I. SPECIAL SESSION (PUBLIC HEARING) – 6:00 P.M.

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

Mayor Cindy Siegel called the City Council of the City of Bellaire, Texas, to order at 6:02 p.m. on Monday, August 17, 2009. The Bellaire City Council met at that time and on that date in Special Session for the purpose of conducting a public hearing before the Bellaire City Council related to the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning on October 1, 2009, and ending on September 30, 2010 (i.e., fiscal year 2010). The Special Session was held in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401. Mayor Siegel announced that a quorum was present consisting of herself and the following members of City Council:

- Councilman Will Hickman, Position No. 1;
- Councilman James P. Avioli, Sr., Position No. 2;
- Mayor Pro Tem Peggy Faulk, Position No. 3;
- Councilman Phil Nauert, Position No. 4;
- Councilman Pat McLaughlan, Position No. 5; and
- Councilman John Jeffery, Position No. 6.

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

B. READING OF NOTICE OF PUBLIC HEARING – City Clerk Tracy L. Dutton.

City Clerk Tracy L. Dutton read the “Notice of Public Hearing” as follows:

Notice is hereby given that the City Council of the City of Bellaire, Texas (City), has called, by Ordinance No. 09-044, a public hearing before the City Council of the City of Bellaire, Texas, to receive written and oral comments on the City’s proposed budget for the fiscal year beginning October 1, 2009, and ending September 30, 2010 (i.e., FY2010). Said hearing is scheduled for Monday, August 17, 2009, at 6:00 p.m. in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401.
The FY2010 proposed budget document is based on information available to the City at the time the FY2010 proposed budget document was filed with the City Clerk’s Office on July 17, 2009.

The City estimates that it will raise less tax revenue than the previous year. The FY2009 budget was projected to raise $12,438,242, and the FY2010 proposed budget is estimated to raise $12,290,535. The amount of decrease is, therefore, estimated to be $147,707 or a 1.19% decrease.

The City will not receive final tax information until the fall of 2009. For this reason, the amount of the increase that will be raised from new property added to the tax roll is not available at this time.

The proposed budget document is available for review in the City Clerk’s Office and the Assistant City Manager’s Office, City Hall, 7008 South Rice Avenue, Bellaire, Texas, Monday through Friday from 8:00 a.m. until 5:00 p.m., except for holidays. A copy is also available for review in the Bellaire City Library, 5111 Jessamine Street, Bellaire, Texas. A budget summary will be inserted in the City’s local newspaper of general circulation, the Southwest News, on or about Tuesday, August 4, 2009, and will also be available on the City’s website at www.ci.bellaire.tx.us.

Written comments may be submitted to the City Clerk prior to the public hearing. Such comments should be addressed as follows: Tracy L. Dutton, City Clerk, City of Bellaire, 7008 South Rice Avenue, Bellaire, Texas 77401-4495.

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

C. SUMMARY OF PUBLIC HEARING PROCEDURE – City Manager Bernard M. Satterwhite, Jr.

City Manager Bernard M. Satterwhite, Jr., summarized the public hearing procedure as follows:

During this evening’s public hearing on the proposed budget for the City of Bellaire, Texas, for the 2010 fiscal year, a brief introduction and overview of the budget will be given by the City Manager. Following that summary, the Mayor will recognize members of the City Council of the City of Bellaire, Texas, regarding any questions they might have. Following that, the Mayor will recognize citizens or other interested parties who have completed the sign-in sheet prior to commencement of the hearing. Comments will be limited to four (4) minutes for each individual.
Following comments from citizens or other interested parties, the Mayor will close the public hearing. Written comments may be submitted to the City Council in care of the City Clerk prior to final deliberation on the matter. It is anticipated that final deliberation on the matter will occur on September 14, 2009, therefore, the City Clerk must receive written comments by noon on Thursday, September 10, 2009. The sign-in sheet and written comment sheets have been provided at the entrance to the Council Chamber.

D. PRESENTATION/OVERVIEW of the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2009, and ending September 30, 2010 (i.e., fiscal year 2010) – City Manager Bernard M. Satterwhite, Jr.

City Manager Bernard M. Satterwhite, Jr., presented an overview of the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2009, and ending September 30, 2010 (i.e., fiscal year 2010).

City Manager Satterwhite indicated that City Council was present this evening to receive public comment based on the proposed budget that was presented to City Council in July of 2009. He continued by giving a brief overview or recap of what was presented in July.

It was noted that 2009-2010 was a year of economy-driven change. The tax base increases and other revenue increases seen in previous years were on the down side. While some cities were in a much worse situation than Bellaire, Bellaire was still impacted by the economy-driven change.

Currently, there was no financial crisis in Bellaire. The City wanted to be able to manage through whatever might come over the next several years, and was trying not to eliminate any programs or services. Debt was fully funded and the majority of projects were fully funded. City Manager Satterwhite advised that the 2009 revenues were less than anticipated and the City would end the year with less revenue than budgeted. Taxes were down slightly from what had been anticipated. Fine revenue was down substantially and permit revenue was down due to fewer homes being built in Bellaire, as well as no new commercial construction in 2009. Interest was down from what was anticipated as well.

During the year, expenditures and transfers were adjusted to account for the lower revenues. As a result, the City’s expenditures at the end of 2009 would be less than budgeted to conform to the decreased revenue. The City did implement its Compensation Plan in mid-year without a budget amendment. City Manager Satterwhite advised that
he felt the City would get through the year without having to do a budget amendment. Included in the expenditures were the impacts from Hurricane Ike. There would be revenues to offset the expenditures, however, not all of those revenues had come in.

The objective of the proposed budget was to maintain quality services. Bellaire had many expectations and the City wanted to meet and maintain those expectations to the greatest extent possible with the revenues to be provided. The tax base growth for 2010 was less than City Manager Satterwhite had anticipated going into the year. The existing tax base did not decrease. On the other hand, the new tax base did not increase to the extent that it had in years past. Revenue growth was, therefore, insufficient to fund new debt. Some existing plans and projects would have to be modified or deferred and priorities would need to be established and scrutinized under this budget. However, most current programs and services would continue.

Maintaining the current tax rate was one of the assumptions made in preparing the proposed budget. The City had received initial tax rolls, but would not receive final tax rolls until the end of the month or the beginning of September 2009. City Staff also reviewed other revenues, which made up approximately one-half of the General Fund budget.

On the expenditure side, there were major drivers that the City had little control over, such as fuel, energy, and personnel costs. The City also had to deal with expectations and service levels, and some conflicting priorities. Certain advisory board requests and Council-approved plans were also taken into account.

With respect to the recapitalization side under the Capital Improvement Program, the City included those items that were bond funded as the costs could be spread out over time. The City felt that the bond program could be maintained for now. Other priorities were those items that needed to be replaced or repaired in order to retain asset value. Items that had health, safety, and welfare implications, such as water and wastewater projects, were included as well.

The usual transfer to the Capital Improvement Program fund was reduced in the fiscal year 2010 budget. The City had looked for years at funding water and wastewater infrastructure replacement out of the Enterprise Fund. City Manager Satterwhite felt that the City was at the point where the water and wastewater infrastructure replacement could be funded from the Enterprise Fund.

Additionally, some projects had been reprioritized while other projects had been completed for less than had been budgeted in the current
year. Any unexpended funds went back into the fund balance, which would help with the Capital Improvement Program Fund transfer.

Also under consideration were rates charged for water and sewer services. The City could expect a major bump up in surface water costs from the City of Houston. Houston planned this increase a few years ago to be assessed in two increments. The first incremental increase occurred in 2007. The second incremental increase would occur in 2010. This increase was in addition to Houston’s annual CPI plus population growth increase.

The City planned to maintain position vacancies at current levels, with the exception of public safety. Vacancies in public safety would be filled. With respect to other areas, unless a vacancy was absolutely critical to be filled, that vacancy would be frozen. In some areas, staff would be scaled to match current levels of service. For example, since fewer homes were being constructed, there was a lower demand for permit and inspection personnel. This could be temporary, but City Manager Satterwhite believed that for the coming year, the City could expect that there would not be as many homes built as there were in the past.

Overtime costs needed to be managed better, and City Staff had plans to do that. City Staff had not planned for a pay plan maintenance increase, as the indices did not support that. City Staff would review sick leave policies. Transfers to the Capital Improvement Program Fund and Vehicle, Equipment, and Technology Program Fund were reduced. City Staff would also be looking at fee structures to see if there was justification to raise fees in some areas.

City Manager Satterwhite continued and advised that he considered the budget to be the sum of the General Fund, Debt Service Fund, and Enterprise Fund expenditures and transfers. Last year, the City budgeted a little over $29 million. This year, the City was budgeting a little over $27 million. The proposed budget was, therefore, approximately 5% lower than the previous year’s budget and a 1% decrease from the estimated 2009 actual expenditures and transfers. City Manager Satterwhite reiterated that the City had made some specific adjustments to achieve the 2009 budget.

After this evening, a Special Session was scheduled for Tuesday, August 18, 2009, in order for City Council to look at individual line items, discuss any concerns or issues, and/or place items on the table for a vote. Any changes made by City Council on Tuesday would be incorporated into the proposed budget document for the September 14, 2009, budget approval.
Based on the initial tax rolls, it was estimated that Bellaire had an approximate $3.29 billion taxable value for tax year 2009. The taxable value had increased approximately $100 million over tax year 2008. The tax year 2009 tax values funded the 2010 fiscal year budget.

**Budget Resolution**

City Manager Satterwhite recapped the budget resolution adopted by City Council for the fiscal year 2010 budget. Basically, one guideline was that the non-personnel expenditure growth would not exceed the Municipal Price Index (MPI). The annualized MPI was less than zero percent or a –3% through August 2009. In the proposed budget, the non-personnel expenditure decrease was 4.6%. The total operating expenditure increase was approximately 2/3 of one percent. This increase was based on 2009 actual expenditures rather than budgeted expenditures.

City Manager Satterwhite advised that total expenditures in the Enterprise Fund were almost $9 million. In the past, the Enterprise Fund planned infrastructure projects were included in the Capital Improvement Program Fund. For fiscal year 2010, those projects were taken out of the Capital Improvement Program Fund and placed into the Enterprise Fund. Since the City was in a transition period with respect to those particular projects, it was difficult to compare apples to apples between the new budget year and the previous one. City Manager Satterwhite noted that he had gotten preliminary approval from City Council to consider the issuance of revenue bonds for some of the water and wastewater projects.

A slide was next presented to City Council and the audience regarding revenue sources for the City of Bellaire. Property taxes were noted to be approximately 45% of the total revenues.

City Manager Satterwhite reiterated the fact that non-essential personnel positions were basically frozen, with the exception of public safety positions. City Staff had and would continue to consider reductions in force as the economic environment and/or service levels dictated. City Staff was looking at restructuring operations to minimize overtime and to outsource certain low demand services on an as-needed basis. The total full-time equivalent personnel count was noted to be the lowest it had been in ten years.

With respect to compensation, approximately 75% of the total General Fund budget was for personnel. This was consistent with what it had been in the past. Salaries increased 2/3 of one percent and benefits had increased 10.5%. The health insurance parameters from previous years had been maintained in the fiscal year 2010 budget. The Texas
Municipal Retirement System rate increases had also been incorporated in the proposed budget. The Compensation Plan step increases were included in the proposed budget, but the market adjustment had not been included. In summary, 75% of the General Fund expenditures consisted of salaries and benefits.

Approximately 53% of General Fund revenues were derived from property taxes, with sales taxes ranking second and franchise fees and fines close behind.

Another slide was presented to City Council and the audience depicting the categories of expenditures. Approximately 49% of total expenditures were related to the area of public safety, followed by administration and recreation.

With respect to the Enterprise Fund, a 5% rate increase was planned to meet rising water costs. That increase would need to be further evaluated and fine-tuned in order to provide a proposal for City Council consideration later in the fall. The City had known increases with respect to surface water costs and those increases were provided for in the proposed budget. The fund balance would be used for infrastructure and equipment replacement. Funding was included for a $950,000 transfer from the Enterprise Fund to the Debt Service Fund. City Staff was also proceeding forward with the water and wastewater revitalization program that had been presented to City Council in the past.

Enterprise Fund revenues were derived primarily from water sales and solid waste. Expenditures were evenly distributed between wastewater treatment and water production, distribution, and purchases.

The Debt Service Fund payment schedule had been maintained in the fiscal year 2010 budget. City Staff had also planned for a possible general obligation bond and/or revenue bond issuance in 2010. There was no change in the Debt Service Fund tax rate; however, the fund balance had been drawn down in the proposed budget.

City Manager Satterwhite noted that other projects were listed in the Capital Improvement Program Fund, but not included in the cash flow. The projects that City Council would like to include in the proposed budget would impact the fund balance.

In summary, the proposed budget was within all parameters adopted by City Council. City Manager Satterwhite suspected, based on the number of residents present this evening that the budget did not meet all needs and expectations. City Staff tried hard to balance things across the budget. The proposed budget did provide adequate funding
for the Capital Improvement Program Fund and the Vehicle, Equipment, and Technology Program Fund and did maintain levels of service in critical areas.

City Manager Satterwhite indicated that City Staff had received some requests for information from City Council and that information had been included in City Council’s packet this evening. He advised that the information could be discussed the next evening in the City’s Special Session on the budget.

E. QUESTIONS FROM THE CITY COUNCIL OF THE CITY OF BELLAIRE, TEXAS – Mayor Cindy Siegel.

Mayor Cindy Siegel noted that the City Council had already participated in a budget workshop session and had a special session scheduled for Tuesday evening to discuss the budget further. In light of the number of speakers and written comments to be read into the record, Mayor Siegel requested that City Council keep their questions short and concise or save them for the next evening, if possible.

Q: Councilman Will Hickman referred to the 3% increase in the City’s tax base. He inquired as to how much of the increase represented new construction and how much represented valuation increases.

A: City Manager Satterwhite indicated that he could not say for certain. Based on rough calculations, approximately 1/3 of the increase was related to new construction.

Q: Councilman Hickman referred to the retirement contribution increase of 17%. He inquired as to whether the increase was related to cost or benefits.

A: City Manager Satterwhite indicated that the increase was related to costs based on the changes made within the Texas Municipal Retirement System’s (TMRS) structure and the planned rate increases that the City would have over the next several years.

Q: Councilman Hickman noted that members of City Council had asked for answers from TMRS to some questions. He inquired as to whether the City had received those answers.

A: City Manager Satterwhite stated that he had not received the answers to those questions, but would look into it.
Q: Councilman Hickman referred to the increase in health insurance and inquired as to whether that increase related to cost.

A: City Manager Satterwhite advised that it was an increase in costs. He noted further that City Staff had to estimate that particular line item because the City did not receive its premium notification from the health insurance provider until later in the year. He stated that the City was not increasing benefits in its health plan.

Q: Councilman Hickman inquired as to how the fiscal year 2010 Capital Improvement Program was related to the 2010 General Fund. In other words, was there money coming from the General Fund to the Capital Improvement Program to fund those improvements?

A: City Manager Satterwhite indicated that there was a transfer from the General Fund to the Capital Improvement Program Fund of $700,000.

Mayor Cindy Siegel noted that part of the funding was to be applied to the pay-as-you-go component for the Rebuild Bellaire Program.

Q: Councilman Hickman referred to the Bellaire Town Square improvements and public art noting that the funds appeared in “red.”

A: City Manager Satterwhite advised that those projects were in “red” and not included in the totals based on a prioritization by City Staff. The City did not know what revenues, if any, the Patrons for Bellaire Parks, Inc., might contribute.

Q: Councilman Hickman referred to a schedule of the Debt Service Fund by year payback. He inquired as to whether this schedule assumed there would be no new issues.

A: City Manager Satterwhite indicated that one of the schedules assumed no new issues and another schedule anticipated what the City would issue through the Rebuild Bellaire Program.

Q: Councilman Hickman referred to keeping the City’s retirement contribution flat and inquired what that would do to the pension benefit.

A: City Manager Satterwhite stated that City Staff could look into that effect.
Q: **Councilman James P. Avioli, Sr.**, referred to information included in City Council’s packet that indicated that there was a reduction in full-time equivalent employees of 11.5. He inquired as to how this was happening and, if it was happening, was it happening through attrition?

A: **City Manager Satterwhite** indicated that the reduction was due primarily to attrition, open positions, and the restructuring around open positions. There had been no reduction in force, per se, and no one had been laid off due to a reduction in force.

Q: **Councilman Avioli** asked for confirmation that the City was trying to work around a reduction in force.

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

Q: **Councilman Phil Nauert** noted that City Manager Satterwhite mentioned a water rate increase from the City of Houston. He inquired as to whether the City had an idea as to how much the increase would be and when it would hit.

A: **City Manager Satterwhite** stated that the large increase of $0.20 would occur in February and the second increase or annual increase (based on the Consumer Price Index) would occur in April.

Q: **Councilman Nauert** inquired as to whether any funds had been set aside for another storm that might result in significant damage to the City.

A: **City Manager Satterwhite** indicated that the City had lots of funds and was not “cash-strapped.” From a budgetary standpoint, such catastrophes were not necessarily budgeted. If the City did have another storm, the City could handle the cash flow implications of the storm.

C: **Mayor Cindy Siegel** advised that she needed some additional information for the Special Session on Tuesday evening. She asked for the cost of keeping just the Therapy Pool open in December and January. She knew the net savings if both pools were closed during those months was approximately $25,000.

R: **City Manager Satterwhite** indicated that business-based accounting was not done for each of those facilities, but he could come up with an estimate.
F. RECOGNITION OF CITIZENS AND/OR OTHER INTERESTED PARTIES – Mayor Cindy Siegel.

Richard Franke, 1104 Howard Lane, Bellaire, Texas:

Mr. Franke addressed City Council and advised that he wished to clarify some comments he had made earlier during a preliminary pre-budget meeting of City Council. He understood that the country was going through a hardship period right now, but it would not last. His concern was getting Bellaire ready for the turnaround.

He felt that the City Manager’s suggestion to look at fees charged for City services was a good idea. When it came to building permits, Mr. Franke advised that he thought revenues from building permits should be used to revise and strengthen the City’s building codes, particularly with respect to foundation inspections. He noted that the home across the street from his, which was ten years in age, already had foundation problems. This was the sixth home in his neighborhood to experience such problems, resulting in numerous lawsuits. He felt it was time that the City took an objective look into that. He suggested that rather than outsourcing inspection services, the resources be placed in-house with a permanent employee.

With respect to infrastructure, Mr. Franke’s point was that the City was in a fog and had no idea where it was. He disagreed that the overlays had added value. The citizens needed to know the City’s rating system on a street-by-street and block-by-block basis. All elements of the infrastructure needed to be detailed, such as sub-base, surface, water lines, storm sewers, and drainage. That information needed to be reported on a quarterly basis, but no less than semi-annually.

Mr. Franke continued and noted that his street, Howard Lane, was originally built during World War II. Howard Lane went through eleven weeks of construction, but ended up with a pile of junk for a street. He indicated that this was very disturbing to the residents that resided on Howard Lane. The City of West University Place planned for their infrastructure. He understood that the City of West University Place had few streets, but they also offered no homestead exemption to their residents. They had a commitment to finish their entire city and no one was left out. Mr. Franke was very discouraged that Bellaire did not take that approach.
Michelle Smith, 4412 Phil Street, Bellaire, Texas:

Ms. Smith addressed City Council and advised that she had a deep appreciation of the difficulty of the responsibility that City Council faced. Ms. Smith indicated that her friend, Lynne Gaudette, asked her to read a statement she had written about the therapy pool and its importance as follows:

*Using the therapy pool has been crucial for my recovery and continued battle to remain pain free. I had frozen shoulder for 1-1/2 years, affecting both shoulders. I have used the therapy pool year-round, three times a week (even in February), to keep my range of motion. When I used other forms of exercise, it put a strain on my shoulders that doesn’t happen when I exercise in the pool. A number of years ago, I used the other Evergreen pool to rehab a back injury. I had to quit because I developed bronchitis due to the chlorine. One time they put too much chlorine in the pool and I had a severe reaction to it. The therapy pool is the only pool in Bellaire that meets the needs of the elderly citizens and injured or disabled persons. The salt water is gentle and wonderful for rehabilitation. There aren’t many services in Bellaire for senior citizens. It would be unfair to discriminate against this segment of the population.*

*Last fall there were a lot of people using the therapy pool. Several factors have contributed to the dwindling numbers of people using the pool: the inconsistency of hours of operation, cancellation without notice, allowing the temperature of the water to steadily decrease, allowing lap swimmers and swimming lessons, and slow repairs of the pool. This is true especially in the evenings. Some people work later and cannot be there by 6:00 p.m. I believe there would be better attendance and consistency of use if there were set hours people could depend on. If they want to have swimming lessons or even allow lap swimming, those activities should be scheduled during set hours.*

Ms. Smith noted that what she, herself, had seen were many mothers with children suffering from cerebral palsy or severe injuries that needed the use of a therapy pool. The closest pool similar to Bellaire’s therapy pool was at Clay Road, which was a forty-minute drive even in the best of traffic circumstances. She knew that City Council had to consider all of the needs of the City, but she wanted to bring to City Council’s attention the needs of those using the therapy pool.
Kay Humphries, 4705 Welford Drive, Bellaire, Texas:

Ms. Humphries addressed City Council and advised that she had been a resident of Bellaire for 20 years. During that time, many had worked tirelessly contributing money and time to have a year-round therapy pool in Bellaire. Before Bellaire Town Square was completed, City Council had stated their approval to maintain a year-round facility, as well as the therapy pool. However, the parks management and the City management did not view this as a priority. They had used every possible opportunity to limit the hours and to close the pools whenever they could. Residents were getting tired of fighting this battle.

Last Friday morning (August 14, 2009), a typical morning, there were 20 people using the therapy pool at 9:00 a.m. These were people of all ages whose health and fitness depended on the facility. The therapy pool was never intended to be a moneymaker for Bellaire, just as the library was not a moneymaker. The therapy pool was just as important for many residents’ physical health as the library was for the residents’ intellectual pursuits.

Ms. Humphries urged City Council to keep the therapy pool open year-round. She suggested that there be a new focus from the Parks Department and City management towards the therapy pool—not only in terms of availability, but maintenance as well.

It was noted that the Evergreen Pool Complex was in a disgraceful state. There were ants everywhere, paint peeling, cracks and missing tiles. At the therapy pool there was one metal bench for 20 people to sit on—not even a chair. In the therapy pool, the water jets were broken and the bottom plaster was peeling. Ms. Humphries noted further that there were weeds and trash everywhere, and the Parks Department claimed that they could not even afford to wrap the hand railings so that the handicapped could grip the rails. The bathrooms were disgraceful, and there was no supervision of the lifeguards.

Ms. Humphries advised that she was speaking for many people this evening. The residents were looking for new guidance and a change of vision.

Betty Zumwalt, 5204 Mimosa Street, Bellaire, Texas:

Ms. Zumwalt addressed City Council and advised that she had lived in Bellaire for 52 years. She stated that she was very disappointed and disgusted with the City’s five-year plan proposed for the Evergreen Pool Complex. Bellaire had the very best therapy pool and swimming
pool in the entire southwest area. Ms. Zumwalt had been taking water therapy for many years and had visited other locations in the area. Bellaire was front and center as far as the therapy pool was concerned.

Bellaire’s therapy pool was also the best-kept secret in Bellaire. With water therapy being one of the most recommended therapies, the City needed to support its own therapy pool. The upkeep on the facility had been very poor. She referred to the women’s bathhouse facilities, noting those facilities were outrageous. There were no hand railings in the bathroom stalls. The stalls were so small and difficult to get in. The toilet stools were old. Ms. Zumwalt did not know where the people that ran the Parks & Recreation Department were and why they had not seen to those facilities.

Ms. Zumwalt advised that she felt the City could do better than it had. The older residents were the ones buying the City’s bonds and supporting the City.

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

Ms. McBee addressed City Council and stated that she had tried to make a list of constructive discussion points; however, there were so many things in the budget without focus provided by City management. She felt that it was unforgivable and unacceptable for a Chief Executive Officer not to communicate with the community. The presentation and workshops were for City Council. The public hearing, legally required, started at 6:45 p.m. instead of 6:00 p.m., as called. All of this told her that the focus in the town was for building bigger and better.

Ms. McBee advised further that the City Manager’s contract called for an accrued pay of 10% each month of current annual salary. It also called for compensation that was deferred at 5% gross salary on top of a base of $147,500, and a list of benefits that would exceed a letter-sized page. This was not an unfair contract. The problem was the 10% and 5% went on every year of the term of the contract. In the lean times, the City was saying it would not cut compensation for the employees this year. Their increase was some small percentage based on a step plan. The City Manager was not controlled by that small increment.

Not budgeted was the additional need for the Comprehensive Plan regulations that must be done legally and by an attorney (hopefully). The arts projects that the Bellaire Arts Commission had worked on
were totally dependent on the whim of City Council as opposed to a thorough plan document. The training that had been detailed was so unbalanced. The Director of Community Development would consume $5,500 of a $10,000 budget. That department had multiple employees. All of the others were modest—the library and the City Clerk. The Police Department, a relatively large force, had a training budget of only $52,000. This caused Ms. McBee to look at the Communications Technology Services budget to discover that all of the Police Department’s big-ticket items had been moved to that particular budget. She indicated that she could go on and on as to where items had been moved and how those items were being managed.

Landscaping for the dog park was reported to be $7,800, which Ms. McBee did not understand. If she understood correctly, the Rebuild Bellaire Program had a balance of $1.25 million. The recycling yearly cost was $33,000.

{The speaker’s allotted time ended at this point in the meeting}

Mayor Cindy Siegel read the following written comments received by the City Clerk’s Office into the record:

Frances Bivins, 4519 Holt Street, Bellaire, Texas:

I am one of the group who enjoy and appreciate use of the therapy pool at Evergreen Park. We come almost every day, except in very cold weather. It is safe, needed exercise and we are grateful for your support.

Because of my impaired vision the exercise is most helpful.

Barbara Davis, 5113 Beech Street, Bellaire, Texas:

In your serious planning of the budget needs of our fine city, PLEASE, do not “short change” our greatly needed Elaine Woods Therapy Pool—our many seniors and physically challenged citizens are able to participate in exercise that they would be unable to engage in without the pool. Keeping the pool open and available will be deeply appreciated by many.
Marjorie Ishee, 4515 Pine Street, Bellaire, Texas:

My family moved from New Orleans in 1964. Before we made a visit here, we sat down with a City of Houston map and decided where we wanted to live. Bellaire. We had a first grader and a preschooler at the time. We have been very fortunate to live in a community that supports families at all stages of our lives.

Evergreen Pool has been a wonderful advantage to our community. My children and I took swimming lessons there. I have seen many changes at the pool. The addition of the Therapy Pool was a stroke of genius. When Elaine Woods gave water exercises in the early mornings, I was able to get in a workout before going to teach. Now after retiring from teaching, I can pick a time, which is convenient to me, and still get in my water exercise.

I feel that the pool adds appeal to our side of Bellaire and folks from all around come to the pool for exercise. I hope to continue the water exercise as a way to stay healthy.

Freda Anthony is helpful and friendly and does a great job as caretaker of the pool. I hope in the future we will have this convenient pool in our area and I support the idea of keeping the pool open as much as possible.

Thank you.

Eleanor Hoffman, 4602 Mimosa Street, Bellaire, Texas:

I worked for five years (fundraisers, raffles, etc.) to get this pool built. It is necessary to keep it open year round. It’s a wonderful facility for the seniors of Bellaire. We do not have any conveniences at the Aquatic Center. If more people knew of our pool it would get used more. I can’t see that it costs that much more to operate.

Bellaire does not need to forget its senior population.

Chloe McFall, 4812 Laurel Street, Bellaire, Texas:

This has been great therapy and we thank you every day! We hope to have it open December and January also.
James Elder, 2701 Glen Haven Street, Houston, Texas 77025:

I would like to see the pool remain open through January.

Rita Saylors, 2118 Glen Haven Street, Houston, Texas 77030:

The pool is necessary to my being able to walk well. Please keep it open in December and January—indeed all year.

Lynn Gomez, 4521 Birch Street, Bellaire, Texas:

Please keep the therapy pool open in the winter (December and January), even if you need to increase the rate a dollar or two.

Dr. Barbara Rupert, 5905 Darnell, Houston, Texas 77074:

I am disabled and use the water therapy pool on Evergreen. This is a superb resource for the seniors and disabled who are no longer able to swim laps. PLEASE stop cutting the hours that we have access to the pool. Twice this week (i.e., Monday and Thursday) at 7:00 a.m. when I entered the pool (the first person), the whirlpool jets were on overnight. This is a tremendous waste of energy. The evening lifeguards should make sure that these jets are OFF at night. Why not install a timer like most pools use? These motors are expensive.

Norma L. Barnes, 4436 Jim West Street, Bellaire, Texas:

I think the Elaine Wood Therapy Pool should remain open 12 months.

Cecillia Smith, 4600 Mimosa Street, Bellaire, Texas:

Please keep the therapy pool open year round.
Sharon Ryan, 5663 Hazen Street, Houston, Texas 77081:

I have just discovered this wonderful therapy pool and have enjoyed it in the morning before work. I bring my mother (91 years old) twice a week and it has been so helpful for her. I park her wheelchair and she can walk right in on her own. This is the only pool I know of that has a walk-in ramp. I know many people who are interested in coming to this facility. The toll of closing it part of the year (December/January) would affect us both greatly. Thanks for this wonderful facility.

Juliann Wohlford

I am not receiving the programs and services I expect in Bellaire (see Southwest News, 8-4-2009, page 1, Vol. 23, #10). The hours for the swimming pools in Bellaire have frequently been changed (like the Trade Winds) to the point where most people cannot depend on being able to use the pools on any regular basis. There are regular hours always for the "Open Gym" which also needs utilities and personnel (see Leisure Activities Guide of Summer 2009 (page 2) and Fall 2009 (page 2)). These guides also advertised a Winter Swim Pass. I have tried three times to purchase one. In June—"no stickers yet." In July (7-22-2009)—no pool hours yet. In August (8-10-2009)—"no hours yet."

I hope this budget has funds available to keep the pools open year round for everyone to get exercise and therapy in. Thank you!!

Christine G. Ayers, 5663 Hazen Street, Houston, Texas 77081:

I would like to see the pool stay open. I’m in a wheelchair and the approach to the pool is great. It is also one of the cleanest pools I’ve seen.

Note: It is very difficult for my mother to write, so this is an effort for her, but a cause she believes in totally. She is 91 years old and pretty much wheelchair-bound.

--Sharon Ryan

Mayor Siegel, prior to closing the public hearing, inquired as to whether anyone present wished to make an oral comment on the
budget. Corbett Parker asked to make a comment at this point in the hearing.

**Corbett Parker, 4505 Magnolia Street, Bellaire, Texas:**

*Mr. Parker* stated that having entered into a great number of conversations lately with Bellaire’s residents, he advised that it was clear that the majority of residents felt that the services the City provided were clearly adequate for their needs and they supported the tax burden they had. There was a notable exception when it came to the Evergreen Pool Complex. The concerns with the bathrooms and hours were expressed by many of the taxpayers. As City Council had heard this evening, many of the residents were willing to spend the money necessary to upgrade the Evergreen Pool Complex to the 21st Century.

On the other hand, residents feared that their tax burden could increase on a federal level. Many hoped that City Council would continue on the fiscally conservative path that the City had been going down. Issuing revenue bonds and increasing the size of the expenditures should only occur if there were significantly needed capital improvement projects.

In closing, it would seem irresponsible if City Council considered paying for additional services. There was clearly a concern by some residents familiar with the City of Houston’s pension plan and the unfunded liabilities that had come from that. There was also a concern over the City’s sick leave policy. He implored City Council to address that policy even if it created a little bit of ill will with some of the employees.

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**G. CLOSE OF PUBLIC HEARING – Mayor Cindy Siegel.**

Mayor Cindy Siegel closed the public hearing before the Bellaire City Council held for the purpose of receiving oral and written comments on the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2009, and ending September 30, 2010, at 7:08 p.m. on Monday, August 17, 2009.

Mayor Siegel advised that oral comments concerning the proposed fiscal year 2010 budget would not be received following the close of the public hearing. Written comments could be submitted to the City Council of the City of Bellaire, Texas, prior to final deliberation on the proposed budget. It was anticipated that final deliberation would
occur on Monday, September 14, 2009. Written comments should, therefore, be submitted to the Bellaire City Council in care of the City Clerk by noon on Thursday, September 10, 2009, in order to be considered for the public record.

H. CONSIDERATION of and possible action to direct the City Clerk of the City of Bellaire, Texas, to place the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2009, and ending September 30, 2010, on the agenda for City Council consideration during the Regular Session scheduled on September 14, 2009 (Texas Local Government Code, Section 102.007, Adoption of Budget, Subsection (a). At the conclusion of the public hearing, the governing body of the municipality shall take action on the proposed budget).

MOTION TO DIRECT CITY CLERK REGARDING PROPOSED BUDGET:

A motion was made by Councilman Phil Nauert and seconded by Mayor Pro Tem Peggy Faulk to direct the City Clerk of the City of Bellaire, Texas, to place the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2009, and ending September 30, 2010, on the agenda for City Council consideration during the Regular Session scheduled on September 14, 2009.

VOTE ON MOTION TO DIRECT CITY CLERK REGARDING PROPOSED BUDGET:

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

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

**OPPOSED:** None

**ABSENT:** None
I. ADJOURNMENT.

MOTION TO ADJOURN:

A motion was made by Mayor Pro Tem Peggy Faulk and seconded by Councilman Will Hickman to adjourn the Special Session (Public Hearing) of the City Council of the City of Bellaire, Texas, at 7:10 p.m. on Monday, August 17, 2009.

VOTE ON MOTION TO ADJOURN:

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

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

OPPOSED: None

ABSENT: None

II. REGULAR SESSION – 7:00 P.M.

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

Mayor Cindy Siegel called the City Council of the City of Bellaire, Texas, to order at 7:19 p.m. on Monday, August 17, 2009. The Bellaire City Council met at that time and on that date in Regular Session in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401. Mayor Siegel announced that a quorum was present consisting of herself and the following members of City Council:

- Councilman Will Hickman, Position No. 1;
- Councilman James P. Avioli, Sr., Position No. 2;
- Mayor Pro Tem Peggy Faulk, Position No. 3;
- Councilman Phil Nauert, Position No. 4;
- Councilman Pat McLaughlan, Position No. 5; and
- Councilman John Jeffery, Position No. 6.

Other officials present were City Manager Bernard M. Satterwhite, Jr., City Attorney Alan P. Petrov, and City Clerk Tracy L. Dutton.
B. INSPIRATIONAL READING AND/OR INVOCATION – Mayor Pro Tem Peggy Faulk.

Mayor Pro Tem Peggy Faulk presented the inspirational reading for the evening, which included several quotations on goals and goal setting, as follows:

_A wise man will make more opportunities than he finds._

--Francis Bacon

_Winning isn’t everything, but wanting to win is._

--Vince Lombardi

_The significance of a man is not in what he attains but in what he longs to attain._

--Kahlil Gibran

_If you don’t know where you are going, you’ll end up someplace else._

--Yogi Berra

_In absence of clearly defined goals, we become strangely loyal to performing daily acts of trivia._

--Author Unknown

_There are two things to aim at in life; first to get what you want, and after that to enjoy it. Only the wisest of mankind has achieved the second._

--Logan Pearsall Smith

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 members of City Council in the U.S. Pledge of Allegiance and the Pledge to the Texas Flag.
D. PERSONAL/AUDIENCE COMMENTS.

J. D. Woodruff, 702 Mulberry Lane, Bellaire, Texas:

Mr. Woodruff addressed City Council and noted that in his line of work, he dealt with a number of small municipalities in the Houston area and felt that Bellaire was the best of the small municipalities. He was honored to live in Bellaire and thanked the City Council and employees for their service.

The issue he was present about this evening related to a meter box and electrical inlet that had been built at the front of a church in the 400 block of Mulberry Lane. He felt that the electrical service box, which was erected within ten feet of the sidewalk and the side property line, was in violation of the side and front setbacks. This might have been a mistake that occurred during plan checking—he was not sure. Mr. Woodruff requested that the church move the electrical service box back onto the building. He indicated that his meter and inlet boxes were located on the house as were those of his other neighbors up and down Mulberry Lane.

Since the electrical issue arose, there was now a great big water meter consisting of a high-rise pipe mechanism for the fire suppression system located by the front sidewalk. The church signage was also out by the sidewalk. There were many things that could be done to help the church blend in better with the neighborhood. One of the things the church could do to help it blend in would be to move the electrical service box up onto the building.

Larry Smith, 4535 Mimosa Street, Bellaire, Texas:

Mr. Smith addressed City Council regarding the City’s pool system and believed the system, as it stood today, was broken. He and his wife were present to ask for dedicated time for adult only swim in the regular pools. Management decisions heavily favored children. Children did not pay property taxes that were used to operate the pools. Mr. Smith noted that adults preferred late evening because of the sun. He advised that he and his wife were confused as to why the City of West University Place could have 27 hours weekly of adult swim time, yet Bellaire had none. The full-time lap lanes were many times filled with children with no enforcement.

Mr. Smith and his wife were also baffled by who was in charge of making such decisions. He had been told it was City Council by some and the Parks Department by others. Three of the top managers in
the Parks Department had kept passing this minor decision to City Council.

If this request were not in the City Council’s area of decision, Mr. Smith asked that the request be passed to the appropriate person. Last year, residents petitioned for the pools to be open in January and February. The petition was granted and residents understood that the petition might now be rescinded. Because of this, Mr. Smith was asking that the changes be made permanent so that adults could rely on the pool to be open at the same time every year.

The City of West University Place had amassed 120 adult lap swimmers due to their consistency of policies. Mr. Smith was sure that they had grown every year. In closing, Mr. Smith and his wife requested at least 1-1/2 to 2 hours every evening for lap swimming in the main pool—either pool would be okay as long as children were not allowed. He suggested that the children could have full access to the old pool the rest of the time.

Mrs. Smith noted that she hoped this change could be made permanent. She understood that a fight occurred every year over changes and hours with respect to the pools. The hours should be set in stone so that the elderly at the therapy pool had something they could rely on. She indicated further that she had swum the whole summer season at the West University Place pool during the adult only swim times.

Lynn McBee, 5314 Evergreen Street, Bellaire, Texas:

Ms. McBee addressed City Council and referred to the ordinance calling the election for the City of Bellaire. She was delighted that the filing period, which began on August 3, 2009, had attracted five persons to file for the four City Council seats, and the Mayor had re-upped for her position. Ms. McBee stated that Bellaire could handle two, three, and four candidates per position and urged those interested to apply for a place on the ballot. She indicated that the deadline was September 2nd, followed by a later deadline for designated write-in candidates.

She next referred to the temporary suspension of the prohibition against dogs in the parks. Rachael Veldman, a delightful young lady, had initiated a dog parade and contest. Ms. McBee agreed that this was a great idea and commended her greatly for the initiative she had taken and had written about. Ms. McBee’s problem with the request was that the prohibition of dogs in the parks had been in existence for
a long time for safety reasons and because the public had desired it. To break that policy or prohibition for Ms. Veldman’s need offended her a bit. Ms. McBee did not think there ought to be special privileges for anyone. The solution to the issue would be not to have the event in the park at the gazebo. It could be convened at the Condit Elementary School Parking lot or on the other end of town. It was not appropriate to hold the event at the Bellaire Zindler Park.

Thirdly, Ms. McBee commended City management and the City Attorney for putting a suspension on the gas utility rate increase being sought by CenterPoint Energy. It appeared that CenterPoint Energy wanted to initiate a $4.09 average increase beginning with 35 Ccf used. Ms. McBee stated that her usage ranged between 50 and 75 Ccf, so she did not know what it would cost at the $4.09 rate for a higher usage. She thanked City Staff for proposing to put it off and letting the experts tough it out.

Finally, with respect to the St. Mark Coptic Church relocating its riser pole and transformer, Ms. McBee understood the gentleman’s concern expressed earlier this evening. She read from the agenda statement for the purpose of informing the community that City Staff had reviewed the situation and “although the church is located in a residential area, the building is a commercial structure. As such, the electrical service requirements differ significantly from residential service requirements and it is our understanding that those differences require that the transformer and service connection, which are located in the connection panel, be located immediately adjacent to the service pole. The increased size of the electrical service requirement is not unlike those found in various other locations in the City often quite close to streets and neighborhoods.” The photograph included in the packet showed the riser pole to be three times as high as the connection was. The fact that the church was in a residential neighborhood seemed to be causing the conflict. The staff interpreted the church to be a commercial building and by such ruling they extracted the requirements that would govern drainage and construction as a commercial building would. The fact that the church was located in a residential neighborhood could not be changed. If someone did not like the service connection, then that was too bad, because the law had been followed in this instance.

{The speaker’s allotted time ended at this point in the meeting}
Keith Bowers, 4904 Jessamine Street, Bellaire, Texas:

Mr. Bowers addressed City Council and commended them and City Staff for managing the Hurricane Ike disaster. He also thanked the City Manager and Assistant City Manager for their work on the budget.

He advised that his comments this evening were related to the City’s pension plan. Mr. Bowers stated that he was from the old school and did not believe actuaries. The City was underpaying for the pension promises it was making, by perhaps 75%. He encouraged City Council to take a hard look at the pension plan and to make sure that there were enough funds reserved to keep the promises that the City was making. If that seemed too expensive, he suggested changing the plan to a defined contribution plan rather than a defined benefit plan.

Mr. Bowers advised that in times of high and uncertain inflation and interest rates, defined benefit plans were impossible to manage. Right now the City was spending about 15% of the total operating budget on pension contributions. He stated that the City needed to be spending approximately $3 million on pension contributions or 20% of the total operating budget.

In closing, Mr. Bowers commended City Staff for putting together what he considered a very fair and equitable budget. He stated that he thought City Council should keep the therapy pool open year-round.

Paul Simmons, 704 Mulberry Lane, Bellaire, Texas:

Mr. Simmons addressed City Council and stated that on September 9, 2009, at 5:30 p.m. he would be hosting a political fundraiser for the Houston Mayoral Candidate Gene Locke. Mr. Simmons had known Gene for a long time and he felt that Gene would be Houston’s next Mayor. He invited all of City Council as his guest to that function. Residents living in the vicinity around Mulberry Lane had been invited and many had indicated that they would attend. He stated that this was an opportunity for members of City Council to meet the man that Mr. Simmons felt would win (perhaps in a run-off election). He urged City Council to RSVP so that he could get the name tags right.

Joe Solito, CenterPoint Energy:

Mr. Solito addressed City Council and noted that he was present this evening as a representative of CenterPoint Energy and could speak on
behalf of the rate change request that had been filed with the City of Bellaire. There were two major reasons that CenterPoint Energy was asking for the rate change. Their cost of doing business had increased (i.e., labor, supplies, materials, benefits for employees) and their customer growth had not increased to the level anticipated. At the same time, CenterPoint Energy would be lowering another portion of the customer’s bill, which was the cost of gas. In effect, a customer’s bill would go up on one side and down on the other. The net total effect for the customer would be an approximate $2.00 decrease per month.

City Council had several choices that could be made this evening. The request could be accepted, denied, or suspended. He advised that he would stick around and be available to answer any questions City Council might have when that particular item was considered.

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**E. REPORTS:**

1. **CITY MANAGER’S REPORT** regarding residential safety (police activity report), public infrastructure/utilities (street and drainage projects update), cultural and recreational (Loftin Park improvements), communications/technology (fiber optic network installation), crime and building permit indicators, and upcoming City Council meetings/events – 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**

It was noted that three robberies of individuals had occurred during the month of July. In each case, persons were approached and robbed by suspects in residential areas. All three robbery cases had been cleared by arrests and charges filed in the first week of August 2009.

Four residential burglaries were reported during the month of July. One occurred when unknown suspects stole items from an open garage. In two incidents, suspects entered by forced entry through a window. In a third case, property was stolen from a vacant house.
Ten misdemeanor assaults were reported this period. Most of those were assaults between family members. One motor vehicle theft was also reported this period. The vehicle was subsequently recovered by the Houston Police Department.

Identity thefts were still occurring every reporting period. City Manager Satterwhite advised residents to be on the lookout and guard their identity to the maximum extent possible.

Burglaries of motor vehicles were also still occurring, which continued to be troubling.

**Public Infrastructure/Utilities**

With respect to streets and drainage and other infrastructure projects, it was noted that Evergreen Street was almost completed. With that street, the final closeout on the Rebuild Bellaire Program, Phase One, which started almost two years ago, should be complete and presented to City Council for approval sometime in September 2009. City Manager Satterwhite advised that the project went very well, in spite of the fact that there was a great amount of rainfall during the first year of the project.

The Newcastle Drive reconstruction project continued to progress. The section under reconstruction now was nearing completion. City Staff hoped to have that section, Verone Street to Holly Street, open in both directions by Friday of this week, if possible. Once that section was opened, City Staff would close the next section from Holly Street to Beechnut Street on both sides of the street. The disruption should be fairly minor and the expected completion date of that section would be in approximately two months or so.

The Rebuild Bellaire Program, Phase Two, was also going very well. The project consisted of the reconstruction of the 4500 block of Park Court, Avenue B (from Fournace Place to the north dead end) the 4500 block of Sunburst Street, Chestnut Street north to Elm Street, and the 100 block of Whipple Street. The City was working on sidewalks and sod in the 4500 block of Park Court, which was essentially complete. Traffic had been switched to one-way south on Avenue B from Sunburst Street entering off of Newcastle Drive. The west side of Avenue B had been completed.

Finally, an engineering proposal was in the works for the Rebuild Bellaire Program, Phase Three, which should come to City Council for approval sometime during 2010.
The sidewalk project was also progressing. City Staff would be sending letters to addresses in the 4600 blocks of Holt Street and Mimosa Street informing residents that a sidewalk would be placed in front of their homes. Construction began this week. The City had completed the 4600 blocks of Verone Street and Birch Street. The south side of Linden Street was also completed.

With respect to the four-year plan for water and wastewater improvements, the engineering design project for the Rice Lift Station was approved by City Council on May 18, 2009. It was anticipated that the engineering phase would be completed in September, with the bid process scheduled to occur in October.

The Feld Park Water Plant Rehabilitation Project was on schedule. The engineering design phase for this project was also approved by City Council on May 18, 2009. This project also looked good for an October bid process.

The plans for the Central Water Plant electrical and disinfection upgrades were being finalized and checked at this time. The Central Water Well was still down and would be kept down until things progressed on some of the other projects. Surface water was currently being pumped into the Central Water Plant.

The Renwick Water Plant was up and running. The plant was down due to an electrical problem, which was fixed on Friday evening.

**Cultural and Recreational**

City Manager Satterwhite advised that there had recently been a grand opening of the new trail, lighting, benches, and playground equipment in Loftin Park. The City was pleased with the contract, contractors, and construction observation performed by Clark Condon Associates.

**Communications/Technology**

It was noted that the City was getting ready to install a fiber optic network to City facilities. The City received a good deal on this project, as the City was able to branch off of the fiber optic that was being run in association with the traffic signal project. This project would enhance the City’s overall network. City Manager Satterwhite indicated that residents and City Council would see some digging through Bellaire Zindler Park to connect City Hall to the Recreation Center. The Police and
Municipal Court Building and Bellaire City Library would also be connected to the enhanced network via fiber. The Bellaire Fire Station would be added once the new building was constructed.

**Upcoming Meetings/Events**

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Type of Meeting</th>
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<tbody>
<tr>
<td>08/22/2009</td>
<td>8:30 a.m.</td>
<td>Joint Workshop Session with City Council and City Boards</td>
</tr>
<tr>
<td>09/14/2009</td>
<td>7:00 p.m.</td>
<td>Regular Session</td>
</tr>
<tr>
<td>09/21/2009</td>
<td>7:00 p.m.</td>
<td>Regular Session</td>
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City Manager Satterwhite advised that the first Monday in September was September 7, 2009, and that City offices would be closed in observance of the Labor Day holiday. This also meant that there would be no trash pickup on that day.

**QUESTIONS/COMMENTS FROM CITY COUNCIL:**

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

**C/Q:** Councilman Will Hickman relayed a comment from some of his Houston friends who had visited the Family Aquatic Center in Bellaire Town Square. Those friends advised that Bellaire’s facility should be the standard by which all municipal construction should be done. He knew that Director Jane L. Dembski and Recreation Superintendent Cheryl Bright-West had applied for and received some awards in the past. He inquired as to whether Bellaire had applied for any additional awards since that time.

**A:** City Manager Bernard M. Satterwhite, Jr., noted that the facility had specifically received several awards.

**Q:** Councilman Hickman inquired as to whether City Manager Satterwhite could provide a prioritization as to what would need to occur with the budget if there were a one cent or one-half cent decrease in the tax rate.

**A:** City Manager Satterwhite indicated that he could provide that information.

**Q:** Councilman James P. Avioli, Sr., referred to the electrical work recently performed on the Renwick Water Plant and inquired as to whether the expenditure was a major expenditure.
City of Bellaire  Minutes of Meeting  
City Council  
Monday, August 17, 2009  

A: City Manager Satterwhite stated that it was a fairly minor expenditure.

Q: Councilman Avioli inquired as to whether the traffic signal project was on schedule.

A: City Manager Satterwhite indicated that the project was on schedule. The poles had been received and were being galvanized now, followed by powder coating. The Texas Department of Transportation (TXDOT) would then inspect the poles and have the contractor start installing the poles.

Q: Councilman Avioli inquired as to whether City Manager Satterwhite was still considering an alternative measure for the aluminum box at the intersection of South Rice Avenue and Bellaire Boulevard.

A: City Manager Satterwhite indicated that he had not had an opportunity to discuss that with the contractors. He was not certain as to where an alternative location would be.

C: Councilman Pat McLaughlan indicated that if the aluminum box could not be relocated, then it could at least be painted.

R: City Manager Satterwhite agreed.

MOTION TO ACCEPT REPORT INTO THE RECORD:

A motion was made by Councilman James P. Avioli, Sr., and seconded by Councilman Pat McLaughlan to accept the City Manager’s Report as presented by City Manager Bernard M. Satterwhite, Jr., into the record.

VOTE ON MOTION TO ACCEPT REPORT INTO THE RECORD:

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

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

2. FINANCE REPORT for the City of Bellaire, Texas, covering the period ended July 31, 2009, and including discussion of revenues and expenditures in the General Fund, Enterprise Fund, Debt Service Fund, Vehicle, Equipment, and Technology 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 July 31, 2009, to City Council.

Revenues

Bellaire’s total revenues of $25.3 million were $1.8 million higher than last July year to date or 8% higher. The total did include insurance reimbursements, as well as reimbursements from the Federal Emergency Management Agency (FEMA) (i.e., $2.3 million).

The General Fund received $756,000 in reimbursements from insurance and FEMA whereas the Enterprise Fund received $1.6 million from insurance and FEMA in reimbursements. If this amount were removed from the total revenues reported of $25.3 million, then the City’s revenues were actually lower than the previous year by approximately $500,000.

Expenditures

Bellaire’s total expenditures of $23.6 million were $3 million or 14.7% higher than last July year to date. After deducting the Hurricane Ike expenditures from the total expenditures, the City’s total expenditures were $22 million or 8% higher than the previous year.

The Hurricane Ike expenditures thus far were $1.4 million. Of those expenditures, $1 million could be attributed to the Enterprise Fund and approximately $385,000 could be attributed to the General Fund.

Housing Statistics

Housing sales, excluding “by owner” sales, consisted of 218 residential properties and 45 properties for lease. These
figures compared to June of 239 and 42, respectively. Six Bellaire addresses were up for auction during the period and three properties were currently bank-owned.

**General Fund**

Compared to the budget, Chief Financial Officer Todd advised that the City’s General Fund revenues were at 94% of the fiscal year budget. Property tax revenues were at 97% of the budget. Investment revenue was at 30% of the budget, and fines were at approximately 43% of the budget.

General Fund expenditures in total were at 80% of the fiscal year budget.

**Debt Service Fund**

The Debt Service Fund revenues were at 97% of the budget. The majority of revenues in this fund were derived from property taxes.

Debt Service Fund expenditures were at approximately 75% of the budget.

The outstanding principal at July 31 was $64 million (i.e., after issuance of $7 million in General Obligation Bonds and the Refunding Bonds of $2 million).

The next interest payment, which had already occurred on August 15, was slightly over $1 million.

**Enterprise Fund**

The Enterprise Fund revenues were at 84% of the fiscal year budget, net of any reimbursements related to Hurricane Ike.

Enterprise Fund expenditures totaled approximately 85% of the fiscal year budget. If the Hurricane Ike expenditures were taken out, the total expenditures were approximately 67% of the fiscal year budget.

**QUESTIONS/COMMENTS FROM CITY COUNCIL:**

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

Q: **Councilman Phil Nauert** inquired as to how much the City had outstanding in FEMA and insurance reimbursements from Hurricane Ike.
A: **Chief Financial Officer Todd** advised that she could not report the exact figure without going through some of her records. She felt that the insurance reimbursements were almost completed, except for the depreciation values. In terms of FEMA reimbursements, there were four large projects or expenditures. FEMA would only reimburse up to 90% until they had completed an audit. Once the audit was completed, the City would receive any remaining funding from FEMA on those projects. There was also a $47,000 project for Parks debris that was segregated out. The City was still waiting to hear if it was a reimbursable expenditure.

Chief Financial Officer Todd had appealed in two separate letters some of the expenditures that FEMA had denied the City. She had not received a response yet and noted that FEMA had a 90-day turnaround to respond to appeals.

FEMA did have a form that entities could complete if another catastrophic event occurred that would tax an entity’s cash resources. This would allow an entity to apply for advance funding. Bellaire did not have to do that for Hurricane Ike.

Q: **Councilman Nauert** asked if the reimbursements were progressing in an orderly fashion and at a good pace in Chief Financial Officer Todd’s opinion.

A: **Chief Financial Officer Todd** indicated that she did not believe Bellaire was having any problems with the reimbursement process. Much of the funding process depended on how quickly the City could submit the proper and necessary documentation to FEMA and the insurance company.

Q: **Councilman Nauert** referred to the financial statements and inquired as to whether things were tracking as Chief Financial Officer Todd expected.

A: **Chief Financial Officer Todd** advised that she could not think of anything specifically that would be a concern. She knew that once the City got toward the end of the fiscal year it would be necessary to consider some budget amendments for the FEMA expenditures, as those were not contemplated or budgeted. She noted that she did not see anything glaring in the financial statements.
Q: **Councilman James P. Avioli, Sr.**, referred to page two of the financial report, the “miscellaneous” line item in the Enterprise Fund of $1.5 million. He inquired as to what that line item represented.

A: **Chief Financial Officer Todd** indicated that the line item was related to FEMA reimbursements for Hurricane Ike.

Q: **Councilman Avioli** referred to page 3, expenditure side, Finance Department, and noted that there was a difference of $120,000 between 2008 and 2009. He inquired as to the reason for that difference.

A: **Chief Financial Officer Todd** indicated that she would need to look back at the previous year to see what project was done by the Finance Department.

Q: **Councilman Avioli** referred to page 5, miscellaneous revenue. He advised that there was quite a difference between the current period and current budget and inquired as to that difference.

A: **Chief Financial Officer Todd** advised that over $750,000 of the difference was related to FEMA reimbursements for Hurricane Ike.

Q: **Councilman Avioli** referred to Councilman Nauert’s earlier question and asked if Chief Financial Officer Todd had some idea as to how much more the City might receive in reimbursements related to Hurricane Ike.

A: **Chief Financial Officer Todd** advised that she had not tried to calculate the remaining 10% the City was due. She also noted that there was an expenditure of $47,000 that the City was waiting to hear about on its appeal.

C: **Councilman Avioli** commended and thanked Chief Financial Officer Todd for the excellent job she had done with FEMA for the City.

C: **Mayor Cindy Siegel** echoed the comment made by Councilman Avioli regarding Chief Financial Officer Todd’s excellent work. The City was blessed to have her working with FEMA for the City.
MOTION TO ACCEPT REPORT INTO THE RECORD:

A motion was made by Councilman Phil Nauert and seconded jointly by Councilman Pat McLaughlan and Councilman James P. Avioli, Sr., to accept the Finance Report for the City of Bellaire, Texas, for the period ended July 31, 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 7-0 vote as follows:

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

OPPOSED: None

ABSENT: None

F. NEW BUSINESS:

1. CONSENT AGENDA:

Approval/Correction of Minutes:

APPROVAL of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held Monday, August 3, 2009 – Item submitted by City Clerk Tracy L. Dutton.

MOTION TO APPROVE CONSENT AGENDA DATED AUGUST 17, 2009:

A motion was made by Councilman Pat McLaughlan and seconded by Councilman John Jeffery to approve the Consent Agenda dated August 17, 2009, consisting of minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held Monday, August 3, 2009.
VOTE ON MOTION TO APPROVE CONSENT AGENDA
DATED AUGUST 17, 2009:

Motion carried on a 5-0-2 vote as follows:

FOR:  Siegel, Cindy
       Avioli, James P., Sr.
       Faulk, Peggy
       McLaughlan, Pat
       Jeffery, John

OPPOSED:  None

ABSENT:  None

ABSTAIN:  Hickman, Will*
           Nauert, Phil*

*Councilmen Will Hickman and Phil Nauert abstained from voting to approve the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held Monday, August 3, 2009, due to their absence from that meeting.

2. ADOPTION OF ORDINANCES:

Calling General Election and Special Election

a. CONSIDERATION of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, calling a general election within the City of Bellaire, Texas, for the purpose of electing a Mayor, Councilman – Position No. 1, Councilman – Position No. 3, and Councilman – Position No. 5 for the City Council and calling a special election within the City of Bellaire, Texas, for the purpose of electing a Councilman – Position No. 6; providing for a runoff election, if necessary; establishing the date of the general election and special election on the uniform election date designated by the State of Texas as the first Tuesday after the first Monday in November or November 3, 2009; establishing election precincts, polling places, and appointing election officials; and setting forth certain guidelines – Item submitted by City Clerk Tracy L. Dutton.
MOTION TO ADOPT ORDINANCE CALLING GENERAL ELECTION AND SPECIAL ELECTION:

A motion was made by Mayor Pro Tem Peggy Faulk and seconded by Councilman Will Hickman to adopt an ordinance of the City Council of the City of Bellaire, Texas, calling a general election within the City of Bellaire, Texas, for the purpose of electing a Mayor, Councilman – Position No. 1, Councilman – Position No. 3, and Councilman – Position No. 5 for the City Council and calling a special election within the City of Bellaire, Texas, for the purpose of electing a Councilman – Position No. 6; providing for a runoff election, if necessary; establishing the date of the general election and special election on the uniform election date designated by the State of Texas as the first Tuesday after the first Monday in November or November 3, 2009; establishing election precincts, polling places, and appointing election officials; and setting forth certain guidelines.

DISCUSSION ON MOTION TO ADOPT ORDINANCE CALLING GENERAL ELECTION AND SPECIAL ELECTION:

Mayor Cindy Siegel noted that there would be a great many opportunities to thank Councilman John Jeffery, Councilman – Position No. 6, and that everyone was sad that he had to resign his position. Mayor Siegel advised the audience that Councilman Jeffery would remain in his position until his replacement was elected. As she recalled, that person would be sworn in the evening of the canvass or November 16, 2009. She expressed her appreciation to Councilman Jeffery, noting that he had done a great job for the City.

Councilman Will Hickman echoed Mayor Siegel’s comments and noted that members of City Council would miss Councilman Jeffery. He referred to and inquired as to a reference in the ordinance related to a 120-day period to fill the vacancy.

City Attorney Alan P. Petrov advised that the City had a 120-day period in which to call an election once it had been notified of a vacancy. The City was meeting that requirement by calling the election this evening.
VOTE ON MOTION TO ADOPT ORDINANCE CALLING GENERAL ELECTION AND SPECIAL ELECTION:

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

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

OPPOSED: None

ABSENT: None

{Ordinance was subsequently numbered: 09-050}

Code Suspension

b. CONSIDERATION of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, temporarily suspending the application of Chapter 6, Animals and Fowl, Article II, Keeping Dogs and Cats, Sec. 6-43, Dogs and cats prohibited on parks and playgrounds, for the purpose of allowing the Bellaire Parks and Recreation Department to hold their Third Annual “Howl-O-Ween” Dog Parade and Contest, a fundraiser for the City’s Officer Lucy Dog Park, in Bellaire Zindler Park located in Bellaire Town Square, 7008 South Rice Avenue, Bellaire, Texas, said suspension to commence at 8:00 a.m. on Saturday, October 17, 2009, and to terminate at 11:00 a.m. on Saturday, October 17, 2009 – Item submitted by City Clerk Tracy L. Dutton on behalf of the Bellaire Parks and Recreation Department.

SUMMARY:

Rachael Veldman, 4654 Cedar Street, Bellaire, Texas 77401, addressed City Council and thanked them for supporting the “Howl-O-Ween” Dog Parade and Contest. She advised that this event would raise money for the Officer Lucy Dog Park and was her idea three years ago.
The first two “Howl-O-Ween” Dog Parade and Contests were big successes. The Third Annual “Howl-O-Ween” Dog Parade and Contest was scheduled to be on October 17, 2009, but the Parks and Recreation Department had run into a problem. The usual parade route was not available because of road construction on Newcastle Drive. Ms. Veldman asked City Council to suspend the City ordinance to allow dogs in Bellaire Zindler Park for the Dog Parade. Ms. Veldman indicated that the desired parade line-up would be at the gazebo in Bellaire Zindler Park. Dogs and participants would only be in the park for a short time. The parade route would include South Rice Avenue to Jessamine Street then to Fifth Street and a return to the gazebo for the Awards Ceremony. The ordinance would need to be suspended from 8:00 a.m. until 11:00 a.m. to allow the participants in the park during this time.

If City Council would grant this suspension, the Third Annual “Howl-O-Ween” Parade and Contest could continue as planned and enjoyed by Bellaire residents.

Ms. Veldman closed by thanking City Council for listening to her and added that she hoped City Council would grant this suspension as it would help the Officer Lucy Dog Park and would allow the residents to have a fun parade.

Sharon Veldman, 4654 Cedar Street, Bellaire, Texas 77401, added that the Parks and Recreation Department did not envision dogs running loose through the park. The dogs had to be leashed and there were lots of regulations and standards for the parade.

**MOTION TO ADOPT ORDINANCE TEMPORARILY SUSPENDING PORTION OF CITY CODE:**

A motion was made by Councilman John Jeffery and seconded by Councilman Phil Nauert to adopt an ordinance of the City Council of the City of Bellaire, Texas, temporarily suspending the application of Chapter 6, Animals and Fowl, Article II, Keeping Dogs and Cats, Sec. 6-43, Dogs and cats prohibited on parks and playgrounds, for the purpose of allowing the Bellaire Parks and Recreation Department to hold their Third Annual “Howl-O-Ween” Dog Parade and Contest, a fundraiser for the City’s Officer Lucy Dog Park, in Bellaire Zindler Park.
located in Bellaire Town Square, 7008 South Rice Avenue, Bellaire, Texas, said suspension to commence at 8:00 a.m. on Saturday, October 17, 2009, and to terminate at 11:00 a.m. on Saturday, October 17, 2009.

DISCUSSION:

Mayor Cindy Siegel advised that this suspension was for this year only and was due to the fact that Newcastle Drive, the original route, was under construction.

Councilman Will Hickman advised that he was happy to have the Veldmans as neighbors and was excited to support the parade.

Councilman James P. Avioli, Sr., stated that he certainly supported the parade, but wished to raise a question. He noted that there was no provision for cleanup after the event and asked if that should be addressed or whether the Parks and Recreation Department would handle that.

Sharon Veldman advised that dog poop bags were provided to participants during registration for the event. It was mandatory that participants scooped their own dogs.

Councilman John Jeffery indicated that he definitely supported the suspension and the parade. He noted that there were dogs all over the parks anyway at the Little League Fields and Mulberry Park.

Councilman Pat McLaughlan stated that he, too, certainly supported this request for a suspension and the parade. He wished to go one step further and ask for any understanding as to why the City had an ordinance that dogs should not be allowed in a City park. There were lots of dogs on leashes in Memorial Park, for example. It was a non-issue. He did believe that dogs should be on leashes, but not prohibited from parks.

VOTE ON MOTION TO ADOPT ORDINANCE TEMPORARILY SUSPENDING PORTION OF CITY CODE:
Motion carried unanimously on a 7-0 vote as follows:

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

OPPOSED: None

ABSENT: None

Mayor Siegel thanked the Veldman family and noted that this was really a great event and a “howling” good time.

{Ordinance was subsequently numbered: 09-051}

3. ADOPTION OF RESOLUTIONS:

   Gas Utility Rates

   a. CONSIDERATION of and possible action on the adoption of a resolution of the City Council of the City of Bellaire, Texas, suspending the September 4, 2009, effective date of CenterPoint Energy Resources Corp.’s, d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas, requested rate change to permit the City of Bellaire, Texas, reasonable time to study and act on the request – Item submitted by Assistant City Manager Diane K. White.

SUMMARY:

City Manager Bernard M. Satterwhite, Jr., noted that not long ago, the City received a rate request and, along with it, two volumes with the rate justification included. He was certain that everything had been included and was in order, but the City had not really had time to digest or think about an appropriate recommendation to City Council at this time. Based on the City Attorney’s recommendation, City Staff would like to join the City of Houston and some other cities in asking that the increase be suspended for 90 days in accordance with state law to give all parties the
MOTION TO ADOPT RESOLUTION SUSPENDING EFFECTIVE DATE OF RATE CHANGE:

A motion was made by Councilman Phil Nauert and seconded by Councilman Pat McLaughlan to adopt a resolution of the City Council of the City of Bellaire, Texas, suspending the September 4, 2009, effective date of CenterPoint Energy Resources Corp.’s, d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas, requested rate change to permit the City of Bellaire, Texas, reasonable time to study and act on the request.

DISCUSSION ON MOTION TO ADOPT RESOLUTION SUSPENDING EFFECTIVE DATE OF RATE CHANGE:

Councilman Will Hickman asked what would occur at the end of the 90-day period. In other words, would the rate change request be brought back to City Council for future consideration?

City Attorney Alan P. Petrov indicated that City Council would have to see this agenda item again. City Council would need to approve the request, deny the request, or take no action. If no action were taken, the rate change would automatically go into effect.

Councilman Hickman inquired as to whether or not the request would go to the Texas Railroad Commission for arbitration if Bellaire denied the request.

City Attorney Petrov advised that Councilman Hickman was correct.

Councilman James P. Avioli, Sr., referred to a letter included in City Council’s packet from Richard A. Zapalac, Regional Vice President, Gas Operations, CenterPoint Energy. He advised that the first paragraph mentioned an increase of $4.09 per month. Councilman Avioli inquired as to whether this increase was related to cost of service.

Joe Solito, Builder & Developer Services Supervisor, New Business Relations, CenterPoint Energy, advised that a customer’s bill was divided into
two portions—the cost of gas and the cost of keeping up CenterPoint Energy’s infrastructure. The $4.09 increase would be related to the cost of keeping up CenterPoint Energy’s infrastructure.

Councilman Avioli referred next to paragraph three of the letter he previously referenced and the mention of a “PGA” or purchased gas adjustment. He inquired as to the net effect of the PGA decrease and the cost of service increase. In other words, what was the net effect of the increase and decrease?

Mr. Solito indicated that if the increase and decrease went into effect at the same time, the net effect on a customer’s bill would reflect a $2.00 deduction. There would be a $6.00 reduction for PGA and a $4.00 increase for cost of service, which would yield a net reduction of $2.00.

Councilman Avioli inquired as to what prices the PGA was based on.

Mr. Solito advised that CenterPoint Energy adjusted the PGA every six months based on what they paid for the cost of gas. It was an automatic flow-through. In other words, the cost that CenterPoint Energy paid for the gas was pushed through to their customers.

He indicated further that CenterPoint Energy could not purchase gas for the wellhead price. They had to pay for transportation and compression as well.

Councilman Avioli inquired as to the frequency with which CenterPoint Energy filed a rate change request.

Mr. Solito advised that CenterPoint Energy had not filed with Bellaire for a rate change in five years.

Councilman Avioli inquired as to whether Mr. Solito had an idea as to how long the current rate change request would be in effect.

Mr. Solito stated that he did not know. If the rate change request would keep CenterPoint Energy whole and they were able to keep up with their labor and supplies, then the company would not hope to be coming back soon. There was a mechanism in the rate case filing called a “COSA” or cost of service adjustment.
If CenterPoint Energy did well, the COSA would be reduced. On the other hand, if things did not go well, the COSA would increase.

**Councilman Phil Nauert** noted that the resolution before City Council would suspend any action for 90 days or so. He inquired as to what would happen with the rate increase if City Council did not challenge the rate request at the end of 90 days. In other words, would the rate increase be retroactive to the beginning of the 90-day suspension period or at the end of it?

**Mr. Solito** advised that if City Council took no action this evening, the rate change would go into effect September 4, 2009. At the end of the 90-day period if City Council denied the request, the City’s residents would stay on their current rates until CenterPoint Energy was able to get a ruling from the Texas Railroad Commission. If City Council approved the request at the end of the 90-day period, the rate would go into effect after that 90-day period.

**Councilman Nauert** asked what would happen if the Texas Railroad Commission had to make the ruling. In other words, would their decision be retroactive back to the original date.

**Mr. Solito** indicated that CenterPoint Energy had to follow the rules of the City Council.

**Councilman Nauert** stated that Mr. Solito, when addressing City Council during the Personal/Audience Comments portion of the meeting, indicated that a rate change was necessary because CenterPoint Energy’s costs had increased. To do that, CenterPoint had decided to reduce its customers’ rate by $2.00 per month.

**Mr. Solito** advised that when the cost of gas (an automatic flow-through adjusted every six months) was combined with the PGA, the net effect at this time happened to be a $2.00 reduction.

**Councilman Nauert** asked for confirmation that the cost of gas had gone down; therefore, customers would be realizing the benefit of that decrease. On the other hand, CenterPoint Energy’s operational costs had increased.
Mr. Solito advised that Councilman Nauert was correct.

Councilman Pat McLaughlan indicated that apparently customers were in a lucky period whereby the cost of gas had gone down. He inquired as to the amount of the current cost of service.

Mr. Solito advised that the cost of service component was a customer’s minimum bill. He believed it was approximately $10.50 to $11.00 per month.

Councilman McLaughlan advised that if this were the case, CenterPoint Energy was asking for a 40% increase in cost of service.

Mr. Solito stated that 60-70% of a customer’s bill was the gas cost and 30-40% of a customer’s bill was the cost of doing business.

Councilman McLaughlan indicated that he had seen a news report whereby the Consumer Price Index (CPI) was going down.

Mr. Solito advised City Council that CenterPoint Energy was looking at a five-year period of time of accumulating costs and the company had gotten behind on keeping up with a normal return for a utility.

Councilman McLaughlan thanked Mr. Solito for attending the meeting and added that he was simply amazed at the 40% increase.

Mr. Solito asked City Council to remember that CenterPoint Energy was also filing at the same time with the Texas Railroad Commission for those people not within city limits. The City of Houston would go over the numbers, as would the Texas Railroad Commission.

Councilman Avioli noted that the City was roughly looking at a $2.00 reduction in their monthly bill. He inquired as to whether the effective date was retroactive to the filing or to when the rate was accepted by the City Council. In other words, if we waited 90 days, then we would miss out on a few dollars in reductions.

Mr. Solito indicated that Bellaire’s customers would still see a reduction in gas costs on their September bill.
City Attorney Petrov advised that the two components were not tied together.

Mr. Solito reiterated that Bellaire’s customers would see an approximate $6.00 reduction in their gas costs regardless of the decision City Council made this evening.

Councilman John Jeffery advised that he understood the surplus of natural gas and the lowering of that component cost. However, with respect to the cost of service, he noted that everyone in industry had been asked to lower cost of service and to cut the fat. He could not accept that the City should not challenge CenterPoint Energy to ask for a price increase in this economic time. He advised that it was almost insulting. He felt this should be challenged. He asked what CenterPoint Energy was doing today to ensure the best cost of service model for its customers.

VOTE ON MOTION TO ADOPT RESOLUTION SUSPENDING EFFECTIVE DATE OF RATE CHANGE:

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

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

OPPOSED: None

ABSENT: None

{Resolution was subsequently numbered: 09-07}

Location of Structures in Front of Building Lines

b. DISCUSSION among members of City Council and City Staff regarding the installation and location of certain structures in front of building lines and possible action on the adoption of a resolution of the City Council of the City of Bellaire, Texas, requesting that St. Mark Coptic Orthodox Church, located at 424 Mulberry Lane, Bellaire, Texas,
relocate the new riser pole with transfer and electrical service connection recently installed in the northwest corner of the property close to Mulberry Lane, to a location behind the front building line – Item submitted by Director of Community Development John McDonald on behalf of Councilman Pat McLaughlan.

SUMMARY:

Councilman Pat McLaughlan advised that several weeks ago, Mr. Woodruff had presented City Council with a nice 8” X 10” photograph of a riser pole and electrical service connection installation at 424 Mulberry Lane in Bellaire. He wished to bring this item forward so that City Council could better understand the process by which this somewhat unsightly device was located on Mulberry Lane.

He noted that there could be several actions taken by City Council on this issue. One action would be to discuss the item among members of City Council and City Staff. He stated that he did wish to get some more insight as to how this device came to be located in such a way in this residential area.

A second action for City Council’s consideration was a resolution asking St. Mark Coptic Orthodox Church, located at 424 Mulberry Lane, Bellaire, Texas, to relocate the device.

MOTION TO ADOPT RESOLUTION REQUESTING RELOCATION OF ELECTRICAL SERVICE CONNECTION:

A motion was made by Councilman Pat McLaughlan and seconded by Councilman John Jeffery to adopt a resolution of the City Council of the City of Bellaire, Texas, requesting that St. Mark Coptic Orthodox Church, located at 424 Mulberry Lane, Bellaire, Texas, relocate the new riser pole with transfer and electrical service connection recently installed in the northwest corner of the property close to Mulberry Lane, to a location behind the front building line.
DISCUSSION ON MOTION TO ADOPT RESOLUTION REQUESTING RELOCATION OF ELECTRICAL SERVICE CONNECTION:

City Manager Bernard M. Satterwhite, Jr., indicated that the Director of Community Development John McDonald had been working on this issue, as had Building Official Lee Cabello, and noted that both were present to answer any questions City Council might have. The construction related to St. Mark Coptic Orthodox Church started five years ago with the approval of a specific use amendment and permit. He suspected at that time that it was not clear to everyone exactly what some of the ramifications were with respect to that specific approval.

City Council had quite a bit of latitude in putting certain conditions on a specific use amendment and permit. Perhaps at that time not all of the things that could have or would have were clearly delineated so that everyone could adequately understand what was going to be involved.

City Manager Satterwhite advised that the process would be changed moving forward so that City Staff could anticipate those issues that might arise, such as what constituted an institutional or commercial structure in a residential neighborhood.

Approximately two years ago, the plans for the St. Mark Coptic Orthodox Church were submitted to the City for approval. It was noted that the service connection was in the location where it currently stood. The Building Official looked at it and consulted the City Code and City Attorney as to that specific structure in that location. It was determined that there was nothing in the City Code that prohibited it. It was City Manager Satterwhite’s understanding that if the City Code did not prohibit something, then it was normally permitted. The City subsequently approved the plans.

Once the electrical service connection was installed, as approved, a resident brought it to the City’s attention that the structure was somewhat unsightly. City Manager Satterwhite agreed with that. He also agreed that it would be much better if the structure were located behind the front setback line.
The City’s Code did address certain things that were allowed or prohibited within the setbacks, but not this particular electrical service connection. City Manager Satterwhite noted further that this structure was a commercial connection rather than a residential connection. A residential connection fed off of the transformer through a drop that went directly into a service connection and a meter on the side of a home. A commercial connection, on the other hand, was generally fed from multiple transformers into a box or a conduit that ran underground.

City Manager Satterwhite noted that many of the commercial connections in town were installed in two different ways. One consisted of three transformers on a pole with a feed run off of the transformers into a conduit as closely to that pole as possible (i.e., near the street). The wires from the conduit were buried underground and ran into the commercial structure. In this particular application, the transformers could not be seen on the pole. The feed wires came directly from the pole into the box, which was the transformer itself, and from the transformer into a meter, which was also located on the pole, and then ran underground to the commercial structure. The conduit that ran underground was run through an extensive amount of concrete. It was City Manager Satterwhite’s understanding that the initial desire from the church was to place the service connection toward the rear of the property. CenterPoint Energy advised them that the type of connection being used needed to be installed immediately adjacent to the pole. The architect and contractor designed the connection based on CenterPoint Energy’s advice and brought it to the City for approval. It was approved and installed as designed.

City Manager Satterwhite suggested that in future discussions regarding industrial or commercial structures in a residential area that City Staff have a good checklist to bring forward to the Planning and Zoning Commission and the City Council so that everyone could become more aware of the ramifications that might go with those structures.

Councilman Will Hickman inquired as to whether there was underground service from the meter to the church.
Lee Cabello, Building Official, City of Bellaire, advised that Councilman Hickman was correct.

Councilman Hickman inquired as to whether the electrical service connection was temporary or permanent.

Building Official Cabello advised that the installation was permanent.

Councilman Hickman inquired as to whether there were locks on the electrical service connection boxes.

Building Official Cabello indicated that he was not certain if that particular box was locked, but the box could be set for a lock.

Councilman Hickman noted that the ordinance allowed the transformer and service to be located where it was. He inquired as to whether the church could move the connection and still be within the ordinance. In other words, would the ordinance allow the connection to be located behind the setback or on the facility itself?

Building Official Cabello stated that the structure could be erected anywhere on the property as long as it were engineered correctly.

Councilman Hickman asked for confirmation that the location might be an issue with CenterPoint Energy.

Building Official Cabello advised that Councilman Hickman was correct.

Councilman Hickman referred to the fact that the church had plans that were approved and that City Council had granted the church a specific use amendment. He stated that it did not appear that the City had any power to force the church to do anything.

City Attorney Alan P. Petrov indicated that Councilman Hickman was correct.

Councilman John Jeffery referred to the feed wires coming into the transformer box. He inquired as to whether the feed wires could be run through a conduit toward the rear of the property and up into the transformer box.
Building Official Cabello advised that anything was doable, of course. However, a utility easement would have to be created so that CenterPoint Energy could run their lines back to the transformer box. This would probably require the church to have more electrical poles installed as well.

Councilman Pat McLaughlan stated that he went by the property and looked at the electrical service connection. He stated that normally transformers were not placed inside boxes like the one the church had. He stated that transformers were normally located up on a power pole. He advised that there was an 800-amp circuit breaker in one of the boxes and a shunt in order to allow the meter to be read at that location.

Building Official Cabello agreed with Councilman McLaughlan.

Councilman Phil Nauert stated that as City Manager Satterwhite explained the photograph earlier, Councilman Nauert’s understanding was that electrical service at the same voltage and amperage common in CenterPoint Energy's wires were dropping down to a much lower level. The electrical service connection box appeared to be lower than the telephone and cable wires adjacent to it. He thought it was not permissible for electricity to drop down below the cable and telephone wires. In other words, it had to be stepped down by a transformer before it could drop to a lower level.

Building Official Cabello stated that he could not answer that question.

Councilman Nauert stated that he had a similar discussion with the power company on a personal level and understood that the level of electrical current needed for the structure could not be placed at such a low level. He suspected, as Councilman McLaughlan suggested, that there was a transformer there that City Council could not see. It was important in his mind, as this would be a public safety concern. If the line had already been stepped down by a transformer, then it was not an issue.

Councilman McLaughlan referred to the next to the last paragraph on page one of the agenda statement.
and noted that it read as if there was an Electrical Code that indicated that the structure had to be located next to the power pole for a commercial installation.

**Building Official Cabello** advised that he had not written the agenda statement.

**Councilman McLaughlan** indicated that the paragraph read as if the church were required by Code to locate the structure adjacent to the power pole for a commercial installation.

**Director of Community Development John McDonald, City of Bellaire,** advised that the church was not required by Code to do this. The original design indicated that the electrical service connection would be erected back by the main structure. When CenterPoint Energy came out to the site and in conjunction with discussions with the electrical engineer, CenterPoint Energy decided that the best place for the pole was in its current location.

**Councilman McLaughlan** asked for confirmation that the location was not a Code requirement, but rather a CenterPoint Energy desire.

**Director McDonald** indicated that based on the electrical needs for the structure, that the design needed to be the way it was.

**Councilman McLaughlan** advised that he, too, had driven around town and looked at commercial drops going into various commercial buildings. Invariably the drops ran down into conduit from the pole and ran underground to some point on the commercial structure. This structure on Mulberry Lane was in the front yard. With respect to other commercial structures, the electrical connections were located on the sides of the building.

**City Manager Satterwhite** advised that he was not trying to argue, but not all commercial electrical connections were on the sides of those structures. He apologized if he misled anyone on the agenda statement. It was his understanding of the situation. The Post Oak School has an electrical service connection similar to the structure at St. Mark Coptic Orthodox Church.
If the question were whether the structure could be located behind the building line, it was City Manager Satterwhite’s understanding that it could not.

**Councilman McLaughlan** advised that it appeared to be a colossal screw-up to allow this structure to be on the front and side property lines.

**Mayor Cindy Siegel** asked if there were anything in the City Code that applied to commercial structures that indicated that electrical service connections had to be located next to a pole.

**Director McDonald** indicated that there was not anything in the Code stating that a connection had to be located next to a pole. He noted further that there were commercial structures throughout Bellaire that had electrical connections similar to St. Mark Coptic Orthodox Church’s box located next to a sidewalk and there were others located on the sides of structures. It really depended on the load needed for the structure.

**Mayor Siegel** understood that CenterPoint Energy required this, which was outside of the City’s purview. The church had gone by CenterPoint Energy’s requirement. She advised that she came into the meeting this evening thinking that the City had two standards—one required for commercial buildings and one for residential structures. For example, Horn Elementary School’s construction would be coming up. She asked for confirmation that there was nothing in the City’s Code to require them to place their electrical service connection at the front of the structure near the street.

**Director McDonald** advised that in the future when staff recommended the specific use amendment and agreement to the Planning and Zoning Commission for approval, Staff would include certain conditions that needed to be placed on those structures to address things, such as electrical connections.

**Councilman Jeffery** stated that he had asked a question earlier as to whether the connection could be run from pole to pole at the rear of the property and he was told that an easement would have to be created.
Director McDonald advised that CenterPoint Energy would run their line to the meter. If the connection were moved back, there might be a potential need for the church to grant an easement to CenterPoint Energy in order for them to access the lines.

Councilman James P. Avioli, Sr., stated that he had gone by the location as well and could appreciate the neighbors’ concerns. He was confused as the Mayor was. He thought that the church was following a strict Code. He now understood that CenterPoint Energy suggested that the service be installed where it was.

Director McDonald advised that Councilman Avioli was correct. The Code did not address this either way.

Councilman Avioli indicated that what City Council was trying to do was to resolve a situation. However, whatever City Council did would cost someone money. Secondly, he inquired as to whether anyone had approached the church with respect to the neighbors’ concerns and discussed any possible mediation.

Director McDonald stated that the City had spoken with the church’s supervisor on the construction site. He had conveyed the issue to the church. The church had agreed to increase the landscaping around the structure. Their basic position was that they were told that the structure needed to be installed where it was and they had done what they were told to do.

Councilman Avioli indicated that coming up the street from the south, one could see that the shrubs would partially hide the structure. The ideal situation, of course, would be to move the structure. He asked if anyone had approached CenterPoint Energy about assuming the cost for moving the structure.

Director McDonald advised that his department had not approached CenterPoint Energy.

Councilman Avioli stated that landscaping would be a type or form of mediation, but the ideal situation would be to move the structure. He inquired as to how City Council should move forward at this point.

Mayor Siegel advised that she believed the purpose of Councilman McLaughlan’s resolution was to basically
send a statement from the City that we would like some kind of mediation and consideration of either moving the structure or taking some means to make the structure more appealing. The question was even if the church could move the structure and was willing to do so, where would CenterPoint Energy fit in? The resolution would send a message from the City saying that it needed to be more visually appealing.

**Councilman Avioli** suggested that the City approach CenterPoint Energy and, out of good relations, something might be resolved without extreme cost to anyone.

**Councilman Hickman** advised that it seemed pretty clear to him that the permit was designed, submitted, and approved. The church put the power service where they were required to by CenterPoint Energy and allowed to by the City. City Council imposed 11 conditions in a specific use amendment and permit on October 6, 2003. None of those conditions included the location of the power service. Councilman Hickman felt that it was a little late in the game to make changes. As City Attorney Petrov mentioned earlier, the City was legally powerless with respect to this issue.

The solution to Councilman Hickman was to task the Planning and Zoning Commission to craft an ordinance that the next time someone wanted to locate a power service that it was within the setbacks of the property. The City did not impose “no net fill” on existing structures. It was imposed on new structures. He did not understand why City Council was taking so much time on this issue.

**Councilman Nauert** stated that he agreed with Councilman Hickman. He referred to a situation regarding an aerial easement. The City’s Code did not speak to such an easement and the City was a little late to the game. The City correctly allowed the aerial easement and crafted an ordinance to handle the situation if it arose again.

The electrical service installation was not attractive, but this was not the time to be second-guessing. As Councilman Avioli stated, someone was going to pay a great deal of money to move the installation. Without some clear authority, Councilman Nauert would not want
to be in the position of directing someone to have to spend money on this.

Councilman Jeffery advised that his concern was related to safety, noting that the structure looked too much like a jungle gym for children to play on. He inquired as to whether the City or church had any liability with respect to the structure.

City Attorney Petrov advised that the City would not be liable, but it could pose liability to the church because it was their structure.

Councilman McLaughlan inquired as to whether the City had a letter from CenterPoint Energy stating that the location of the structure was a required location.

Director McDonald advised that the City had nothing in writing.

Councilman McLaughlan asked for confirmation that it was hearsay as to whether CenterPoint Energy required the structure to be located where it was.

Director McDonald advised that City Staff had spoken with CenterPoint Energy representatives.

Councilman McLaughlan stated that he believed that the location of the structure was a violation of the City Code and was supposed to be part of the building. It was also located in front of the building line and to the north of the side yard building line. It violated two building lines. Although the City Code did not specifically exclude this, there was no way that a Code could be written to absolutely exclude every issue that might come forward. To a great extent, this was an interpretation.

Councilman McLaughlan’s interpretation was that the structure was a violation of the Code. As fine as the City’s staff was, it was Councilman McLaughlan’s interpretation that a mistake was made here.

Councilman McLaughlan agreed that there would be a cost to move the structure, but the greater cost was to the neighborhood and the degradation of adjoining property values by having this structure that looked like
it belonged in an oil refinery or junkyard stuck out on Mulberry Lane.

He stated that he would support going forward with the resolution and seeing if, through goodwill of the church and CenterPoint Energy, there might be some resolution as to where the structure could be moved.

Mayor Siegel inquired of City Attorney Petrov, as legal counsel, if this structure were in violation of the City Code.

City Attorney Petrov stated that he did not consider the structure to be in violation of the City Code. He came on the scene after the fact, but he could find no reference in the City’s Code addressing electrical connections. There was no way for him to clearly say it was a violation and that the church could be made to move the structure.

Mayor Siegel agreed with Councilman Hickman that you could not legislate after the fact. The City’s opportunity to do something was several years ago when the specific use amendment and permit were granted. Along the same lines, though, she did not think a resolution carried as well as a specific use amendment and permit or ordinance. She did not think it would hurt the City to ask the church to be a good neighbor. They might come back and tell the City that CenterPoint Energy had made certain restrictions. She did not believe there was any harm in asking the church to do something to try to work with the surrounding residential neighborhood.

The result might be that all that could be done was to enhance the landscaping around the structure. It did not hurt City Council on behalf of the citizens to pass the resolution. She agreed, too, with Councilman Hickman’s suggestion that the Planning and Zoning Commission could be asked to clarify that part of the City Code to address such connections. She stated that she would vote for the resolution.

Mayor Pro Tem Peggy Faulk asked if City Council needed a resolution in order to ask City Staff to have the conversation with the church.
City Attorney Petrov indicated that the resolution was not necessary, but it would give more weight as the City Council directing it.

Mayor Pro Tem Faulk stated that it did not sound very enforceable.

City Attorney Petrov advised that the resolution itself admitted that it was not really enforceable, but asked the church to be good neighbors. He believed the church had tried over the last several years to be good neighbors. This electrical connection was not the only issue that had come up over the years. His impression was that the church had tried to be good neighbors and he had no reason to believe that they would not continue to try to work with the neighborhood as well. There was certainly no harm in adopting the resolution even if it had no real teeth.

City Manager Satterwhite indicated that the resolution was a way for City Council to communicate as a body.

AMENDMENT NO. 1 TO MOTION TO ADOPT RESOLUTION REQUESTING RELOCATION OF ELECTRICAL SERVICE CONNECTION:

An amendment (no. 1) was made by Councilman Pat McLaughlan and seconded by Councilman James P. Avioli, Sr., to remove the references to “riser pole with transformer” as such reference appeared throughout the resolution.

DISCUSSION ON AMENDMENT NO. 1 TO MOTION TO ADOPT RESOLUTION REQUESTING RELOCATION OF ELECTRICAL SERVICE CONNECTION:

Councilman Jeffery advised that there was a third party that was not here, CenterPoint Energy. He did not know if there were any issues that could arise. He did not feel that he had enough information; therefore, he could not vote either way.

Mayor Siegel stated that the resolution would give City Staff direction to try to go forward and work with CenterPoint Energy and the church.
Councilman Jeffery advised that he agreed with Mayor Pro Tem Faulk in that he did not understand why a resolution was needed for City Staff to do that.

Mayor Siegel stated that she personally felt that it lent a little more authority versus just directing City Staff.

Councilman Hickman indicated that the City was merely a bystander with respect to this issue. The issue was really between CenterPoint Energy and the church.

VOTE ON AMENDMENT NO. 1 TO MOTION TO ADOPT RESOLUTION REQUESTING RELOCATION OF ELECTRICAL SERVICE CONNECTION:

Motion carried on a 4-2-1 vote as follows:

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

OPPOSED: Hickman, Will
Jeffery, John

ABSENT: None

ABSTAIN: Faulk, Peggy

VOTE ON ORIGINAL MOTION, AS AMENDED, TO ADOPT RESOLUTION REQUESTING RELOCATION OF ELECTRICAL SERVICE CONNECTION:

Motion carried on a 4-3 vote as follows:

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

OPPOSED: Hickman, Will
Faulk, Peggy
Jeffery, John

ABSENT: None

{Resolution was subsequently numbered: 09-08}
G. ADJOURNMENT.

MOTION TO ADJOURN:

A motion was made by Councilman Pat McLaughlan and seconded by Councilman John Jeffery to adjourn the Regular Session of the City Council of the City of Bellaire, Texas, at 9:10 p.m. on Monday, August 17, 2009.

VOTE ON MOTION TO ADJOURN:

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

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

OPPOSED: None

ABSENT: None

Respectfully submitted,

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

Approved:

____________________________
Cynthia Siegel, Mayor
City of Bellaire, Texas