CITY OF BELLAIRE
CITY COUNCIL

Minutes of Meeting
May 18, 2009

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, May 18, 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 James P. Avioli, Sr., Position No. 2;
Mayor Pro Tem Peggy Faulk, Position No. 3;
Councilman Phil Nauert, Position No. 4; and
Councilman Pat McLaughlan, Position No. 5.

Councilman Will Hickman, Position No. 1, arrived shortly after the Regular Session was called to order or at approximately 7:08 p.m. Councilman John Jeffery, Position No. 6, 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 – Mayor Pro Tem Peggy Faulk.

Mayor Pro Tem Peggy Faulk provided the inspirational reading for the evening. She noted that her daughter just made it through prom and was getting ready for graduation, so she thought it would be appropriate to talk about stress management as follows:

A lecturer, when explaining stress management to an audience, raised a glass of water and asked "How heavy is this glass of water?" Answers ranged out from eight ounces to 20 ounces. The lecturer replied, "It absolutely doesn't matter, it depends on how long you try to hold it. If I hold it for a minute, that's not a problem. If I hold it for an hour, I will have an ache in my right arm. If I hold it for a day, I'll have to call an ambulance. In each case, it is the same weight, but the longer I hold it, the heavier it becomes."

He continued, "That's the way it is with stress management. If we carry our burdens all of the time, sooner or later, as the burden becomes increasingly heavy, we won't be able to carry on. As with the glass of water, you have to put it down for a while and rest before holding it again. When we're
refreshed we can carry on with the burden. So before you return home tonight, put the burden of work and life down. Don’t carry it home. You can pick it up tomorrow. Whatever burdens you’re carrying now, let them down for a moment now if you can. Relax and pick up later after you’ve rested. Life is short in joy.”

Mayor Pro Tem Faulk continued with some idioms that she liked as follows:

Accept that most days you’re the pigeon, but some days you’re the statue.

Drive carefully. It’s not only cars that can be recalled by their maker.

If you can’t be kind, at least have the decency to be vague.

If you lend somebody $20 and never see that person again, it was probably worth it.

Birthdays are good for you. The more you have, the longer you live.

C. PLEDGES TO THE FLAGS – Mayor Pro Tem Peggy Faulk.

1. U.S. PLEDGE OF ALLEGIANCE.

2. PLEDGE TO THE TEXAS FLAG.

Mayor Pro Tem Peggy Faulk led the audience and the City Council in the U.S. Pledge of Allegiance and the Pledge to the Texas Flag.

D. PERSONAL/AUDIENCE COMMENTS.

Lynn McBee, 5314 Evergreen Street, Bellaire, Texas:

Ms. McBee addressed City Council and referred to the issue of sidewalks. The latest sidewalk repair project would address a number of various areas in town, but one of the three areas not under repair was the east side of Condit Elementary School across from Christ Church Presbyterian (i.e., a safe school zone). She noted that children caught buses in that area and many people came to visit City Hall via that area.

Another absentee sidewalk location that Ms. McBee had been talking about for some time was along Bellaire Boulevard. If traveling from Chimney Rock Road eastbound on the south side of Bellaire Boulevard, there were parking lots and curbs, but no sidewalks. No protected mobility for pedestrians existed in that area.

The third location absent a sidewalk was in the historic old town Bellaire (5200 Bellaire Boulevard). She referred to a clock repair shop, a bead shop, a shoe shop, and a flooring shop in that area. The City owned the right-of-
way in front of those businesses. Ms. McBee had brought this area to the attention of management many times. City Council could manage to spend some money to take up the exposed re-bar that had injured people and damaged cars in this area.

Ms. McBee closed indicating that the City should be ashamed.

James Burrough, 4613 Holt Street, Bellaire, Texas:

Mr. Burrough addressed City Council with a quote from Yogi Berra as follows: *This is like déjà vu all over again.* Mr. Burrough advised that he had appeared before City Council three times last summer with respect to the hours of operation for the Elaine Woods Therapy Pool.

Mr. Burrough indicated that he was back with the same complaint, and wished to present to City Council the same simple message he presented during the previous year. The closing of the Therapy Pool at 7:00 p.m. was a mistake pure and simple. Mr. Burrough emailed City Manager Satterwhite on March 23rd after he had heard rumors that the Bellaire Parks & Recreation Department was again planning to close the Therapy Pool at 7:00 p.m. All he wanted was confirmation or denial that this was going to happen. He received no feedback whatsoever. There was no acknowledgement other than his "return receipt requested."

According to the City’s summer Leisure Guide that just came out, the Therapy Pool was indeed going to close at 7:00 p.m. The Therapy Pool was unique in its functions and the citizens that it served. Closing the pool at 7:00 p.m. deprived people who still worked from using the pool. The overhead costs were basically the same, with the only difference being the personnel. He understood that when the City built the new pool, it necessitated some major personnel challenges. He was certain that this was what was at the root of this closure. The City simply did not have the personnel resources to fully staff the pool properly.

Mr. Burrough reminded City Council that they held a budget session last summer and could have easily corrected the lack of resources. He knew he had already lost on this issue after speaking with City Council over two months last summer. City Council had requested action and results from the City Manager, but had not gotten any feedback.

Further, there were additional rumors that there was an “actual plan” to benignly neglect the Evergreen Pool. In other words, minor failures would be allowed to continue to build up to the point where it was no longer economical to keep Evergreen Pool open. The pool would then be decommissioned and
the personnel problem would go away. Mr. Burrough hoped that City Council could tell him that the second rumor was untrue.

The citizens had a great deal invested in the Therapy Pool. It seemed ridiculous that anyone would even think about decommissioning such a valuable asset to the City. Mr. Burrough requested that City Council address this issue and ask the City Manager to investigate again and come up with a definitive answer. He urged City Council to communicate with him regarding any answers received from management.

The Therapy Pool was a true asset to Bellaire. Hundreds of people, both citizens and City Staff, worked really hard to bring the pool about and it made absolutely no sense to not have the pool available for people who wanted to use it.

Carol Phillips, 540 South Second Street, Bellaire, Texas:

Ms. Phillips addressed City Council and agreed 100% with what Mr. Burrough had just stated to City Council. Many people warned City Council that when the new pool was built, it was of such a poor design that it would require many much staff to operate it. It was very unfortunate. The fact that the cost of admission to the new pool was double that of the Evergreen Pool had precluded many people from enjoying the new pool.

Ms. Phillips next addressed funding for a sidewalk on Fifth Street. Many of the residents along Fifth Street were concerned about some very nice trees that were going to be impacted by the sidewalk. The residents were told that the City took extremely good care of their trees and had an arborist that they could consult with.

Today, there were dump trucks beating a path across the roots of the biggest oak tree in Loftin Park. The tree protection (fencing) was supposed to go out as far as the branches of the tree, which would be 35 feet from the trunk. The fencing, however, was installed between two to five feet from the trunk. Some of the trees had no protection. This was just the latest in continuing problems surrounding trees in the City’s parks.

Ms. Phillips noted further that she had spent a great deal of time trying to get the City’s trees identified on drawings of the park, but it was never done properly. For that reason, over one-half of a very large oak had to be removed for a slide at the Family Aquatic Center. Other trees were moved, however, the City used a smaller tree spade than the arborist told them to use. As a result three of the six trees were dead or almost dead. The City, therefore, did not have a history of taking care of trees and following the arborist’s recommendations.
In closing, Ms. Phillips urged City Council to refuse to fund the sidewalk on Fifth Street in the hope of saving the existing trees in that area.

E. REPORTS:

1. CITY MANAGER’S REPORT regarding residential safety (i.e., police activity summary), public infrastructure/utilities (i.e., street and drainage projects update, Fire Station update, and traffic signal project update), cultural and recreational (i.e., aquatic facilities opening and summer camps), communications/technology (i.e., use of Twitter for additional communications with residents), crime and building permits indicators, current issues/information (i.e., applications for boards, commissions, and committees), and upcoming City Council meetings – Presented by City Manager Bernard M. Satterwhite, Jr.

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

Residential Safety

With respect to police activity, it was noted that a robbery occurred at Domino’s Pizza on the third of April. A person was robbed inside the business and funds were taken from the cash drawer. The robbery was still under investigation.

A second robbery occurred in the 5000 block of Holly Street. A person was shoved and his wallet was stolen.

City Manager Satterwhite noted that these types of robberies were not going to go away and he brought them up to make people aware.

Four residential burglaries were reported in April, but no burglaries of a business or motor vehicle thefts occurred during the month.

Public Infrastructure/Utilities

City Manager Satterwhite indicated that many street and drainage projects were currently ongoing. The south side of Evergreen Street was virtually complete. The north side of Evergreen Street would go much quicker than the south side as no water lines needed to be moved or storm sewer installed.
The Newcastle Drive reconstruction project was progressing. The next phase should be started over the next several weeks and would take the City down into an area that would impact Horn Elementary School soon, but not before the end of the school year. The reconstruction should be completed in that area prior to the beginning of the next school year. As soon as the City moved to the next phase, Evergreen Street would open back up onto Newcastle Drive.

The Rebuild Bellaire Program, Phase Two (4500 block of Park Court, 4500 block of Sunburst Street, and the 4500 block of Whipple Street) was progressing well.

With respect to the Central Water Well, there had been some problems with the repairs. The pump was finally removed and the well televised, with problems noted for both the well and pump.

The railroad ditch cleaning on the far east side of town was completed.

With respect to the traffic signal project, all of the pier foundations for the traffic signals were completed. The contractor would come in later and put the foundations in for the pedestrian crossings at some of the intersections. The contractor was currently pushing conduit through for the fiber optic system for the traffic signals.

The City was also working on removing the fuel tank between the Bellaire Fire Station and the Bellaire City Library. The tank should actually come out of the ground tomorrow, and would subsequently be crushed and moved offsite.

The Construction Manager was on board for the Fire Station and currently working with the Architects on the design. City Staff anticipated bringing a final design to City council on June 1st.

The Bellaire Town Square playground was under construction on the north side of the park. The Recreation Center roof was also progressing nicely and expected to be completed by the first part of June.

**Cultural/Recreational**

The Family Aquatics Center opened this past weekend. The opening occurred a few weeks later than anticipated due to concerns regarding Swine Flu and efforts to get signage up in the Laurel Street restricted parking area. The pool had approximately 1,000 customers on Saturday.

The City had spent a great deal of money on Evergreen Pool recently and there were no plans to decommission the pool that City Manager
Satterwhite knew of. Several tens of thousands of dollars had been spent recently on the pool to redo the joints that were leaking. While the water was out of the pool, it was made compliant with the Virginia Graham Baker Act, a federal law that prescribed the type of drains a pool must have. After some delays working with the City’s insurance carrier and the Federal Emergency Management Agency (FEMA), hurricane damage had been repaired at that facility. Evergreen should open on time this year, which was noted to be the last weekend in May.

In addition, summer camps were noted to be full this year. The Summer Reading Program in the Bellaire City Library was scheduled to start the week after the Memorial Day holiday.

**Communications/Technology**

City Manager Satterwhite indicated that the City was starting to use its website “Notify Me” function to get information out to the citizens regarding public infrastructure projects and other events. City Manager Satterwhite advised that cities were starting to use mass networking tools, such as Twitter and Facebook, to communicate with their citizens. Bellaire had a plan to use some of those resources as well. Through such networking tools, the City could send out blogs regarding emergency outages, emergency management, city events, etc. These networking tools were offsite and if the City were to experience a power failure and yet still get through to the Internet, the tools could be used as a means of communication with citizens.

**Indicators**

With respect to crime, indicators were shown for the current year as compared to the two previous years. City Manager Satterwhite noted that there were no major trends. Overall for the year, crime was running the same or slightly below the previous year. Individual crimes through April showed increases for robbery, assault, and residential burglary. Motor vehicle theft and burglary of a building, on the other hand, showed decreases.

Building permits were currently down and would be way down for the year. Custom home values were currently one-half of the values that were seen in the past. The number of new home permits was down significantly as compared to previous years, as were values.

Home remodels, on the other hand, were not down as compared to previous years.
Current Issues/Information

City Manager Satterwhite reminded City Council and the audience that the City was accepting applications for boards, commissions, and committees through May 22, 2009. Applications were available online or at City Hall, and terms would begin July 1st. City Council was expected to start interviews for openings on the boards, commissions, and committees beginning June 1st. June 8th and June 15th were also slated for interviews, if needed.

Upcoming Meetings/Events

It was noted that City offices would be closed on Monday, May 25, 2009. There would also be no trash pickup on that day.

June 1, 2009 – Board, Commission, and Committee Interviews and Regular Session;

June 8, 2009 – Board, Commission, and Committee Interviews and Joint Workshop Session with the Planning and Zoning Commission on the Comprehensive Plan; and

June 15, 2009 - Board, Commission, and Committee Interviews and Regular Session.

QUESTIONS/COMMENTS FROM CITY COUNCIL:

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

Q: Councilman James P. Avioli, Sr., referred to the project on Bellaire Boulevard and South Rice Avenue, which was the construction of a bank. He indicated that the contractor had left the City’s esplanade in disarray.

A: City Manager Satterwhite advised that City Staff was aware of the situation and the esplanade would be fixed.

Q: Councilman Avioli asked for confirmation that the contractor was coming back to fix the esplanade.

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

MOTION TO ACCEPT REPORT INTO THE RECORD:

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

OPPOSED: None

ABSENT: Jeffery, John

2. FINANCE REPORT for the City of Bellaire, Texas, covering the period ended April 30, 2009, 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 April 30, 2009, to City Council. She began by noting that the City had completed seven months of the fiscal year through April. Total revenues were $19.9 million or $712,000 or 3.72% higher than last April year-to-date. The City’s property taxes were up $338,000. Insurance and Federal Emergency Management Agency (FEMA) reimbursements were at $838,000. Fines were $154,000 lower and investment earnings were down $307,000.

Total expenditures were $16.4 million or $1.1 million or 7.4% higher than last year. This was due primarily to Hurricane Ike expenditures of $970,000.

With respect to housing statistics, excluding the “by owner,” the City had 246 residential properties for sale and 32 homes for lease during the month of April. These figures compared to the March statistics of 223 residential properties for sale and 29 homes for lease.

On page 26 of the monthly Finance Report, Chief Financial Officer Todd pointed to a 12-month rolling average of residential units for sale. There was a typographical error in the month of March, which had
shown 202 residential units for sale. The actual number should have been 223 units.

At the last Regular Session, City Council had several questions, which Chief Financial Officer Todd wished to address at this point in her report. The first item was Mayor Pro Tem Faulk’s request for the foreclosure history to be added to the monthly Finance Report. That information had been included on page 25.

Councilman Jeffery had a question about fines and wanted a little more information quantified with respect to fines. Chief Financial Officer Todd noted that citations were down by 48% from the previous year. In addition, the number of violations was down by 46%. The number of payment plans for violators had doubled over the last two years. The primary reason that the City was seeing a reduction in fines was due to the fact that the number of citations was down. Chief Financial Officer Todd noted that the City was down in the number of officers. Assistant Chief Holloway indicated that the decline in number of officers attributed for approximately 25% of the decline in the number of citations issued.

Councilman Nauert asked about the ambulance billing. She thanked Accounting Manager Bill Mize for doing a great deal of research on the billing in order to quantify some of the statistics. Accounting Manager Mize was continuing to work with Intermedix to dig even deeper into the billing. The average emergency medical services runs per month for the last five years had been 83. The average number of transports per month (i.e., patients actually taken to a hospital) for the last five years averaged 51. The average emergency medical services payments per month were $26,000. The average patient payment for transport was $483 for the last five years. Items driving insurance non-pays or lower pays were the City’s per item charges (i.e., often considered too high by insurance companies), refusal to pay for all treatments, and/or limits imposed by Medicare and Medicaid. With respect to residents, once a payment was received from their insurance company, Medicare, and/or Medicaid, further collection was not attempted. Intermedix did, however, make every attempt to collect from residents.

Councilman Hickman had inquired about the City’s Texas Municipal Retirement System (TMRS) with respect to how Bellaire compared with the City of Houston. Chief Financial Officer Todd indicated that TMRS was available to speak with City Council if a date could be decided on and communicated to them. TMRS would be better qualified to dig into the City of Houston’s plan. Basically, the City of Houston’s retirement system was a component unit of their city. The Houston retirement system had its own Board of Trustees and was a legally separate organization. The retirement system also put out a
Comprehensive Annual Financial Report (CAFR), served approximately 30,000 participants, and was a defined benefit plan. By definition, a defined benefit plan meant that a set formula rather than the investment earnings determined the retirement benefit.

TMRS was a self-described hybrid defined benefit plan where contributions were made into individual employee accounts. Upon retirement, the individual’s account was used to provide their retirement benefits. Approximately 830 cities participated in TMRS. As of 12/31/2009, TMRS’ equity allocation of $1.37 billion was approximately 12% of its total portfolio. TMRS had also completed the first stage of its asset diversification.

QUESTIONS/COMMENTS FROM CITY COUNCIL:

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

C: Councilman Pat McLaughlan referred to the ambulance billing discussion. He noted that if someone were unlucky enough to suffer a heart attack in Bellaire and did not live in Bellaire, that person would receive a large bill for emergency services. On the other hand, if someone were totally careless and left food on the stove, resulting in burning up the kitchen and home, then the fire department would deal with that fire at no charge to the resident. The reason he brought this up was that it was a source of revenue. He understood that there were organizations that worked with the homeowner’s insurance company in order to bill for fire department services. Councilman McLaughlan noted that there were usually one or two organizations that set up booths at the Texas Municipal League’s annual conference to address fire department services for municipalities. He suggested that Chief Financial Officer Todd might want to look into that as a source of revenue.

Q: Councilman Will Hickman referred to page five of the Finance Report. Two of the line items on that report, Miscellaneous Revenue and Other Financing Sources, were at 1700% and 2100% and the Emergency Management line item was at 2900%. He inquired as to why those items were so far off from the amounts budgeted.

A: Chief Financial Officer Todd indicated that the differences related to Hurricane Ike reimbursements from FEMA and the City’s insurance carrier, TML.

Q: Councilman James P. Avioli, Sr., referred to page 22 of the Finance Report. The budget for departmental expenditures for the Vehicle, Equipment, and Technology Fund and Capital
Improvement Program Fund was roughly $13 million. He noted that the City had only spent $2.5 million over the last seven months. He inquired as to whether the remaining $10 million would be expended over the next five months of the budget year.

A: **Chief Financial Officer Todd** indicated that more than likely some of the budgeted amounts would be carried over to a future year.

Q: **Councilman Avioli** pointed out that nothing had been spent for public art. He inquired as to whether there was any explanation for that.

A: **Chief Financial Officer Todd** noted that the amount budgeted for public art was part of the five-year Capital Improvement Program Fund budget and did not necessarily have to occur in one particular year. She could not really give City Council an answer as to why the monies had not been spent without checking into it.

Q: **Councilman Hickman** inquired as to whether the amounts referenced by Councilman Avioli represented the five-year budget or the current year budget.

A: **Chief Financial Officer Todd** indicated that the amounts referenced represented the current year budget.

**City Manager Bernard M. Satterwhite, Jr.,** noted that the current year budget amounts included carryovers from previous years as well. Many of the amounts would be spent this fiscal year and other amounts would be carried over.

**MOTION TO ACCEPT REPORT INTO THE RECORD:**

A motion was made by Mayor Pro Tem Peggy **Faulk** and seconded jointly by Councilman Will **Hickman** and Councilman Phil **Nauert** to accept the Finance Report for the City of Bellaire, Texas, for the period covering April 30, 2009, 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.
F. NEW BUSINESS:

1. PROCLAMATION/PRESENTATION:

Mayor Cindy Siegel noted that the next two items on the agenda included recognition of Bellaire’s youth. She commended the Bellaire High School Debate Team, who recently defended their national championship, noting what a tremendous job they had done. She next turned the meeting over to Martha Webster, Bellaire Girl Scout Gold Award Advisor, for a brief presentation related to some other outstanding Bellaire youth.

a. Outstanding Citizens

PROCLAMATIONS issued by Mayor Cynthia Siegel in honor and recognition of four (4) local Girl Scouts, each of whom received the Gold Award, the highest honor in scouting, in 2009: Alexandra Faulk, Anna Godwin, Haley Marx, and Kirsten Rice – Item submitted by City Clerk Tracy L. Dutton on behalf of Bellaire’s Girl Scout Gold Award Advisor Martha Webster.

Martha Webster, Bellaire Girl Scout Gold Award Advisor, stated that she had the privilege of working with outstanding senior Girl Scouts that were striving to earn their Gold Award. This evening, she wished to introduce four young ladies that had earned their Gold Award and would be graduating from Bellaire High School this year. All four were also Bellaire citizens.

Ms. Webster next recognized various officials from the Girl Scouts of San Jacinto Council, as well as a Troop Leader who was instrumental in two of the girls’ lives.

She noted that the Gold Award was the highest award that a girl could earn in girl scouting as was the Eagle Award in boy scouting. The girls could not start working toward their Gold Award project until the ninth grade. The girls had to earn several components, called “prerequisites,” before they could actually earn their Gold Award. One of the components was a
leadership component and consisted of earning badges of their interests, a focus book of their interests, and 30 hours in leadership. Another component was a career component where the girls explored different careers, job shadowed, worked on internships, visited colleges, and researched colleges and degree plans. Forty hours had to be earned in the career component. The third component was the challenge component, which challenged girls to get out into their community and find needs that they could hopefully address with their Gold Award project. The last component was an actual project with a minimum of 65 hours to be earned, and the project had to be a leadership project. An idea had to be developed and created for the project, and a team of volunteers had to be recruited by the girls that could be directed during the project. The final step involved evaluation of the project.

Ms. Webster provided a summary of each of the projects undertaken by the Girl Scout Gold Award recipients as follows:

**Alexandra Faulk**

Alex held Geography Day for kids attending Camp Paseo at the Bellaire Recreation Center. She and her volunteers created booths with trivia questions brainstorming important countries, had flags of different countries for the kids to identify, and map coloring. Her plan was to address the lack of geography knowledge and give the kids a fun way to learn. Even some of her volunteers learned what city was the capitol of California. Her trivia questions booth was so popular with the kids that they ran out of prizes. Alex said it was rewarding that the kids were so curious and eager to learn. Alex spent 72 hours and 45 minutes on her project.

**Anna Godwin**

Anna did a group project with another Girl Scout, April Hearn, and they focused their project on special needs awareness. She worked with students at an elementary school in their After School Program and spent eight days working with the fourth and fifth graders doing various activities with them. She taught them about special needs students and the problems that they faced. The kids completed special arts and crafts projects to give to those special needs students on the last day of her workshop. They created a party for all of the children and included the special education class. She knew her project was a big success when she witnessed her children welcoming and befriending the special needs students. She also held a drive to
collect supplies to donate to the elementary school. Anna and April together earned 86 hours toward their project.

**Haley Marx**

Haley’s goal with her Gold Award project was to educate her community on different ways to stay safe. She used an area community center and volunteers that were trained in first aid and in CPR. She had the assistance of her school nurse and others in the community. She and her volunteers created seven different stations to teach about different first aid emergencies and how to handle them. Haley learned that through hard work and determination she could handle a stressful situation. She had to change the scope of her project in midstream, but worked through the problems to make an impact on those who attended the workshop. She learned that she could accomplish big goals without depending on Mom to help her through. She earned 65 hours completing her project.

**Kirsten Rice**

Kirsten held a craft day for the children who lived at The Bridge, which was a women’s shelter. She and her volunteers created arts and crafts projects for the kids where they painted picture frames and flower pots. They also helped to bring the children together to form better relationships with each other. The kids were able to give their moms a present of the picture frame. The flowerpots were planted with flowers to brighten the center and were donated to the center. Kirsten also painted the entrance to the building. With the extra money donated to her project, she donated clothes, underwear, and other necessities to the shelter. Kirsten earned 67 hours and 8 minutes for her project.

Ms. Webster congratulated all four Girl Scout Gold Award recipients on a job well done.

**Mayor Cindy Siegel** read the proclamation she had issued for each Girl Scout Gold Award recipient in its entirety as follows:

*Whereas, [Girl Scout] has achieved the Girl Scout Gold Award; and*

*Whereas, [Girl Scout] has displayed the attributes of integrity, honor, and dedication, and these qualities of character will serve [Girl Scout] throughout her life; and*
Whereas, it is appropriate that the entire community of Bellaire, Texas, join with the Girl Scouts of America and the Girl Scouts of San Jacinto Council to recognize this achievement;

Now, Therefore, I, Cynthia Siegel, Mayor of the City of Bellaire, Texas, do hereby proclaim and recognize [Girl Scout] as an Outstanding Citizen of the City of Bellaire, Texas, in recognition of her achievement of the Girl Scout Gold Award.

In Witness Whereof, I have hereunto set my hand and caused the seal of the City of Bellaire, Texas, to be affixed this 18th day of May, 2009.

Cynthia Siegel, Mayor
City of Bellaire, Texas

Mayor Siegel presented the proclamation to three of the Girl Scout Gold Award recipients, Anna Godwin, Haley Marx, and Kirsten Rice, while Mayor Pro Tem Peggy Faulk presented the proclamation issued to Girl Scout Gold Award recipient Alexandra Faulk, her daughter.

b. Texas Educational Robotics Awareness Presentation

PRESENTATION regarding the activities engaged in, benefits to society, purpose, goals, and accomplishments of the Bellaire High School Robotics Team, who recently celebrated “Texas Educational Robotics Awareness Week” from May 4-8, 2009 – Item submitted by City Clerk Tracy L. Dutton on behalf of Mayor Cindy Siegel; Presentation by Aldo Cruz, President, Bellaire High School Robotics Team.

Aldo Cruz, President of the Bellaire High School Robotics Team, asked the members of his team to come to the podium and introduce themselves and then recognized their Coach who was present in the audience. After introductions, President Cruz showed City Council a copy of a resolution passed by the Texas Senate recognizing “Texas Educational Robotics Awareness Week” from May 4-8, 2009.

President Cruz next displayed a slide of logos for various organizations and corporations that served as sponsors of the
Bellaire High School Robotics team. He noted that one of the objectives of the team was to inspire students to seek careers in math and science. He noted further that 100% of the team's alumni were actually pursuing a higher education.

A secondary objective of the team was to promote robotics within the community and to let others know about the benefits that robotics brought to the society.

He closed by displaying various slides related to a nationwide robotics competition that the team recently participated in. Also shown was the robot that the team entered into that particular competition.

2. CONSENT AGENDA:

Approval/Correction of Minutes

a. APPROVAL of minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held Monday, May 4, 2009 – Item submitted by City Clerk Tracy L. Dutton.

Agreement and Contract

b. CONSIDERATION of and possible action on the adoption of an ordinance repealing Ordinance No. 06-042, which authorized the execution of a Service Agreement with Intermedix, Inc., for billing and collection of emergency medical response charges, said agreement of which continues in full force and effect until terminated by one of the parties, and authorizing the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a new Agreement Between City of Bellaire, Texas, and Intermedix Technologies, Inc. (dba ADPI-Intermedix) for Rescue Ambulance Billing and Related Professional Services for provision of complete ambulance billing and accounts receivable management services for the City of Bellaire's ambulance services for a four-year term commencing on June 1, 2009, and expiring on May 31, 2013, with an automatic renewal in one-year increments thereafter unless terminated – Item submitted by Fire Chief Darryl Anderson.

Public Hearing

c. CONSIDERATION of and possible action on the adoption of an ordinance calling a public hearing before the City
Council of the City of Bellaire, Texas, on Monday, the 22nd day of June, 2009, at 7:00 p.m. to be held in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401, to hear any and all persons desiring to be heard on or in connection with a petition for the abandonment by the City of Bellaire, Texas, and subsequent purchase by Petitioners, John R. and Christine Wilson, Terry and Kathy Hinze, Cindy and Jim Fish, Don P. and Cynthia Marion, Peregrine Constructors, Inc., Durwin L. Sharp, Susan Dicioccio and Thomas J. Gaseor, Janis and Graciela Upitis, David T. and Catherine V. Herr, and Doris and James Solomon, of the approximately 14,550 square feet, being a strip of land between twelve feet (12’) and fifteen feet (15’) in width, of the Fournace Place right-of-way situated between Pin Oak Lane on the west and Avenue B on the east, Bellaire, Harris County, Texas, also known as the south side of the 4600 block of Pin Oak Lane – Item submitted by Director of Community Development John McDonald and City Clerk Tracy L. Dutton on behalf of Petitioners.

Mayor Cindy Siegel advised that City Staff had requested separate discussion and consideration of item c. on the Consent Agenda (i.e., public hearing). Councilman Pat McLaughlan requested separate discussion and consideration of item b. on the Consent Agenda (i.e., ambulance billing contract).

MOTION TO APPROVE CONSENT AGENDA:

A motion was made by Councilman Pat McLaughlan and seconded by Councilman Phil Nauert to approve the Consent Agenda dated May 18, 2009, consisting of the following item:

- Minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held Monday, May 4, 2009.

VOTE ON MOTION TO APPROVE CONSENT AGENDA:

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

FOR: Siegel, Cindy
     Hickman, Will
     Avioli, James P., Sr.
     Faulk, Peggy
     Nauert, Phil
     McLaughlan, Pat
CONSENT AGENDA – SEPARATE CONSIDERATION OF ITEM B:

Agreement and Contract

b. CONSIDERATION of and possible action on the adoption of an ordinance repealing Ordinance No. 06-042, which authorized the execution of a Service Agreement with Intermedix, Inc., for billing and collection of emergency medical response charges, said agreement of which continues in full force and effect until terminated by one of the parties, and authorizing the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a new Agreement Between City of Bellaire, Texas, and Intermedix Technologies, Inc. (dba ADPI-Intermedix) for Rescue Ambulance Billing and Related Professional Services for provision of complete ambulance billing and accounts receivable management services for the City of Bellaire’s ambulance services for a four-year term commencing on June 1, 2009, and expiring on May 31, 2013, with an automatic renewal in one-year increments thereafter unless terminated – Item submitted by Fire Chief Darryl Anderson.

MOTION TO ADOPT ORDINANCE AND APPROVE NEW AGREEMENT:

A motion was made by Councilman Pat McLaughlian and seconded by Councilman Phil Nauert to adopt an ordinance repealing Ordinance No. 06-042, which authorized the execution of a Service Agreement with Intermedix, Inc., for billing and collection of emergency medical response charges, said agreement of which continues in full force and effect until terminated by one of the parties, and authorizing the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a new Agreement Between City of Bellaire, Texas, and Intermedix Technologies, Inc. (dba ADPI-Intermedix) for Rescue Ambulance Billing and Related Professional Services for provision of complete ambulance billing and accounts receivable management services for the City of Bellaire’s ambulance services for a four-year term commencing on June 1, 2009, and expiring on May 31, 2013, with an automatic renewal in one-year increments thereafter unless terminated.
DISCUSSION ON MOTION TO ADOPT ORDINANCE AND APPROVE NEW AGREEMENT:

Councilman Pat McLaughlan referred to the fact that the City would be tying itself up into a four-year agreement with Intermedix under this agenda item. He noted that a great deal could happen in four years.

City Manager Bernard M. Satterwhite, Jr., indicated that the City was not really “tied up” under this agreement. Any party could get out of the agreement for any reason. Entering into the agreement and setting a four-year term allowed City Staff not to have to come back to City Council on the agreement every year as long as the terms of the agreement did not change.

Councilman McLaughlan noted that the agreement set forth a four-year term commencing on June 1, 2009, and expiring on May 31, 2013.

City Manager Satterwhite indicated that the agreement contained an “out” clause.

City Attorney Alan P. Petrov referred to a termination section in the agreement and noted that either party with or without cause could terminate the agreement.

Councilman Will Hickman inquired as to whether, under previous agreements, Intermedix received 13% of collections plus an additional amount for TripTix. He noted that the new agreement indicated that Intermedix would receive 11.5% of collections plus an additional amount for TripTix (1.5%). In other words, the City’s portion of the revenues to be received was the same under both agreements.

Fire Chief Darryl Anderson stated that TripTix was a software/hardware package that Intermedix would provide to the City. Under the current agreement, Intermedix received 13% of the amount collected. Since Bellaire was one of Intermedix’s original customers, Bellaire was able to reduce the amount that Intermedix would collect and use its TripTix software/hardware package for 1.5% of the amount Intermedix collected. Intermedix normally charged customers an additional 1.5% for providing TripTix. In other words, if Intermedix had not allowed the City to reduce the collections amount, the City would have had to pay an additional 1.5% to use TripTix.
Councilman Hickman asked for confirmation that the collections percentage was previously 13% and now the percentage was still 13%, but the City also received TripTix.

Chief Anderson advised that Councilman Hickman was correct.

Councilman Phil Nauert referred to the Service Agreement, page 3 of 9, Section 5.04, paragraph c, and noted that it indicated that the City might be required to obtain new or different medical or other equipment capable of communicating with the data entry devices. The section further stated that “City understands and agrees that such new or different medical or other equipment must be obtained at City’s sole cost and expense.” Councilman Nauert inquired as to whether Bellaire would have to purchase any additional equipment as a result of the agreement.

Chief Anderson stated that TripTix allowed the City to use Intermedix’s interface to send EKG strips directly to the receiving hospital prior to arrival, giving them pre-arrival notification of what would need to be done to a patient, thereby shortening emergency room time. This was not a function of TripTix, but a function of Bellaire providing the interface between the City’s monitor and computer to send the results over the air.

Councilman Nauert inquired as to whether this would involve additional cost for Bellaire.

Chief Anderson indicated that the City could use its current monitor and system.

Rich Klemme, Intermedix, stated that Intermedix currently interfaced with two of the three major manufacturers that made defibrillating equipment (Medtronics Lifepak Equipment, Synergy Equipment, and Phillips Equipment). Those three manufacturers encompassed approximately 98% of the defibrillators across the country. If for some reason the City of Bellaire suddenly decided to purchase equipment from the other 2% of the manufacturers, then the City would need to pay the cost to develop the interface.

Councilman Nauert asked for confirmation that the City planned to stay in the 98% of manufacturers right now.
Chief Anderson advised that Councilman Nauert was correct and that the City was within that 98% right now and had no plans to steer in another direction.

Councilman James P. Avioli, Sr., asked for confirmation that the City had been utilizing Intermedix’s services since 2003.

Chief Anderson advised that Councilman Avioli was correct.

Councilman Avioli referred to prior years experience and inquired as to how much money was collected by Intermedix per year.

Chief Anderson indicated that he did not have the information with him. He noted that the City’s average monthly billing was approximately $26,000, but that was not necessarily the amount collected.

VOTE ON MOTION TO ADOPT ORDINANCE AND APPROVE NEW AGREEMENT:

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

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

OPPOSED: None

ABSENT: Jeffery, John

{Ordinance was subsequently numbered: 09-027}

CONSENT AGENDA – SEPARATE CONSIDERATION OF ITEM C.:

Public Hearing

c. CONSIDERATION of and possible action on the adoption of an ordinance calling a public hearing before the City Council of the City of Bellaire, Texas, on Monday, the 22nd day of June, 2009, at 7:00 p.m. to be held in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401, to hear any and all persons desiring to be heard on or in connection with a petition for the abandonment by the City of Bellaire,
Texas, and subsequent purchase by Petitioners, John R. and Christine Wilson, Terry and Kathy Hinze, Cindy and Jim Fish, Don P. and Cynthia Marion, Peregrine Constructors, Inc., Durwin L. Sharp, Susan Dicioccio and Thomas J. Gaseor, Janis and Graciela Upitis, David T. and Catherine V. Herr, and Doris and James Solomon, of the approximately 14,550 square feet, being a strip of land between twelve feet (12’) and fifteen feet (15’) in width, of the Fournace Place right-of-way situated between Pin Oak Lane on the west and Avenue B on the east, Bellaire, Harris County, Texas, also known as the south side of the 4600 block of Pin Oak Lane – Item submitted by Director of Community Development John McDonald and City Clerk Tracy L. Dutton on behalf of Petitioners.

MOTION TO ADOPT ORDINANCE CALLING PUBLIC HEARING:

A motion was made by Councilman Pat McLaughlan and seconded by Councilman James P. Avioli, Sr., to adopt an ordinance calling a public hearing before the City Council of the City of Bellaire, Texas, on Monday, the 22nd day of June, 2009, at 7:00 p.m. to be held in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401, to hear any and all persons desiring to be heard on or in connection with a petition for the abandonment by the City of Bellaire, Texas, and subsequent purchase by Petitioners, John R. and Christine Wilson, Terry and Kathy Hinze, Cindy and Jim Fish, Don P. and Cynthia Marion, Peregrine Constructors, Inc., Durwin L. Sharp, Susan Dicioccio and Thomas J. Gaseor, Janis and Graciela Upitis, David T. and Catherine V. Herr, and Doris and James Solomon, of the approximately 14,550 square feet, being a strip of land between twelve feet (12’) and fifteen feet (15’) in width, of the Fournace Place right-of-way situated between Pin Oak Lane on the west and Avenue B on the east, Bellaire, Harris County, Texas, also known as the south side of the 4600 block of Pin Oak Lane.

DISCUSSION ON MOTION TO ADOPT ORDINANCE CALLING PUBLIC HEARING:

City Manager Bernard M. Satterwhite, Jr., indicated that City Staff had heard from the attorney that was helping the residents along Fournace Place (i.e., approximately 14 households). One of the residents, or the lead Petitioner, was going to be out of town on June 22, 2009, and she had
intended to present the Petitioners’ reasons for requesting the abandonment. The attorney, on behalf of the Petitioners, had requested that City Council consider determining another date to hold the public hearing. Between now and August, with the Comprehensive Plan workshops and budget hearings, etc., City Staff was not sure that this item could be addressed before September. He advised the attorney that he would let City Council know that the Petitioners had requested that the hearing not be held on the 22nd of June.

**Mayor Cindy Siegel** asked for confirmation that there was just one petitioner out of 14 requesting for a change in the hearing date.

**City Clerk Tracy L. Dutton** indicated that there were fourteen properties abutting the right-of-way and only ten were interested in the abandonment.

**City Manager Satterwhite** advised that the one petitioner requesting a change in the date was the spokesperson for the remaining petitioners.

**Councilman Will Hickman** inquired as to what would happen to the remaining four owners. In other words, if granted, would there be a fence line jumping back and forth?

**City Attorney Alan P. Petrov** stated that a conceivable outcome would be a fence line jumping back and forth.

**Mayor Siegel** reminded City Council that the agenda item this evening was related to whether or not to call a public hearing on the request and what date the public hearing should be called for.

**Councilman Hickman** referred to the appraisal that was a part of the ordinance and in the City Council packet. He inquired as to whether that appraisal was conducted by an appraiser hired by the City.

**City Manager Satterwhite** indicated that the City selected the appraiser; however, the petitioners had paid the cost of the appraisal.

**Councilman Hickman** stated that the agenda item called this request an “abandonment.” He inquired as to whether it would be fair to call the agenda item a “sale.”
City Manager Satterwhite agreed that it would be fair to call the agenda item a “sale.”

Councilman Hickman inquired as to whether the petitioners were agreeable with the amount of the appraisal.

City Manager Satterwhite indicated that the amount of the “sale” was part of the public hearing and subsequent process.

Councilman Pat McLaughlan noted that an appraisal had been conducted and a value set for the property. He agreed with Councilman Hickman that this process was more closely related to a “sale” than an “abandonment,” which seemed to imply that the City was giving something away. He asked for confirmation that there were a number of people that had said they were not interested in purchasing the property.

City Manager Satterwhite advised that Councilman McLaughlan was correct.

Mayor Siegel added that four out of the fourteen property owners were not interested.

Councilman McLaughlan asked for confirmation that the remaining ten property owners had committed. He advised that the reason he was asking was that he would hate for the City to go through the entire process and then the citizens rise up and state that they were not willing to purchase the property.

City Manager Satterwhite advised that it had happened in the past. Until City Council laid out the terms, there was no way to really tell if the petitioners would accept the terms. There was a finite time for the petitioners to accept the terms.

Mayor Siegel indicated that this evening, the decision by City Council was whether or not to call a public hearing, not the process for sale or abandonment. She noted further that City Council had a really busy schedule and this issue had been going on for a long time.

Mayor Pro Tem Peggy Faulk indicated that she was confused. She asked for confirmation that City Council could either go ahead with the June 22nd date or wait until September.
City Manager Satterwhite advised that Mayor Pro Tem Faulk was correct. City Staff could try to work it in on another date, but he did not have a date in mind right now.

Mayor Pro Tem Faulk asked for confirmation that there was a consensus from the petitioners that they would rather wait until their spokesperson could be present.

City Manager Satterwhite advised that the petitioners did not mind waiting until their spokesperson could be present.

Mayor Pro Tem Faulk suggested that City Council wait until City Staff could get it back on the calendar.

Mayor Siegel asked if City Council should table or postpone the item until a date could be decided.

City Attorney Petrov indicated that at some point City Council would have to have an ordinance setting a public hearing. If City Council did not have a date certain tonight, this agenda item could be postponed.

Councilman Phil Nauert inquired as to whether anything would “expire” if City Council did not accept the June 22nd date and considered setting the hearing at a later date.

City Attorney Petrov stated that obviously appraisals could become less accurate over time.

Councilman Nauert suggested that City Council’s action could be contested on the basis that the appraisal was not fresh. He noted that if City Council postponed this action, then City Council would be voting on a “June 22nd” public hearing date after the fact. He asked if City Council should simply vote the agenda item down, noting that City Council could always consider establishing a public hearing date.

City Attorney Petrov indicated that Councilman Nauert was correct--voting the item down would be the appropriate action.

Councilman Nauert asked for confirmation that if City Council waited, they could encounter some jeopardy in the process.

Mayor Siegel noted that waiting would mean that the appraisal was potentially four months old.

Councilman Nauert stated that he would support calling the public hearing for Monday, June 22nd.
City Attorney Petrov advised that the City could have the appraiser update his appraisal.

Mayor Siegel inquired as to whether there was a cost associated with this. After noting that there was a cost, she advised that another time factor would be added to the process as well.

City Manager Satterwhite advised that the appraisal could be accepted or rejected. City Council could decide to charge whatever price it wished to sell the property for. The appraisal recommended a sale at 75% of fair market value. In the past, the City had seen ranges from 25% to 75% of fair market value. He was not sure the appraisal would be in jeopardy per se.

Councilman Nauert indicated that he understood that.

Councilman Hickman inquired as to whether City Council had anything scheduled for August 31st.

City Manager Satterwhite noted that there were budget public hearings and special sessions prior to that, but he was not certain.

Councilman Hickman suggested that if City Council chose not to use June 22nd, that an alternate date be selected this evening.

Mayor Siegel advised that she was not in favor of postponing the public hearing. People could submit written comments and she would read those comments into the record. The City had faced similar situations, such as the Maple Street speed humps. She would not vote in favor of postponing the public hearing.

Councilman Hickman inquired as to whether City Council could make an offer contingent on every one of the residents accepting or agreeing to the abandonment of the Fournace Place right-of-way.

City Attorney Petrov advised that City Council could make the offer contingent on the acceptance by all residents.

Mayor Siegel noted that such a decision would be made further down the road.
Councilman Hickman agreed, but noted that if the residents understood that all 14 were needed, the ten currently in agreement might not wish to go further.

Mayor Siegel inquired as to whether City Attorney Petrov’s recommendation would be to vote against the agenda item in order to consider a different date.

City Attorney Petrov advised that City Council was voting this evening whether or not to call a public hearing on June 22\textsuperscript{nd}. If voted down, it could be brought back to City Council with a different date.

VOTE ON MOTION TO ADOPT ORDINANCE CALLING PUBLIC HEARING:

Motion \textit{carried} unanimously on a \textit{6-0} vote as follows:

\textbf{FOR:}  Siegel, Cindy  \\
          Hickman, Will  \\
          Avioli, James P., Sr.  \\
          Faulk, Peggy  \\
          Nauert, Phil  \\
          McLaughian, Pat

\textbf{OPPOSED:}  None

\textbf{ABSENT:}  Jeffery, John

\{Ordinance was subsequently numbered: 09-028\}

3. ADOPTION OF ORDINANCES:

\textbf{Agreements and Contracts}

\textbf{a.} CONSIDERATION of and possible action 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 execute \textit{Change Order No. 1} with Metro City Construction, LP, to a contract for the FY 2008 Sidewalk Repair/Maintenance Project, to include the addition of new sidewalks on Fifth and Linden Streets and the deletion of sidewalk repairs on the 4500 blocks of Birch, Braeburn, and Maple Streets, the 4500 and 4600 blocks of Mimosa Street, and the 4600 and 4800 blocks of Holt Street, said change order of which will not affect the total contract price – \textit{Item submitted by Director of Public Works Joe Keene}. 
MOTION TO ADOPT ORDINANCE AUTHORIZING CHANGE ORDER:

A motion was made by Councilman Phil Nauert and seconded by Councilman Pat McLaughlan to adopt an ordinance of the City Council of the City of Bellaire, Texas, authorizing the Mayor of the City of Bellaire, Texas, to execute Change Order No. 1 with Metro City Construction, LP, to a contract for the FY 2008 Sidewalk Repair/Maintenance Project, to include the addition of new sidewalks on Fifth and Linden Streets and the deletion of sidewalk repairs on the 4500 blocks of Birch, Braeburn, and Maple Streets, the 4500 and 4600 blocks of Mimosa Street, and the 4600 and 4800 blocks of Holt Street, said change order of which will not affect the total contract price.

DISCUSSION ON MOTION TO ADOPT ORDINANCE AUTHORIZING CHANGE ORDER:

Councilman Pat McLaughlan stated that when City Council originally discussed a possible change order to the FY 2008 Sidewalk Repair/Maintenance Project in order to add some additional work, he did not have any idea that some of the recommended work would be deleted. At the appropriate time, he wished to offer an amendment to the motion to retain the streets listed on the change order to be deleted and simply add work for Linden Street and Fifth Street to the project.

Mayor Cindy Siegel inquired as to whether the amendment Councilman McLaughlan wished to offer would change the contract price.

City Manager Bernard M. Satterwhite, Jr., indicated that it would add approximately $40,000+ to the project. The streets that were recommended for deletion were some of the streets that City Council pointed out might have had gaps or were not contiguous for a long distance. City Staff went back and took those out of this particular project. City Staff was trying to maintain the contract amount, which was the entire budget for this project.

AMENDMENT (NO. 1) TO MOTION TO ADOPT ORDINANCE AUTHORIZING CHANGE ORDER:

An amendment (no. 1) was made by Councilman Pat McLaughlan to the motion to adopt an ordinance authorizing a change order to a contract for the FY 2008 Sidewalk Repair/Maintenance Project to retain the streets identified for
deletion in the project as follows: the 4500 blocks of Birch, Braeburn, and Maple Streets, the 4500 and 4600 blocks of Mimosa Street, and the 4600 and 4800 blocks of Holt Street.

The amendment (no. 1) was subsequently withdrawn by Councilman McLaughlan prior to receiving a second to the amendment.

DISCUSSION ON MOTION TO ADOPT ORDINANCE AUTHORIZING CHANGE ORDER (CONT.):

**Councilman Phil Nauert** stated that the block within this project that he was most familiar with was the 4600 block of Holt Street because he lived on that block. This was a block that had two gaps in the sidewalk on the north side of the street. He remembered quite clearly that the previous direction from City Council to City Staff was that when there were streets with minimal gaps in the sidewalk, those gaps should be filled in, thus making the entire street accessible by a sidewalk.

City Staff had now come back with a solution consisting of pulling those streets completely out of the project. Councilman Nauert could understand the budgetary pressures, but this was not at all the point he was making. He inquired as to whether putting the sidewalks recommended for deletion back into a later project would mean that the sidewalks would be repaired with no gaps filled in. He remained adamant in his intent that those streets substantially surrounded by sidewalks with minimal gaps be filled in so that the entire block would be connected by a sidewalk.

If budgetary constraints dictated that the recommended streets be deleted until the next project came around, the next time around he wanted to see gaps filled in.

**Mayor Siegel** asked for confirmation that the recommended streets for deletion would not have had the gaps being filled in.

**City Manager Satterwhite** advised that Mayor Siegel was correct.

**Councilman James P. Avioli, Sr.**, stated that he wished to seek clarification. He inquired as to whether this project addressed maintenance for existing sidewalks or was adding sidewalks in front of a home where there were no sidewalks.

**City Manager Satterwhite** indicated that the City had been conducting a sidewalk repair/maintenance project each year for
the last four-five years. City Staff was following a process whereby 19 miles of sidewalks were identified throughout the City as “high priority” sidewalks. These sidewalks were “high priority” because the existing sidewalks were identified to have some major issues. Over the last five years, the City had been repairing or replacing existing sidewalks in high priority areas that had major issues. New sidewalks were constructed primarily where there were no sidewalks in conjunction with the City’s long-term streets and drainage projects.

City Manager Satterwhite advised that City Staff would be more than happy to change the process. When City Council directed City Staff to construct new sidewalks on a few streets within this project, City Manager Satterwhite felt that in order to stay within the sidewalk program budget that had been approved, there needed to be a zero sum game. City Staff then went back and tried to determine the best way to get to that zero sum game for this year’s sidewalk program, which was $400,000.

**Councilman Avioli** agreed that the City ought to “connect the dots.” On the other hand, he understood what a contentious issue sidewalks could be. He inquired as to whether the City would give the homeowner an opportunity to let the City know if he or she wanted his or her “dots connected” or whether the City just constructed the sidewalk regardless.

**Councilman Nauert** stated that he believed that there was either an ordinance specifically directing or a protocol passed that if a block had 80% of the lots fronted with a sidewalk, then at such time that the City came back to do any sidewalk work, the gaps would be filled in. If there were a controlling ordinance, protocol, or procedure, then Councilman Nauert suggested that it would be time to correct it now. He asked if either City Attorney Petrov or City Manager Satterwhite could look into that.

**City Manager Satterwhite** indicated that he could not recall if there was anything specific, but he felt that if it were there that the City could go back and fill in the dots just by doing it. The program before City Council this evening was a little different. He did not believe that there was anything that dictated that the dots be connected if the City were working on a sidewalk. He felt that the City had the latitude to build new sidewalks, repair old sidewalks, or connect the dots.
He indicated that he would go back and do some research to see if he could find the ordinance or protocol that Councilman Nauert referred to.

**Mayor Siegel** stated that City Council ultimately decided whether or not someone would get a sidewalk in front of their home. People often came forward and did not want a sidewalk. City Council had to make the decision as to whether to install that sidewalk or not. Slowly, the process had changed because the City figured out that new sidewalks could be constructed at a cheaper rate in conjunction with street reconstruction.

In other words, the City had two programs. One program was for new sidewalks through street reconstruction projects and the other program was for the repair of sidewalks.

Mayor Siegel indicated that she agreed with Councilman Nauert. She thought the City was filling in gaps, especially with respect to the safe school sidewalk routes.

**City Manager Satterwhite** stated that what Mayor Siegel described had not been the focus of the annual sidewalk program. The focus of the annual sidewalk program had been on the repair of sidewalks in desperate need of repair. Some gaps had been filled on some of the major thoroughfares, but this had not been part of the annual prioritization.

**Terry Maher, Consulting Engineer, HDR|Claunch & Miller,** indicated that some gaps had been filled in prior projects. These were minor gaps, such as one yard or between two driveways. Off of the top of his head, he could not recall whether the City had addressed streets with large numbers of gaps.

**Councilman Avioli** was not clear as to whether or not City Council wished for all gaps to be filled. He inquired if the City took the proposal this evening with the additions and deletions as proposed whether the additional cost would be $3,665.00.

**City Manager Satterwhite** indicated that he believed Councilman Avioli was correct. The additional cost was for engineering design fees for the additional sidewalks and the cost would come out of the department’s professional services budget.

**Councilman Will Hickman** asked Mr. Maher if he could address what services would be provided for added street blocks and what services would be provided for deleted street
blocks. He noted that the fee schedule showed different costs per foot. For example, repairs on the deleted streets were shown at a cost of $41,400. He inquired as to what the term “repairs” meant with respect to this project.

Mr. Maher advised that repairs were typically performed on sidewalks that were buckled or broken due to tree roots, etc. Those sidewalks would be removed and replaced.

Councilman Hickman inquired as to whether this was done at the same time as street reconstruction occurred or whether this was a totally separate project.

Mr. Maher advised that the work on the blocks in this project were separate, as street reconstruction was not planned for those streets anytime in the near future.

Councilman Hickman referred to the 4600 block of Holt Street. He inquired as to whether a gap would be filled in or left along under this project.

Mr. Maher stated that if there were one lot open on a block, he would try to fill that gap.

Councilman Hickman inquired as to what would be done if 15% or 20% of the lots had gaps. In other words, did the project include filling in some or all of the gaps?

Mayor Siegel asked for confirmation as to whether or not the gaps would be filled in under this project. If there were gaps on the streets listed for repair under this project, would those gaps be filled in (i.e., in those instances where one or two lots were open)? She had heard the City Manager state that this project did not include filling in the gaps.

Mr. Maher stated that many of the streets had gaps that would not be filled in. In those instances where there were one or two lots with gaps, he would typically try to fill those gaps in.

Councilman Hickman referred to the added street blocks of the 5000 block of Linden Street and the 6900 block of Fifth Street. He inquired as to what services would be performed for those blocks.

Mr. Maher indicated that those blocks would have completely new sidewalks with wheelchair ramps.
Councilman Hickman advised that he noticed that the added street blocks were $63.00 per foot and the repairs on existing sidewalks were $34.00 per foot.

Mr. Maher stated that it was much cheaper to remove and replace a sidewalk than to install a new one where one did not exist before.

Councilman McLaughlan stated that he would like to specifically know what the criteria were for filling in a gap. He indicated that he did not believe that it had been established.

Mr. Maher indicated that it often came down to judgment. If there was a place to put the sidewalk, then he would try to put one in.

City Manager Satterwhite stated that we were not all on the same page with regard to the project. He inquired as to whether this project on the 4600 block of Holt Street created a contiguous sidewalk where there were gaps.

Mr. Maher stated that the 4600 block of Holt Street had two gaps on it and he would try to fill those in.

Councilman Nauert advised that the comment “I would try to fill it in,” was not working for him. He inquired as to what would happen if the homeowner came out and insisted that the City not fill the gap in.

Mr. Maher indicated that he would relay the resident’s feelings to the City and then wait for the City to tell him whether or not to go ahead and fill in the gap.

Councilman Nauert stated that this was an easily anticipated scenario and he wished to save the engineers a run back to the City. He advised that it was not fair to send the engineers out to make the decision. He indicated that City Council needed to be clear so that the homeowner had a “beef” with the City Council and not the engineers. He noted that he was up to the task.

Mayor Pro Tem Peggy Faulk agreed with Councilman Nauert. The engineers did not need to be running back and forth to the City. If a project was approved, then it was approved. She inquired as to which streets within the project before City Council would have gaps that would be filled in and which streets had existing sidewalks that would merely be repaired.
Mr. Maher stated that he could tell the City Council how many gaps there were on each of the streets to be deleted from the project. The remaining streets in the project did not have any gaps.

Mayor Siegel indicated that City Council had not yet decided to delete the recommended streets. She asked if Mr. Maher could tell City Council this evening how many gaps there were on those streets.

Mr. Maher provided the following information:

- 4500 block of Birch Street – five lots had no sidewalks;
- 4500 block of Braeburn Drive – nine lots had no sidewalks;
- 4800 block of Holt Street (south side) – east nine lots had no sidewalks;
- 4600 block of Holt Street (south side) – many lots had no sidewalks and that side was not scheduled to be addressed in this project;
- 4600 block of Holt Street (north side) – two lots had no sidewalks;
- 4500 block of Maple Street (south side) – many lots with no sidewalks;
- 4600 block of Mimosa Street – one lot with no sidewalk;
- 4500 block of Mimosa Street (both sides) – west lots had no sidewalks; the east lots had sidewalks.

Councilman Nauert indicated that there was value and merit in researching the path to find out if there was some sort of directive or protocol or procedure that City Council had already established. This was the reason that he recalled the 80% rule because nine gaps out of a block clearly was not 80%. On the other hand, two gaps out of a block met the 80% rule, if there was such a guideline.

He indicated that he did not believe City Council was ready this evening to decide on this issue.

City Manager Satterwhite inquired as to whether he needed to worry about the budget established for the project.
Mayor Siegel suggested identifying the costs associated with filling in the gaps and letting City Council decide whether or not to exceed the budget.

Councilman Nauert inquired as to whether City Manager Satterwhite could provide the information as a budgetary à la carte. In other words, provide information for each street with gaps so that City Council could make a decision as to the cost associated with keeping some or all of the recommended streets in the project.

City Manager Satterwhite stated that he could certainly provide that. He noted that the budget sidewalk repair program was $400,000, which did not even address the tip of the iceberg with respect to repairs that needed to be made.

Mayor Siegel commended City Manager Satterwhite for keeping the City in line with the budget. When it was all said and done, she would like to know that when the City came through an area and made sidewalk repairs, that the City had contiguous sidewalks in those areas under repair.

She agreed that if City Council needed to create a policy or guideline for sidewalk repairs to help City Staff, then City Council needed to do that.

City Manager Satterwhite advised that he now understood that if the City scheduled sidewalk repairs on a particular street with gaps, then the City needed to fill in the gaps on that street.

Councilman Nauert stated that he could support the current change order if the City checked to see if a policy existed and if the streets to be deleted would be the very next streets considered. This would allow the City Manager to operate within the budgetary parameters he had for this project.

Councilman Hickman suggested voting this item down and asking City Staff to come back with another item consisting of the streets to be added (i.e., Linden Street and Fifth Street). He suggested looking back at each block of the streets to be deleted, determining how many gaps existed, and how much it would cost to fill those gaps. The deleted streets could be reviewed individually. Councilman Hickman was not sure if the $41,000 filled the gaps.

In other words, City Staff would come back at the next meeting with two new items. One item would be to add the 5000 block
of Linden Street and the 6900 block of Fifth Street. The other item would be to provide the detail for the deleted streets so that City Council could decide whether or not to delete the streets.

Mayor Siegel asked if it would make more sense to postpone this agenda item and ask City Staff to identify the costs related to the deleted streets for City Council. She inquired as to how long it would take the engineers to gather the information City Council had requested.

Mr. Maher advised that it would not take long to compile the information.

Mayor Siegel inquired as to whether it was conceivable that the item could come back at the next City Council meeting.

City Manager Satterwhite stated that if the item was postponed, it would come back to City Council exactly as it was proposed this evening.

City Attorney Alan P. Petrov advised that City Council could still amend the item as proposed at the next meeting.

Councilman Hickman inquired as to whether City Council could vote to fill gaps on various streets recommended for deletion using this same agenda item at the next meeting.

City Attorney Petrov advised that it could be done. A member of City Council would merely have to offer an amendment.

**MOTION TO POSTPONE ADOPTION OF ORDINANCE AUTHORIZING CHANGE ORDER:**

A motion was made by Mayor Pro Tem Peggy Faulk and seconded by Councilman Will Hickman to postpone the adoption of an ordinance authorizing a change order to a contract for the FY 2008 Sidewalk Repair/Maintenance Project to allow City Staff to go back and obtain additional information with respect to the costs related to filling in the gaps on the streets recommended for deletion from the project.
VOTE ON MOTION TO POSTPONE ADOPTION OF ORDINANCE AUTHORIZING CHANGE ORDER:

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

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

OPPOSED: None  

ABSENT: Jeffery, John  

b. CONSIDERATION of and possible action on a recommendation from the Bellaire Public Works Department to award engineering design and bidding phase services for the Rice Lift Station Project to Klotz Associates, Inc., in the amount of $100,000.00 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 execute a Short Form of Agreement Between Owner and Engineer for Professional Services with Klotz Associates, Inc., for said services in the amount of $100,000.00 – Item submitted by Director of Public Works Joe Keene.

MOTION TO AWARD ENGINEERING SERVICES AND ADOPT ORDINANCE EXECUTING AGREEMENT:

A joint motion was made by Councilman Will Hickman and Councilman Pat McLaughlan and seconded jointly by Councilman James P. Avioli, Sr., and Councilman Phil Nauert to award engineering design and bidding phase services for the Rice Lift Station Project to Klotz Associates, Inc., in the amount of $100,000.00 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 execute a Short Form of Agreement Between Owner and Engineer for Professional Services with Klotz Associates, Inc., for said services in the amount of $100,000.00.

DISCUSSION ON MOTION TO AWARD ENGINEERING SERVICES AND ADOPT ORDINANCE EXECUTING AGREEMENT:
AGREEMENT:

City Manager Bernard M. Satterwhite, Jr., advised that the Rice Lift Station Project and the next project, Feld Water Plant Improvements Project, were both in the Water/Wastewater Plan and near-term projects. City Staff desired to get both projects engineered and ready to bid. Both projects would be candidates, through the Texas Water Development Board, for possible stimulus funding in the form of very low interest loans, perhaps. The projects would not be bid until the City had an understanding as to whether or not the stimulus funding would be available.

One of the criteria for getting the stimulus funding was to have “shovel ready” projects. City Staff felt that these projects could be engineered and ready for bid at the same time that the Texas Water Development Board (“TWDB”) was planning to announce funding awards. The City had sent “Notices of Intent” to the TWDB letting them know that the City was interested in being a part of the program. The TWDB had requested more information from the City with regard to these projects indicating an interest on behalf of TWDB in possibly funding the projects.

If the projects did not get funded through the TWDB, then the projects would be candidates for funding via revenue bonds next year or some other form of funding.

Councilman Will Hickman inquired as to a “big picture” view of the work involved with each of the two projects.

Ralph Cox, P.E., Consulting Engineer, Klotz Associates, Inc., referred to the Rice Lift Station project, noting that the lift station was nothing more than a pump station for the purpose of pumping flow from deeper sewers to more shallow sewers so that the flow could run by gravity to the Wastewater Treatment Plant. The existing Rice Life Station was built in the early 1950s and was located literally underneath the pavement at South Rice Avenue just south of Evergreen Street.

This project was initially identified in 2005 as a high priority project in that the station needed to be replaced. The project design would include a submersible-style lift station (i.e., submersible pumps installed underwater). The station would not require any confined space entry for people to get in to work on the pumps. If the pumps needed work, the pumps could be lifted up out of what was essentially an 8’ in diameter manhole.
The station would be located in the right-of-way in the general vicinity of the existing lift station rather than under the main lanes of traffic for South Rice Avenue. The only thing that would be visible to the public would be a slab at grade level with some hatches on the top of it.

Councilman Hickman inquired as to the remaining life on the existing lift station.

Mr. Cox advised that the life on the remaining lift station ended approximately 20 years ago. The station was presently in excess of 50 years old.

Councilman Hickman inquired as to whether the station was still operational.

Mr. Cox advised that the station was still operating and that the pumps had been replaced several times. Two concerns with this station were identified a few years ago. One concern related to confined space entry issues in that operation and maintenance crews had difficulty accessing the equipment. While Klotz Associates, Inc., had not done any investigations specific to this station, empirical evidence suggested that a 50-year old concrete structure subjected to wastewater and the associated corrosive gases was probably in very poor shape. This was noted to be the second concern identified a few years ago.

Councilman Phil Nauert inquired as to whether there would be any cost for hydraulic modeling or a topographical survey.

Mr. Cox indicated that there would be no modeling. There was a preliminary engineering step involved with this project and that step was performed a few years ago. The preliminary step involved looking at alternatives for possible relocation of the station, and a survey was done at that time.

Councilman Nauert advised that round numbers of $100,000 in engineering costs, for example, looked casual.

Mr. Cox indicated that it was a coincidence that the engineering costs were $100,000. He noted that the costs were rounded to the nearest $1,000.

Councilman Nauert asked for confirmation that good, hard consideration was taken into account when arriving at the engineering costs for the project.
Mr. Cox advised that in determining the fee, engineers sat down and broke the project down into several tasks. Man-hours required for each task were then estimated, along with expenses and associated labor rates for people working on the project.

Councilman James P. Avioli, Jr., inquired as to whether Mr. Cox provided construction oversight as part of his engineering services.

Mr. Cox indicated that his firm was capable of providing those services. The proposal before City Council this evening did not include construction oversight. As City Manager Satterwhite stated, the purpose of the services on this project was to get the project designed and bid-ready and to help the City facilitate the bid process and bring the bid results to City Council for consideration. If Klotz Associates, Inc., were to do any construction phase services, those services would be under a separate proposal.

Councilman Avioli inquired as to how the construction phase services would be handled.

City Manager Satterwhite indicated that the construction phase services could have been included under this proposal; however, City Staff chose not to go that direction for several reasons. First, the City was trying at this time to get the projects bid-ready which would take several months. Secondly, City Staff was still looking into Councilman Avioli’s suggestion that the City consider handling construction phase services in-house. City Staff had plans to bring a proposal forward to City Council for future action related to Councilman Avioli’s suggestion.

If it turned out that the City wanted Klotz Associates, Inc., to take on the construction phase services for this project, then Klotz Associates, Inc., would submit another proposal for those services.

Councilman Avioli inquired of Mr. Cox as to whether or not construction oversight was necessary with respect to this project.

Mr. Cox advised that, in his opinion, construction oversight was definitely necessary.

Councilman Pat McLaughlan referred to the confined space entry difficulties with the existing lift station. He inquired as to
whether the City was precluded from entering the confined spaces?

Mr. Cox stated that the City was not precluded from entering the confined spaces. The suggested relocation was related to safety.

Councilman McLaughlan referred to the mention of possible structural impacts to the existing lift station. He indicated that this sounded "iffy" to him and questioned the need to spend $1 million on such a replacement and relocation. He inquired as to whether a better assessment could be made to determine if the concrete structure had been corroded as a result of wastewater and corrosive gases. In other words, he asked if the deficiencies could be better quantified to include a timeline as to when the deficiencies should be corrected.

Mr. Cox advised that the recommendation or suggestion went back to an initial report that Klotz Associates, Inc., had conducted for the City of Bellaire in 2005. There were techniques that could be used to quantify the deficiencies. For example, traffic on the roadway could be closed down for a while and core sampling of the concrete itself could be performed for the purposes of assessing the condition of the concrete. Mr. Cox referred to previous jobs he had performed and specifically a job he had worked on in Galveston. The Galveston job consisted of an uncoated concrete wastewater lift station the same age as Bellaire’s with the same type of application. The concrete inside the Galveston wet well was soft enough for him to literally push his finger through it. He could not state for certain that this was going on in Bellaire’s lift station. The potential for an issue with Bellaire’s structure was a possibility. He also referred to the fact that Bellaire’s structure was located under lanes of traffic.

Mr. Cox continued and agreed that the City could overcome, to some degree, some of the safety issues surrounding confined space entry. The City’s existing lift station was originally built before the roadway was expanded, which had made it easier for maintenance personnel to access.

Again, Klotz Associates, Inc., identified this particular project as a high priority for replacement.

Councilman Hickman inquired as to the total number of lift stations in Bellaire.
Mr. Cox advised that there were three lift stations in Bellaire—Rice Lift Station, one in the esplanade on Bellaire Boulevard just inside the West Loop, and the third one was located on Wendell Street.

Councilman Hickman inquired as to the ease for performing maintenance on the other two lift stations.

Mr. Cox indicated that the lift station on Bellaire Boulevard was relatively new (i.e., 10 years old). The Wendell lift station was a little older. It would be reviewed in the next few years for possible replacement of the pumps.

Councilman Hickman inquired as to whether the throughput for the various stations was generally increasing or decreasing.

Mr. Cox advised that the throughput was staying about the same, with a slight decrease, perhaps, in the peak flows. Most systems in this part of the world had infiltration and inflow during rainfall. Because of the City’s ongoing program of rebuilding the streets and replacing selected sections of sewer, the City was getting a tighter sewer and, therefore, smaller peaks during rainfall events. The average daily flows remained about the same.

VOTE ON MOTION TO AWARD ENGINEERING SERVICES AND ADOPT ORDINANCE EXECUTING AGREEMENT:

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

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

OPPOSED: None

ABSENT:    Jeffery, John

{Ordinance was subsequently numbered: 09-029}

c. CONSIDERATION of and possible action on a recommendation from the Bellaire Public Works Department to award engineering design and bidding phase services for the Feld Park Water Plant Improvements Project to Klotz Associates, Inc., in the
amount of $111,000.00 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 execute a *Short Form of Agreement Between Owner and Engineer for Professional Services* with Klotz Associates, Inc., for said services in the amount of $111,000.00 – *Item submitted by Director of Public Works Joe Keene.*

**MOTION TO AWARD ENGINEERING SERVICES AND ADOPT ORDINANCE EXECUTING AGREEMENT:**

A motion was made by Councilman Pat McLaughlan and seconded by Councilman James P. Avioli, Sr., to award engineering design and bidding phase services for the Feld Park Water Plant Improvements Project to Klotz Associates, Inc., in the amount of $111,000.00 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 execute a *Short Form of Agreement Between Owner and Engineer for Professional Services* with Klotz Associates, Inc., for said services in the amount of $111,000.00.

**DISCUSSION ON MOTION TO AWARD ENGINEERING SERVICES AND ADOPT ORDINANCE EXECUTING AGREEMENT:**

Councilman Will Hickman inquired as to a “big picture” view of the Feld Park Water Plant Improvements Project, as well as what was planned for the other water plants.

Ralph Cox, P.E., Consulting Engineer, Klotz Associates, Inc., indicated that the City had already rehabilitated the elevated storage tank and ground storage tank at the Feld Park Water Plant. Rehabilitation of the well at Feld Park Water Plant was currently underway. The project before City Council this evening would be the “last project” at the Feld Park Water Plant. The project included a new booster pump station. The new booster pump station would pump water out of the ground storage tank and re-pressurize the water to system pressure. The pumps in existence at the plant now were at least 30 years old and sat outside. The Public Works Department Staff provided a great deal of care and maintenance just to keep those pumps running. Proposed under this project was a new pump station that would be inside a pre-engineered building. There would be new pumps, new motors, and new motor control centers, electrical switchgear, as well as a new disinfection system.
As City Manager Satterwhite mentioned, there was an ongoing well rehabilitation project at the Central Water Plant. There was a project sitting on the shelf for electrical improvements at the Central Water Plant. In the future, there would need to be rehabilitation and painting of the storage tanks at Central Water Plant. Further down the road, the Renwick Water Plant might need some improvements.

Councilman Hickman inquired as to whether the City had three water plants or four water plants.

Mr. Cox indicated that there were actually four water plants in the City, with the Evergreen Water Plant being the fourth plant. The Evergreen Water Plant had been out of commission for several years now. As City Council might recall, there was some discussion with respect to the possibility of abandoning the Evergreen Water Plant on a permanent basis based on what the City and Consultants felt were some very high costs to rehabilitate the existing tanks and well. Through some computer modeling, it was determined that it was not necessary to put any money into that particular plant site.

Councilman Hickman asked for confirmation that the Feld Park Water Plant booster pump station was pumping water from the ground storage tank to the elevated storage tank.

Mr. Cox advised that the ground storage tank and the elevated storage tank were interconnected in a sense. By law, pressure in the system needed to be about 20 psi. The City tried to keep the pressure at 50 psi. The booster pump station was pressurizing the water in either or both of the tanks and putting it into the distribution system at a pressure of 55 psi.

Councilman Hickman asked for confirmation that the City could not get the necessary pressure from the head.

Mr. Cox indicated that the head helped get pressure, but it depended on where the system pressure was relative to the head in the elevated tank. One was either filling the tank or pumping directly into the distribution system depending on the demand in the system and the pressure at any given point in time.

Councilman Hickman referred to the power outage that the City experienced during Hurricane Ike. He inquired as to whether there was any ability to plug the motors into a generator.
Mr. Cox advised that as part of the new electrical improvements at Feld Park Water Plant, the necessary switch, wiring, and conduit would be installed. The City could then go and buy a generator under a different package, set it in place, hook it up, and be ready to go. The City had applied for some funding through the Federal Emergency Management Agency for the purchase of a generator for the Feld Park Water Plant.

Councilman Hickman inquired as to how a power outage could be handled with the Rice Lift Station.

Mr. Cox indicated that there would be the capability to plug in a portable generator at the lift station site.

VOTE ON MOTION TO AWARD ENGINEERING SERVICES AND ADOPT ORDINANCE EXECUTING AGREEMENT:

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

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

OPPOSED: None

ABSENT: Jeffery, John

{Ordinance was subsequently numbered: 09-030}

Mayor Cindy Siegel at this point in the meeting asked City Council to consider agenda item F. 5. prior to consideration of agenda item F. 4. After noting no objections, agenda item F. 5. was considered at this point in the meeting.

5. ITEM FOR INDIVIDUAL CONSIDERATION:

Rebuild Bellaire Program

CONSIDERATION of and possible action regarding the acceptance of a revised Preliminary Official Statement and timetable for the sale of $7,000,000 in General Obligation Bonds, Series 2009, to be used for issuance costs, paving and drainage improvements, and facilities improvements under the Rebuild Bellaire Program and for the sale of $11,145,000 in

MOTION TO ACCEPT REVISED PRELIMINARY OFFICIAL STATEMENT AND TIMETABLE FOR BONDS:

A motion was made by Councilman Will Hickman and seconded by Councilman Pat McLaughlan to accept a revised Preliminary Official Statement and timetable for the sale of $7,000,000 in General Obligation Bonds, Series 2009, to be used for issuance costs, paving and drainage improvements, and facilities improvements under the Rebuild Bellaire Program and for the sale of $11,145,000 in General Obligation Refunding Bonds, Series 2009A.

DISCUSSION ON MOTION TO ACCEPT REVISED PRELIMINARY OFFICIAL STATEMENT AND TIMETABLE FOR BONDS:

James F. Gilley, Partner, Coastal Securities, indicated that at the last City Council meeting that he attended on April 20, 2009, City Council discussed authorizing a Preliminary Official Statement for $7,000,000 of new money as part of the Rebuild Bellaire Program. He mentioned at that meeting that a refunding had been discovered, but it was not on the agenda. The purpose of the agenda item this evening was to seek City Council authorization to go forward with the refunding. The refunding consisted of approximately $11 million of outstanding bonds. There were roughly $5 million of Series 2001 bonds and $5 million of Series 1998 bonds. On average, the coupon rates for those bonds were just under 5%, with an average life of 6-1/2 years.

At the current market rates, the City could refinance the debt at approximately 3-1/2% interest rate and save a little under $600,000 of interest expense over the life of the refunding bonds, net of all costs. Mr. Gilley noted that the numbers were subject to change based on the market.

Councilman Phil Nauert noted that the City created an economy of scale with respect to its bond counsel fees (i.e., the larger the issue, the smaller the fees). He asked if it would be more expensive to consider the refunding bonds at a later date in a separate issuance.

Mr. Gilley advised that it would be more expensive to consider the refunding bonds at a later date in a separate issuance.

Councilman Nauert inquired as to whether the City would net any savings in the refunding considering the City would have some legal
fees involved. In other words, a savings amount was stated at a little under $600,000 over the life of the bonds. He inquired as to the amount of the legal fees for the issuance.

Mr. Gilley stated that he was not certain that he had that number with him.

City Attorney Alan P. Petrov advised that the legal fees were considerably less than $600,000.

Mr. Gilley indicated that the estimate of savings, which was actually $589,000 based on the market today, was after all financing and legal expenses had been taken into account.

Councilman Pat McLaughlan inquired as to the refunding and whether the bonds were refunded at the same maturity that the higher bonds were maturing. In other words, would the clock start over, such as in the refinancing of a home pushed out an additional 30 years?

Mr. Gilley stated that the maturity could be pushed out if the City chose to do so, but the average life of the bonds the City would be refunding was approximately 6.804 years. The average life of the proposed refunding bonds, as structured, would be 6-1/2 years, so the City was shortening the maturity just slightly. The maturity payments would change slightly, but the final maturity would not change.

Councilman McLaughlan referred to the various fees involved in a bond issuance and/or refunding, such as legal fees, investment advisor fees, investment banker fees, etc. After all of those fees were paid, what would the savings be to the City on the refunding?

Mr. Gilley advised that based on today’s rates, which were subject to change, the City’s savings would be $588,950.71, between now and 2026 (i.e., the existing payout schedule of the debt proposed to be refunded).

Councilman McLaughlan referred to the savings, noting that he believed the savings were close to 3% of the value of the bonds.

Mr. Gilley advised that the savings were expected to be somewhere between 4% and 4-1/2% of the amount, on a present value basis, of the bonds that were refunded.

Councilman Will Hickman referred to Appendix A, page A-1, and inquired as to today’s market rate for the $7,000,000 bond issuance.
Mr. Gilley advised that he had not brought those numbers with him, but believed it would be around 4-1/2% or less, based on current market.

Councilman Hickman inquired as to whether that rate was better or worse than the last time Mr. Gilley came to City Council.

Mr. Gilley indicated that the rate was about the same as he had reported to City Council during the month of April. The market had improved a little bit, but was generally pretty strong.

Councilman Hickman referred to the refunding bonds and inquired as to the rate for those bonds.

Mr. Gilley advised that the rate, based on today’s market rates, would be about 3.40%.

Councilman Hickman asked for confirmation that the average coupon rate on the refunding bonds was approximately 5%.

Mr. Gilley indicated that the average coupon rate was just under 5% or 4.96%.

Councilman Hickman referred to the amount of the new debt at $11.1 million versus $10.765 million, which was the amount the City was refinancing. This resulted in a difference of $385,000. Councilman Hickman inquired as to what the difference was.

Mr. Gilley advised that approximately one-half of the bonds being refunded were not callable until 2011. For that reason, the City had to establish an escrow to pay those bonds off. The escrow would be established through the purchase of U.S. government securities specifically designed for these types of transactions. Those securities, as of today’s rates, were bearing about .7%. If the rate were available, the City could invest it up to 3-1/4%. Unfortunately, the interest rate curve was such that the City was unable to earn more than .7%. Until the call date, the City would be paying the 5% coupon rate. The difference was called “negative arbitrage.” The City had to sell an additional amount of bonds to fund the escrow. Notwithstanding that the City would sell more bonds than would be refunded, the City would still save close to $600,000.

Mr. Gilley noted further that the escrow accounted for part of the difference referred to by Councilman Hickman, the remaining difference was related to the financing costs that Councilman McLaughlan mentioned earlier.
Councilman Hickman asked for confirmation that the financing costs or fees were rolled into the refunding.

Mr. Gilley indicated that Councilman Hickman was correct.

Councilman James P. Avioli, Sr., inquired as to the page within the Preliminary Official Statement that contained the net savings of $589,000 mentioned by Mr. Gilley.

Mr. Gilley indicated that the savings did not appear in the Preliminary Official Statement.

City Attorney Petrov noted further that the savings would not be a fixed number until the bonds were priced. Interest rates for the bonds were also not contained in the Preliminary Official Statement. The document would not contain those numbers until the bonds actually went to price.

Mr. Gilley indicated that City Council had also indicated a desire for citizens to participate in the bond issuance and the method of sale, which Mr. Gilley proposed be a negotiated sale. He advised that it was difficult to sell refunding bonds at a competitive sale, which was what the City ordinarily did for its new bond issuances.

He stated that Chief Financial Officer Donna Todd had gathered approximately 30 names of citizens that were interested in an opportunity to buy Bellaire’s bonds. The City would establish a special order period on Wednesday, May 27, 2009, for citizens of Bellaire only. If the City approved going forward with the refunding, City Staff would post on its website information regarding who to contact with their interest (i.e., Chief Financial Officer). That interest would be passed on to Coastal Securities and Coastal Securities would see that citizens were contacted and given information as to how to place their order.

On Thursday, May 28, 2009, the pricing for the general market would begin. If there were changes between the prices the residents saw on Wednesday versus the general market prices on Thursday, the residents would have an opportunity to continue their orders on that Thursday. If they did not wish to continue based on the new prices, then they would have an opportunity to back out.

Every resident who expressed an interest would be contacted and given some information or instruction before the 27th. City Council would be asked on June 1, 2009, to approve the ordinance authorizing the refunding bonds and the new money.
City Manager Bernard M. Satterwhite, Jr., added that the City’s bond rating from both Moody’s Investor Services and Standard & Poor’s were affirmed.

Mr. Gilley indicated that Moody’s Investor Services expressed a little concern that the City’s reserve balances were “deteriorating.” They advised that they would continue to watch the City’s reserve balances. Mr. Gilley took the opportunity to encourage City Council as they moved forward into the next budget process to keep that in mind.

City Manager Satterwhite indicated that the City explained to Moody’s Investor Services that the reserves had not “deteriorated” as much as they perceived. Several years ago, the City had large fund balances, which included the City’s Capital Improvement Program Fund reserves. Since then, the City had transferred the reserves to the actual Capital Improvement Program Fund from the General Fund. Those funds were still available in an emergency. This was explained to Moody’s Investor Services and City Manager Satterwhite felt that the explanation was well accepted. He agreed, however, that in today’s uncertain market, Moody’s Investor Services were concerned about fund balances.

**VOTE ON MOTION TO ACCEPT REVISED PRELIMINARY OFFICIAL STATEMENT AND TIMETABLE FOR BONDS:**

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

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

**OPPOSED:** None

**ABSENT:** Jeffery, John

4. **ADOPTION OF RESOLUTION:**

**Budget Guidelines and Parameters**

CONSIDERATION of and possible action on the adoption of a resolution of the City Council of the City of Bellaire, Texas, setting forth guidelines and parameters for City Staff for the budget for the City of Bellaire, Texas, for the fiscal year commencing October 1, 2009, and ending September 30, 2010 – Item submitted by Assistant City Manager Diane K. White.
MOTION TO ADOPT RESOLUTION FOR FY 2010 BUDGET:

A motion was made by Mayor Pro Tem Peggy Faulk and seconded by Councilman Phil Nauert to adopt a resolution of the City Council of the City of Bellaire, Texas, setting forth guidelines and parameters for City Staff for the budget for the City of Bellaire, Texas, for the fiscal year commencing October 1, 2009, and ending September 30, 2010.

DISCUSSION REGARDING MOTION TO ADOPT RESOLUTION FOR FY 2010 BUDGET:

Councilman Will Hickman advised that he would like to present an amendment with the goal of keeping the tax burden even on the average homeowner. For example, if there were a 5% increase in appraised value, then that tax rate would be decreased by 5% so that the average homeowner was kept revenue neutral year over year.

AMENDMENT (NO. 1) TO MOTION TO ADOPT RESOLUTION FOR FY 2010 BUDGET:

An amendment (no. 1) was made by Councilman Will Hickman and seconded by Mayor Pro Tem Peggy Faulk to the resolution setting forth guidelines for the fiscal year 2010 budget to direct City Staff to ensure that the tax burden on the average homeowner was maintained (i.e., revenue neutral year over year).

DISCUSSION REGARDING AMENDMENT (NO. 1) TO THE MOTION TO ADOPT RESOLUTION FOR FY 2010 BUDGET:

Mayor Cindy Siegel asked City Manager Bernard M. Satterwhite, Jr., if he could address the possible impacts of such an amendment.

City Manager Bernard M. Satterwhite, Jr., asked for confirmation that Councilman Hickman was looking for a revenue neutral budget.

Councilman Hickman indicated that he was not exactly looking for a revenue neutral budget, noting that there were new properties coming on the tax roll. If the average home were valued at $200,000 and increased 5% to $210,000, then the tax rate would be lowered so that the tax paid by the homeowner was kept neutral. The City had achieved that for several years, with the exception of the previous year.

City Manager Satterwhite advised that the City had set the tax rate below the effective tax rate over the last two years. This, essentially,
meant that the burden on the average homeowner was about the same.

City Staff had set a guideline to limit growth of non-personnel expenditures by a factor of the municipal cost index (or MCI). The MCI was running at about 0%. With the new Compensation Plan and to do what Councilman Hickman had suggested, the City would have to have a net decrease in non-personnel expenditures.

**VOTE ON AMENDMENT (NO. 1) TO MOTION TO ADOPT RESOLUTION FOR FY 2010 BUDGET:**

Motion **failed** on a 3-3 vote as follows:

**FOR:**  Hickman, Will  
Faulk, Peggy  
McLaughlan, Pat

**OPPOSED:**  Siegel, Cindy  
Avioli, James P., Sr.  
Nauert, Phil

**ABSENT:**  Jeffery, John

**DISCUSSION REGARDING MOTION TO ADOPT RESOLUTION FOR FY 2010 BUDGET:**

Councilman James P. Avioli, Sr., indicated that his questions had been answered as most of his questions were related to the MCI.

Councilman Phil Nauert inquired as to whether there were any changes to the resolution over the previous year.

City Manager Satterwhite stated that the only other substantive change was in the Enterprise Fund, which was to consolidate the Enterprise Fund portions of the Capital Improvement Program Fund and the Vehicle, Equipment and Technology Funds within the Enterprise Fund to create a self-sufficient fund. City Staff desired to identify the Enterprise Fund items within the Capital Improvement Program Fund and fund those revenues from the Enterprise Fund. The City had not done this in previous years, but had recently started doing so. The City needed to get its water rates to a level where it could pay the surface water and recapitalize in order to show a true cost.

Councilman Nauert asked for confirmation that this was strictly an accounting change and not a change in any of the City’s percentages.
City Manager Satterwhite advised that Councilman Nauert was correct—this guideline did not really change the budget per se.

Mayor Siegel noted that budget contingencies were added to the resolution.

City Manager Satterwhite indicated that City Staff intended to present priorities so that if the revenues were not what the City had anticipated, City Council would have an idea as to what would be cut from the budget.

Councilman Pat McLaughlan referred to the Compensation Plan for the employees. He advised that when the Compensation Plan was prepared and adopted, the country was in a different economic posture. He referred to the fact that organizations and corporations were not giving any raises. People were also working four-day weeks instead of five-day weeks to reduce costs. People were without jobs, etc. He inquired as to how the current economic situation for the country and industry affected what the Compensation Plan might be for the City’s employees in the upcoming budget.

City Manager Satterwhite noted that a market adjustment was built into the City’s plan. The market adjustment had been based on an increase in the cost of a particular position across the board. He personally felt that there would not be an adjustment. This would be how the job market would relate to the City’s Compensation Plan.

Councilman McLaughlan noted that the market adjustment was a comparison among other governments.

City Manager Satterwhite agreed that this was primarily true.

Mayor Siegel noted that the adjustment was related to the market for other governments in the area.

Councilman McLaughlan agreed with Mayor Siegel, but noted that industry was harder hit in economic downturns. Government was slow to respond.

City Manager Satterwhite indicated that he would tend to disagree with that. There were many local governments in the marketplace engaging in wage and hiring freezes right now. He believed that the City needed to take all of this into account. He felt that the market had flattened out tremendously in the public sector. He indicated that an analysis would be brought back to City Council.

Councilman McLaughlan advised that an analysis was an important thing to do and he thanked City Manager Satterwhite.
Councilman Hickman indicated that in his job, the budget was being cut by 10-20% over the next year or two. Related to that, he offered the amendment set forth below.

**AMENDMENT (NO. 2) TO MOTION TO ADOPT RESOLUTION FOR FY 2010 BUDGET:**

An amendment (no. 2) was made by Councilman Will Hickman and seconded by Councilman Pat McLaughlan to revise the second bullet item in the resolution under “General Fund” for the purpose of removing the term “non-personnel,” so that the bullet item would read: *Limit expenditures increases to a rate not to exceed the Municipal Price Index (MPI) applied to fiscal year 2009 forecasted expenditures and;*

**DISCUSSION REGARDING AMENDMENT (NO. 2) TO MOTION TO ADOPT RESOLUTION FOR FY 2010 BUDGET:**

City Manager Satterwhite indicated that there was a difference in the public sector versus the private sector. He had always stated that if City Council wished for City Staff to cut the budget by 10%, for example, that could be done. The expectations were out there as well. Many things and programs were discussed, such as filling in gaps in sidewalks and the hours that the Evergreen Pool was open and closed. City Staff would do whatever they could, but such decreases would impact operations. The General Fund was the fund in which the City created revenues for future capital improvements.

Mayor Siegel advised that this was one of the reasons that she had asked the City Manager during the mid-year review to include a contingency in the budget. Until the City had a grip on what was happening in the economy, what the impact would be, and what the game plan was, she felt it was better have a contingency so that the City could decide what programs or items needed to be cut from the budget.

Councilman Hickman noted that the trade-off was between how much a resident wanted to pay in taxes versus the services the resident wanted to get for their tax dollars. For the last three years that he had served on City Council, the increase in new construction and tax base had brought in a great deal of new revenue to fund new projects. He did not see the values increasing and the City knew that there would not be much new construction this year. Did the City want to plan on increases to the tax rate or essentially cut off increases to the expenditures?

Mayor Siegel advised that until she saw some projections in terms of the budget and City Council knew what the tax base was looking like,
such a decision was difficult. The current resolution merely set forth guidelines for City Staff to follow.

Councilman Hickman advised that the purpose of the resolution was to give the City Manager instructions on how to design the City’s budget. This was the point where City Council told City Staff how big or small to make the budget. Once it was already designed, it was much harder to make those difficult changes.

Councilman Avioli stated that he believed that Councilmen Hickman and McLaughlan had made some excellent points. He understood that the City Manager needed direction to make a budget. However, before that budget was approved, Councilman Avioli was going to look at it. Decisions would be made then as to whether or not the City could afford the budget based on the economics at that time and comparison to other cities and businesses. He was willing to go with the proposed resolution and then look over the budget that the City Manager comes up with.

VOTE ON AMENDMENT (NO. 2) TO MOTION TO ADOPT RESOLUTION FOR FY 2010 BUDGET:

Motion failed on a 3-3 vote as follows:

FOR:  Hickman, Will
       Faulk, Peggy
       McLaughlan, Pat

OPPOSED:  Siegel, Cindy
           Avioli, James P., Sr.
           Nauert, Phil

ABSENT:  Jeffery, John

VOTE ON ORIGINAL MOTION TO ADOPT RESOLUTION FOR FY 2010 BUDGET:

Motion carried on a 4-2 vote as follows:

FOR:  Siegel, Cindy
       Avioli, James P., Sr.
       Nauert, Phil
       McLaughlan, Pat

OPPOSED:  Hickman, Will
          Faulk, Peggy

ABSENT:  Jeffery, John
5. ITEM FOR INDIVIDUAL CONSIDERATION:

Rebuild Bellaire Program

CONSIDERATION of and possible action regarding the acceptance of a revised Preliminary Official Statement and timetable for the sale of $7,000,000 in General Obligation Bonds, Series 2009, to be used for issuance costs, paving and drainage improvements, and facilities improvements under the Rebuild Bellaire Program and for the sale of $11,145,000 in General Obligation Refunding Bonds, Series 2009A – Item submitted by Chief Financial Officer Donna Todd; Item presented by James F. Gilley, Partner, Coastal Securities.

Note: This agenda item was considered earlier in the meeting. See pages 46-51 of these minutes for discussion and action related to this agenda item.

G. ADJOURNMENT.

MOTION TO ADJOURN:

A motion was made by Councilman Phil Nauert and seconded by Councilman Pat McLaughlan to adjourn the Regular Session of the City Council of the City of Bellaire, Texas, at 10:13 p.m. on Monday, May 18, 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.
     Faulk, Peggy
     Nauert, Phil
     McLaughlan, Pat

OPPOSED: None

ABSENT: Jeffery, John

Respectfully submitted,

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

_____________________________
Cynthia Siegel, Mayor
City of Bellaire, Texas