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 7:00 p.m. on Monday, January 19, 2009. 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 77401. 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 James P. Avioli, Position No. 2;
- Councilman Phil Nauert, Position No. 4;
- Councilman Pat McLaughlan, Position No. 5; and
- Councilman John Jeffery, Position No. 6.

Mayor Pro Tem Peggy Faulk, Position No. 3, 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 James P. Avioli, Sr.

Councilman James P. Avioli, Sr., provided the inspirational reading for the evening and began by noting that today we celebrated the life of Dr. Martin Luther King, Jr. The entire evening could be filled talking about his mission, his challenges, and his accomplishments. Dr. King advocated equal rights and equal opportunities for all people. Tomorrow, Barack Obama would be inaugurated to the Office of President of the United States. He would serve as the country’s Forty-Fourth (44th) President and would be the first African-American to seek that high office. Councilman Avioli asked himself and others if this fulfilled Dr. King’s dream, and noted that it was certainly a step in the right direction.

Councilman Avioli concluded by asking God to bless the City of Bellaire and America.

C. PLEDGES TO THE FLAGS – Councilman James P. Avioli, Sr.

1. U.S. PLEDGE OF ALLEGIANCE.
2. PLEDGE TO THE TEXAS FLAG.

Councilman James P. Avioli, Sr., 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, January 5, 2009 – Item submitted by City Clerk Tracy L. Dutton.

MOTION TO APPROVE MINUTES:

A motion was made by Councilman Will Hickman and seconded by Councilman John Jeffery to approve the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held Monday, January 5, 2009.

VOTE ON MOTION TO APPROVE MINUTES:

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

FOR: Siegel, Cindy
      Hickman, Will
      Avioli, James P., Sr.
      McLaughlan, Pat
      Jeffery, John

OPPOSED: None

ABSENT: Faulk, Peggy

ABSTAIN: Nauert, Phil*

*Councilman Phil Nauert abstained from voting on the minutes of the City Council Regular Session held Monday, January 5, 2009, due to his absence from that meeting.

2. APPROVAL of minutes of the Special Session (Executive Session) of the City Council of the City of Bellaire, Texas, held Monday, January 12, 2009 – Item submitted by City Clerk Tracy L. Dutton.

MOTION TO APPROVE MINUTES:

A motion was made by Councilman Phil Nauert and seconded by Councilman John Jeffery to approve the minutes of the Special
VOTE ON MOTION TO APPROVE MINUTES:

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

FOR: Siegel, Cindy
     Hickman, Will
     Avioli, James P., Sr.
     Nauert, Phil
     McLaughlan, Pat
     Jeffery, John

OPPOSED: None

ABSENT: Faulk, Peggy

E. PERSONAL/AUDIENCE COMMENTS.

Bill Garrett, 4902 Chestnut Street, Bellaire, Texas:

Mr. Garrett advised that he had addressed City Council regarding his concerns once before in October of 2008. He recently received a letter from Claunch & Miller, Inc., which stated as follows: "Your action request to construct the sidewalk adjacent to the curb during reconstruction of Second Street was provided to City Council and placed on the December 1st agenda. City Council voted not to construct the sidewalk immediately adjacent to the curb." Mr. Garrett indicated that this was all that the letter stated.

Mr. Garrett advised that he was present again this evening to request a variance. He noticed around the City of Bellaire that there were numerous examples of the sidewalk being constructed adjacent to the curb. Sidewalks were adjacent to the curb on both Second and Third Streets as those streets crossed the esplanade. There were no landscaping issues near those particular sidewalks so, apparently, it was not a problem to place sidewalks adjacent to the curb or back as most of the drawings had indicated.

He continued and noted that if the sidewalk was not placed adjacent to the curb on his section of Second Street (where it intersected Chestnut Street), it would mean that he would have to replace some landscaping that he had spent a great deal of time and effort on. He noted, too, that he felt his privacy and others would be compromised as a result of placing the sidewalks back from the curb. With the widening of the street by two (2) feet, the sidewalk would only be fifteen (15) feet from his home. He urged City Council to construct the sidewalk adjacent to the curb along Second Street from Beech Street to Chestnut Street.
Gary Husmann, 4901 Beech Street, Bellaire, Texas:

Mr. Husmann addressed City Council and noted that he, too, was present to talk about the sidewalk planned for Second Street. He indicated that most people might not feel that this was a big concern, but to the residents along that street, it was a big concern for several reasons. First, many of the residents’ most significant trees were located in a place where the roots would have to be chopped off for the sidewalk construction. An arborist advised him that his forty (40) foot pine tree would blow down during the next hurricane if the roots were chopped off. He also had two sixty (60) year old crepe myrtles, which he did not wish to see destroyed by the City.

Mr. Husmann indicated that he had lived on Holly Street for twenty-eight (28) years prior to building on Beech Street. The City required him to grade the ditch on the side of his home in order to drain uphill. After talking to the Public Works Director and City Engineer, everyone came to the reasonable conclusion that the ditch should drain downhill.

He referred to the one sentence letter alluded to by Mr. Garrett, noting that he received the letter as well. Mr. Husmann advised that this was not what he expected out of the City. He advised that the sidewalk was moved on Fifth Street to avoid a bush. He had the same expectations and hoped the City would send out an engineer to work with the citizens when installing sidewalks.

Mr. Husmann also referred to numerous examples citywide wherein sidewalks had been moved adjacent to the curb. He could not wait until the construction started as two of his neighbors had even more significant issues—they just had not chosen to address City Council.

In closing, Mr. Husmann complimented a Supervisor of the garbage truck who took the time to visit with him. He told Director of Public Works Joe Keene that he had a very nice staff.

Kristie Husmann, 4901 Beech Street, Bellaire, Texas:

Ms. Husmann addressed City Council and advised that she, too, was present to discuss the sidewalks on Second Street. To give the City Council some perspective, Ms. Husmann advised that Second Street dead-ended at Elm Street and Chestnut Street. Beech Street dead-ended one block east of Second Street. In other words, there was very little traffic on their section of the street. The only people driving immediately around the street were people who had a reason to be there.
Ms. Husmann noted that there had never been any problems for the residents in the area—there were many strollers on the street and families with small children on bicycles. The street was very safe, and there were two sets of stop signs on Second Street that kept traffic moving very slowly.

Additionally, Mr. and Ms. Husmann had to take over the construction of their home at the last stages because their developer went out of business. As a result, they had an excellent working relationship with Building Official Lee Cabello. Based on the City’s Code, the Husmanns had to put barriers up around their trees during construction and could not even let a workman sit under the shade of the trees because the dirt could not be compacted. Yet, the City was talking about bringing in machinery to dig up half the roots of the existing trees for the sidewalk.

Ms. Husmann indicated further that the landscaping she and her husband had spent many hours installing was very beautiful, and they did not wish to see it destroyed. She noted that there were homes on the opposite side of the street with no extensive landscaping. She assumed that her side of the street was considered for sidewalks because there were some existing sidewalks at Elm Street and Second Street (crumbling and not very usable) and some sidewalk leading off of the retail center at Chestnut Street that went to both sides of Second Street. She understood that there were problems with installing a sidewalk near the veterinarian’s office, as parking would be decreased.

In closing, Ms. Husmann advised that if concessions were made for some in the area, then it was only fair and reasonable to make concessions for her side of Second Street as well. She noted that she, too, had a privacy issue with the proposed sidewalk. She asked City Council to be as respectful to them (the Husmanns and Garretts) as they had been to the City’s employees and contractors throughout the entire neighborhood meeting process.

Lynn McBee, 5314 Evergreen Street, Bellaire, Texas:

Ms. McBee addressed City Council and echoed the comments made earlier by Councilman James P. Avioli, Sr., during his inspirational reading. She noted that she had been inspired by much that she had heard throughout the weekend over the inauguration of our President-Elect. It was not since JFK that she recalled a President-Elect talking about service to one’s country as had Mr. Obama. He had demonstrated some outstanding listening skills thus far, so she was very optimistic about the next term or two. The highlights of her political memory were represented by FDR, JFK, and BHO, the newest. The two preceding, at least, were outstanding and made Ms. McBee very proud to be a citizen. She was inspired by the promise for the future in this
otherwise dark period. Ms. McBee hoped the City would, in the future, observe both leaders by observing the Martin Luther King holiday, as well as by having a holiday for inauguration day in general so that employees, as well as all United States citizens, could observe it.

Secondly, Ms. McBee commented on a few agenda items. She referred to a series of budget amendments, which she valiantly tried to understand. The amendments were confusing, as were last December’s budget amendments. It appeared that $250,000 was to be transferred, much of it due to Hurricane Ike. There was no reference to an expectation or already received monies from FEMA to offset that. She apologized if she missed it. She inquired as to how much of the amendment was due back to the City in the form of insurance or FEMA reimbursements. She also inquired as to why the City could not do budget amendments as needed to demonstrate that the City was working outside of its budget. Ms. McBee advised that running a second summer camp over-budget did not seem appropriate without getting permission from City Council to exceed the budgeted amount for that.

Thirdly, Ms. McBee appreciated that the City Council agreed with the Centennial Planning Committee regarding an improvement for meditation in Loftin Park. She noted that the discussion for this project began with an arbor and some benches. The project had now grown after the City’s hiring of Clark Condon Associates. It seemed that the City was making a mountain out of a molehill. The City was spending $31,000 for the consultant and, yet, there were exclusions to the contract with Clark Condon Associates related to topographic and boundary surveys, existing site engineering, utility-based information, soil engineering, geotechnical consultant services or related services required, structural engineering, mechanical, electrical, and plumbing services, and architecture. She advised that it was absurd to spend that much money for a pergola and benches in the park. She indicated her concern as to the cost for the excluded items as well.

Ms. McBee advised that citizens had gotten together to construct the gazebo located in Bellaire Park. This was truly a public service. The amount of money expended on the gazebo for materials and paint was $3,000.00. She was glad that City Council approved the arbor project, but should balk at what they were presented on the agenda this evening.

F. REPORTS:

1. CITY MANAGER’S REPORT – presentation of Bellaire Fire Department Annual Report, infrastructure update (Rebuild Bellaire Program street and drainage progress, Fire Station design progress, Municipal Court feasibility status, and infrastructure financing plans), report on Centennial Gala,
status of Council Chamber video/audio upgrades, City Staff planning retreat scheduled for February 18, 2009, quarterly indicators (crime and building permits) and list of upcoming meetings and/or events – Presented by City Manager Bernard M. Satterwhite, Jr.

City Manager Bernard M. Satterwhite, Jr., presented the City Manager’s Report to City Council.

Bellaire Fire Department Annual Report

City Manager Satterwhite began by referring to an annual report prepared by the Bellaire Fire Department, noting that there were seven (7) structure fires in Bellaire during 2008, which was fairly typical. There were 986 emergency medical service calls during 2008 and a total of 2,066 responses. It was noted that Bellaire also had mutual aid and automatic aid agreements with neighboring agencies (i.e., West University Place and Southside Place, etc.).

Other tasks performed by the Bellaire Fire Department were noted as follows: Fire Code inspections, public fire safety and education, fire hydrant testing, and ongoing training.

Infrastructure Update

With respect to the Rebuild Bellaire Program, Phase One, it was noted that the 4500 block of Beech Street was nearing completion and traffic was still one-way eastbound. The City was currently regrading the yards, repairing sprinklers, doing sod work, and sealing joints.

The east side of Fifth Street was 100% reconstructed, however, traffic was still one-way northbound. The contractor was performing concrete work at the intersection of Spruce Street and Fifth Street. Curbs were scheduled to be poured before the end of the month. Additionally, the portion of Evergreen Street from Alder Street to Renwick Drive was scheduled to begin soon.

The west side of Newcastle Drive from Jane Street to Lula Street was scheduled to be removed soon. The portion of Newcastle Drive from Jane Street to Bellaire Boulevard had already been reconstructed, but traffic would be continue to be maintained one-way northbound.

Fire Station Design Process

With respect to the Fire Station design process, it was noted that the City would be advertising for a Construction Manager at Risk on the next two Tuesdays. The proposal was a competitive, sealed proposal and would be opened much like a competitive bid on the 28th of
January at 10:00 a.m. Once the proposal was opened, the City could make comparisons on items other than price. The proposal from the winning contractor could also be negotiated. The City intended to conduct interviews with the top contractors around the week of February 23rd. It was hoped that the Construction Manager at Risk proposal award could be presented to City Council by March 16th.

After working on a timeline for the Fire Station and if able to stay on track, the City should be able to break ground on the new Fire Station by late August or early September of 2009, with completion anticipated by September of 2010.

Currently, asbestos and lead testing were being performed on the existing facility, as the testing was required prior to demolition of a public building.

**Municipal Court Feasibility Study**

With respect to the Municipal Court Feasibility Study, representatives from PGAL (Pierce, Goodwin, Alexander & Linville) and Klotz Associates, Inc., held a meeting. It was noted that PGAL was the City’s consultant for facilities and Klotz Associates, Inc., was the City’s engineer with respect to the Central Water Plant. The purpose of the meeting and study was to consider how the property could be used most efficiently with a possible Municipal Court and Water Plant there. City Staff hoped to have a feasibility report for presentation to City Council by mid-February.

**Financing Plans**

City Manager Satterwhite noted that City Council and City Staff had talked some months ago about a bond issuance during either February or during the spring. Taking the bond rates and the timing of some of the City’s projects into account, the bond issuance would probably not occur until late spring or early summer. Currently, the rates for AAA bonds were very good. For anything rated less than AAA, the bond rates were not good by a huge factor.

Revenue bonds had a different rating system, and the City’s revenue bonds would likely not be AAA rated. City Staff would likely need to have a Workshop Session with City Council over the next several weeks to talk about a rating structure that would support the issuance of revenue bonds. City Manager Satterwhite advised that City Staff, depending on bond rates, would probably recommend a bond issuance in May of 2009.

It was noted additionally that there were other financing options for water and wastewater programs. For example, there was a state
program through the Texas Water Development Board. The City was preparing a "Notice of Intent" which would allow for possible low interest loans from the Texas Water Development Board. City Manager Satterwhite noted that the approval process took many months. Once the City received notice of approval, it would be necessary to have a project in line to start on.

Also of note was a federal program or economic stimulus program that would apply to water and wastewater projects. This program was similar to the state program and would be administered by the state. This program would provide for loans and, possibly, block grants. Due to the economic situation of Bellaire, City Staff did not anticipate that Bellaire would be eligible for block grants.

**Cultural/Recreational**

City Manager Satterwhite advised that he wished to thank many people for their assistance with Bellaire’s Centennial Gala—the Centennial Planning Committee, the Bellaire Arts Commission, Assistant City Manager Diane White, Recreation Superintendent Cheryl Bright-West, and many Parks & Recreation Department employees, as well as Facilities Management Director Karl Miller and his crew. He noted that it was a pleasure to be at the Centennial Gala.

**Texas Recreation & Parks Society Region Conference**

City Manager Satterwhite advised that he, Mayor Cindy Siegel, and Assistant City Manager Diane White recently attended a Texas Recreation & Parks Society Region Conference held at the George R. Brown Convention Center in Houston. The City of Bellaire received three awards at the Awards Luncheon: 1) a design award for the Bellaire Family Aquatics Center; 2) an Advocate of the Year Award for the Patrons for Bellaire Parks, Inc.; and 3) a Part-Time Employee of the Year Award for Pauline McRae (Bellaire L.I.F.E. Center).

**Status of Council Chamber Video/Audio Upgrades**

With respect to the Council Chamber, it was noted that the Comcast broadcast was less than acceptable and some solutions had been discussed with respect to that broadcast. City Staff decided that regardless of where the City ended up with broadcasting or web streaming, the first thing that needed to be done was a replacement of the camera. The camera in back of the Council Chamber now was new and had digital capabilities.

The audio capabilities had been tweaked a bit, but some of the components were not well matched and balanced as the system was
old. It was anticipated that some upgrades would occur with respect to audio within the next few weeks.

**Crime Indicators (Quarterly)**

Crime was higher than it had been in the previous year. Comparing the crime rate year by year, crime moved up in 2008. However, when looking at the last six years, crime was currently at the median.

**Building Permit Indicators (Quarterly)**

City Manager Satterwhite noted that residential and commercial building values were significantly lower than they had been (as compared to the last four years). Although this was not surprising when taking the national economy into account, the City needed to keep an eye on those values. The City would need to structure its bond issuances with its revenue expectations so that the City did not have any unanticipated shortfalls.

The chart depicting building permit indicators represented new tax base. This was what the City had been relying on for the past several years to finance some of its projects. The numbers of permits issued through the end of December from the beginning of the fiscal year were 17. If the City went on that pace for the rest of the year, the City would issue less than 100 building permits for the entire year.

It was noted that the City’s mid-year review would be presented on April 6, 2009, and City Staff would be reporting on building extensively and what that might mean to revenues. He did not believe it would have an impact on revenues for this budget year, but could have an impact for the next and subsequent budget years.

**Upcoming Meetings/Events**

- January 29, 2009 – Comprehensive Plan Update Public Forum in the Civic Center at 7:00 p.m. (conducted by Consultants Kendig Keast Collaborative and Bellaire’s Community Development Department); and

- February 2, 2009 – Regular Session (Town Meeting – State of the City Address) in the Civic Center at 7:00 p.m.
QUESTIONS/COMMENTS FROM CITY COUNCIL:

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

Q: Councilman James P. Avioli, Sr., inquired as to whether the City had finalized the plans for storage of the fire equipment and firefighters during reconstruction of the Fire Station.

A: City Manager Satterwhite indicated that those plans would be determined with the assistance of the City’s consultants and Construction Manager at Risk.

Q: Councilman Avioli referred to the planning retreat City Manager Satterwhite was going to have with staff. He inquired as to whether outside consultants would be engaged to participate in the retreat.

A: City Manager Satterwhite indicated that outside consultants had been used on occasion, but would not be used this year. He indicated that staff would be reviewing many of the City’s Master Plans and goals and would prioritize those plans and goals. Staff would then like to return to City Council in a Workshop Session to ensure that Staff and City Council were aligned with regard to priorities and goals.

Q: Councilman John Jeffery inquired as to whether the City had any update with respect to the Recreation Center.

A: City Manager Satterwhite advised that the City was having some issues, as were others in town, as to what was reimbursable and what the repairs should consist of. The process was taking longer than we anticipated. Staff did not want to start repairs until we understood the extent of the repairs and if and how much funding was available for those repairs.

Q: Councilman Avioli inquired as to whether the lack of some repairs at the Recreation Center had curtailed any of the City’s activities and programs.

A: City Manager Satterwhite indicated that the City’s activities and programs had not been curtailed.

MOTION TO ACCEPT REPORT INTO THE RECORD:

A motion was made by Councilman John Jeffery and seconded by Councilman Pat McLaughlan 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  
Avioli, James P., Sr.  
Nauert, Phil  
McLaughlan, Pat  
Jeffery, John

**OPPOSED:** None

**ABSENT:** Faulk, Peggy

2. **FINANCE REPORT** for the City of Bellaire, Texas, covering the period ended December 31, 2008, and including discussion of revenues and expenditures in the General Fund, Enterprise Fund, Debt Service Fund, Vehicle, Equipment, and Technology Fund, and Capital Improvement Program Fund, as well as a discussion of statistical data – *Presented by Chief Financial Officer Donna Todd.*

Chief Financial Officer Donna Todd presented the Finance Report for the City of Bellaire, Texas, covering the period ended December 31, 2008, to City Council.

**Revenues**

The City’s revenues for the period ended December 31, 2008, were noted to be $5.6 million or $291,000 or 5-½% higher than the previous year. The property tax collections in the General Fund and the Debt Service Fund were about $312,000 higher than the previous year. The majority of the City’s current property tax revenue was recorded in the period of December through February. The collections for this fiscal year were about 5.3% higher than last year; however, that was in line with the City’s increase in tax base of about 5.6%. For that reason, Chief Financial Officer Todd did not believe it was indicative of receiving accelerated payments.

Sales taxes were approximately $12,000 less than the prior year, reflecting a lower sales activity. Building-related permits, such as building, fire, plumbing, gas, electrical, moving, demolition, and tree removal, had slowed down based on current economic conditions.
Fines for Municipal Court were approximately $69,000 lower than the previous year due to a slowdown in payments being made.

Investment earnings were approximately $139,000 less than the previous year or a 66% decrease. Last year in December, the federal funds rate was 4-1/4%. Currently, the rate ranged from 0% to ¼%. The next meeting of the Federal Open Market Committee was slated for later in January of 2009. Chief Financial Officer Todd was not certain that there was anything that the Committee could do differently than they had done in December.

Water revenues were $22,000 higher than the previous year, with increases in residential and sprinkler revenues. There were, however, lower revenues for the new water service meters (i.e., a $15,000 decrease as opposed to the previous year). Similarly in wastewater revenues, the City was about $15,000 lower for new sewer taps.

The Capital Improvement Program Fund included a $236,000 insurance reimbursement from the Texas Municipal League Intergovernmental Risk Pool (TML-IRP) related to Hurricane Ike. Approximately $231,000 of the reimbursement was applicable to the City’s Recreation Center and the remaining $4,200 of the reimbursement was applicable to the Wendell Lift Station.

The Vehicle, Equipment, and Technology Fund had no revenues through the first quarter of this fiscal year.

**Expenditures**

Chief Financial Officer Todd advised that expenditures of $6.2 million were about $1.2 million higher than the previous year. It was noted that 55% of the increase was related to Hurricane Ike, primarily debris removal and monitoring services.

The Bellaire Police Department spent $75,000 for the purchase of an evidence processing system during the month. This expenditure was funded by a matching grant the City received through the Harris County District Attorney’s Office last August.

The City’s legal and audit fees were higher by about $18,000. The increase was related to timing differences, as well as an increase in audit expenditures due to new risk assessment requirements.

Park expenditures were approximately $17,000 higher for park maintenance, chemicals, and natural gas used in the swimming pools.

Centennial spending through December was approximately $24,000. The total expenditures for the Centennial amounted to $127,000,
which was offset by $23,000 of revenues collected last fiscal year. It was noted that the expenditure and revenue totals did not include the recent Gala held in January of 2009.

Hurricane Ike expenditures in the General Fund were noted to be $35,000 and $600,000 in the Enterprise Fund. In the Vehicle, Equipment, and Technology Fund, the primary expenditures were $250,000, which included the purchase of six police vehicles, a new automated fingerprinting machine, computer equipment, and equipment for the Fire Department.

**Housing**

Chief Financial Officer Todd indicated that there were 171 residential properties for sale in Bellaire at the end of December and 26 properties for lease. These figures were similar to the previous month. There were four addresses up for auction in Bellaire and 12 properties that were bank owned.

**QUESTIONS/COMMENTS FROM CITY COUNCIL:**

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

Q: **Councilman Will Hickman** referred to the cumulative property tax collections by month on page 18 of the Finance Report. He inquired as to when property taxes were due to the City and when the next appraisal would be conducted for the following year.

A: **Chief Financial Officer Todd** indicated that she believed that property taxes were due by January 31, 2009. She was not sure when the tax office conducted property appraisals. The City would start receiving preliminary information on properties in July and/or August. She noted that a resident had called with a question regarding a protest of their valuation. Chief Financial Officer Todd indicated that the deadline for protests had already passed.

Q: **Councilman James P. Avioli, Sr.,** referred to page 1 of the Finance Report. He stated that the balance of the General Fund on October 1, 2008, and December 31, 2008, was the same. Comparing 2009 to 2008, it appeared that there was a shortfall or change of almost $2 million. He inquired as to whether this was a concern.

A: **Chief Financial Officer Todd** advised that it was not a concern. The City’s expenditures were higher, which was
primarily related to Hurricane Ike, as well as timing differences. The City’s revenues were not completely in for the year.

Q: Councilman Avioli inquired as to whether the purchase of the police vehicles contributed to the shortfall.

A: Chief Financial Officer Todd advised that the police vehicles were not charged to the General Fund, but rather to the Vehicle, Equipment, and Technology Fund. She referred to the fact that there were also interfund transfers from the General Fund to other funds.

Q: Councilman Avioli asked for confirmation that the shortfall was not of concern to Chief Financial Officer Todd.

A: Chief Financial Officer Todd indicated that the shortfall was not a concern to her at this time.

Q: Councilman Pat McLaughlan stated that the City’s long-term budget projections for various projects (i.e., facility improvements) had been based on a continued increase in the City’s home reconstruction and, to some extent, a continuing increase in property valuations. He had no idea how the Harris County Appraisal District would value Bellaire’s properties for the current year; however, the news media indicated that there could be 10% reductions in property values across Harris County. Obviously that reduction in property values would affect Bellaire’s income stream to some extent.

Councilman McLaughlan inquired as to whether Chief Financial Officer Todd had made any preliminary projections in that if those values should decrease, what impact it might have on the future budget process for Bellaire.

A: Chief Financial Officer Todd stated that it had been considered, but she had not performed any projections at this time.

City Manager Satterwhite added that City Staff had discussed this issue and knew it was one that the City needed to stay on top of. City Staff did believe that the property value increase would not be as large as it had been in the past. Chief Financial Officer Todd had put together a seven-year cash flow forecast based on a very nominal growth. If the property values did not grow, then the forecast would certainly change.

Q: Mayor Cindy Siegel inquired as to the anticipated date for the City’s mid-year review.
A: City Manager Satterwhite indicated that the mid-year review was scheduled for April 6, 2009.

MOTION TO ACCEPT REPORT INTO THE RECORD:

A motion was made by Councilman Pat McLaughlan and seconded by Councilman Phil Nauert to accept the Finance Report as presented by Chief Financial Officer Donna Todd 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
     Avioli, James P., Sr.
     Nauert, Phil
     McLaughlan, Pat
     Jeffery, John

OPPOSED: None

ABSENT: Faulk, Peggy

3. PRESENTATION of student projects from two classes conducted in the Graphic Design Program of The Art Institute of Houston and proposed to the Bellaire Arts Commission by Larry Furst, Instructor at The Art Institute of Houston. Projects include the creation of posters for Bellaire’s Centennial Celebration and the development of wayfinding signage for Bellaire’s City facilities — Item submitted by City Clerk Tracy L. Dutton on behalf of Chair Kathy Biddle, Bellaire Arts Commission; Presentation by Larry Furst, Instructor, The Art Institute of Houston.

Kathy Biddle, Chair, Bellaire Arts Commission, introduced Larry Furst, Instructor of The Art Institute of Houston, and advised that he had approached the Bellaire Arts Commission (“Commission”) during the summer with a request that the Commission provide client services projects that two of his classes could work on. The students did a wonderful job researching, taking pictures, and interviewing people in Bellaire. One class created the History Posters that were displayed during the Centennial Gala. The other class created suites of wayfinding signage and gateway markers for the City. Mr. Furst shepherded the students through these projects during the semester. Chair Biddle concluded her introduction by noting what an excellent job the students had done and how pleased the Bellaire Arts Commission was with the results. She noted further that the Dean of The Arts Institute of Houston was also present this evening.
Larry Furst, Graphic Design Instructor, The Art Institute of Houston, noted that his students were with him this evening to present their wayfinding design solutions for the City of Bellaire, as well as the historical posters that were initially presented at the Centennial Gala. He had heard wonderful comments about his students’ work from many of the City Council Members. The best comment he heard during the Centennial Gala was from Jeffery Mills, who did the City’s historical documentary. Mr. Mills said, “What advertising agency designed the posters?” Mr. Furst was really impressed with that compliment.

Mr. Furst stated that he would provide a brief introduction to the two projects and then would have the students give a presentation of their wayfinding solutions to City Council. He began by reading a statement from The Art Institute of Houston’s website as follows: Without the inquisitive, imaginative and inventive minds of designers, our world would be a very boring place. Now, more than ever, people want products and services that help make their environments and experiences more beautiful, functional and entertaining. At The Art Institute of Houston, you’ll learn how to unite form and function to create work that meets real world needs.

Mr. Furst stated that he lived in Meyerland and drove through Bellaire many times. He felt that there was a need to let people know how to get to the Town Square in Bellaire, Police Station, Fire Station, Library, Recreation Center, Family Aquatic Center, and City Hall. This led him to come up with the idea for the wayfinding signage project.

The purpose of the History Poster assignment was to have the students learn about Bellaire’s history and the important events that occurred during its 100 years of development. Using this knowledge, the students designed posters depicting such events as the flood of 1919, the trolley’s contribution to the City’s growth, and Edward Teas’ success at planting trees and improving the City’s visual appeal.

The purpose of the wayfinding assignment was to give the students exposure to the field of Environmental Graphic Design by assigning a design problem to provide a sense of place for Bellaire, direct visitors to the Town Square, and identify the buildings and services located there.

The process undertaken by the students included research of the City of Bellaire’s history covering such subjects as Westmoreland Farms, the trolley, the Teas family, Rice University, and William Marsh Rice. The students also researched photos depicting Bellaire’s history from the early 1900s to the 1950s. Mr. Furst noted that the students had taken a field trip to Bellaire and walked along the Town Square and looked at all of the existing buildings, taking into account the
architectural style. They also reviewed how visitors, vehicles, and pedestrians visited and accessed the Town Square area from South Rice Avenue, Bissonnet Street, Bellaire Boulevard, and Chimney Rock Road, for example. The students worked in teams of two to collaborate on the design direction and presentations.

It was noted that Chair Kathy Biddle of the Bellaire Arts Commission acted as the students’ client for these projects. She attended the class three times and provided an introduction to the City’s history and discussed the arts and crafts architectural style of some of the buildings in Town Square. Chair Biddle provided direction and comments to the students concerning their design concepts and also critiqued the students’ projects mid-way through the semester and again at the end of the semester. She was a valuable member of the design team and contributed to the success of the students’ projects.

Mr. Furst continued by showing the City Council three sets of the History Posters and then recognized the students who had prepared the History Posters as follows: Michael J. Martinez, Sandra Craft, and Lisa Reyna.

Mr. Furst next introduced the teams of students who had worked on the wayfinding and identity program project, allowing each team the opportunity to present their designs to City Council as follows: Pei Fang Huang and Rey Hernandez; Geri Ramirez and Tessa Owen; Lisa Reyna and Chris Hernandez; Dominque Bini and Kari Trammell; and Sandra Craft and Augustina Martinez.

Mayor Siegel thanked Mr. Furst and his students for their excellent work and presentations on behalf of the City of Bellaire.

G. NEW BUSINESS:

1. ADOPTION OF ORDINANCES:

Agreements and Contracts

a. CONSIDERATION of and possible action on a recommendation from the Bellaire Public Works Department and Consulting Engineers HDR|Claunch & Miller, Inc., to award Bid No. 09-004, Rebuild Bellaire Program, Phase Two, Paving and Drainage Project, to the lowest qualified bidder, JFT Construction, Inc., in an amount not to exceed $3,983,063.50, and adoption of an ordinance of the City Council of the City of Bellaire, Texas, 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 *Standard Form of Agreement* with JFT Construction, Inc., for the performance of construction phase services necessary for the Rebuild Bellaire Program, Phase Two, Paving and Drainage Project, in an amount not to exceed $3,983,063.50 – *Item submitted by Director of Public Works Joe Keene.*

**SUMMARY:**

Mayor Cindy Siegel summarized the agenda item before City Council, indicating that the Rebuild Bellaire Program, Phase Two, Paving and Drainage Project, included the reconstruction of five streets with reinforced concrete curb and gutter street, and construction of storm sewer and concrete sidewalks. The streets to be reconstructed were noted as follows: the 4500 block of Sunburst Drive, Avenue B (from Fournace Place to Glenmont Drive), 4500 block of Park Court, Second Street (from Bissonnet Street to Elm Street), and the 100 block of Whipple Drive.

**MOTION TO ACCEPT RECOMMENDATION, AWARD BID, AND ADOPT ORDINANCE:**

A motion was made by Councilman Will Hickman and seconded by Councilman James P. Avioli, Sr., to accept a recommendation from the Bellaire Public Works Department and Consulting Engineers HDR|Claunch & Miller, Inc., to award Bid No. 09-004, Rebuild Bellaire Program, Phase Two, Paving and Drainage Project, to the lowest qualified bidder, JFT Construction, Inc., in an amount not to exceed $3,983,063.50, and to adopt an ordinance of the City Council of the City of Bellaire, Texas, 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 *Standard Form of Agreement* with JFT Construction, Inc., for the performance of construction phase services necessary for the Rebuild Bellaire Program, Phase Two, Paving and Drainage Project, in an amount not to exceed $3,983,063.50.

**DISCUSSION ON MOTION:**

City Manager Bernard M. Satterwhite, Jr., indicated that the City had received nine bids for this project. JFT Construction, Inc., the low bidder, was currently working for the City on another project and had worked for the City on past projects.
Councilman Phil Nauert inquired as to whether improvements had been made under the Bellaire Millennium Renewal Program to the streets slated for reconstruction under the current Program, Rebuild Bellaire.

James Andrews, PE, HDR|Claunch & Miller, Inc., advised that the City made some improvements to Sunburst Drive under the Bellaire Millennium Renewal Program.

Councilman Nauert asked for confirmation that the streets to be improved under the Rebuild Bellaire Program would be fully reconstructed with curb and gutter.

Mr. Andrews advised that Councilman Nauert was correct. He noted, too, that a new storm sewer would be constructed.

Councilman Nauert inquired as to whether the City had any problems with the contractor under previous contracts.

Mr. Andrews indicated that there were actually 12 bidders on this project. The engineers had originally estimated that the project would cost $4.5 million, but it had come in under $4 million. The City had not had any problems with JFT Construction, Inc., in the past or currently.

Councilman James P. Avioli, Sr., agreed that he liked the low bid of $4 million. He noted, however, that the high bid was $6 million. He tried to analyze what the big difference or variance was between the low and high bids. He stated that the costs bid for drainage by JFT Construction, Inc., versus Triple B differed by about $500,000. In looking at both ends of the spectrum, the bids differed by about $800,000. He inquired as to why JFT Construction, Inc., could construct the storm sewer system so much cheaper than the other bidders.

Mr. Andrews indicated that JFT Construction, Inc., was very good with underground drainage systems. For example, on the Avenue B and Valerie Street project, one of the City’s deepest storm sewer systems was installed with very intricate wall pointing systems. JFT Construction, Inc., handled that project very easily as difficult as that construction was. He believed that JFT Construction, Inc.’s, crews and the expertise of those crews helped them to construct underground drainage systems more efficiently and more quickly than other contractors.

Councilman Avioli inquired as to whether Mr. Andrews agreed that the main difference in the bids was related to the costs to install the underground drainage system.
Mr. Andrews advised that he did agree.

Councilman Avioli asked for confirmation that the bid reflected the contractor’s cost and not the engineer’s cost.

Mr. Andrews advised that Councilman Avioli was correct.

Councilman Avioli inquired of City Manager Satterwhite as to whether City Council had seen the engineering costs for this project.

City Manager Satterwhite advised that the engineering work for this project had been completed already.

Councilman Avioli stated that HDR|Claunch & Miller, Inc., had done a good job in analyzing the various bids.

Councilman Pat McLaughlan referred to the fact that many of the streets slated for reconstruction under this project were not “through streets” or high traffic streets. He inquired as to the process the City used when selecting the streets to be reconstructed.

Mr. Andrews indicated that the City adopted a series of six categories to be used in determining priorities for improvements. Drainage was the main focus. If existing systems were inadequate and undersized, those streets were moved up. The condition of the street, prior to any work done under the Bellaire Millennium Renewal Program (BMRP), was also considered. Under the BMRP, the City restricted point repairs to just 10%.

Mayor Cindy Siegel referred to Aspen Street, noting that it was not addressed under the BMRP. She inquired as to where Aspen Street fell in the priority list under the Rebuild Bellaire Program.

Mr. Andrews stated that he did not have the prioritization list with him, but could get the information.

Councilman Will Hickman noted that the current project was Phase Two. He inquired as to how many phases were expected under the Rebuild Bellaire Program.

Mr. Andrews indicated that the Rebuild Bellaire Program was a ten-year program.
Councilman Hickman inquired as to whether the City was “catching up” with respect to infrastructure improvements (i.e., taking into account the BMRP and what had been done thus far under the Rebuild Bellaire Program).

Mr. Andrews stated that he thought the City was doing an excellent job with its infrastructure improvements, especially with respect to the drainage systems. Under the BMRP, one of the major focuses was the installation of major arterial drainage systems. Under the Rebuild Bellaire Program, the City would be able to tie individual streets into the major arterials, which would improve the City’s overall drainage.

Councilman Hickman inquired as to whether it could be stated that the City was rebuilding faster than the streets were deteriorating.

Mr. Andrews stated that with the BMRP, the City had put a fast stop to the deterioration. It would take awhile for the City to reach a level where it was rebuilding more quickly than the streets were deteriorating. He noted that the Rebuild Bellaire Program was not the “end all.” At the end of the ten years, the City would still need to address other streets.

VOTE ON MOTION TO ACCEPT RECOMMENDATION, AWARD BID, AND ADOPT ORDINANCE:

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

FOR: Siegel, Cindy
      Hickman, Will
      Avioli, James P., Sr.
      Nauert, Phil
      McLaughlan, Pat
      Jeffery, John

OPPOSED: None

ABSENT: Faulk, Peggy

{Ordinance was subsequently numbered: 09-001}

b. CONSIDERATION of and possible action on a recommendation from the Bellaire Public Works Department and Consulting Engineers Klotz Associates, Inc., to award Bid No. 09-005, Rehabilitation of Well No. 5 at Feld Park Water Plant, to the lowest qualified bidder, Weisinger Water Well, Inc., in an amount not to
exceed $524,802.00, and adoption of an ordinance of the City Council of the City of Bellaire, Texas, 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 Standard Form of Agreement with Weisinger Water Well, Inc., for the performance of services necessary for the rehabilitation of Well No. 5 at Feld Park Water Plant in an amount not to exceed $524,802.00 – Item submitted by Director of Public Works Joe Keene.

MOTION TO ACCEPT RECOMMENDATION, AWARD BID, AND ADOPT ORDINANCE:

A motion was made by Councilman Will Hickman and seconded by Councilman James P. Avioli, Sr., to accept a recommendation from the Bellaire Public Works Department and Consulting Engineers Klotz Associates, Inc., to award Bid No. 09-005, Rehabilitation of Well No. 5 at Feld Park Water Plant, to the lowest qualified bidder, Weisinger Water Well, Inc., in an amount not to exceed $524,802.00, and to adopt an ordinance of the City Council of the City of Bellaire, Texas, 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 Standard Form of Agreement with Weisinger Water Well, Inc., for the performance of services necessary for the rehabilitation of Well No. 5 at Feld Park Water Plant in an amount not to exceed $524,802.00.

DISCUSSION ON MOTION:

City Manager Bernard M. Satterwhite, Jr., advised that the project under consideration for this agenda item had also been engineered previously. The contract consisted of the rehabilitation of the well itself. This project came in higher than expected and there were only a few bidders. Klotz Associates, Inc., had analyzed the bid and bidders and could answer any questions City Council might have. City Staff felt that the City should move forward with this project since the well would only get worse if not rehabilitated.

Mayor Cindy Siegel inquired as to the timeline for this project.

Ralph Cox, PE, Klotz Associates, Inc., indicated that the project was expected to be complete within 180 days. This well was slated to be completely reworked (i.e., jetted, cleaned, and
repaired), and a new pump and motor would be purchased for it. The long lead-time was related to the pump and motor. The rehabilitation of the well itself could be completed within 6-8 weeks.

**Councilman James P. Avioli, Sr.,** stated that when analyzing the bids the City received for this project, two things stuck out. One was the engineer’s estimate of the cost of the motor, which was noted to be $95,000. The two bidders came in at $200,000 for the motor.

**Mr. Cox** advised that the bid was for the pump, motor, and discharge head (i.e., piece of iron on top of the well). To be honest, the engineers left out part of the cost when preparing the estimate. Research was done after the fact and the engineers believed that the amount bid of $200,000 was a reasonable amount.

**Councilman Avioli** stated that the other thing that stuck out to him was the electrical work. One bidder quoted a cost of $120,000 for the electrical work and the other bidder quoted a cost close to the engineer’s estimate. He inquired as to whether the one bidder was off in his estimate or if he had included additional electrical work in his estimate.

**Mr. Cox** indicated that the general contractor typically would sub out the electrical work. The amount quoted depended on how the electrical subcontractor bid out the work. The electrical subcontractor did perform a walk-through of the City’s well site. Mr. Cox felt that the subcontractor analyzed the work pretty well.

**Councilman John Jeffery** inquired as to the motor horsepower.

**Mr. Cox** stated that he believed the motor horsepower was 250.

**Councilman Jeffery** inquired as to the manufacturer of the motor.

**Mr. Cox** stated that he could not remember off of the top of his head, but would get the information for City Council. He noted further that the shaft on this particular pump went down 1,500 feet.
Councilman Will Hickman asked for confirmation that the motor was located at the surface and the pump down in the hole.

Mr. Cox advised that Councilman Hickman was correct.

Councilman Hickman inquired as to the lifetime and maintenance of the well and pump.

Mr. Cox stated that the City installed its well originally in 1950. The pump should reasonably last 25 years.

Councilman Hickman inquired as to how many other wells the City operated and how the surface water purchased from the City of Houston fit into the process.

Mr. Cox advised that the City operated at a 50-50 mix of well water and surface water purchased from the City of Houston on a yearly basis. The City owned a total of four wells; however, only one of those wells was presently operating (i.e., Renwick Water Plant). Once the project before City Council was completed, the Feld Park Water Plant would get back online. Further, there were issues with the Central Water Plant well and the City anticipated replacing the motor shortly. It should not cost as much as the Feld Park Water Plant project.

Councilman Hickman inquired as to the ability to run the Feld Park Water Plant in the event of a power failure.

Mr. Cox advised that the City did not have the ability to run the Feld Park Water Plant in the event of a power failure.

Councilman Hickman inquired as to whether a generator could be brought in.

Mr. Cox indicated that bringing a generator in was a possibility. He advised further that the City had applied for some monies from the Federal Emergency Management Agency (FEMA) through a mitigation program as a result of Hurricane Ike. Through this program, FEMA would fund generators at 75% of the total cost of the generators.

Councilman Pat McLaughlan referred to the rework of a major plant or lift station. He noted that some special interconnects were required to run a plant or lift station off of a generator. He inquired as to whether the interface would be included under the current project such that at some time in the future the City might be able to purchase a multi-purpose
generator to operate a lift station or water well or the wastewater facility.

Mr. Cox advised that such an interface was not included in the current project. However, as part of the hazard mitigation FEMA program, the City applied for a permanent generator at the Central Water Plant, Feld Park Water Plant, and Wastewater Treatment Plant, and a mobile generator that could be hauled to other sites, such as a lift station, Renwick Water Plant, or City Hall. Part of the cost estimates for the water and wastewater facilities included the interfaces mentioned by Councilman McLaughlan so that in theory one could roll up in the middle of the night and plug in a generator through the motor control center.

Councilman McLaughlan asked for confirmation that the interface was not included in the current project.

Mr. Cox advised that this particular project related to the well itself. There were plans to include interfaces in some of the City’s future water and wastewater projects. There was a future project to rework the entire electrical system at the Feld Park Water Plant, for example.

Councilman McLaughlan asked for confirmation that the relatively expensive electrical work being performed on the current project was strictly for the motor and not the controllers.

Mr. Cox advised that the conduit, wire, and disconnect switches currently at the site did not meet the electrical code. The City was actually routing new conduit and wire back around to the electrical building. The City did put a provision in that routing so that it could be accessed later and placed in what would be a new future electrical building.

VOTE ON MOTION TO ACCEPT RECOMMENDATION, AWARD BID, AND ADOPT ORDINANCE:

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

FOR: Siegel, Cindy
     Hickman, Will
     Avioli, James P., Sr.
     Nauert, Phil
     McLaughlan, Pat
     Jeffery, John
OPPOSED:  None

ABSENT:  Faulk, Peggy

{Ordinance was subsequently numbered:  09-002}

c. CONSIDERATION of and possible action on a recommendation from the Parks & Recreation Department to accept a proposal from Clark Condon Associates related to landscape architectural design services associated with Loftin Park in Bellaire Town Square and on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the Mayor of the City of Bellaire, Texas, to accept, for and on behalf of the City of Bellaire, Texas, a proposal from Clark Condon Associates for landscape architectural design services associated with Loftin Park in Bellaire Town Square in an amount not to exceed $31,500.00.

SUMMARY:

Mayor Cindy Siegel summarized the agenda item before City Council, noting that the proposal before City Council included the playground, walkways, and associated preparation in Loftin Park.

City Manager Bernard Satterwhite, Jr., advised that Mayor Siegel was correct. The proposal included the elements presented by Clark Condon Associates for Bellaire Town Square, beginning with the playground, trail system, and associated preparation. He noted that this project was included in the fiscal year 2009 budget. This proposal had nothing to do with the pergola and meditation area. That proposal would be separate and certainly the design for that project would not cost $31,000.

MOTION TO ACCEPT PROPOSAL AND ADOPT ORDINANCE:

A motion was made by Councilman Phil Nauert and seconded by Councilman Pat McLaughlan to accept a proposal from Clark Condon Associates related to landscape architectural design services associated with Loftin Park in Bellaire Town Square and to adopt an ordinance of the City Council of the City of Bellaire, Texas, authorizing the Mayor of the City of Bellaire, Texas, to accept, for and on behalf of the City of Bellaire, Texas, a proposal from Clark Condon Associates for landscape architectural design
services associated with Loftin Park in Bellaire Town Square in an amount not to exceed $31,500.00.

**DISCUSSION ON MOTION:**

Councilman Will Hickman referred to the concrete edging and access to the playground and inquired as to how that would look conceptually.

Sheila Condon, Clark Condon Associates, stated that the concrete bands would be about 12 inches wide. The bands would contain Fibar. The walkways would be constructed of concrete.

Councilman Hickman inquired as to what “Fibar” was.

Ms. Condon advised that Fibar served as a fall surface and was a wood fiber product. It was not to be confused with mulch. It had a subsurface drainage system and was a little bit “spongy.” It was one of the more preferred surfaces.

Councilman Hickman inquired as to whether the City currently used that product at Evergreen Park.

Director of Parks & Recreation Jane L. Dembski advised that Evergreen Park had Fibar.

Councilman Hickman inquired as to the source of funding for this project.

City Manager Satterwhite advised that the funding for the project was included in the fiscal year 2009 Capital Improvement Program budget.

Councilman Hickman inquired as to whether any of the funding had been provided by the Patrons for Bellaire Parks, Inc.

City Manager Satterwhite stated that the cost of design was in the budget at $45,000. As far as moving forward after design and determining what portion of funding should come from the Patrons for Bellaire Parks, Inc., or the City, that decision still needed to be made. He did not believe the City would get all of the monies it would need from the Patrons for Bellaire Parks, Inc., this year.

Mayor Siegel inquired as to the amount of time needed for the design work.
Ms. Condon stated that the design work would be completed within 6-8 weeks. After design and bidding, the construction period would be approximately four months.

**VOTE ON MOTION TO ACCEPT PROPOSAL AND ADOPT ORDINANCE:**

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

**FOR:** Siegel, Cindy  
Hickman, Will  
Avioli, James P., Sr.  
Nauert, Phil  
McLaughlan, Pat  
Jeffery, John

**OPPOSED:** None

**ABSENT:** Faulk, Peggy

{Ordinance was subsequently numbered: 09-003}

**Budget Amendment**

d. CONSIDERATION of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, amending the budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2007, and ending September 30, 2008, by transferring $44,751.01 from the General Fund, Finance Department FY 2008 budget, to the General Fund, Parks & Recreation – Recreation Department, for recreational camps and activities and by transferring $103,072.91 from the General Fund, Finance Department FY 2008 budget, to the General Fund, Police Department, for overtime wages and by transferring $35,905.60 from the General Fund, Finance Department FY 2008 budget, $24,703.43 from the General Fund, Library Department FY 2008 budget, $12,505.85 from the General Fund, Community Development Department FY 2008 budget, $7,707.36 from the General Fund Organizational Services Department FY 2008 budget, $30,087.83 from the General Fund, Public Works Department budget, and $15,816.27 from the General Fund, Unreserved and Undesignated Fund Balance to the General Fund, Fire Department, for overtime wages and disaster related
expenditures associated with Hurricane Ike – Item submitted by Chief Financial Officer Donna Todd.

MOTION TO ADOPT ORDINANCE:

A motion was made by Councilman John Jeffery and seconded by Councilman James P. Avioli, Sr., to adopt an ordinance of the City Council of the City of Bellaire, Texas, amending the budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2007, and ending September 30, 2008, by transferring $44,751.01 from the General Fund, Finance Department FY 2008 budget, to the General Fund, Parks & Recreation – Recreation Department, for recreational camps and activities and by transferring $103,072.91 from the General Fund, Finance Department FY 2008 budget, to the General Fund, Police Department, for overtime wages and by transferring $35,905.60 from the General Fund, Finance Department FY 2008 budget, $24,703.43 from the General Fund, Library Department FY 2008 budget, $12,505.85 from the General Fund, Community Development Department FY 2008 budget, $7,707.36 from the General Fund Organizational Services Department FY 2008 budget, $30,087.83 from the General Fund, Public Works Department budget, and $15,816.27 from the General Fund, Unreserved and Undesignated Fund Balance to the General Fund, Fire Department, for overtime wages and disaster related expenditures associated with Hurricane Ike.

SUMMARY:

City Manager Bernard M. Satterwhite, Jr., and Chief Financial Officer Donna Todd summarized the agenda item before City Council this evening. City Manager Satterwhite agreed with resident Lynn McBee with respect to some comments she made earlier in the evening during the “Personal/Audience Comments” portion of the meeting. Government finance was very difficult and he was glad that the City had a great Chief Financial Officer and other personnel in the Finance Department. There was a revenue component associated with some of the expenditures, which could not really be seen. In government finance, when the budget was amended, the expenditure side was the only portion amended. City Staff tried to give City Council that information during the mid-year reviews. In government finance, one did not and could not “net” anything. Chief Financial Officer Todd would explain that there was a bottom line difference of $15,816.27
associated with these amendments. This, however, did not take into account how much money might come in from the Federal Emergency Management Agency (FEMA) or from the expanded camp and pool programs. Even though a decrease was currently shown to the bottom line, City Manager Satterwhite believed that once all reimbursements were received there would probably be no decrease to the bottom line.

City Manager Satterwhite also agreed with Ms. McBee in that he believed City Staff should have done a budget amendment for the camp programs earlier in the fiscal year. He noted that he had the authority to move money within departments, but did not have the authority to move money from one department to the other.

Chief Financial Officer Donna Todd stated that the total budget amendments under consideration were about $275,000. There were three major areas that she wished to discuss. The first area was related to the Parks & Recreation Department and consisted of a budget amendment of $44,751.01. This amendment was related to additional expenditures incurred during fiscal year 2008 for their instructor pay due to the addition of more camps. What the Department saw in the summer of 2008 was a very high participation rate in summer camps, particularly for the 2-5 year old age range. A decision was made to add four extra camps to meet this need and most of the participants were a result of overflow from the other summer camps. The instructor pay was based on an agreement whereby 75% of the revenue would go to the instructor and the remaining 25% to the City. Revenues for leisure classes were $75,000 more than budgeted.

The fiscal year 2008 budget for the Parks & Recreation Department for instructor pay was $65,000. With this amendment, the instructor pay would be $109,751.01. The funding source for this amendment would be the Finance Department budget.

The next two major areas were related to Hurricane Ike. For the Police Department, an amendment of $103,072.91 was needed for additional expenditures for regular and overtime wages. During Hurricane Ike, the Bellaire Police Department went to full staffing for a period of days and this was the reason that the Department exceeded their budget not only in overtime, but also in regular wages. The total salaries and wages budget for the Bellaire Police Department was $2,880,401.00 in fiscal year 2008. With the amendment, the
total salaries and wages budget would be $2,983,473.91. The funding for the amendment would come from the Finance Department’s fiscal year 2008 budget.

The final of the three amendments was for the Bellaire Fire Department, which also included the Emergency Management Sub-Department, and totaled $126,726.34. This amendment was related primarily to overtime in the Bellaire Fire Department and disaster-related expenditures associated with Hurricane Ike in fiscal year 2008 which exceeded the City’s estimates. The Bellaire Fire Department total salaries and wages budget was $1,440,989.00. With the addition of $14,328.26, the budget would be increased to $1,455,317.26.

The balance of the amendment, $112,398.08, was for Emergency Management expenditures related to Hurricane Ike. Chief Financial Officer Todd noted that in October of 2008, City Council authorized a $100,000.00 budget amendment based on estimates for the fiscal year for Hurricane Ike. The City exceeded that amendment. With the current requested budget amendment, the total expended from the General Fund for Hurricane Ike was $212,398.08. Funding for this budget amendment would be contributed from several departments as follows: Finance Department - $35,905.60; Library Department - $24,703.43; Community Development - $12,505.85; Organizational Services - $7,707.36; Public Works Department - $30,087.83; and $15,816.27 from the General Fund, Unreserved and Undesignated Fund Balance.

**DISCUSSION ON MOTION:**

Councilman Phil Nauert advised that budget amendment items two and three were largely due to Hurricane Ike. He asked if he were correct in stating that a substantial amount of the amendments to be made for items two and three would be reimbursed to the City.

City Manager Satterwhite advised that Councilman Nauert was correct.

Councilman Nauert stated that the sum of items two and three was approximately $230,000 or 84% of the total amount of monies under consideration for the amendment. One concern he had was when it came to budget time for fiscal year 2010, departments tended to take their budget and add a little to it. He urged that these amendments not be “imprinted” upon the individual departments’ budgets. He did not wish to see this become the baseline for the 2010 budgets.
City Manager Satterwhite indicated that budgeting was not done the way in which Councilman Nauert outlined. Additionally, most of the amendments were related to personnel costs. For budget purposes, Assistant City Manager and Budget Director Diane K. White prepared the personnel costs for all departments based on staffing and expectations. The personnel costs reflected as accurately as possible what was expected for each of the departments. The opportunity for what Councilman Nauert suggested was very minimal.

Councilman Nauert noted that he simply wished to have some assurance.

Councilman John Jeffery stated that he hoped the City would be able to get reimbursed for most of the amendments. He was confused as to why the funding was being taken from other departments, such as Library and Finance, for the Fire Department.

City Manager Satterwhite indicated that the funds being taken were end of year unexpended funds and did not carryover from year to year.

Councilman Will Hickman referred to the first budget amendment. He inquired if the revenue was $100,000, if the instructor pay would then be $75,000.

Chief Financial Officer Todd indicated that Councilman Hickman was correct.

Councilman Hickman inquired if the revenue went to $120,000, if the instructor pay would then be $90,000. In other words, was the City asking for an equivalent of a $15,000 increase from $75,000 to $90,000 even though the City had an offsetting $20,000 increase in revenue. He noted that there should be a revenue increase of $60,000 to offset the $45,000 expenditure.

Chief Financial Officer Todd advised that what Councilman Hickman had noted made sense, but she could not state for certain.

Councilman Hickman inquired if the instructor cost would be $0 if there were no classes.

Chief Financial Officer Todd advised that Councilman Hickman was correct.
Mayor Cindy Siegel asked for confirmation that the City was covered for this amendment through the revenues made. In other words, the City was not in the hole.

City Manager Satterwhite indicated that, after all three budget amendments were taken into account, the City was only taking about $15,000 from the bottom line. Once all the revenues and reimbursements were accounted for, there would probably be an increase to the bottom line.

Mayor Siegel asked in the future if City Staff could provide the offsetting revenue amounts to City Council.

City Manager Satterwhite advised that this was very difficult to do. He noted that City Staff did not have a clue what the final reimbursement would be for Hurricane Ike.

Mayor Siegel stated she understood, but suggested that City Staff consider making a footnote as to how much revenue or reimbursement might be expected.

Chief Financial Officer Todd advised that this could be done. She noted further that the City did not know when the FEMA reimbursement would be received. Typically, 75% was expected for the debris portion. The City participated in a pilot program with FEMA, so we were expecting 100% reimbursement for debris and regular wages. She was not sure that the reimbursement would even be received in fiscal year 2009.

Councilman Pat McLaughlan referred to the instructor pay of 75% of revenues and inquired as to whether that applied to other contractual arrangements, such as the sale of goods on City property.

Chief Financial Officer Todd inquired as to whether Councilman McLaughlan was referring to the snow cone vendor at the Bellaire Pool.

Councilman McLaughlan advised that the snow cone vendor came to mind, but he assumed that there were other vendors that operated on City property.

Chief Financial Officer Todd advised that there was a revenue agreement with vendors, but she could not recall the allocations off the top of her head.
Councilman McLaughlan asked for confirmation that if a vendor were selling a product, the agreement would be different than the agreement with instructors.

Chief Financial Officer Todd advised that Councilman McLaughlan was correct.

Councilman McLaughlan referred to the instructor agreement and inquired as to whether the City was being generous in giving 75% of the revenue to the instructors.

Chief Financial Officer Todd advised that this question would be for the Director of Parks & Recreation. She did not know how long this particular type of rate agreement had been in effect. She assumed that since the classes went so well the past year that the instructors must have been successful for the City.

Councilman McLaughlan inquired as to whether City Manager Satterwhite could shed any light on the matter.

City Manager Satterwhite advised that he could not, but Director of Parks & Recreation Jane Dembski was present this evening and could.

Councilman Hickman made a point of order.

Mayor Siegel agreed that City Council had veered off of the agenda topic. Mayor Siegel asked the City Manager and Director of Parks & Recreation to send the information to Councilman McLaughlan.

Councilman James P. Avioli, Sr., noted that the City would probably not get its reimbursement from FEMA before the audit was completed.

Chief Financial Officer Todd advised that Councilman Avioli was correct.

Councilman Avioli asked if the City would pass the "smell test" with the auditors.

Chief Financial Officer Todd stated that she was not concerned and was sure the audit would be fine.

City Manager Satterwhite noted that as long as the City passed the appropriate budget amendments, the City would pass the "smell test."
VOTE ON MOTION TO ADOPT ORDINANCE:

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

FOR: Siegel, Cindy
     Hickman, Will
     Avioli, James P., Sr.
     Nauert, Phil
     McLaughlan, Pat
     Jeffery, John

OPPOSED: None

ABSENT: Faulk, Peggy

{Ordinance was subsequently numbered: 09-004}

2. ADOPTION OF RESOLUTION:

Donation to Bellaire City Library

CONSIDERATION of and possible action on the adoption of a resolution of the City Council of the City of Bellaire, Texas, accepting a donation in the amount of $2,500.00 from the Bellaire Young Mothers for the purchase of books for infants and preschoolers to age five to be placed in the Bellaire City Library’s circulating collection – Item submitted by Library Director Mary A. Alford.

MOTION TO ADOPT RESOLUTION:

A motion was made by Councilman John Jeffery and seconded by Councilman Will Hickman to adopt a resolution of the City Council of the City of Bellaire, Texas, accepting a donation in the amount of $2,500.00 from the Bellaire Young Mothers for the purchase of books for infants and preschoolers to age five to be placed in the Bellaire City Library’s circulating collection.

VOTE ON MOTION TO ADOPT RESOLUTION:

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

FOR: Siegel, Cindy
     Hickman, Will
     Avioli, James P., Sr.
     Nauert, Phil
     McLaughlan, Pat
     Jeffery, John
H. ADJOURNMENT.

MOTION TO ADJOURN:

A motion was made by Councilman Phil Nauert and seconded by Councilman John Jeffery to adjourn the Regular Session of the City Council of the City of Bellaire, Texas, at 9:36 p.m. on Monday, January 19, 2009.

VOTE ON MOTION TO ADJOURN:

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

FOR: Siegel, Cindy
     Hickman, Will
     Avioli, James P., Sr.
     Nauert, Phil
     McLaughian, Pat
     Jeffery, John

OPPOSED: None

ABSENT: Faulk, Peggy

Respectfully submitted,

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

Approved:

________________________________________
Cynthia Siegel, Mayor
City of Bellaire, Texas