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 7:04 p.m. on Tuesday, August 18, 2009. The Bellaire City Council met at that time and on that date in Special Session for the purpose of discussing the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2009, and ending September 30, 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;
- Councilman Phil Nauert, Position No. 4; and
- Councilman Pat McLaughlan, Position No. 5.

Mayor Pro Tem Peggy Faulk, Position No. 3, and Councilman John Jeffery, Position No. 6, were absent. Other officials present were City Manager Bernard M. Satterwhite, Jr., Assistant City Manager Diane K. White, and City Clerk Tracy L. Dutton.

DISCUSSION and possible action regarding various items within the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2009, and ending September 30, 2010 (FY2010 budget), including input received from citizens and/or other interested parties during the public hearing on the FY2010 budget scheduled to be held on August 17, 2009 – Members of City Council and City Staff.

City Manager Bernard M. Satterwhite, Jr., stated that he had prepared some responses and comments based on the input the City received during the budget public hearing held the previous evening. He noted that the budget process this year had been interesting and challenging, and he personally felt that City Staff had done an excellent job in meeting the budget challenges. The City had received some good comments from the public, and certainly more comments than had been received in the past.

City Manager Satterwhite started his responses in relation to comments made by resident Richard Franke. Mr. Franke first mentioned that the City should
use anticipated additional revenue in the Community Development Department to fund a person whose full-time job was to analyze and provide information to strengthen building codes. In response, the City did subscribe to several International Building Codes that regulated several areas within the building trades. The Building Official reviewed the codes on a regular basis and provided recommendations for more stringent regulations to the Building and Standards Commission for inclusion into the City of Bellaire’s building codes. Sometimes those recommendations were adopted and sometimes not for various reasons. It was widely thought among the building community that Bellaire’s building code was more stringent than most in this area.

Some substantive changes had been made in the past few years to Bellaire’s building code. For example, the Building and Standards Commission recently brought several recommendations forward to City Council for the purpose of strengthening Bellaire’s building code, all of which were adopted.

In addition to the Building Official, Bellaire had a full-time Deputy Building Official who was also an inspector. With his expertise in the field as a daily inspector, he was able to bring back information that could help strengthen the building code as well. The Community Development Department also considered input from residents and others in making recommendations for Bellaire’s building code.

Additional revenue from permits and inspections was really used to fund the entire budget, not just one department. The additional revenue from increased inspection and permit fees would still not cover the current operations of the Community Department, much less the addition of another full-time position.

In summary, City Manager Satterwhite advised that he believed City Staff was already doing what Mr. Franke had suggested. Perhaps the process could be improved somewhat, and City Staff was certainly willing to look into it.

Mr. Franke also indicated that City Staff should provide updates with respect to infrastructure condition and improvements on a quarterly basis. Updates should include the condition of everything, such as road base, water lines, sewer lines, etc. The City had not performed a complete assessment of the entire road system since 1997. City Staff knew what had been reconstructed or rehabilitated since that time. City Staff did periodically (especially during the Annual State of the City Address) update residents with respect to its infrastructure improvements, although not in the detail that Mr. Franke suggested.

City Manager Satterwhite advised that he believed that most of the infrastructure programs that had been developed and implemented since 1997 were not designed and programmed significantly on the desire to increase asset value. The programs certainly had increased asset value, but this was not the primary objective. There were several specific objectives
with each of the programs. For example, the Bellaire Millennium Renewal Program was designed to provide better riding surfaces throughout the entire City and to replace water and sewer lines. That program was completed as planned.

Similarly, the Rebuild Bellaire Program was developed and implemented with the express objective of improving drainage throughout the City. In order to improve the drainage, it was necessary to rebuild the streets. In some cases, the City ended up replacing water and sewer lines as well. Again, the program was not specifically developed with increasing asset value in mind, although it was a desirable and real result.

City Staff did provide reports to residents and City Council on all projects, including water and wastewater infrastructure, during monthly City Council meetings. City Manager Satterwhite advised that he would look into making those reports more meaningful to the public and posting the reports for public viewing on a periodic basis.

Several residents expressed their opposition to the City achieving budgetary goals by closing the pools, specifically the Therapy Pool at Evergreen Park, during the months of December and January. Several residents expressed a concern that they needed the Therapy Pool for medical purposes. The discussion also digressed into a discussion of perceived poor management and operations of the Therapy Pool, as well as conditions of the facilities at the Evergreen Pool Complex.

Due to constraints on revenue anticipated in fiscal year 2010, City Staff proposed that all of the pools be closed during the month of December and January when usage was at the lowest point of the year. With the number of people that typically used the pools on a daily basis, the pools cost in the neighborhood of approximately $70 per person per day to run. Closing the pools in December and January gave the City the opportunity to conserve resources while impacting the fewest people and to perform maintenance that was otherwise difficult to accomplish due to the year-round nature of some of the City’s facilities.

The discussion this evening, being focused on budget, should be based on how the budget was impacted by City Staff’s proposal. Adjustments could be made, as necessary. The discussion this evening was not about the condition or the management or operations of the Evergreen Complex.

With respect to the condition of the Evergreen Complex, City Staff agreed that due to being hit hard by Hurricane Ike and the time it took to effect repairs due to reimbursements from the Federal Emergency Management Agency (FEMA), the Evergreen Complex was not in as good a shape as City Staff had hoped when the swimming season began. However, in addition to Hurricane Ike repairs, a significant sum of money had been spent on Evergreen Pool during the past year. The pool was completely drained during
the winter so that the City could fix the seams at the bottom of the pool and repair some of the major leaks in the pool. In other words, City Staff was not ignoring this Complex and would certainly move forward with repairs in the future.

The City did not have the funds or the time to effect rehabilitation of the bathhouse in 2009. City Staff agreed that the bathhouse was in poor shape. This was why there was a project in the Capital Improvement Plan to rehabilitate the bathhouse. This was one of the few projects that City Staff was recommending outside of a bond-funded or critical infrastructure project. Next year (2011), City Staff planned to program for repairs and re-plastering of the Evergreen Therapy Pool if the cash flow supported that.

City Manager Satterwhite advised that he did wish to say that the Bellaire Aquatics Staff tried very hard to meet everyone’s desires and expectations. The City’s lifeguards were well trained and consistently passed planned and surprise inspections with flying colors. Some of the equipment was getting old and needed to be replaced. City Staff did make requests when things were needed, but many times conflicting priorities prevented them from being able to provide what the public wanted.

The City had also tried giving people the pool hours that they wanted or desired for the most part. However, when the hours were changed for one group, another group was unhappy. City Staff had not received a huge outcry for programs such as adult only swim. The comment made during the public hearing was the first that the City had heard regarding a concern in that area. Quite some time ago, the City provided full-time lap lanes for swimmers at the Evergreen Complex and the Family Aquatic Center. The West University Place pool only offered lap swimming in the morning and at night and for very small periods during the day. City Staff would look into the concern regarding adult only swimming, but City Staff had not really heard that there was a concern in that area.

With the number of swimmers, the City could provide swim facilities for children as well as adults simultaneously without getting in each other’s way. With respect to the hours changing unexpectedly, that was due to action taken a few months ago. Overall, the City accommodated several hundred people over five pools and two complexes quite well. This was not an easy task to manage, especially given the average age of the workforce.

Finally, Ms. McBee presented concerns regarding the fact that the budget was really presented to City Council instead of the citizens. The Charter of the City of Bellaire, Texas, as amended November 7, 2006, did prescribe presentation of the budget to City Council by the City Manager; however, the purpose of the public hearing was to present the budget to the public and receive input. The presentation City Manager Satterwhite gave that evening was for everyone and not just City Council. He agreed that a resident would have to have some amount of knowledge of the budget going into the public
hearing to understand the presentation. He stated that he would explore ways to reach out to the public prior to the public hearing so that they could be better informed as to what was in the budget and why. He especially wanted to reach out more to the City boards, commissions, and committees who had a stake in the budget. He could do this through some preliminary meetings and consider having preliminary meetings with some citizen groups as well. Other cities had done this quite successfully in the past.

The final issue that came up had to do with City Manager Satterwhite’s employment agreement and specifically with his compensation plan. In 8-1/2 years at Bellaire, he had never had to defend his compensation. He did not intend to do so this evening; however, he believed that Ms. McBee brought up a good point in that the employment agreement could be somewhat complex and confusing and was different from what other employees at the City had. His employment agreement was public record and available to the public. First, he felt that he had a very generous agreement and appreciated that. He felt that all agreements that he had with Bellaire had been generous and he had never complained about pay nor had he had to or did he intend to. He felt that he was blessed with a well-structured employment agreement that was designed to provide some assurances and security on both sides.

One of the confusing parts of the employment agreement was accrued pay, which was at a rate of 10% of the City Manager’s base pay and it accrued over the next five years on a monthly basis. This meant that the accrual was 10% of the City Manager’s base pay on a flat basis. In other words, his base pay did not increase. He did not receive pay raises over the next five years. After five years, if he met the conditions of receiving the accrued pay and did receive that accrued pay, it would amount to 10% of his total salary over five years. If annualized in terms of a base pay increase, the increase would equal 2% per year. The accrued pay, while being a fairly generous amount, was not compounded like an annual pay raise would be.

Over the first eight years that City Manager Satterwhite worked for the City of Bellaire, his average annual salary increase, including the increases he received in the first few years and one bonus plus the accrued pay that he received at the end of his eighth year in accordance with his employment agreement, amounted to under 2-1/2% per year. Employees who qualified for a step increase in accordance with the compensation plan received an average annual increase of 5% per year over that same eight-year period.

Benefits for the City Manager were mentioned. He did receive the same benefits as the employees, except for health insurance. In lieu of health insurance, he received 5% in deferred compensation. If the City had to pay health insurance benefits for him, the City would have to pay nearly $10,000 per year for those benefits.

City Manager Satterwhite advised that City Staff, in preparing the budget, had looked at employee pay issues and tried to preserve the employee
Compensation Plan that City Council adopted in January. If the Plan had to be modified in any way, then City Manager Satterwhite was certainly willing, ready, and able to modify his compensation plan commensurately.

City Manager Satterwhite advised that he had placed a few handouts at the Council table. One had to do with the Texas Municipal Retirement System (TMRS). The top handout was a TMRS Comparison Sheet of benefits paid by other cities. The cities were chosen because those same cities were used as benchmarks in the City’s Compensation Plan. The only addition to the sheet was The Woodlands Fire Department (i.e., not a member of TMRS, but had a similar system with a 7% deposit rate and a 2 to 1 match into a 401K).

Councilman Hickman had also asked City Staff for some scenarios regarding what the City would need to do to keep the TMRS rate flat. Scenario 4 on page 1, for example, was a 7% deposit rate and a 2 to 1 match with 100% updated service credits and deletion of the annuity increases for retirees. The total rate for that scenario would be 18.43%. This was generally the same rate that the City had now.

Another handout placed on the Council table addressed a tax rate adjustment. If the City reduced the tax rate by one cent, the City would lose $320,000 in revenues. Because of the City’s debt service situation this year, any reduction would need to come from the General Fund and impact operations, the Capital Improvement Plan, and the Vehicle, Equipment, and Technology Program. In a general sense, City Staff would have to start cutting low-priority items. If the City increased the tax rate by one cent, then the additional revenues would be used to fund high-priority items, such as debt and critical infrastructure.

The next page of the tax rate adjustment handout showed impacts that could occur as a result of a reduction in tax revenues. Example of the impacts were given as follows:

- Modification of the Compensation Plan;
- Elimination of the employee health savings account payment;
- Employee-shared health premiums (currently the City paid 100% of the employee-only health premium);
- Reduction of retirement benefits;
- Elimination of special events;
- Reduction of operating hours;
- Implementation of non-paid furloughs;
- Deferral of bond projects and/or bond issuances; and
- Reduction or elimination of janitorial contracts and other types of contracts.

City Manager Satterwhite added that specific adjustments would be based on departmental needs and priorities.
Another page of the handout listed priorities, from City Manager Satterwhite’s personal view, as follows:

- Police;
- Fire;
- Municipal Court;
- Debt Service;
- Personnel Compensation/Administration;
- Infrastructure Maintenance;
- Water/Wastewater Infrastructure Replacement;
- Drainage Projects;
- Financial Operations, including Utility Billing;
- Asset Maintenance;
- Buildings;
- Parks;
- Technology Communications;
- Community Development Services, including Code Enforcement;
- Landscape Maintenance;
- Cultural and Recreational Programs, such as Library, Pools, and Recreation Programs; and
- New Non-Essential Capital Improvement Plan Projects.

QUESTIONS FROM CITY COUNCIL:

Councilman Pat McLaughlan inquired as to the cost to an average homeowner of a one-cent change in the tax rate.

City Manager Satterwhite advised that the average home value was approximately $463,000, so a one-cent change in the tax rate would cost that homeowner $46.00.

Councilman McLaughlan asked for confirmation that the City’s current tax rate was $0.38 per $100 valuation.

City Manager Satterwhite advised that the City’s current tax rate was $0.3775 per $100 valuation.

Councilman McLaughlan inquired as to the tax rate that the City of Houston had assessed.

City Manager Satterwhite and City Clerk Dutton advised that they believed the tax rate for the City of Houston was $0.65 per $100 valuation. City Manager Satterwhite indicated that he did not know what rate the City of Houston was adopting for tax year 2009.

Councilman McLaughlan noted that Bellaire’s tax rate was almost one-half of Houston’s tax rate. He next referred to the rehabilitation of the area where the Trolley Pavilion was previously located. He inquired as to whether there
was funding in the 2009 and 2010 fiscal year budgets directed to that specific area.

**City Manager Satterwhite** indicated that there really was not any funding in the budget for that area right now. The City had a project in the fiscal year 2008 budget that was carried forward and related to the disposition of the Trolley Pavilion in that specific area of Paseo Park. A portion of the money was spent to demolish the Trolley Pavilion. There was still money left in that line item.

If the question was whether or not the project was completed, at this point in time that line item was not in the Capital Improvement Plan. The funds remaining from the original project were still in the fund balance and had not gone away. In other words, a line item could be created for that purpose. City Manager Satterwhite indicated that he had not really fleshed out what the City was trying to do in that area and how much it would cost.

**Councilman McLaughlan** admitted that his memory was not always great, but he had thought there was $55,000 left for the project one month ago.

**City Manager Satterwhite** advised that there was $55,000 left in the 2009 budget in that particular line item.

**Councilman McLaughlan** indicated that when he reviewed the fiscal year 2010 budget, he believed that he saw some funds set aside for the Trolley Pavilion area rehabilitation as well.

**City Manager Satterwhite** stated that he did not believe there was any funding specifically set aside for that area in the fiscal year 2010 budget. He indicated that City Staff could move the funds from the 2009 budget to the 2010 budget. It was noted that there was an item in the fiscal year 2010 budget in the arts section for the sculpture garden in Paseo Park.

**Councilman McLaughlan** advised that he must have seen that item in the budget and inquired as to the amount set aside for the sculpture garden.

**City Manager Satterwhite** stated that $40,000 had been placed in the Capital Improvement Plan for the sculpture garden, which was a project set out in the Arts Master Plan.

**Councilman McLaughlan** referred to other things he had seen around Bellaire regarding code enforcement, such as the electrical service connection at St. Mark Coptic Orthodox Church, signage issues, architectural features in front yards, etc. It appeared that the Bellaire Planning and Zoning Commission had a very full plate. He inquired as to whether there were any funds in the fiscal year 2010 budget for professional services assistance to the Planning and Zoning Commission.
City Manager Satterwhite advised that there was funding for professional services in the Community Development Department budget. He did not believe there was anything set aside to specifically assist the Planning and Zoning Commission. He believed that the City had the wherewithal to do that within the Community Development Department. However, if the City needed to go out and obtain professional services, then it could be done. He indicated that he was not quite sure what Councilman McLaughlan was leaning toward.

City Manager Satterwhite continued and advised that he agreed with Councilman McLaughlan that there were many issues to be addressed, but he believed Director of Community Development John McDonald planned to address those issues.

Councilman McLaughlan noted that the City had problems with its sign ordinance. There was a possible violation of the sign ordinance with respect to the sign on top of the Chase Bank building. The City had issues regarding construction in front yards with structures or items that some considered architectural features, as well as several other issues that the Planning and Zoning Commission might want to address.

Councilman McLaughlan advised further that the Planning and Zoning Commission was a voluntary Commission and many demands were made on the Commissioners’ time. He asked City Manager Satterwhite if it were appropriate for the City to have budgetary funding such that the Planning and Zoning Commission could achieve some level of professional assistance in working through some of the items to relieve time demands and speed up the process.

City Manager Satterwhite stated that it would be an appropriate expenditure, but funds had not been budgeted specifically for that.

Councilman McLaughlan asked for confirmation that Fire Chief Darryl Anderson had enough funding to send his firefighters to the Houston Fire Department Academy.

City Manager Satterwhite advised that Chief Anderson did have the funding Councilman McLaughlan was inquiring about.

Councilman McLaughlan noted that the Parks & Recreation Advisory Board had recommended that some funding be set aside for the expansion of parkland. The funding would allow the City to be able to rapidly purchase any desirable pieces of property that might become available adjacent to an existing park. He inquired as to whether such funding had been set aside for that purpose.

City Manager Satterwhite indicated that funding had not been set aside for the purchase of future parkland.
Councilman McLaughlan stated that he continued to hear from citizens, particularly with respect to the parks and recreation area, regarding broken machines in the exercise room, the lack of carpet in the exercise room, broken items in the pool, etc. He understood that things did break, but inquired as to whether the fiscal year 2010 budget had adequate funding such that the City could maintain the quality of the City’s recreational equipment and facilities without staff having to tell the citizens that funds to repair broken items were not in the budget.

City Manager Satterwhite advised that he hoped that staff was not making those statements because when things were broken, those things needed to be fixed. He did not know who was saying those things or why. He did not know that the maintenance budget was completely “broken,” and even if there were no funds in that particular line item, funds could be taken from a different line item. If those statements were being said, then it was an internal issue.

City Manager Satterwhite indicated that he was trying to take the recommendations from the Department Heads commensurate with everything else they were trying to do and give them what they needed to run their departments.

He could specifically answer the question of things would be fixed right away after those things were broken. He could say that if things did not get fixed then it was because those things were broken beyond repair or some other type of issue and not necessarily because the budget was being cut.

Councilman McLaughlan advised that things were broken and did not get fixed. He hoped the budget being put forth for the citizens was such that things could be repaired and could remain functional. He inquired as to whether the City had programmed to install carpet back in the Recreation Room.

Director of Parks & Recreation Jane L. Dembski stated that everything was currently working in the Recreation Fitness Room. Equipment was repaired in a timely manner based on what was wrong with the equipment. Sometimes it took awhile to get a certain part—that timing could be weeks or months, depending on the part. She believed that Director of Facilities Management Karl Miller was working on the specifications for new carpeting. The carpet could not be put in until the Recreation Roof was completed. She hoped the carpeting could be laid fairly quickly.

With respect to the Therapy Pool and complaints regarding the fact that some of the jets did not work. The cost to repair the jets that were not working was $1,700. There were other jets in the pool that did work. The center pumps and motors for the pools went out every single year. City Staff had to prioritize the repairs and elected to work on the center pumps and motor
prior to fixing the jets. She did not believe that there were things in disrepair that continued to remain in disrepair forever and ever with no purpose.

The new budget had funds in it for quarterly maintenance for the Fitness Room equipment.

Councilman McLaughlan stated that three days ago he had been told that the heart rate monitor did not work on one of the machines in the Fitness Room.

Director Dembski indicated that she would check into it, but was not aware that the heart rate monitor was out.

Councilman McLaughlan advised that things frequently did not work in the Recreation Center. City Staff told citizens that the reason that things were not working was because there was no budget to fix those things. He simply wanted to make sure that the fiscal year 2010 budget was adequate to maintain the City’s equipment.

Director Dembski stated that she was given adequate funding and apologized for those comments if her staff made them, as those comments were not true statements.

Councilman Phil Nauert noted that he remembered a time when the tax rate in Bellaire was $0.52 per $100 of assessed valuation. Now, at $0.3775 per $100 of assessed valuation, the City delivered better services, a better product, and a better quality of life than it ever had. It was to the credit of City Manager Satterwhite, his predecessor, and the City Staff that Bellaire enjoyed those qualities.

Councilman Nauert explained that he was not going to ask many questions this evening because the City was doing more with less and doing it well. He believed strongly that the primary responsibility of the City Council was to hire good people and to get out of their way. As long as City Staff did things well, he would like to stay out of their way on a whole.

Councilman Nauert asked if the budget provided by City Manager Satterwhite fit into the budget planning parameters that City Council had asked him to fit within.

City Manager Satterwhite advised that the budget did fit within the planning parameters.

Councilman Nauert asked if the budget fit entirely within those parameters without any sleight of hand.

City Manager Satterwhite advised that Councilman Nauert was correct.
Councilman Nauert inquired as to the explanation of the Bellaire Town Square phasing. He referred to the fact that specific components of Bellaire Town Square were mentioned, however, a “phase” was not defined. He inquired also as to whether a project was considered a phase and would occur on an annual basis and how it would affect the budget.

City Manager Satterwhite stated that Bellaire Town Square had been considered on a timeline basis. It was pulled back to one single column because City Staff felt that those projects would take additional discussion with City Council in order to determine an appropriate timeline. Initially, there were plans to fund Bellaire Town Square with City funds and donated funds. Much of that had been done. The City did not have an idea as to the timeline for donated funds. Therefore, it was very difficult to place the various components out on a timeline. Obviously the time value of money and construction costs was important to consider.

Councilman Nauert asked for confirmation that the phases were budget driven rather than timeline driven.

City Manager Satterwhite advised that Councilman Nauert was correct. He noted further that the Capital Improvement Plan was built with a focus on bond-funded items and critical infrastructure items. City Staff had hoped to wait until some revenues materialized in order to move forward with other components for Bellaire Town Square. He stated that additional discussion was needed not only on parks items, but on arts projects as well.

Councilman Nauert inquired as to whether there was an administrative plan to review all of the City’s facility and service fees—pool fees, recreation center fees, etc.

City Manager Satterwhite indicated that City Staff reviewed its fees on an ongoing basis. He did not have a specific plan, per se. The Director of Community Development had already studied fees in his area and was making some recommendations based on the market. He had spoken with Director Dembski earlier in the day regarding pool fees.

Councilman James P. Avioli, Sr., referred to resident Richard Franke’s letter or written comment to City Council on the budget. Councilman Avioli noted that he had picked up on several things in Mr. Franke’s letter that would be beneficial for the City. Mr. Franke suggested some type of refresher program as to where the City was on projects and priorities. Councilman Avioli advised that such a program would be beneficial to him as well as a relatively new Council Member. He noted that with new Council Members coming on soon, it would certainly be beneficial for them too. He suggested doing that as soon as possible in January or February.

City Manager Satterwhite agreed with Councilman Avioli. He did not know that Mr. Franke’s specifics and the City’s specifics would be the same. City
Manager Satterwhite knew that Councilman Avioli came onto City Council after the street project priorities had already been established. He wanted to take the original objectives of the Bellaire Millennium Renewal Program and the Rebuild Bellaire Program and provide comparisons as to where the City was with those particular programs. He agreed that the information should be provided in a friendly format on a continual basis.

Councilman Avioli referred to comments made by City Manager Satterwhite as to costs associated with the Therapy Pool to keep it open. He believed that City Manager Satterwhite indicated that the cost per person to keep the pool open each day was $70 per person. He asked for confirmation that the cost was correct.

City Manager Satterwhite advised that the cost given was based on past attendance figures. The cost to keep the pool open for two months was estimated to be $10,000.

Councilman Avioli indicated that the cost did not seem to compute. He had run the numbers and if there were 20 people there at $70 per person, then the cost would be $1,400 per day.

City Manager Satterwhite stated that there were not 20 people there each day. He indicated that the average attendance ranged from zero to five during December and January.

Councilman Avioli noted that if five people were using the pool each day, then the cost to run the pool would be $350 per day.

City Manager Satterwhite advised that he had used three people attending per day to come up with his estimated cost.

Councilman Avioli referred to the two Enterprise Fund summaries, noting that one of the summaries set the budget at $8.1 million while the other summary set the budget at $6.5 million. There was a $2-1/2 million difference in the two summaries.

City Manager Satterwhite indicated that the ending balance for the Enterprise Fund on page 56 of the budget was $2.083 million. Below that line City Staff added infrastructure projects, which used to be in the Capital Improvement Plan. So, the total expenditures and transfers above that line were $6.414 million. If the infrastructure projects totaling $2.575 million were added in, total expenditures and transfers would equal $8.986 million.

Councilman Avioli inquired as to whether there were different components for each of those figures.

City Manager Satterwhite stated that the operating expenditures and transfers were what he had presented in the budget summary, which totaled
$6.414 million. In the budget summary on page 1, infrastructure projects of $2.575 million were added to the operating expenditures and transfers. He noted further that City Staff really had not determined definitively if those infrastructure projects would be funded out of the Enterprise Fund Working Capital.

Councilman Avioli asked for confirmation that the bottom line of both summaries served a purpose.

City Manager Satterwhite advised that Councilman Avioli was correct.

Councilman Avioli referred to page 48 of the proposed budget document and indicated that there were no funds allocated to The Nature Discovery Center. He inquired as to whether the City normally supported The Nature Discovery Center or not.

Mayor Cindy Siegel indicated that in prior years Harris County contributed money to the City specifically for The Nature Discovery Center. She did not believe the City had budgeted for those funds because the City did not know if any funds would be received from Harris County.

City Manager Satterwhite agreed with Mayor Siegel that the City did act as a “pass-through” for Harris County with respect to The Nature Discovery Center. The City also had an agreement with The Nature Discovery Center. The City paid for their water, gas, and electricity, and those items were not broken out separately. The Nature Discovery Center provided their own operating funds and some of those funds came from Harris County as Mayor Siegel had just stated.

Councilman Avioli referred again to page 48 and account number 344, contractual labor, amounting to $24,500. He inquired as to what that contractual labor was for.

Assistant City Manager Diane K. White indicated that the line item was for temporary labor services for parks maintenance crews, such as trash pickup, mowing, etc.

Director Dembski advised that the Parks & Recreation Department had two full-time parks maintenance staff members. A temporary service was utilized during peak times, such as decorating for Christmas, to assist in putting up lights, and/or during heavy summer months to help with trash pickup.

Councilman Avioli referred again to page 48, as well as to page 6 and page 54, noting that there were references to longevity pay. He inquired as to an explanation for that type of pay.

Director of Human Resources Roberta Murray advised that longevity pay was paid to employees at $2.50 per month for each year of service.
Municipalities were required by state law to provide longevity pay to public safety officers. Bellaire adopted the position of passing longevity pay on to all other employees as well. The maximum an employee could get was $1,200 per year (which equated to 25 years of service). The longevity pay did not compound from year to year and was separate from base salary.

Councilman Avioli asked for confirmation that all employees received the longevity pay.

Director Murray indicated that all full-time employees received the longevity pay.

Councilman Avioli referred to training costs, the total of which was $144,000. Other than training for the firefighters and police officers, which was needed, one other thing stood out to Councilman Avioli. That thing was the budget amount for the Community Development Department. He felt the amount was too high. There were six planning conferences for $5,500 and a total budget of $10,000 for the Department. Councilman Avioli felt that too much money had been allocated for training in that Department.

Councilman Avioli continued and stated that he would appreciate one-minute answers for several large items. He began with $35,400 in mobile support for the Police Department.

Director of Community Technology Services Larry Parks stated that the police currently used laptops in their cars and in the Police Department. The item represented a support cost for their mobile tasking applications, geographic information system applications, etc.

Councilman Avioli referred the $35,000 allocated to the library for technology.

Director Parks indicated that the Bellaire City Library subscribed to the Houston Area Library System. All libraries in the Harris County area subscribed to this same system.

Councilman Avioli next referred to a line item titled technical support for consultants of $20,000.

Director Parks stated that the City had a consultant that came in roughly eight hours each week to provide technical services to City Staff.

Councilman Avioli inquired as to whether this was a new line item this year.

Director Parks indicated that the consultant had been helping the City for several years. The amount provided for 2010 was reduced because of the City’s budget situation.
Councillor Avioli referred to financial software costs of $38,000.

Director Parks stated that the cost related to support for the Finance Department’s financial software package called “Incode.” This package also tied to some functions within the Community Development Department.

Councillor Avioli referred to telecommunications services of $108,000, which was account number 520.

Director Parks stated that the line item included local telephone service, all radios, long distance, etc. Basically, the telecommunications line item consisted of everything citywide that related to communications.

Councillor Avioli referred to CTS consumables of $20,000.

Director Parks indicated that the item consisted of expenditures necessary to upkeep the computer system and other technology equipment citywide, such as toner, memory, etc.

Councillor Avioli referred to the Recycling Center. He asked for confirmation that the annual cost for the Recycling center was $33,000.

City Manager Satterwhite advised that Councillor Avioli was correct.

Councillor Avioli referred to the Family Aquatics Center and noted that there would be a savings in electricity, gas, and chemicals if the pool hours were cut. He asked if that was considered in the budget.

City Manager Satterwhite stated that the proposed budget reflected the savings as if the pool hours were reduced.

Councillor Avioli advised that revenue for the Family Aquatic Center was $264,000 and the expenditures were close to $500,000. He indicated that this was a pretty good loser for the City. He could certainly appreciate the popularity of the pool, but it was costing the City a great deal of money to provide that service.

City Manager Satterwhite agreed, noting that the pools had always cost more money to provide.

Councillor Avioli asked for confirmation that the figures he had mentioned earlier were just for the Family Aquatic Center.

City Manager Satterwhite advised that Councillor Avioli was correct. He stated further that the other pools were similar as far as cost to operate versus revenue received.
Mayor Siegel inquired as to whether the cost ratio was the same for both pools.

City Manager Satterwhite indicated that the cost ratio was about the same for both pools.

Councilman Avioli noted that he would not dare suggest that the City do anything differently as popular as the Family Aquatic Center was. On the other hand, it represented a $225,000 loser.

City Manager Satterwhite advised that this was fairly typical of municipal pools and municipal facilities.

Councilman Avioli noted that what he would say next would continue to raising costs for the City. From what he had heard about the Therapy Pool at Evergreen Park, there was a strong feeling that the City should run the pool year-round. He realized that there was a cost associated with that, but the City was providing a service to the citizens. He felt that the City should respond in the best way it could. He did not have any numbers with respect to the cost of keeping the Therapy Pool open year-round, but he thought in considering this budget, the City should strongly try to comply with the many requests that the City had received.

Councilman Avioli referred next to page 4 of the Capital Improvement Plan. He realized that the items in "red" had yet to be presented to and approved by City Council and asked for confirmation that his assumption was correct.

City Manager Satterwhite stated that some of the items had been approved. Each item had to be brought back to City Council for final approval. Some items were in the fiscal year 2009 Capital Improvement Plan and were carried forward to the fiscal year 2010 Capital Improvement Plan.

Mayor Siegel stated that she understood that the items in "red" were City Manager Satterwhite’s recommendation to not fund those items in fiscal year 2010. If the items were in “black,” then City Manager Satterwhite was recommending the funding of those items.

City Manager Satterwhite advised that Mayor Siegel was correct.

Councilman Avioli asked for confirmation that City Council would have an opportunity to suggest or plead for some of the items in fiscal year 2010.

Mayor Siegel stated that Councilman Avioli could make a motion this evening to change a project from “black” to “red” or from “red” to black” if he wished to.
Councilman Hickman stated that City Council needed to do that this evening if it were going to be placed in the budget for funding in fiscal year 2010.

Mayor Siegel agreed with Councilman Hickman. Even if the items were in “black,” City Manager Satterwhite would still return to City Council with those items for an additional level of approval.

Councilman Avioli referred to page 6 of the Vehicle, Equipment, and Technology (VET) Program. He noted that there was a budget of $10,000 in Community Development and inquired as to whether that was the training budget.

Assistant City Manager White indicated that the expenditure was for digitizing the building plans.

City Manager Satterwhite advised that the City was taking all of the building plans that had to be retained permanently under retention guidelines and putting them into an electronic format.

Councilman Avioli next referred to the $110,000 budgeted for Organizational Services in the VET Program.

Assistant City Manager White indicated that the majority of the funds were for a voice-over IP system switch replacement for the entire City.

Director Parks advised that the City was not able to get a warranty for its current phone system for the last two years. This would be the third-year without a warranty. Basically, parts were not available for the system, which was a Nortel system. As City Council may have already known, Nortel had been liquidated and its assets sold to various companies. If the City were to have a major outage in its system, the City could be down for some time while a service provider assisted the City in trying to find parts for the system.

The City was looking at moving on and purchasing a new system via a lease, which was more affordable with costs spread over a three-five year period. The new system would be a voice-over IP system and could be used for a long time into the foreseeable future.

Councilman Avioli inquired as to whether “voice-over IP” was a brand name.

Director Parks stated that currently all phone systems were hard wired with a copper wire going from Point A to Point B to Point C, etc. Voice-over IP worked similarly to the way in which the Internet worked. The network shared by computers would also be shared by the voice-over IP. This would allow for a savings in infrastructure costs and a quicker relay.
Councilman Avioli inquired as to whether the technology had been proven.

Director Parks advised that it had. The technology had been on the market for at least 10-12 years. The City was not going in as a new adopter. The City was going in on a stable platform. He advised that 911 was on voice-over IP now. When 911 was comfortable going with such a system, then everyone else was usually comfortable with the system as well.

Councilman Avioli thanked Director Parks for answering his questions. He stated that the answers that Assistant City Manager White had put together with the City Departments were very good also.

Councilman Will Hickman referred to the voice-over IP system and noted that he had that system at his home as well. One of the reasons he chose that system for home was due to a savings in long distance costs. He inquired as to whether the City would get those same benefits.

Director Parks stated that the City would sort of get those same benefits. The City was in a contract currently for long distance services. Based on the City’s contract services, those types of savings were not realized.

Councilman Hickman inquired as to whether the City would realize a savings on local telephone services.

Director Parks indicated that there could be a marginal savings on local telephone services.

Councilman Hickman referred to City Manager Satterwhite’s statement that bond funding would be used for certain types of expenditures. He inquired as to the types of expenditures that the City could use bond funding for.

City Manager Satterwhite stated that he was referring to continuing the Rebuild Bellaire Program and perhaps issuing revenue bonds for water and wastewater projects. The City was limited to using bond funds in accordance with the voters’ authorization.

Councilman Hickman inquired if there were current General Fund or Capital Improvement Plan projects in the budget that bond funds could be used for.

City Manager Satterwhite advised that there were not.

Councilman Hickman inquired as to a ballpark figure for the travel budget.

City Manager Satterwhite indicated that the travel budget was approximately $140,000. This amount included travel and training.

Councilman Hickman inquired as to whether funding was included in the budget for the Utility Billing Department to accept credit card payments.
City Manager Satterwhite advised that funding was included for the acceptance of credit card payments in Utility Billing.

Councilman Hickman referred to the yearly costs for the Recycling Center and inquired as to where that information could be found in the budget.

City Manager Satterwhite directed Councilman Hickman to the Enterprise Fund Budget, Solid Waste Department.

Councilman Hickman asked for confirmation that citizens paid for recycling through their garbage fee.

City Manager Satterwhite advised that Councilman Hickman was correct.

Councilman Hickman referred to the General Fund portion of the budget on page 2 and noted that $70,000 had been budgeted for sick leave sellback. He stated that the cost was lower than it previously had been.

City Manager Satterwhite advised that when employees accrued a certain amount of sick leave on the books, the employees could sell their sick leave back at various levels down to a certain point. City Staff did not really know from year to year who would sell what back, so City Staff had to estimate how much money might be needed.

City Staff developed a policy this year where an employee had to accrue up to 480 hours. Once an employee exceeded 480 hours, then at the end of the next year, the employee would be paid for the difference between 480 hours and the amount they had accrued above that. The sick leave would be bought back at 50% of their pay rate.

Councilman Hickman inquired as to whether the rate of 50% was what the current policy required.

Director Murray advised that she did not have the exact policy with her at the moment, but the rate was tiered up to a maximum of 100% of current rate of pay. A medium balance for sick leave could be sold back for 75% of current rate of pay. A minimum balance for sick leave could be sold back for 50% of current rate of pay.

Director Murray indicated that these types of programs were not unusual for municipalities. In other words, this was not unique to Bellaire.

City Manager Satterwhite pointed out that the new policy became a “buyback” program and each year City Staff would know more closely which employees might exceed the 480-hour balance and budget more accurately.

Councilman Hickman inquired as to the current sick leave allowance per employee.
Director Murray indicated that employees received 12 sick days per year.

Councilman Hickman referred to a comment that City Manager Satterwhite had made regarding furloughs. Councilman Hickman advised that one of the things being offered where he worked was a vacation purchase plan. This allowed employees to buy additional vacation days. He inquired as to whether that was currently allowed.

Director Murray advised that this was not done in Bellaire, but it could certainly be implemented. She did not know of any other cities that did that either.

Councilman Hickman inquired as to the current vacation allowance for employees.

Director Murray indicated that the current vacation allowance was based on years of service and ranged from 10 days per year to 17 days per year.

Councilman Hickman asked if City Manager Satterwhite or Director Murray could get back with him on the possibility of a program to allow employees to buy additional vacation days.

City Manager Satterwhite stated that City Staff had discussed many different things. Obviously he was in the military and had annual leave. Many companies were going to paid time off in lieu of sick leave or vacation. It was difficult to change policies in a rapid manner, especially in the public sector. City Staff was certainly open to those ideas.

Councilman Hickman advised that a vacation purchase was a benefit to an employee. A furlough was a detriment.

City Manager Satterwhite advised that the City had not planned on furloughs this year, but it was something that City Staff had looked into.

Councilman Hickman referred to the summary for the Capital Improvement Plan and Vehicle, Equipment, and Technology Program. He noted that there was a beginning fund balance of $4.3 million to which $800,000 was added yielding approximately $5.1 million and expenditures subtracted to yield approximately $2.9 million. He inquired as to the pay-as-you-go reserve for the Rebuild Bellaire Program.

City Manager Satterwhite indicated that this was a placeholder for cash flow purposes. The City made a commitment when the Rebuild Bellaire Program was adopted in 2005 that $5 million of that program would be paid from pay-as-you-go funds. The reserve was apportioned over the years to ensure that the funds were available when the Rebuild Bellaire Program was nearing completion in 2016 or so.
Councilman Hickman referred to the Vehicle, Equipment, and Technology Program and the police lease of three patrol vehicles per year of $101,000, and inquired as to that item.

City Manager Satterwhite stated that “lease” should be taken out. The $101,000 represented a purchase of three vehicles and the cost to outfit those vehicles with light bars, radios, video equipment, etc.

Councilman Hickman referred to the truck to be “leased” in the Parks Department.

City Manager Satterwhite advised that the truck would be purchased for $25,000. The City had not given up on possible lease programs and would continue to consider such programs.

Councilman Hickman referred to the purchase of a “Lifepak” for $31,000 in the Fire Department.

Fire Chief Darryl Anderson indicated that the “Lifepak” was the next generation of defibrillator and cardiac monitor that emergency medical services personnel used in the back of the ambulance. The old “Lifepak” from the ambulance would be moved to the fire truck. A “Lifepak” currently existed on the fire truck, but the manufacturer as of April 2010 would no longer support it.

Councilman Hickman inquired as to whether the cost of $31,000 would provide one unit or more than one unit.

Chief Anderson advised that $31,000 was the cost for one unit.

Councilman Hickman referred to the equipment replacement program for streets and inquired as to what would be purchased.

Assistant City Manager White advised that the Public Works Department would be purchasing a portable air compressor.

Councilman Hickman inquired as to what the air compressor would be used for.

Director of Public Works Joe Keene stated that the portable air compressor was a diesel-operated tow-behind unit for running a jackhammer.

Councilman Hickman referred to funds the City received from the Metropolitan Transit Authority of Harris County, Texas (METRO), consisting of $801,00 in sales tax revenue. He noted that it appeared that the City had used most of that for asphalt overlays. It did not appear that any of it would be used this year. He asked if it could be used for street repairs or sidewalks.
City Manager Satterwhite advised that the money could be used for mobility projects, such as street repairs. The City needed to develop a real specific plan for those funds, which was not really reflected in the budget.

Councilman Hickman asked if the City could take one of the projects it had programmed into its Capital Improvement Plan, such as sidewalks, and use METRO monies for that project.

City Manager Satterwhite indicated that the City could look into that. He asked to hold off so that City Staff could program that and he could bring the project back to City Council.

Councilman Hickman asked if it would reduce the budget.

City Manager Satterwhite indicated that it would not reduce the budget, because funding for the Capital Improvement Plan came from the General Fund in the form of a transfer.

Councilman Hickman asked if the transfer could be reduced by applying METRO funds in lieu of a portion of the transfer.

City Manager Satterwhite stated that he would not like to reduce the transfer because there were many unfunded projects to be addressed over the next five years. He was concerned that the City’s revenues would go further south between 2011 and 2012. He felt that the $700,000 transfer was a base minimum that the City needed to fund whatever projects were in the Capital Improvement Plan.

If the question were whether or not we could use the METRO funds in lieu of a transfer, then the answer would be “sure.”

He noted, also, that the fund balance in every cash flow model the City had run from 2011 to 2013 tended to head south.

Mayor Siegel referred back to the Therapy Pool at the Evergreen Pool Complex and inquired as to the cost to heat the pool.

Director Dembski indicated that the cost varied depending on the weather. Last December, it cost $1,500 to heat the pool. In January, the cost to heat the pool was over $2,000.

Mayor Siegel referred to the fact that there was an Aquatics Supervisor employed year-round. She inquired as to whether there was a lifeguard that went out to the pool.

Director Dembski advised that the Aquatics Supervisor was there all of the time, but ran back and forth between the City’s two pool complexes.
Mayor Siegel asked if the Aquatics Supervisor also served as a lifeguard during those off months.

Director Dembski advised that the Aquatics Supervisor did not also serve as a lifeguard.

Mayor Siegel asked if chemicals were not used for the pool during the two months that it would be closed.

Director Dembski stated that chemicals would be still be used. However, when patrons were in the pools more chemicals were utilized.

Mayor Siegel advised that her point was that there were certain fixed costs, as well as variable costs associated with running the pool. City Staff had advised that it would cost $10,000 for the Therapy Pool to be open during December and January, however, some of those costs would be paid regardless of whether it was open or not.

Director Dembski stated that City Staff did not factor in the cost of electricity or chemicals in determining the cost to keep the pool open for two additional months. The cost was related to the cost of gas and the cost of staff.

Mayor Siegel referred to the fact that it might be possible to reduce the cost by opening up for fewer hours during those months.

Director Dembski advised that it might be a good compromise.

Mayor Siegel agreed that there would be a need for heating costs and some additional chemicals, but maybe not $10,000 if the pool were open for fewer hours.

City Manager Satterwhite stated that if it were important to keep the Therapy Pool open, then by all means it should be kept open. The operational details could be worked out. Prior to last year, the Therapy Pool was not open year-round. Last year, City Staff opened it year-round. City Staff was trying to interrupt the least amount of people to find some amount of cost savings before more drastic measures had to be taken. If it were determined that the facility needed to be kept open, then by all means the City would keep the facility open.

Mayor Siegel agreed with Councilman Avioli. There was a senior group that worked very hard to raise money for that facility. It seemed that a City as affluent as Bellaire, even in a tough economy, could find some means to address that request.

Mayor Siegel next referred to permits and revenue numbers. She was concerned as to how the City came up with the estimated revenue for
remodeling. She understood that the revenue for new home construction was reduced, but she was worried that the City was not being conservative enough on the revenue projection for permits.

City Manager Satterwhite indicated that he believed that the City was conservative overall. He, too, looked at remodeling and it seemed that remodeling was going up as new residential construction was going down. Also, the City had seen a little bit of a turnaround in housing starts as well over the last few months. The estimate might be less than conservative, but City Manager Satterwhite did not feel that it was significant enough to make a huge difference in whether it would make or break the budget in the long run.

Mayor Siegel stated that she was not proposing that the City adjust the revenue estimates downward. She felt that if the City did not make its revenue targets, then the budget would have to be cut in other ways, such as through mid-year adjustments.

Mayor Siegel noted that the commitment by the City was to reserve and provide $5 million in pay-as-you go funds for the Rebuild Bellaire Program. The City had reserved approximately $2.5 million.

City Manager Satterwhite agreed with Mayor Siegel in that the City was halfway through with its commitment to provide $5 million for the Rebuild Bellaire Program. The City had reserved approximately $2.5 million and had spent some of that on the Rebuild Bellaire Program.

Mayor Siegel advised that she wanted to make sure that the City stayed on target with that program. She next noted that she had a citizen call her and was concerned that the City might not be paying its police officers enough money in order to retain them. The City always had to get new officers and train them. She asked if Chief Mack could address that concern.

Chief of Police Randall C. Mack indicated that this had only been going on for the 31 years that he had been with the City. As City Council was aware, the Compensation Plan that was implemented did place Bellaire in the market with respect to police officer salaries. Four-five officers had been hired in the last three-four months. He had a few more prospects that would be coming on board soon. He felt that the City was doing very well in that regard.

Chief Mack indicated that the other side of the retention issue was incumbent on the Compensation Plan, longevity pay, and other benefits that kept employees at Bellaire.

Mayor Siegel asked if the City was losing a number of police officers relative to Chief Mack’s history within the department. In other words, was the City seeing a huge turnover?
Chief Mack advised that the City was not losing any more than it had in the past. The officers that the City was losing were for similar reasons that the City always lost officers. People asked themselves why they should drive 1-1/2 hours to work when they could make the same pay in the city in which they already lived.

City Manager Satterwhite noted that he had received a letter from the Bellaire Police Officers’ Association a few days ago that was very well written. They expressed concerns about the economy and changes in policy, such as the sick leave sellback program, as it would impact some employees negatively. The letter also indicated to City Manager Satterwhite that there was a clear understanding that the City was trying to do what it could within the confines of some of the economic constraints the City had now and might have in the future. It certainly set up communication to employees in the future.

City Manager Satterwhite stated that the Compensation Plan and some of the other policies the City had in place were well appreciated.

Mayor Siegel indicated that the citizen who called her was a housebound senior that could not get up to the City Council meeting to express her concern.

Councilman Avioli inquired of Chief Mack as to the training for the police department and asked if it included sensitivity training.

Chief Mack indicated that his training budget did include sensitivity training.

Councilman Avioli asked if sensitivity training was a large part of the training budget.

Chief Mack stated that sensitivity training had been part of the TCLEOSE (Texas Commission on Law Enforcement Officers Standards and Education) mandate training for the last eight years.

Councilman Avioli asked for confirmation that the City would be in compliance with the necessary sensitivity training.

Chief Mack advised that the City would be in compliance and always had been.

Councilman Avioli referred to the Therapy Pool at the Evergreen Pool Complex and advised that there appeared to be a great deal of concern that the City would eventually shut that pool down. He asked if the pool houses at the Evergreen Pool Complex would be upgraded in 2010, and if the City could find $37,000 to do the rest of the improvements at the Evergreen Pool Complex in 2010, other than re-plastering the pool. He specifically mentioned replacement of the pool covers, work on the pavilion, and the signage.
City Manager Satterwhite advised that this sounded like a motion to him that needed to be made.

Councilman Avioli referred to page 1 of the Capital Improvement Plan and a number in “red” for Bellaire Town Square in the amount of $860,000. He stated that design and construction observation was only 9%. If the City could get its engineers to bring their 32% fee for construction observation down to something like that, it would be wonderful.

**ACTION BY CITY COUNCIL:**

**Motion No. 1:**

Councilman Phil Nauert made a motion proposing that the budget for fiscal year 2010 be accepted as submitted. Due to the fact that members of City Council wished to make amendments to the proposed budget, there was no second.

Councilman Pat McLaughlan advised that he wished to address a letter that City Council received from Leslie Little, Chair of the Parks & Recreation Advisory Board (“Board”). The Board sent the City Manager a letter dated June 29, 2009, suggesting that City Council consider a plan whereby funding would be set aside for the future purchase of parkland. He asked Chair Little if she would like to come forward or if he should read her letter into the record. Councilman McLaughlan indicated that he was not sure what happened. He thought the presentation was supposed to come to City Council, but for some reason it did not.

Leslie Little, Chair, Parks & Recreation Advisory Board, advised that the Parks & Recreation Advisory Board (“Board”) had an interest in moving quickly on possible future parkland within Bellaire when lots became available. The Board was advised that some procedures needed to be put in place to qualify the land for consideration. The Board arrived at a mission statement for parkland acquisitions. To fund that, the Board was hoping to institute a line item in the budget that was funded every year. Thus, when opportunities did arise, there was a way to purchase the land in a timely manner in the real estate market. This was the recommendation that was sent for this budget period to City Staff. The Board had recommended a number to start the ball rolling in their letter of $200,000 per year for the “Land Acquisition Fund.”

Councilman McLaughlan inquired as to how long the yearly funding should be made.

Chair Little advised that the Board was hopeful that the City Council would continue to fund the line item for as long as possible.
Motion No. 2:

Councilman Pat McLaughlan made a motion to include a line item in the Capital Improvement Plan titled “Parkland Acquisition Fund” and to place $200,000 per year in that fund for future parkland purchases. Councilman James P. Avioli, Sr., seconded the motion.

Councilman Will Hickman inquired as to whether this funding would appear in the Capital Improvement Plan in “red” or “black.”

City Manager Satterwhite and Mayor Cindy Siegel indicated that if the motion passed, the funding would be added and appear in “black.”

Councilman McLaughlan stated that the Board had an excellent point in that the City had situations where land had become available adjacent to an existing park. When the situation allowed for the expansion of an existing park, Councilman McLaughlan advised that he believed such expansion would fit in with community objectives. Whether $200,000 was the right number or not, Councilman McLaughlan did not know. The Board was really bringing forth a concept. If property next to a park were to become available, the City would be competing with the open market to purchase the property. To do so, the City needed the funding to be able to move rapidly. Councilman McLaughlan felt that this would be a valuable asset in the City’s budget.

Councilman Hickman indicated that he agreed with everything Councilman McLaughlan had stated, but he would be voting against the motion. It was a great idea, but he did not believe it was possible this year. There was currently $866,000 in park funding in “red” in the Capital Improvement Plan that was not funded this year. He thought that the City should finish Bellaire Town Square before embarking on any new parks.

Councilman Avioli asked if it were possible to reduce the $200,000 figure down to something more in line with where the City was economically.

Councilman McLaughlan advised that he believed the City could consider any number. He inquired as to what Councilman Avioli felt might be a more appropriate number.

Councilman Avioli stated that he certainly valued the idea and the proposal, but inquired as to whether the City might start out with $50,000 and continue to build the fund up. He asked if that were too meager a number.

Councilman McLaughlan indicated that he did not believe any number was too meager. What the Board was really trying to do in addition to establishing the fund was to establish the concept. He agreed that several years might go by before the need would arise for the funding to purchase parkland. He would definitely support the level of funding that Councilman Avioli suggested.
Amendment No. 1 to Motion No. 2:

Councilman James P. Avioli, Sr., made a motion to amend Motion No. 2 to change the amount to be funded in the line item in the Capital Improvement Plan titled “Parkland Acquisition Fund” from $200,000 per year to $50,000 per year to be used for future parkland purchases. Councilman Pat McLaughlan seconded the motion.

Councilman Hickman suggested leaving the amount of funding at $200,000, but placing the line item in the Capital Improvement Plan in “red” rather than in “black.”

Mayor Siegel advised that she appreciated the Board’s recommendation, but had to agree with Councilman Hickman. In looking at the Capital Improvement Plan Summary, the City would be in the hole in four years by $1 million. She was not opposed to Councilman Hickman’s suggestion of including the funds in the Capital Improvement Plan in “red” as a placeholder. Another thought would be to create a policy whereby as easements were sold, those funds could be earmarked for future park acquisitions. Right now, the economy was bad.

Mayor Siegel continued and advised that the Board had not brought this plan forward to City Council and assumed that it would be brought later.

Chair Little advised that she thought the Board had already done that step because she had sent the letter forward and assumed everyone on City Council had received a copy of it.

Mayor Siegel stated that she did not remember seeing that letter and apologized for that.

Chair Little indicated that she thought the suggestion by the Board would be part of the budget discussion as a result of sending in her letter.

Councilman McLaughlan inquired as to whether the letter was in one of City Council’s packets.

City Manager Satterwhite advised that it was supposed to be in one of City Council’s packets. He, too, apologized.

Mayor Siegel advised that she would vote against this particular amendment and if Councilman Hickman offered an amendment to include the line item and earmark it in “red,” which meant it was not funded, but created a placeholder, that she could support that.

Mayor Siegel suggested further that City Council schedule a Joint Workshop Session with the Board at some point in the relatively near future so that the Board could present their suggestion to City Council. Mayor Siegel advised...
that she was a very big supporter of parks and it hurt her to say that the City
could not earmark the funds, but the numbers did not support it right now.

Chair Little advised that she understood, but wished to make two comments
for City Council to think about. First, the Board felt that it was very important
to get the concept accepted. Secondly, she thought that when the Board
prepared their letter that there had already been some prior discussions and
directives to the Board from City Council regarding that.

Mayor Siegel agreed that there had been some prior discussions and
direction from City Council. She did not know that a Joint Workshop Session
was necessary, but an item needed to be placed on a City Council agenda.
Mayor Siegel apologized as City Council had dropped the ball somewhere
along the line. She noted that City Council really did appreciate the work that
the Board had done and was doing.

Vote on Amendment No. 1 to Motion No. 2:

{To change the amount to be funded in the line item in the Capital
Improvement Plan titled “Parkland Acquisition Fund” from $200,000 per year
to $50,000 per year to be used for future parkland purchases.}

Motion failed on a 1-4 vote as follows:

FOR: Avioli, James P., Sr.

OPPOSED: Siegel, Cindy
          Hickman, Will
          Nauert, Phil
          McLaughlan, Pat

ABSENT: Faulk, Peggy
        Jeffery, John

Amendment No. 2 to Motion No. 2:

Councilman Will Hickman made a motion to amend Motion No. 2 to
place a line item in the Capital Improvement Plan titled “Parkland Acquisition
Fund” in the amount $200,000 in “red” to be used for the future purchase of
parkland. Mayor Cindy Siegel seconded the motion.

Mayor Siegel noted that placing the line item amount in “red” meant that it
was unfunded unless the City received a windfall to cover the amount.

Councilman McLaughlan stated that if an item were placed in the budget in
“red” and a lesser amount of funding became available, what the process was
by which that lesser amount of funding could be applied to the line item (i.e., changing the “red” to “black”).

**Mayor Siegel** indicated that she did not believe City Council had really thought through that.

**City Manager Satterwhite** advised that there was $2.5 million in the fund balance, so theoretically it could be funded. However, the City was looking at a cash flow over time. Personally, he felt that the City needed to determine what the economy was year by year and make decisions as the City went down the road. Placing the line item in the budget, even though in “red,” allowed City Staff to cash flow the projects out and prioritize them.

**Mayor Siegel** advised that if the Patrons for Bellaire Parks, Inc., or some other entity donated $300,000 to buy a lot, then City Council would automatically accept the donation and move the line item out of “red” to “black.” If it were tax dollars being transferred over from the General Fund, then she believed City Council needed to address it in terms of priorities.

**Councilman McLaughlan** indicated that the reason he had asked the question was that $200,000 was a strong amount and he did not want to see the concept lost simply because a smaller amount might make the concept more viable.

**Mayor Siegel** advised that given what land cost in Bellaire, $200,000 was a very small amount.

**Vote on Amendment No. 2 to Motion No. 2:**

{To place a line item in the Capital Improvement Plan titled “Parkland Acquisition Fund” in the amount $200,000 in “red” to be used for the future purchase of parkland.}

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

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

**OPPOSED:** Nauert, Phil

**ABSENT:** Faulk, Peggy  
Jeffery, John
Vote on Original Motion No. 2, as Amended:

{To include a line item in the Capital Improvement Plan titled “Parkland Acquisition Fund” and to place $200,000 per year in that fund for future parkland purchases, said amount of which will appear in “red,” indicating that it was not funded.}

Original motion, as amended, passed unanimously on a 5-0 vote as follows:

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

OPPOSED:  None

ABSENT:  Faulk, Peggy  
Jeffery, John

Motion No. 3:

Councilman Will Hickman made a motion to close the Bellaire Recycling Center (Enterprise Fund, Operating Budget). Motion failed due to the lack of a second.

Motion No. 4:

Councilman James P. Avioli, Sr., made a motion to direct the City Manager to reduce the overall training budget for the City by $10,000. Councilman Will Hickman seconded the motion.

Councilman Hickman advised that his workplace had cut travel and training by 50% due to the economy. He felt that there were sufficient funds in travel and training to cut $10,000 without hurting City Staff’s involvement in those programs.

Vote on Motion No. 4:

{To direct the City Manager to reduce the overall training budget for the City by $10,000.}

Motion failed on a 3-2 vote as follows:

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

ABSENT: Faulk, Peggy  
Jeffery, John

Councilman McLaughlan advised that he wished to bring forth a point of discussion, noting that he did not have a specific amount to assign to a project. He feared that City Council was going down a trail that gave him great concern. Bellaire was a quality, high-end City. Homes were constructed and priced at over $2 million per home in Bellaire. The quality of life, image, projection, and satisfaction of the citizens and other people in the Houston area that might consider a move to Bellaire were important.

He knew he had been whining about machines not working and pools not getting open and he apologized to City Staff for those comments. The reason he was doing it was to point out that Bellaire's citizens had an expectation and that expectation did not include unworkable jets in the Therapy Pool. They wanted a quality community and a good quality of life. For that reason, when it came time to set the tax rate, he was going to propose a one-cent increase in the tax rate. That one-cent increase, as stated earlier, would cost a person with a home value of $463,000 only $46.00 per year. This was a good investment for that individual. Some would pay more, and some would pay less.

Councilman McLaughlan indicated that he did not want to see this blip in the economic cycle to cause a negative impact on the City. He wanted everyone to keep in mind that City Council should not whittle away on the budget. Councilman McLaughlan felt that the proposed budget was a little too lean.

Councilman Hickman brought forth a point of order noting that City Council was not setting the tax rate this evening. He suggested asking the City Manager what he would do with an additional one cent of revenue. Then, perhaps, some specific amendments could be made to the budget.

Councilman McLaughlan advised that Councilman Hickman made an excellent point. He had prefaced his discussion stating that he knew the City was not setting the tax rate this evening, but his statement was a projection of what he anticipated doing in the future. There were certainly some things that could enrich the residents’ quality of life. He asked the City Manager to give some thought to that.

Councilman McLaughlan stated further that training and travel was important. People needed to get out and see what their colleagues were doing in other cities. As stated earlier, Bellaire’s tax rate was nearly 50% of the tax rate of Houston.
Motion No. 5:

Councilman James P. Avioli, Sr., made a motion to increase the Capital Improvement Plan budget by $33,500 to cover needed work at the Evergreen Pool Complex (i.e., replace pool covers, re-plastering, and pool house upgrades). Councilman Phil Nauert seconded the motion.

Councilman Hickman advised that the work referred to by Councilman Avioli was actually in the budget for 2011. He assumed this meant that those projects had at least another year of life before the projects needed to be addressed. Otherwise, the projects would have been placed in the 2010 budget.

City Manager Satterwhite stated that Director Dembski did have those projects in 2010 and he deferred them.

Mayor Siegel advised that she knew the bathhouses were very old. She asked if the City could get things in a better shape. She advised that the jets needed to be repaired because the jets should be working. The bathhouse should look decent.

Director Dembski advised that because the bathhouse was an outdoor facility and humid, it was difficult to get paint to dry on the floors. City Staff was going to try really hard to get it up to par.

Mayor Siegel stated that the bathhouse needed to be brought up to a decent standard.

City Manager Satterwhite asked Mayor Siegel what the question was.

Mayor Siegel asked if the project in the budget was just a “band-aid?”

Director Dembski advised that the project simply including painting of the walls and getting the floor up to speed.

Mayor Siegel asked if the jets would be fixed in the Therapy Pool, if the hand railings would be wrapped, and if the broken tiles would be repaired.

Director Dembski advised that she had funds to make those repairs, however, the Therapy Pool would have to be closed for a few months in order to make the repairs.

Councilman McLaughlan stated that it sounded like Director Dembski was her usual economical self. It appeared that the funding for those projects might not be adequate in order to get the bathhouse fixed. Normally concrete floors in bathhouses were tiled and not painted.
Director Dembski noted that it depended on what City Council wanted. If City Council wanted to put funding into a 50+ year old facility to band-aid it.

Councilman McLaughlan stated that if the facility were band-aided, then it would probably remain band-aided for ten years. He was not interested in completely rebuilding it, but the current bathhouse was a disgrace to the City. City Council needed to jar loose enough money in order to make a decent bathhouse at the Evergreen Pool Complex.

Mayor Siegel suggested that toilets, sinks, etc., could be replaced without tearing down the structure.

Director Dembski advised that everything worked in the bathhouse.

City Manager Satterwhite stated that if the City wanted to spend a great deal of money fixing up the bathhouse, then the City should tear it down and rebuild it. The plumbing and electrical would have to be redone.

Mayor Siegel asked why the toilets could not just be replaced.

City Manager Satterwhite stated that the toilets were not the same as home toilets.

Director Dembski noted that the Parks & Recreation Advisory Board had discussed having a Master Plan for Evergreen Park. If the Evergreen Water Plant were disassembled, then a whole other area would be opened up. She suggested that once that occurred, it would be a good time to have someone come in and provide a plan.

Mayor Siegel stated that she was not opposed to Director Dembski’s suggestion and thought it was a good one, but the City was talking now about getting things up to a standard that people could feel comfortable with. She had personally gone down and looked at the bathhouse and she would not use it nor would she let her children use it.

Councilman McLaughlan advised that he lived in a tear down (i.e., his home was 55-years old). Maintenance was required on a home that old, which included plumbing work and tile work. He was able to keep his home looking good. One of the residents made an excellent point in that there were no handrails in the bathhouse for persons with disabilities. He agreed with Mayor Siegel in that the floor could be tiled, new toilets and handrails could be installed, and new lavatories could be installed. He did not believe it was necessary to tear the structure down. He suggested that the City Manager, Director of Parks & Recreation, and Director of Facilities Management get together and look at the facility to see what could be achieved within the basic structure.
Director Dembski advised that one of the biggest problems was the fact that the bathhouse was an open-air facility and always humid.

Councilman Avioli asked if Director Dembski felt that $50,000 could make the bathhouse presentable.

Director Dembski stated that more money would help. Not being an architect, she was not sure exactly what would need to be done. She indicated that she would like an opportunity to get with Karl Miller, Director of Facilities Management.

Councilman Avioli stated that he was basing his question on Director Dembski’s past experience. He asked if $50,000 could make the bathhouse presentable. He stated that it seemed like that would be possible.

Director of Facilities Management Karl Miller advised that it had been awhile since he had been to that particular facility, but felt that with $50,000 some definite improvements could be made keeping the same structure.

Amendment No. 1 to Motion No. 5:

Councilman James P. Avioli, Sr., made a motion to amend Motion No. 5 to change the amount of monies funded for improvements to the Evergreen Pool Complex from $33,500 to $66,500 (i.e., $50,000 to be applied to the Evergreen Pool Bathhouse). Councilman Pat McLaughlan seconded the motion.

Councilman Hickman inquired as to where the $66,500 would come from, noting that the project was originally budgeted in 2011.

City Manager Satterwhite advised that the $66,500 would come from the fund balance. He stated it would lower the fund balance of $2.993 million by $66,500.

Vote on Amendment No. 1 to Motion No. 5:

{To change the amount of monies funded for improvements to the Evergreen Pool Complex from $33,500 to $66,500 (i.e., $50,000 to be applied to the Evergreen Pool Bathhouse).}

Motion carried on a 4-1 vote as follows:

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

OPPOSED: Hickman, Will
Vote on Original Motion No. 5, as Amended:

{To increase the Capital Improvement Plan budget by $66,500 to cover needed work at the Evergreen Pool Complex (Therapy Pool improvements in the amount of $28,500, replacement of pool covers in the amount of $5,000, and improvements to the Evergreen Pool Complex bathhouse in the amount of $50,000).}

Motion failed on a 3-2 vote as follows:

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

OPPOSED:  Hickman, Will
          Nauert, Phil

ABSENT:  Faulk, Peggy
          Jeffery, John

Mayor Siegel advised that the current year budget had funds in the amount of $10,000 for the Centennial meditation area and pergola and $30,000 for the history walk. A lot of work had gone into those projects by the Centennial Planning Committee, City Staff, and the Bellaire Arts Commission. Those projects were approved in the 2009 budget. The monies were not, for some reason, being spent and the projects had been carried forward to 2010 as a “red” item in the Capital Improvement Plan.

City Manager Satterwhite indicated that he would like to explain why the funds had not been spent. The pergola and meditation area were planned for Loftin Park. Since the playground and trails were under construction for some time and Loftin Park was torn up, the Centennial projects could not move forward. The specifications for the history walk have just been developed.

Mayor Siegel advised that the pergola and meditation area were Centennial projects and already approved by City Council, as was the history walk.

Councilman McLaughlan stated that he was a little uncertain as to what the history walk was.

Mayor Siegel advised that the history walk consisted of 10 markers to be placed in historical areas around the City.
City Manager Satterwhite indicated that the markers were plinths with an etching on top telling people what had been located there and the historical significance of it.

**Motion No. 6:**

Mayor Cindy Siegel made a motion to change the Centennial meditation area and pergola project in the amount of $10,000 and the history walk project in the amount of $30,000 from “red” to “black,” thereby funding those projects, in the Capital Improvement Plan for fiscal year 2010. Councilman Pat McLaughlan seconded the motion.

**Vote on Motion No. 6:**

{To change the Centennial meditation area and pergola project in the amount of $10,000 and the history walk project in the amount of $30,000 from “red” to “black,” thereby funding those projects, in the Capital Improvement Plan for fiscal year 2010.}

Motion carried on a 4-1 vote as follows:

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

**OPPOSED:** Hickman, Will

**ABSENT:** Faulk, Peggy  
Jeffery, John

Councilman Avioli asked if the projects City Council just voted on would come back to City Council for final approval.

City Manager Satterwhite indicated that he expected the history walk project to possibly come back to City Council by September 14th.

Councilman Avioli advised that his concern was that the funding was disproportionate--$30,000 for the history walk and only $10,000 for the meditation area.

Mayor Siegel advised that the Bellaire Arts Commission and the Parks & Recreation Advisory Board developed those budgetary items.

Councilman Avioli indicated that the meditation area was never finalized as to the amount.
Mayor Siegel agreed and stated that the guiding principle for the project would be to try to remain within the $10,000 that was budgeted for it.

Councilman Avioli advised that he did not find that acceptable, but assumed he would have another opportunity to look at it.

Councilman Hickman advised that the Capital Improvement Plan still did not make sense to him. He referred to the METRO revenue of $801,000. This amount was canceled out essentially with METRO expenditures on page 1 of $801,000. The METRO Fund, however, showed expenditures of $2.3 million for the Newcastle Drive Project. The METRO Fund also had a beginning fund balance of $6.8 million, which was larger than the $4.3 million for the Capital Improvement Plan and the Vehicle, Equipment, and Technology Program. He was not sure how to reconcile all of those numbers. The revenue matched the METRO Fund, but the expenditures did not match and the METRO fund balance did not seem to be added in.

In other words, if Councilman Hickman added the fund balances together, then the future Capital Improvement Plan and Vehicle, Equipment, and Technology Program funding problem went away. If he added the expenditure of $2.3 million for the Newcastle Drive project, then he had a big problem with the fund balance.

City Manager Satterwhite advised that the METRO Fund really had nothing to do with the Capital Improvement Plan. The METRO Fund accounted for the METRO projects, which were not in the Capital Improvement Plan, but totally outside of the plan. He noted, also, that the City’s bond projects were not in the Capital Improvement Plan.

The METRO projects were the Newcastle Drive and Baldwin Avenue street reconstruction projects.

Mayor Siegel advised that it probably should not be reflected on the summary page.

City Manager Satterwhite agreed that it should not be reflected on one of the summary pages.

Councilman Hickman advised that he was trying to see if the METRO Funds could be used for the Capital Improvement Plan.

City Manager Satterwhite stated that the METRO funds were already programmed for the Newcastle Drive and Baldwin Avenue projects, with the exception of $801,000.

Councilman Hickman advised that the City had been doing asphalt overlays for a number of years.
City Manager Satterwhite agreed with Councilman Hickman, but advised that those projects were in accordance with the Bellaire Millennium Renewal Bond Program. Now that the Bellaire Millennium Renewal Program was over, the City needed to program the $801,000 of METRO funds. City Staff intended to program those funds for asphalt overlays and to redo some of the overlays that were now eight years old.

Mayor Siegel advised that she did not believe that fund needed to be reflected on the summary of the Capital Improvement Plan and the Vehicle, Equipment, and Technology Program.

City Manager Satterwhite agreed with Mayor Siegel.

Mayor Siegel referred to the City’s mobility program and asked how much of it was funded through METRO.

City Manager Satterwhite noted, too, that the Newcastle Drive and Baldwin Avenue reconstruction projects were not completely paid for.

Councilman Hickman stated that he would like to get his hand on the $801,000 for the mobility program.

City Manager Satterwhite stated that it could possibly be done.

Councilman Hickman advised that if the $801,000 could be used for the mobility program, then the City could lower the transfer from the General Fund of $700,000 to some lower number.

Motion No. 7:

Councilman Will Hickman made a motion to lower the Capital Improvement Plan transfer from $700,000 to $540,000 and to lower the mobility program from $550,000 to $390,000. Mayor Cindy Siegel seconded the motion.

Mayor Siegel indicated that although she seconded the motion, she would be voting against it. First, the City had made a commitment to the taxpayers to apply $5,000,000 through pay-as-you-go funds into the City’s overall Capital Improvement Plan. Secondly, when Mayor Siegel looked at the debt payments for 2011, the City’s debt service was going to increase by almost $300,000, which was almost one cent. She was afraid if City Council reduced the tax rate this year by any amount and considered changing the transfers, all the City was doing was delaying having to take back what had been given away because the City would not be able to fund its debt service payments.

Mayor Siegel did not know where the City could come up with another $300,000 in the 2011 budget if we assumed that the economy would continue
to “tank.” For that reason, she was going to support keeping the tax rate the same and not reducing the transfers.

Councilman McLaughlan advised that he had tried to absorb as much as he could out of this discussion. He asked if someone could give him a terse bottom line. For example, if City Council voted in favor of the motion, what would it accomplish?

Councilman Hickman stated that each year the City received $801,000 from METRO, which represented a partial refund of sales tax paid each year to METRO. Currently, the budget did not show the City using the $801,000 for mobility projects. His idea was to shift some of the mobility program money to the METRO Fund and use some of the $801,000 to reduce the Capital Improvement Plan transfer by the same amount. In other words, the City would shift part of the mobility program from taxpayer burden to METRO-Fund burden.

Councilman McLaughlan inquired as to what the $801,000 had been programmed for.

City Manager Satterwhite indicated that it would be used for resurfacing and sidewalks.

Councilman McLaughlan advised that Councilman Hickman indicated that there was no plan for the $801,000.

City Manager Satterwhite stated that the City had been using it through the Bellaire Millennium Renewal Program. The City had some money left over from the Bellaire Millennium Renewal Program and City Staff was planning on going back and taking a look at some of the streets that were done eight years ago and continuing that program. City Staff had not brought that plan forward to City Council yet.

Councilman McLaughlan inquired as to whether the METRO funds had to be specifically delineated in the 2010 fiscal year budget.

City Manager Satterwhite advised that the funds did not have to be delineated.

Councilman McLaughlan asked for confirmation that City Manager Satterwhite was planning to spend the $801,00 within the budget year.

City Manager Satterwhite indicated that he had not intended to spend the full amount immediately.

Councilman McLaughlan inquired as to whether the funds would be spent within the budget year.
**City Manager Satterwhite** advised that all of the funds would probably not be spent within the budget year.

**Mayor Siegel** asked if City Manager Satterwhite had the mobility program laid out (i.e., budgeted at $500,000).

**City Manager** advised that the mobility program had not been completely laid out.

**Councilman McLaughlan** stated that he did not understand why the City had $801,000 that it did not plan to use other than Councilman Hickman’s plan.

**Mayor Siegel** advised that even Councilman Hickman’s plan did not use the METRO funds. It was up to City Staff to develop what those projects would be.

**City Manager Satterwhite** indicated that he did not necessarily have plans to use the $700,000 transfer to the Capital Improvement Plan this year either. He did not think in terms of the current year, but rather in terms of the City’s cash flow needs over the next four-five years.

**Councilman McLaughlan** asked if the net result of Councilman Hickman’s proposal was to decrease the City’s tax rate by one-half cent.

**Mayor Siegel** indicated that the next step would be a decrease in the City’s tax rate.

**Vote on Motion No. 7:**

{To lower the Capital Improvement Plan transfer from $700,000 to $540,000 and to lower the mobility program from $550,000 to $390,000.}

**Motion failed on a 1-4 vote as follows:**

**FOR:**
- Hickman, Will

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

**ABSENT:**
- Faulk, Peggy
- Jeffery, John
Motion No. 8:

Mayor Cindy Siegel made a motion to direct City Staff to look at a way to offer some type of limited operations for the Therapy Pool at the Evergreen Complex during the months of December and January and to incorporate the necessary funds into the budget. Councilman Phil Nauert seconded the motion.

Councilman Hickman stated that since City Council did not have an amount of funds that might be needed this evening, he asked that City Council postpone a vote on this motion until City Council could see the budgetary impact. He stated that he could not follow the motion. For example, if City Staff determined that the amount of funding needed was $10,000, then would that $10,000 automatically be added to the budget or would City Council be given an opportunity to vote on the amount of funding to be added?

Councilman Avioli advised that he would like to see City Council put some money in the budget for that purpose so that when the budget came back there was a dollar figure there. Whether or not that dollar figure was estimated tonight or not, he did not know. He felt that a dollar figure should be included in the budget for the extended operation of the Therapy Pool.

Councilman Nauert noted that City Council had already been given the number and it was $10,000 for the two months.

Modification to Motion No. 8:

Councilman Phil Nauert made a motion to modify Motion No. 8 to include $10,000 in the General Fund budget for extended operations of the Therapy Pool at the Evergreen Complex during the months of December and January. Mayor Cindy Siegel agreed to the modification.

Vote on Motion No. 8, as Modified:

{To include $10,000 in the General Fund budget for extended operations of the Therapy Pool at the Evergreen Complex during the months of December and January.}

Motion carried on a 4-1 vote as follows:

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

OPPOSED: Hickman, Will
Councilman Avioli stated that he wished to make a comment about the budget. He advised that he would like to point out that the City was subsidizing the Family Aquatic Center by $250,000 per year and yet City Council would not approve $50,000 to make the Evergreen Pool more presentable.

Mayor Siegel noted that Councilman Avioli could bring that forward as an amendment to the budget when City Council was preparing to make their final vote.

Councilman Avioli advised that he planned to do so.

C. ADJOURNMENT.

MOTION TO ADJOURN:

A motion was made by Councilman Pat McLaughlan and seconded jointly by Councilman Phil Nauert and Councilman Will Hickman to adjourn the Special Session (Budget) of the City Council of the City of Bellaire, Texas, at 9:54 p.m. on Tuesday, August 18, 2009.

VOTE ON MOTION TO ADJOURN:

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

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

OPPOSED: None

ABSENT: Faulk, Peggy
         Jeffery, John

Respectfully submitted,

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

_________________________________
Cynthia Siegel, Mayor
City of Bellaire, Texas