Tem Peggy Faulk to amend the second bullet under “Debt Service Fund” to read as follows:

*To maintain a minimum fund balance of two months of working capital taking into account the annual transfer up to $950,000 to the Debt Service Fund from the Enterprise Fund,*

in order to correspond to the “not to exceed $950,000” statement under the Enterprise Fund.

VOTE ON AMENDMENT (NO. 1) TO MOTION TO ADOPT RESOLUTION:

Amended motion carried unanimously on a 6-0 vote as follows:

**FOR:** Siegel, Cindy
Hickman, Will
Monday, John F.
Faulk, Peggy
Davison, Debra Marz
McLaughlan, Pat

**OPPOSED:** None

**ABSENT:** Jeffery, John

AMENDMENT (NO. 2) TO MOTION TO ADOPT RESOLUTION:

An amended motion was made by Councilman Will Hickman and seconded by Mayor Pro Tem Peggy Faulk to amend the third bullet under “General Fund” by removing the phrase “non-personnel operational,” said bullet of which would read as follows:

*Limit expenditure increases to a rate not to exceed the Municipal Rate Index (MPI).*
Councilman Pat McLaughlan

C: Councilman McLaughlan stated that he would like to hear from the City Manager with respect to the proposed amendment.

R: City Manager Satterwhite stated that City Staff had looked into that, however, because of the City’s Employee Compensation Plan and the fact that personnel expenditures were 80% of the operational budget, it would be difficult to accomplish at a 2.9% MPI. He would certainly like to strive for that.

Mayor Cindy Siegel

Q: Mayor Siegel referred to the fact that City Manager Satterwhite had indicated previously that it was becoming difficult to attract applicants to the City. There were less than 12 applicants for a police officer position, whereas, in the past, the City had more than 100 applicants.

A: City Manager Satterwhite noted that City Staff was currently looking into ways to make Bellaire more attractive to potential employees. Right now, Bellaire was not attractive. One of the reasons was due to the fact that there were many small cities closer to where people lived. These small cities were growing exponentially and there were many jobs coming open in those smaller cities.

Another thing that was happening was the fact that the labor pool was changing quite a bit as to what people wanted to do with their lives and how much they wanted to get paid for the job. Although the City’s pay ranges were not real far out of line, some of the disadvantages for coming into Bellaire were related to the drive in from outside areas.

He concluded by noting that it had been incredibly difficult to get applicants for police and fire positions, as well as the Finance Director and Facilities Director.

Mayor Pro Tem Peggy Faulk

C: Mayor Pro Tem Faulk stated that in previous budget years it had been mentioned that there would be reductions in the number of employees due to certain
technological improvements, etc. She hoped that City Council would see a report as to what the personnel count trends had been, along with the associated budget. She did not know that reductions had ever happened, although she had seen some increases in personnel counts.

R: City Manager Satterwhite agreed that there had been some increases in personnel, but he felt that he could explain the need for those. He stated that had the City not seen those particular increases, he felt that there might have been a need for even more.

He noted that one needed to look at the processes and services that the City provided as well, and the City was doing more with the number of personnel in place. He stated that he would furnish such a report.

VOTE ON AMENDMENT (NO. 2) TO MOTION TO ADOPT RESOLUTION:

Amended motion failed on a 3-3 vote as follows:

FOR: Hickman, Will
     Monday, John F.
     Faulk, Peggy

OPPOSED: Siegel, Cindy
         Davison, Debra Marz
         McLaughlan, Pat

AMENDMENT (NO. 3) TO MOTION TO ADOPT RESOLUTION:

An amended motion was made by Mayor Pro Tem Peggy Faulk and seconded by Councilman Will Hickman to limit personnel expenditure increases to a rate not to exceed the ECI (Employer Cost Index) as published by the Bureau of Labor Statistics.

Councilman Pat McLaughlan

C: Councilman McLaughlan stated that to impose some controls like this on the salary increases put the City Manager and the City Staff at somewhat of a disadvantage. He felt that the City paid its employees well, but did not know that the City was overpaying anyone. He also did not know of increases that had
been extraordinary. He would rather leave it up to the City Manager and City Staff to come forth with a recommendation and budget. If City Council took exception to the budget items, then it could be dealt with at that time.

**Mayor Cindy Siegel**

Q: **Mayor Siegel** inquired as to whether there were plans to review the Employee Compensation Plan again.

A: **City Manager Satterwhite** stated that there were no plans to do so. City Staff might put in the budget an item to do that in the next year.

C: **Mayor Siegel** advised that she was concerned that the City was getting into a situation where the salaries might be out of line.

R: **City Manager Satterwhite** stated that he had some ideas to deal with the situation without really impacting the overall personnel budget. In the long term, City Staff did discuss that it might be time to go back and review the Compensation Plan in more detail.

**Councilman John F. Monday**

C: **Councilman Monday** stated that he would not support the amendment for two reasons. One, he did not have enough information to state that what was being suggested was better than the alternative. Secondly, he was reminded by the wording of this particular resolution, budgets were goals and guidelines and not assurances that those dollars would be spent. It was still within City Council’s purview to look at the expenditure increases and based on that good judgment, to determine a rate at a later time.

**Mayor Pro Tem Peggy Faulk**

C: **Mayor Pro Tem Faulk** advised that the reason she was making the proposal was that in private industry if one were setting parameters, those parameters should be set on something that comprised a large percentage of the budget. Otherwise, why would anyone set any parameters at all?
City Manager Satterwhite indicated earlier that he believed that he could live within the ECI based on past experiences and that it was not an unreasonable parameter.

R: City Manager Satterwhite stated that much of this was a guessing game. He agreed with Councilman Monday that the purpose was to set goals. He felt that he did a good job of setting parameters. He did not mind having parameters and setting goals; however, if there were an unforeseen event that he could not even anticipate right now with regard to personnel or non-personnel expenditures, he would certainly reserve the right to come back to City Council and explain why it might have to be exceeded.

Parameters were not a bad thing, but they needed to be guidelines and something that City Staff could work within.

In closing, he felt semi-comfortable in using the suggested indices.

Mayor Cindy Siegel

C: Mayor Siegel referred historically to a time when the City starting using parameters, it provided an early direction to City Staff as to what City Council desired for the budget.

Mayor Siegel continued and advised that she wished to make it very clear that the reason the City went over last year was because City Council wished to take care of some extraordinary items (i.e., such as increased or “catch up” maintenance for City facilities).

Councilman Will Hickman

C: Councilman Hickman agreed with Mayor Siegel in that these parameters and guidelines gave City Manager Satterwhite an early indication as to what the ideas of City Council were with respect to the budget.

R: City Manager Satterwhite stated that after looking at many other cities, Bellaire was one of the few that did a budget resolution. He did believe that it was a good idea and it did exactly what Councilman Hickman said.
VOTE ON AMENDMENT (NO. 3) TO MOTION TO ADOPT RESOLUTION:

Amended motion failed on a 3-3 vote as follows:

FOR: Siegel, Cindy  
     Hickman, Will  
     Faulk, Peggy

OPPOSED: Monday, John F.  
          Davison, Debra Marz  
          McLaughlan, Pat

Councilman Pat McLaughlan

C/Q: Councilman McLaughlan noted that some cities presented a real tight budget, along with options that City Council could either accept or reject. He did not believe that Bellaire had ever approached the budget on that basis. He inquired as to whether City Council or the City Manager thought there was any merit to coming forth with a tight budget and letting City Council “belly up” to the issues as to what was wanted or not wanted.

R: Mayor Siegel felt that this was already done. It was the City Manager’s responsibility according to the Charter to bring forward a budget to run the City. Public input was taken on that budget and then City Council decided to delete or add services.

C: Councilman McLaughlan noted that City Council very seldom made any significant changes to the budget. If City Staff were to bring a forward a budget at a $0.40 tax rate, things would have to have been removed that City Council or the citizens felt were desirable. It would then be incumbent on City Council to add back in and increase the tax rate.

R: Mayor Siegel noted that, in the past, City Council had asked the City Manager to report on what he would need to eliminate if the tax rate were reduced by $0.01 or $0.02.

C: Councilman McLaughlan agreed this had been done, but he did not feel that it had been a very proactive process.
R: **City Manager Satterwhite** noted that the budget was developed last year and City Staff went back and recommended a $0.03 tax decrease. The budget for the next year would be based on the needs for the Debt Service and General Funds. Based on the tax rolls, City Staff could see what rate to recommend.

City Manager Satterwhite noted further that City Staff used to put a tax rate in the resolution, but did not do so anymore. If a tax rate were put in, it would set a parameter that there would be a certain pile of money to be spent.

C: **Councilman McLaughlan** was very happy with the decrease in the tax rate last year. The way in which the budget was currently prepared did not put anyone “under the gun” to try to delete any specific programs.

R: **City Manager Satterwhite** jokingly noted that he felt pretty much “under the gun” during the budget process.

C: **Councilman Hickman** felt that what Councilman McLaughlan suggested was done last year, although perhaps not in the same way. He recalled that City Council had considered what programs could be eliminated by reducing the tax rate in various amounts. He felt the process was followed, but City Council simply decided not to cut out any programs.

**Mayor Cindy Siegel**

C/Q: **Mayor Siegel** inquired as to whether City Manager Satterwhite felt the City was getting caught up with respect to City facilities maintenance.

A: **City Manager Satterwhite** stated that the City was getting caught up. A great deal had been completed; however, the City still had a ways to go with respect to facilities maintenance.

**VOTE ON MOTION TO ADOPT RESOLUTION, AS AMENDED:**

Motion carried on a majority vote of **5-1** as follows:

**FOR:** Siegel, Cindy  
Hickman, Will  
Monday, John F.
FOR (CONT.): Davison, Debra Marz
McLaughlan, Pat

OPPOSED: Faulk, Peggy

ABSENT: Jeffery, John

{Resolution was subsequently numbered: 07-04}

3. ITEM FOR INDIVIDUAL CONSIDERATION:

DISCUSSION of possible options related to the disposition of the Bellaire Trolley Pavilion located in Paseo Park near the intersection of South Rice Avenue and Bellaire Boulevard, Bellaire, Texas, and possible action and/or direction to City Staff related to said disposition – Action by Members of City Council (Item submitted by City Manager Bernard M. Satterwhite, Jr.) (Note: This item was withdrawn during the May 7, 2007, Regular Session).

MOTION TO POSTPONE DISCUSSION AND POSSIBLE ACTION AND/OR DIRECTION TO CITY STAFF TO A WORKSHOP SESSION TO BE SET BY THE CITY MANAGER:

A motion was made by Mayor Pro Tem Peggy Faulk and seconded by Councilman John F. Monday to postpone discussion of possible options related to the disposition of the Bellaire Trolley Pavilion located in Paseo Park near the intersection of South Rice Avenue and Bellaire Boulevard, Bellaire, Texas, and possible action and/or direction to City Staff related to said disposition to a Workshop Session to be set by the City Manager.

QUESTIONS/COMMENTS FROM CITY COUNCIL:

{Legend: A – Answer; C – Comment; Q – Question; R – Response}

Councilman Will Hickman

Q: Councilman Hickman inquired as to whether there was a timing issue that City Council needed to consider with respect to the Trolley Pavilion.

A: City Manager Bernard M. Satterwhite, Jr., indicated that it was matter of how long City Council wanted to look at the boards that were shoring up the Trolley Pavilion.
Mayor Cindy Siegel

Q: Mayor Siegel inquired as to whether the structure was currently stable.

A: City Manager Satterwhite indicated that it was. He recommended that this item be deferred to a Workshop Session as he felt there needed to be quite a bit of discussion with respect to the various options.

He noted further that the Bellaire Arts Commission wished to present their Master Plan to City Council during a Workshop Session and stated that perhaps both items could be considered together.

Councilman Will Hickman

C: Councilman Hickman expressed concern that this item had already been postponed (or withdrawn) once before. He wished for City Council to attempt to do something with the item this evening.

Councilman Pat McLaughlan

C: Councilman McLaughlan suggested giving the City Manager some time to at least review the options with City Council.

VOTE ON MOTION TO POSTPONE DISCUSSION AND POSSIBLE ACTION AND/OR DIRECTION TO CITY STAFF TO A WORKSHOP SESSION TO BE SET BY THE CITY MANAGER:

Motion carried on a majority vote of 4-2 as follows:

FOR: Siegel, Cindy
      Monday, John F.
      Faulk, Peggy
      Davison, Debra Marz

OPPOSED: Hickman, Will
         McLaughlan, Pat

ABSENT: Jeffery, John

H. COUNCIL CORRESPONDENCE AND COMMENTS.

Discussion only.
I. ADJOURNMENT.

MOTION TO ADJOURN:

A motion was made by Mayor Pro Tem Peggy Faulk and seconded by Councilman John F. Monday to adjourn the Regular Session of the City Council of the City of Bellaire, Texas, at 10:06 p.m. on Monday, May 21, 2007.

VOTE ON MOTION TO ADJOURN:

Motion carried unanimously on a 6-0 vote as follows:

FOR: Siegel, Cindy
     Hickman, Will
     Monday, John F.
     Faulk, Peggy
     Davison, Debra Marz
     McLaughlan, Pat

OPPOSED: None

ABSENT: Jeffery, John

Respectfully submitted,

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Tracy L. Dutton, TRMC
City Clerk
City of Bellaire, Texas

Approved:

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Cynthia Siegel, Mayor
City of Bellaire, Texas