CITY OF BELLIARE
CITY COUNCIL

Minutes of Meeting
Monday, October 1, 2007

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 7:07 p.m. on Monday, October 1, 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;
- Councilman Pat McLaughlan, Position No. 5; and
- Councilman John Jeffery, Position No. 6.

Councilwoman Debra Marz Davison, Position No. 4, was absent. 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 – Councilman John Jeffery.

Councilman John Jeffery noted that the month of October was “Positive Attitude Month,” and read several quotations from motivational speakers regarding attitude as follows:

Sometimes it just comes down to attitude! Zig Ziglar says that attitude, more than aptitude, affects altitude. Keith Harrell says attitude is everything. Attitude is self-reflection of who you think you are. This month is dedicated to establishing, boosting, or forcing ourselves to adopt positive attitudes and discovering and/or creating positive self-images.

The following quotes were taken from Zig Ziglar, Self-Help Author and Religious Speaker, who was famous for mixing religion with self help to create classic motivational books like “See you at the Top”:

Failure is a detour, not a dead-end street.

People often say that motivation doesn’t last. Well, neither does bathing – that’s why we recommend it daily.
An optimist is someone who goes after Moby Dick in a rowboat and takes the tartar sauce with him.

C. PLEDGES TO THE FLAGS – Councilman John Jeffery.

1. U.S. PLEDGE OF ALLEGIANCE.

2. PLEDGE TO THE TEXAS FLAG.

Councilman John Jeffery 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:

1. APPROVAL of minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held Monday, September 10, 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 John Jeffery and seconded by Councilman Pat McLaughlan to approve the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held Monday, September 10, 2007.

VOTE ON MOTION TO APPROVE MINUTES:

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

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

OPPOSED: None

ABSENT: Davison, Debra Marz

2. APPROVAL of minutes of the Special Session (Joint Public Hearing) of the City Council of the City of Bellaire, Texas, and the Planning and Zoning Commission of the City of Bellaire, Texas, held Monday, September 17, 2007 – Action by Members of City Council; Action by Members of the Planning and Zoning Commission will occur on October 9, 2007 (Item submitted by City Clerk Tracy L. Dutton).
MOTION TO APPROVE MINUTES:

A motion was made by Mayor Pro Tem Peggy Faulk and seconded by Councilman John F. Monday to approve the minutes of the Special Session (Joint Public Hearing) of the City Council of the City of Bellaire, Texas, and the Planning and Zoning Commission of the City of Bellaire, Texas, held Monday, September 17, 2007.

VOTE ON MOTION TO APPROVE MINUTES:

Motion carried on a 5-0-1 vote as follows:

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

OPPOSED: None

ABSENT: Davison, Debra Marz

ABSTAIN: Hickman, Will*

*Councilman Will Hickman abstained from voting on the approval of the minutes of the Special Session (Joint Public Hearing) of the City Council and the Planning and Zoning Commission due to his absence from that meeting.

Note: The Planning and Zoning Commission of the City of Bellaire, Texas, will consider approval of these minutes during their next regular meeting scheduled on October 9, 2007.

3. APPROVAL of minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held Monday, September 17, 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 John F. Monday and seconded by Councilman Pat McLaughlan to approve the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held Monday, September 17, 2007.
VOTE ON MOTION TO APPROVE MINUTES:

Motion carried on a 5-0-1 vote as follows:

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

OPPOSED: None   

ABSENT: Davison, Debra Marz   

ABSTAIN: Hickman, Will*   

*Councilman Will Hickman abstained from voting on the approval of the minutes of the Regular Session of the City Council due to his absence from that meeting.

E. PERSONAL/AUDIENCE COMMENTS.   

Robert Riquelmy, 506 Winslow Lane, Bellaire, Texas:   

Mr. Riquelmy addressed City Council, noting that he was a candidate for Mayor. He advised that he wished to report on the Joint Workshop Session of City Council and the Facilities Committee held on Monday, September 24, 2007 (which was televised).

Mr. Riquelmy indicated that the Joint Workshop Session was interesting and had to do with the long-term future of Bellaire, and that the Facilities Committee presented a report to City Council during that Session. He advised further that the Facilities Committee consisted of three members of City Council and three involved citizens. Unfortunately all members of City Council were not present for the Session, which was designed to acquaint City Council with the three broad areas proposed for the future of Bellaire.

One area consisted of a rebuild in place; the second area consisted of building a monument and combining buildings; and the third area consisted of moving the business functions of the City into the downtown area. Although the presentation by the City’s consultants was very interesting, there was very little discussion at the Session. There was, however, quite a bit of discussion with respect to the rebuilding of the Fire Station (which was entirely appropriate). Unfortunately there was an attempt made to reach a decision on the location of the Fire Station at that meeting, but it did not come to pass. Mr. Riquelmy indicated that this was a good thing since City Council had not decided on which of the three broad areas, if any, were to be pursued.
Another facilities matter that Mr. Riquelmy discussed with the Building and Standards Commission of the City of Bellaire, Texas ("Commission"), was the essential collapse of the Trolley Pavilion, a public building, located in Paseo Park. Shoring that anyone passing by could see held up the Trolley Pavilion. During the Commission meeting, Mr. Riquelmy was told that the City Manager had asked the Commission not to look into why that public building collapsed. Mr. Riquelmy was not very happy about that and noted that City Council needed to know why the building collapsed. Two groups looking into the issue were better than one looking into it.

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**Lynn McBee, 5314 Evergreen Street, Bellaire, Texas:**

Ms. McBee addressed City Council and referred to the Comprehensive Plan Review item on the agenda this evening. She asked City Council to consider the authorization of a committee of two or three Planning and Zoning Commissioners, the City Council Liaison to the Planning and Zoning Commission, and the Assistant City Manager to receive, review, evaluate, and recommend respondents to the Request for Proposals. The item simply addressed whether to advertise and she was not certain if it extended the breadth of it or not, but seemed to be in the scope of the item to also delegate the authority to process the responses.

Secondly, Ms. McBee noted that she had become a life member of the Bellaire Historical Society and the first thing she had done to earn her keep was to volunteer to organize their archives stored at the Bellaire City Library. She noted that she had a wonderful time digging into Bellaire’s past and had brought some things to share with City Council this evening. She advised City Council that she would be a one-person lobbyist to ensure that somehow the Bellaire City Library was given funding to add space on a separate floor to be the first Bellaire Museum. She indicated that there was enough material, displays, and expertise that had gone into exploring Bellaire’s past.

Ms. McBee continued and shared a document written by Jeff Dunn describing what the Bellaire Historical Society was about. The four goals of the Bellaire Historical Society were identified as preservation, history of Bellaire, to bring historians to Bellaire as speakers, and to have fun through meetings and field trips. The Bellaire Historical Society accomplished the acquisition of a 1904 streetcar, held annual folk fair festivals to raise funds, promoted the official Texas state markers (i.e., there were four in Bellaire now), and archived and preserved written history, as well as oral interviews. In 1990, the Bellaire Historical Society did a project whereby all homes in Bellaire that exceeded 50 years of age were identified. The Bellaire Historical Society also published a newsletter entitled "Prospective," of which ten to twelve issues had been located. The Bellaire Historical Society was established in 1974, and the current President was Diane McLaughlan.
In closing, Ms. McBee stated that she hoped to rejuvenate not only a new Bellaire Museum, but also some other projects. She passed around a 1989 Bellaire calendar that contained some very old photos of Bellaire, as well as a framed conveyance of realty of Lot 38, Block 4, First Subdivision, Westmoreland Farms, along with some tax certificates dated 1912. Also presented was a photo of Bellaire Mayors Abe Zindler and Frank Henshaw and Mr. Henshaw’s friend, A. M. Tripp, in a 1930s vehicle in Cloudcroft, New Mexico.

F. REPORT:

CITY MANAGER’S REPORT – City Manager Bernard M. Satterwhite, Jr. – Action by Members of City Council to Accept Report into the Record.

City Manager Bernard M. Satterwhite, Jr., presented the City Manager’s Report to City Council. The report consisted of one Mission Area (Internal Operations/Productivity), Current Issues/Information, and Upcoming City Council Meetings/Events.

City Manager Satterwhite advised that the City had upgraded its video capabilities and the City Council meetings were now recorded onto DVD media. The City was still able to use VHS media as well.

MISSION AREAS:

Internal Operations/Productivity

With respect to the Recreation Center, it was noted that improvements had been made to the lobby area, consisting of moving the front desk into the lobby so that it was more user friendly and the installation of new acoustic wall coverings in the hallway and lobby areas, which significantly improved the aesthetics and sound attenuation in that facility.

CURRENT ISSUES/INFORMATION:

Aquatic Facility Progress

City Manager Satterwhite indicated that more progress had been made to the Aquatic Facility since his last report. All of the concrete had been poured, and the pool was ready to be plastered in the not too distant future. The meeting room and bathhouses had turned out well, and the equipment room, housing pumps, filters, tanks, and heaters, was quite impressive. It was anticipated that a ground opening celebration would occur sometime toward the end of October 2007.
Right-of-Way Encroachment – Fences

With respect to an issue that had been previously reported to City Council related to a possible encroachment of two fences on the City’s Fournace Place street right-of-way, City Manager Satterwhite indicated that a meeting had been held with those residents. The City still believed that the fences were encroaching on the City’s right-of-way; however, the original subdivision plat was not completely clear as to where the dedicated right-of-way began and ended. There was a subsequent 1954 plat that the City felt clarified the dedication somewhat. Also reviewed were some 1952 plats of abutting subdivisions. City Staff was fairly certain that the street dedications were 65 feet in width. City Attorney Alan P. Petrov’s firm was going to look at the original dedication of the right-of-way in an attempt to further clarify the situation, then get back with the residents.

The residents did agree that if the City found that the fence was on the right-of-way, then they would agree to move the fences. The residents were also interested in petitioning, through the City’s easement abandonment ordinance, to acquire the right-of-way if it were determined to be right-of-way.

Trolley Pavilion

City Manager Satterwhite advised that several engineering firms had looked at the Trolley Pavilion, as well as the meeting rooms on the northeast side of City Hall. City Staff had experienced difficulty in getting firms to respond, and a second proposal was just received today. He hoped to be able to shed some light on moving forward with the Trolley Pavilion during the next meeting.

UPCOMING CITY COUNCIL MEETINGS/EVENTS:

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Type of Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/03/2007</td>
<td>7:00 p.m.</td>
<td>Centennial Planning Committee</td>
</tr>
<tr>
<td>10/08/2007</td>
<td>7:00 p.m.</td>
<td>Joint Workshop Session - Strategic Planning and Development Committee and City Council (CCD Report)</td>
</tr>
<tr>
<td>10/15/2007</td>
<td>6:00 p.m.</td>
<td>Joint Workshop Session – Strategic Planning and Development Committee and City Council (RDD Presentation)</td>
</tr>
<tr>
<td>10/15/2007</td>
<td>7:00 p.m.</td>
<td>Regular Session of City Council</td>
</tr>
<tr>
<td>10/22/2007</td>
<td>7:00 p.m.</td>
<td>Joint Workshop Session – Planning and Zoning Commission and City Council (Lot Coverage – Impervious Paving Systems)</td>
</tr>
</tbody>
</table>
QUESTIONS/COMMENTS FROM CITY COUNCIL:

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

C:  Mayor Cindy Siegel stated that she had been asked to mention that tomorrow, Tuesday, October 2, 2007, from 9:00 a.m. until noon, the Blood Mobile would be at City Hall (in front). She urged everyone to give blood.

Q:  Mayor Pro Tem Peggy Faulk inquired as to whether the City had ever checked into what it would take for the City to televise over the Internet, noting that many people did not have access to the City’s cable television channel.

A:  City Manager Satterwhite stated that it would take some funding to do so as it was fairly expensive to get into live streaming over the Internet (i.e., the cost of a hosting site and the streaming itself). He did agree that it was a direction in which the City needed to go and advised that he would get an updated cost and report that at a subsequent 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
       McLaughlan, Pat
       Jeffery, John

OPPOSED:  None

ABSENT:  Davison, Debra Marz

{Continued on next page}
G. NEW BUSINESS:

1. PROCLAMATION:

Fire Prevention Week

PROCLAMATION issued by Mayor Cynthia Siegel proclaiming the week of October 7-13, 2007, as “Fire Prevention Week” in the City of Bellaire, Texas, and calling upon the people of Bellaire to remember the Fire Prevention Week 2007 caution, “Practice Your Escape Plan!” – Mayor Cindy Siegel – No Action Required by Members of City Council.

Mayor Cindy Siegel read a proclamation she issued on behalf of the Bellaire Fire Department proclaiming the week of October 7-13, 2007, as “Fire Prevention Week” in the City of Bellaire, Texas, as follows:

Whereas, the City of Bellaire, Texas, is committed to ensuring the safety and security of all living in and visiting our City; and

Whereas, fire is a serious public safety concern, both locally and nationally, and homes are the locations where people are at greatest risk from fire; and

Whereas, the nonprofit National Fire Protection Association has documented through its research that home fires killed 3,245 people in the United States in 2006; and

Whereas, Bellaire’s first responders are dedicated to reducing the occurrence of home fires and home fire injuries through prevention and protection education; and

Whereas, Bellaire’s residents are responsive to public education measures and are able to take personal steps to increase their safety from fire; and

Whereas, residents who have planned and practiced a home fire escape plan are more prepared and will, therefore, be more likely to survive a fire; and

Whereas, the 2007 Fire Prevention Week theme, “It’s Fire Prevention Week – Practice Your Escape Plan!”, effectively serves to remind us all of the simple actions we can take to stay safer from fire during Fire Prevention Week and year-round.

Now, Therefore, I, Cynthia Siegel, Mayor of the City of Bellaire, Texas, do hereby proclaim the week of October 7-13, 2007, as Fire Prevention Week, and I call upon the people of Bellaire to remember
the Fire Prevention Week 2007 caution, “Practice Your Escape Plan!” and urge all citizens to heed the advice to install smoke alarms and plan and practice fire drills.

In Witness Whereof, I have hereunto set my hand and caused the seal of the City of Bellaire, Texas, to be affixed this 1st day of October, 2007.

Cynthia Siegel, Mayor
City of Bellaire, Texas

Mayor Cindy Siegel presented the proclamation she had issued to Bellaire Fire Chief Darryl Anderson.

2. ITEMS FOR INDIVIDUAL CONSIDERATION:

Acceptance of Donation for Bellaire Town Square

a. PRESENTATION of a donation in the amount of $1,000,000.00 to the City of Bellaire, Texas, by the Patrons for Bellaire Parks, Inc., for improvements to Bellaire Town Square – Action by Members of City Council to Accept Donation. Note: Donation was approved formally in a prior year’s budget (Presentation by Amanda Nathan, President, Patrons for Bellaire Parks, Inc.; Item submitted by City Manager Bernard M. Satterwhite, Jr.).

Amanda Nathan, President, Patrons for Bellaire Parks, Inc., advised that it was with great pleasure that she was present this evening to officially present a check for $1,000,000.00 to the City of Bellaire on behalf of the Patrons for Bellaire Parks, Inc. (“Patrons”), for the Aquatic Facility. The actual check was handed over to City Manager Bernard M. Satterwhite, Jr., on Friday.

Ms. Nathan advised that the donation included a few big contributions, such as full pledge payments from Chevron and CenterPoint Energy, but most of the donation consisted of hundreds and hundreds of contributions from Bellaire businesses and Bellaire residents. She noted further that there were almost 1,000 people on the donor list.

Ms. Nathan continued and thanked all of the donors for their contributions, their questions, and telephone calls made during The Wortham Challenge. She also thanked all of the Patrons Board Members, as this had been a labor of love for all of them. She thanked Marybeth Flaherty, Former President of the
Patrons, who took the organization from ground zero and got them poised to make the donation this year.

A new Board would be coming on in the next year and could do a great deal more and would do so. Last week Karpas Properties held their annual charity golf tournament and the Patrons was the beneficiary of that tournament. The Board planned to meet in the very near future with the City to determine which projects would be scheduled next and to work on raising money for those projects as well.

In closing, Ms. Nathan thanked the City Council for their support of Bellaire Town Square, as well as all of the donors.

**Mayor Cindy Siegel** stated that she wished to acknowledge some people who had worked very hard on the front lines to make the donation this evening possible. She apologized in advance if she had forgotten anyone. The people acknowledged were:

Mandy Nathan, President, Patrons;
Jamie Allen, Vice President, Patrons;
Lynne Skinner, Development Chair, Patrons;
Bill Thorogood, Treasurer, Patrons;
Linda Rosenbaum, Assistant Treasurer, Patrons;
Kelly Grubbs, Secretary, Patrons;
Sandy Nauert, Grant Writing Chair, Patrons;
Pat Lunn, Former Treasurer, Patrons;
Diane McLaughlan;
Karen Erwin;
Sharon Veldman, Public Relations Chair, Patrons;
Karen St. Denis, Photographer, Patrons;
Kim Rexford;
Paula Ticatch;
Kayla Rozelle;
Sandy Johnson;
Leora Carlson;
Kenny Mercado, CenterPoint Energy;
Mike Boone, CenterPoint Energy;
Kathy Ballanfant, Southwest News;
Hedley Karpas, Karpas Properties
Dale and Maggie Farrar, Magpie’s;
Dave Stephenson, Amegy Bank of Texas;
Toni Franklin, Senior Vice President, Tradition Bank;
Larry Haas, Nationwide Insurance;
Trish Wise, Greater Southwest Houston Chamber of Commerce;
Phil Nauert;
Former Mayor Mary Ann Goode;
Russ Pitman;
Rick Burns Family;
The Wortham Foundation;
1,000+ Donors who believed in Bellaire; and
Director of Parks & Recreation Jane L. Dembski and her Staff.

Mayor Siegel stated that this was the biggest fundraising effort
the City had seen in one year and was a statement regarding
how much people loved Bellaire. She closed by thanking the
Patrons.

**MOTION TO ACCEPT DONATION:**

A motion was made by Mayor Pro Tem Peggy Faulk and
seconded by Councilman Will Hickman to accept the
donation of $1,000,000.00 from the Patrons for Bellaire
Parks, Inc., for improvements to Bellaire Town Square.

**VOTE ON MOTION TO ACCEPT DONATION:**

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

**FOR:**
- Siegel, Cindy
- Hickman, Will
- Monday, John F.
- Faulk, Peggy
- McLaughlan, Pat
- Jeffery, John

**OPPOSED:**
None

**ABSENT:**
Davison, Debra Marz

**Submittal of Tax Roll/Tax Rate Calculations**

**b. PRESENTATION, CONSIDERATION, and possible action on the submittal of the Certified 2007 Tax Roll and the 2007 Property Tax Rates in the City of Bellaire, Texas – Action by Members of City Council to Accept Tax Roll and Tax Rate Calculations (Presentation and Item submitted by Chief Financial Officer Donna Todd).**

Chief Financial Officer Donna Todd presented the Certified 2007 Tax Roll and the 2007 Property Tax Rates in the City of Bellaire, Texas, to the City Council.
Introduction

Truth-in-taxation was noted to be a guide for setting tax rates mandated by the Texas State Constitution and the *Texas Property Tax Code*. Truth-in-taxation required compliance with certain steps in adopting a governmental entity’s tax rate each year.

Truth-in-taxation had a two-fold purpose. One purpose was to make taxpayers aware of tax rate proposals and, secondly, to allow taxpayers, in certain cases, to roll back or limit a tax increase.

Two rates were calculated in accordance with truth-in-taxation. Once the certified tax rolls were received, the following rates were calculated: the effective tax rate and the rollback tax rate. Those rates were required to be published in a local newspaper and, if necessary, the governmental entity would be required to call and hold public hearings prior to adoption of the tax rate.

The effective tax rate was defined as the calculated rate that would provide about the same amount of revenue received the year before based on properties taxed in both years. The effective tax rate would go down if property values rose and vice versa.

The rollback tax rate was defined as the calculated rate that would provide about the same amount of tax revenue spent the previous year for operations and maintenance, plus an additional 8%, plus debt service requirements. The rollback tax rate was the maximum rate allowed by law without voter approval.

Deadline for Adoption of Tax Rate

Chief Financial Officer Todd noted that there was a deadline to adopt a tax rate of either before September 30th or by the 60th day after receipt of the certified tax roll, whichever date was later. For tax year 2007, the City of Bellaire received the certified tax rolls on September 12, 2007, and 60 days from that date fell on a Sunday, November 11, 2007; therefore, the City must adopt a tax rate by Monday, November 12, 2007 (i.e., the next business day).
Calculation of Effective Tax Rate

She next reviewed the calculation of the effective tax rate, noting that the "Adjusted 2006 Taxes” were to be divided by the “Adjusted 2007 Taxable Values,” then multiplied by $100, yielding the 2007 effective tax rate.

Calculation of "Adjusted 2006 Taxes:"


Plugging in values, the Adjusted 2006 Taxes were calculated as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 Taxes (on date of calculation)</td>
<td>$11,515,229</td>
</tr>
<tr>
<td>Taxes on 2006 values lowered in court decisions</td>
<td>4,023</td>
</tr>
<tr>
<td>Taxes refunded for tax years preceding tax year 2006</td>
<td>78,064</td>
</tr>
<tr>
<td>Taxes on deannexed territory</td>
<td>---</td>
</tr>
<tr>
<td>Taxes on property value not taxable in 2007</td>
<td>(50,450)</td>
</tr>
<tr>
<td><strong>Adjusted 2006 Taxes</strong></td>
<td><strong>$11,546,866</strong></td>
</tr>
</tbody>
</table>

Calculation of "Adjusted 2007 Taxable Values:"


Plugging in values, the Adjusted 2007 Taxable Values were calculated as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total value on 2007 Certified Appraisal Roll</td>
<td>$2,812,363,952*</td>
</tr>
<tr>
<td>Estimated value of property under protest or not on roll</td>
<td>120,564,681*</td>
</tr>
<tr>
<td>Value of property annexed after January 1, 2006</td>
<td>(2,831,771)</td>
</tr>
<tr>
<td>Value of new improvements after January 1, 2006</td>
<td>(109,188,951)</td>
</tr>
</tbody>
</table>

*Estimated values
Value of first time pollution control exemptions

| Value of first time pollution control exemptions | --- |
| Adjusted 2007 Taxable Value | $2,820,907,911 |

*Total 2007 Taxable Values $2,932,928,633

Adjusted 2006 Taxes X $100 = 2007 ETR

Adjusted 2007 Taxable Values

\[
\frac{11,546,866}{2,820,907,911} \times 100 = 0.0409331
\]

**Calculation of Rollback Tax Rate**

The rollback tax rate was noted to consist of two separate components. The two components were the “M & O Component,” or maintenance and operations tax rate, and the “Debt Service Component.” The Debt Service Component was the tax rate needed to pay the debt service payments in the coming year and did not include funds from another source, such as the annual transfer from the Enterprise or Utility Fund.

The M & O Tax Rate Component consisted of the Adjusted 2006 Value multiplied by the 2006 M & O Rate divided by $100 + Refunds for Tax Years Preceding Tax Year 2006 divided by Adjusted 2007 Taxable Values multiplied by $100 and increased 8%.

Plugging in values, the 2007 M & O Tax Rate Component was calculated as follows:

\[
\frac{2,606,546,001 \times 0.29}{100} + \frac{51,451}{2,820,907,911} \times 100 \times 1.08 = 0.291369
\]

The Debt Service Tax Rate Component consisted of the 2007 Debt Payments minus 2006 Excess Debt Tax Collections divided by 2007 Anticipated Collection Rate divided by 2007 Total Taxable Values multiplied by $100.

Plugging in values, the 2007 Debt Service Component was calculated as follows:

\[
\frac{3,762,982 - 0}{100} \times 2,932,928,633 \times 100 = 0.128298
\]
The Rollback Tax Rate was then calculated by adding the M & O Tax Rate Component and the Debt Service Tax Rate Component as follows: $0.291369 + $0.128298 = $0.419667.

**Determining the Tax Rate**

The City prepared its fiscal year 2008 budget using estimates to determine the amount of tax that needed to be levied.

If the proposed tax rate exceeded the lower of the effective tax rate or rollback tax rate, the City must conduct two public hearings to propose a tax increase.

**Tax Year 2007 Certified Tax Rolls**

Chief Financial Officer Todd presented some information to City Council with respect to the 2007 Certified Tax Rolls.

For tax year 2007, the total appraised value was $3,536,403,896, which represented a 16% increase over the prior year. With respect to taxable values, the total taxable value for 2007 was $2,932,928,633, which represented an 11.87% increase over the prior year. The taxable value on new property for 2007 was $109,188,951, which represented a decrease of 22% from the prior year.

Chief Financial Officer Todd presented City Council with some comparative data for tax years 2007 and 2006. With respect to the effective and rollback tax rates, both rates represented a decrease over the previous year of over 7%.

The number of residential homesteads increased in 2007 by 7.20% for a total of 4,946. The average appraised values on the homesteads increased almost 10% from $463,000 to $508,000.

**Proposed Tax Rate**

It was noted that the original fiscal year 2008 budget proposed a total tax rate of $0.42, with $0.28 allocated to the General Fund and $0.14 allocated to the Debt Service Fund.

Based on the tax roll information recently received, City Staff was now proposing a total tax rate of $0.40, with $0.275 allocated to the General Fund and $0.125 allocated to the Debt Service Fund.
City Manager Bernard M. Satterwhite, Jr., noted that when the $0.42 tax rate was proposed during budget discussions, the City did not have the certified rolls and did not know what the effective and rollback tax rates would be. As noted this evening, the effective tax rate was just under $0.41 and the rollback tax rate was just under $0.42.

In that regard, City Staff planned to propose $0.40 as the tax rate, with $0.275 apportioned to the General Fund. This would fund everything in the General Fund budget and create approximately $90,000 in additional fund balance. The portion of the tax rate apportioned to the Debt Service Fund would be $0.125, which would generate approximately $316,000 less revenue than what was in the budget. The fund balance would, therefore, change from $1.664 million to $1.348 million.

The increase in the taxable values was just under 12%. Of that 12%, approximately 4% represented new construction (or new properties on the tax roll) and 8% represented existing properties on the tax roll. The proposed tax rate would represent a decrease of 9% over the previous year.

The average homestead appraisal this year was $508,000 (versus $463,000 in the previous year). With the homestead exemption, the tax on a $508,000 home would be $1,625. Last year the tax on that same home was $1,631. If the value of the homestead increased by as much as 10% from the previous year, the homeowner would pay no additional tax. If the value of the homestead increased less than 10% over the previous year, then the homeowner would pay less tax to the City than last year. The additional revenues generated from the proposed tax rate were coming from new properties.

City Manager Satterwhite continued and advised that the tax rolls and tax rate calculations would be accepted by City Council this evening. The tax rate calculations were published in accordance with state law on September 25, 2007. With the proposed tax rate of $0.40, it would not be necessary for the City to hold public hearings on that tax rate. He suggested that the tax rate be adopted on October 15, 2007.

QUESTIONS/COMMENTS FROM CITY COUNCIL:

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

Q: Councilman John Jeffery referred to new properties and inquired as to whether commercial properties were included in the calculation as well.
A: **City Manager Satterwhite** advised that Councilman Jeffery was correct, noting that the 2005 construction affected the 2006 tax year and the 2006 construction affected the 2007 tax year.

Q: **Councilman Jeffery** inquired as to the collection rate.

A: **Chief Financial Officer Todd** advised that the collection rate used in the truth-in-taxation worksheet was 100%.

Q: **Councilman Jeffery** inquired as to whether Bellaire collected 100%.

A: **City Manager Satterwhite** stated that for budgetary purposes, the collection rate used was 98.5%.

**Chief Financial Officer Todd** added that the City had collected almost 100% of its property taxes for tax year 2006.

Q: **Councilman Jeffery** referred to the reported average appraisal value of $503,000. He inquired as to **Chief Financial Officer Todd’s** opinion as to the dynamics of the housing market over the next several years.

A: **Chief Financial Officer Todd** stated that much of the commentary she received was reflective of the national trends, although some commentary specifically focused on Texas. She knew from her experience in Bryan that Texas was lagging behind national trends. If she were to predict today, she would predict a lower number next year.

**City Manager Satterwhite** agreed that what was seen nationally was not as prevalent in the Houston area. He believed that Bellaire would lag behind any decline. He noted that the $0.40 tax rate would get the City close to what was budgeted in the General Fund and did take down the Debt Service Fund slightly, but would still leave a 25% balance in that fund. The fund balance could be used to ease the City into any kind of decline that might occur down the road.

Additionally, Coastal Securities (i.e., the City’s financial advisors) had revised the Debt Service Fund forecast based on the certified tax roll and tax rate calculations. The City was considering using the fund balance to
mitigate any need for tax rate increases in the future in a fairly conservative economy.

Q: Councilman John F. Monday stated that this was the best presentation on tax rate calculations that he had heard in many years and thanked Chief Financial Officer Todd for that presentation.

He noted that the tax rates were quoted in six digits. He inquired as to whether there might be a time in the future when we would need to go out more than two decimal places.

A: Chief Financial Officer Todd stated that she felt going out two decimal places was more manageable than five or six decimal places.

City Manager Satterwhite stated that he was not sure why the truth-in-taxation calculations went out five or six decimal places. City Staff had decided to stick with whole numbers.

Q: Councilman Will Hickman inquired as to the amount of funds one penny of taxes generated.

A: City Manager Satterwhite advised that one penny would generate approximately $290,000.

MOTION TO ACCEPT CERTIFIED TAX ROLL AND 2007 TAX RATE CALCULATIONS:

A motion was made by Mayor Pro Tem Peggy Faulk and seconded jointly by Councilman John Jeffery and Councilman Pat McLaughlan to accept the Certified 2007 Tax Roll and the 2007 Property Tax Rates in the City of Bellaire, Texas, as presented by Chief Financial Officer Donna Todd.

VOTE ON MOTION TO ACCEPT CERTIFIED TAX ROLL AND 2007 TAX RATE CALCULATIONS:

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

FOR: Siegel, Cindy
     Hickman, Will
     Monday, John F.
     Faulk, Peggy
     McLaughlan, Pat
     Jeffery, John
OPPOSED: None

ABSENT: Davison, Debra Marz

**Correction as to Composition of Revenues in Debt Service Fund:**

City Manager Satterwhite indicated that when he had presented his report during the public hearing on the proposed budget for fiscal year 2008, he had noted that the revenues in the Debt Service Fund were composed of 98% property taxes. That was obviously incorrect. He was looking at the property taxes minus interest earned and delinquent taxes. There was a $950,000 transfer from the Enterprise Fund in the Debt Service Fund. The total revenues in the Debt Service Fund were composed of 75% from property taxes and 25% from other sources.

**Comprehensive Plan Review**

c. **CONSIDERATION of and possible action on a request from the Planning and Zoning Commission of the City of Bellaire, Texas, for City Council’s acceptance and approval of a report issued by Kendig Keast Collaborative recommending a revision of the City of Bellaire’s Comprehensive Plan, and authorization to City Staff to issue a Request for Proposal (RFP), as prepared by Kendig Keast Collaborative, to invite responses from qualified consulting firms and/or teams interested in providing professional services needed for said revisions of the Comprehensive Plan – Action by Members of City Council (Item resubmitted by City Clerk Tracy L. Dutton at the direction of City Council).** Note: action regarding this item was postponed on September 17, 2007.

Mayor Cindy Siegel noted that this agenda item had been postponed on September 17, 2007, to allow more members of City Council to consider this agenda item. She referred to the motion that was postponed advising that it was to accept the report issued by Kendig Keast Collaborative recommending a revision of the City of Bellaire’s Comprehensive Plan, and to authorize City Staff to issue a Request for Proposal (RFP) no later than January of 2008 to invite responses from qualified consulting firms and/or teams interested in providing professional services needed for said revisions of the Comprehensive Plan.
MOTION TO ACCEPT REPORT AND PROVIDE DIRECTION TO STAFF:

A motion was made by Mayor Pro Tem Peggy Faulk and seconded by Councilman John Jeffery to consider the motion made on September 17, 2007, as follows: to accept the report issued by Kendig Keast Collaborative recommending a revision of the City of Bellaire’s Comprehensive Plan, and to authorize City Staff to issue a Request for Proposal (RFP) no later than January of 2008 to invite responses from qualified consulting firms and/or teams interested in providing professional services needed for said revisions of the Comprehensive Plan.

DISCUSSION:

Councilman John F. Monday inquired of the Mayor as to what timeframe an engagement might be expected to occur if an RFP were issued in January of 2008.

Mayor Siegel stated that she believed that a recommendation might be forthcoming to City Council by the end of February 2008, if the RFP were issued in January. She noted further that City Council had a number of issues before them, as did City Staff and the Planning and Zoning Commission. She felt that work currently ongoing needed to be completed first. If City Staff could start on it sooner, then that could be done under the motion on the table. She was simply asking everyone to be realistic about the workload.

Councilman Will Hickman stated that he had read through the minutes of the last meeting and asked if it were fair to say that one proposal was the motion made to issue the RFP by January of 2008 and the other proposal was to issue the RFP right away.

Mayor Siegel indicated that Councilman Hickman was correct.

Councilman Pat McLaughlan stated that from a practical sense, waiting to issue the RFP would result in a three-month delay. Although this was not a major issue in itself, it appeared that the City’s intent was to push the consideration to a new City Council. In January of 2008, the first City Council meeting would consist of the swearing-in ceremony for new members of City Council. He had a feeling that this would slip to the second meeting in January.
Mayor Siegel advised that City Staff would go ahead and issue the RFP in January that was included with the Kendig Keast Collaborative report. City Staff would not need to come back to City Council until they were ready with a recommendation.

**MOTION TO CALL THE QUESTION:**

Councilman Will Hickman made a motion to call the question. Mayor Pro Tem Peggy Faulk seconded the motion.

**VOTE ON MOTION TO CALL QUESTION:**

Motion required a 2/3 vote of the governing body (or 5 of 7); therefore, it **failed** on a vote of **4-2** as follows:

**FOR:** Siegel, Cindy  
Hickman, Will  
Faulk, Peggy  
Jeffery, John

**OPPOSED:** Monday, John F.  
McLaughlan, Pat

**ABSENT:** Davison, Debra Marz

**DISCUSSION (CONT.):**

Councilman McLaughlan advised that he felt the current City Council was better suited to deal with this issue versus pushing it into an early action by a new City Council. He inquired as to whether City Council had made a decision to do the Comprehensive Plan Review.

Mayor Siegel stated that she felt the fact that City Council had included money in the budget ($100,000) made the statement to City Staff that City Council wanted to go forward with some type of Comprehensive Plan Review. Additionally, authorizing City Staff to go forward and issue an RFP made the same statement. City Council could still narrow the focus once the RFPs came back.

Councilman McLaughlan felt that the motion before City Council indicated that all members were in agreement with the scope and schedule of the RFP prepared by Kendig Keast Collaborative. He did not believe that City Council had established a firm position as to the content, scope, and schedule of the RFP.
Mayor Siegel stated that acceptance of the report, which included the RFP, and authorizing City Staff to issue the RFP was an acceptance of the RFP. She asked City Attorney Petrov if City Council could narrow the scope down once the RFPs were returned.

City Attorney Alan P. Petrov stated that City Council could reject and reissue an RFP if the City did not get the kind of responses that it was anticipating.

Mayor Siegel advised that a vote this evening and authorized City Staff to send out the RFP and that City Council was going forward with a Comprehensive Plan Review.

Councilman McLaughlan asked for confirmation that the vote this evening by City Council would indicate that City Council agreed with the content, schedule, scope, and proposed cost under the RFP.

Mayor Siegel advised that Councilman McLaughlan was correct.

Mayor Pro Tem Peggy Faulk asked for confirmation as well.

Mayor Siegel advised that the vote this evening would indicate that City Council agreed with the content, schedule, scope, and proposed cost of the RFP.

Councilman McLaughlan advised that he was not questioning the value of a Comprehensive Plan for the City; however, he was questioning whether City Council had accepted the fact that the City wanted to do a Comprehensive Plan of the scope, schedule, and cost set forth in the Kendig Keast Collaborative proposal.

Mayor Siegel noted that if City Council had questions, those could have been raised during the presentation given to City Council by the Planning and Zoning Commission and Kendig Keast Collaborative. She advised that Chair Bill Thorogood, Planning and Zoning Commission, was present and could answer any questions that City Council might have.

Councilman Monday asked if the intent were to defer the issuance of the RFP, even though it was currently available, until January of 2008.

Mayor Siegel advised that the estimated hours of City Staff time that was needed for the Comprehensive Plan Review was
approximately 250. There were too many projects currently going on right now to address this.

VOTE ON MOTION TO ACCEPT REPORT AND PROVIDE DIRECTION TO STAFF:

Motion carried on a 5-1 vote as follows:

FOR: Siegel, Cindy
     Hickman, Will
     Faulk, Peggy
     McLaughlan, Pat
     Jeffery, John

OPPOSED: Monday, John F.

ABSENT: Davison, Debra Marz

3. ADOPTION OF ORDINANCE:

Agreements and Contracts

CONSIDERATION of and possible action on the adoption of an ordinance authorizing the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, an Interlocal Agreement for Debris Removal and Disposal Services between the City of Bellaire, Texas, and Harris County, Texas, for the purpose of allowing Bellaire, Texas, to utilize vendors under contract with Harris County, Texas, Omni Pinnacle, LLC (primary contractor) and/or DRC Emergency Services, LLC (secondary contractor), for debris removal and disposal services in the event of an emergency or storm event occurring within the City of Bellaire, Texas – Action by Members of City Council to Approve Adoption of Ordinance (Item submitted by Director of Public Works Joe Keene).

SUMMARY:

City Manager Bernard M. Satterwhite, Jr., advised that the Interlocal Agreement with Harris County, Texas, would allow Bellaire to piggyback on a contract that Harris County, Texas, had with the two referenced debris removal and disposal services. Bellaire would actually be dealing with these firms directly and would be using DRC Emergency Services, LLC. No money would change hands under this agreement and the City would only pay for services rendered. These services would also be reimbursable through the Federal Emergency Management Agency (FEMA). In most cases, FEMA would pay the expenses directly to the service.
MOTION TO ADOPT ORDINANCE:

A motion was made by Mayor Pro Tem Peggy Faulk and seconded by Councilman John Jeffery to adopt an ordinance authorizing the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, an Interlocal Agreement for Debris Removal and Disposal Services between the City of Bellaire, Texas, and Harris County, Texas, for the purpose of allowing Bellaire, Texas, to utilize vendors under contract with Harris County, Texas, Omni Pinnacle, LLC (primary contractor) and/or DRC Emergency Services, LLC (secondary contractor), for debris removal and disposal services in the event of an emergency or storm event occurring within the City of Bellaire, Texas.

DISCUSSION:

Councilman Will Hickman inquired of City Manager Satterwhite as to whether the terms under the Harris County, Texas, agreement were better than Bellaire could get on its own.

City Manager Satterwhite stated that he did believe these terms were better than Bellaire could get on its own.

Councilman Hickman asked where Bellaire would fit in as far as priority went if all of Harris County were hit at one time.

Sean Hodge, DRC Emergency Services, LLC, advised that the contract would be through Harris County, Texas; however, through that agreement Bellaire would be considered a separate entity and would have the authority to decide whether or not to activate DRC Emergency Services, LLC (DRC). As far as prioritizing individual roads, etc., DRC would take that direction from Bellaire.

Councilman Hickman inquired as to where Bellaire would fall against the City of Houston and Harris County, Texas.

Mr. Hodge indicated that a project manager would be assigned to Bellaire and Bellaire’s operation would be separate and apart from the operation for the City of Houston and Harris County, Texas. In other words, resources would be dedicated to Bellaire and Bellaire would not have to share resources with Houston or Harris County, Texas.

Councilman John F. Monday inquired as to whether this agreement was renewable on an annual basis or if it expired beyond one year.

City Attorney Alan P. Petrov stated that this was an evergreen contract and would not expire in one year.
Councilman Monday referred to a statement that he had seen wherein Harris County’s contract was renewable annually up to four years.

City Attorney Petrov stated that it was his understanding that this was an evergreen contract. In other words, Bellaire would not have to renew with Harris County.

VOTE ON MOTION TO ADOPT ORDINANCE:

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

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

OPPOSED: None

ABSENT: Davison, Debra Marz

{Ordinance was subsequently numbered: 07-056}

H. COUNCIL CORRESPONDENCE AND COMMENTS.

Discussion only.

I. ADJOURNMENT.

MOTION TO ADJOURN:

A motion was made by Councilman John Jeffery and seconded by Mayor Pro Tem Peggy Faulk to adjourn the Regular Session of the City Council of the City of Bellaire, Texas, at 8:37 p.m. on Monday, October 1, 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  
     McLaughlan, Pat  
     Jeffery, John
OPPOSED: None

ABSENT: Davison, Debra Marz

Respectfully submitted,

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

Approved:

____________________________
Cynthia Siegel, Mayor
City of Bellaire, Texas