REGULAR SESSION – 7:00 P.M.

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

Mayor Cindy Siegel called the City Council of the City of Bellaire, Texas, to order at 8:22 p.m. on Monday, April 19, 2010. The Bellaire City Council met at that time and on that date in Regular Session in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401. Mayor Siegel announced that a quorum was present consisting of herself and the following members of City Council:

- Councilman Will Hickman, Position No. 1;
- Councilman James P. Avioli, Sr., Position No. 2;
- Councilman Corbett Daniel Parker, Position No. 3;
- Mayor Pro Tem Phil Nauert, Position No. 4;
- Councilman Andrew Friedberg, Position No. 5; and
- Councilwoman Mandy Nathan, Position No. 6.

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

B. INSPIRATIONAL READING AND/OR INVOCATION – Mayor Cindy Siegel.

Mayor Cindy Siegel provided the inspirational reading for the evening.

C. PLEDGES TO THE FLAGS – Mayor Cindy Siegel.

1. U.S. PLEDGE OF ALLEGIANCE.

2. PLEDGE TO THE TEXAS FLAG.

Mayor Cindy Siegel led the audience and City Council in the U.S. Pledge of Allegiance and the Pledge to the Texas Flag.

D. PERSONAL/AUDIENCE COMMENTS.

Robert Riquelmy, 506 Winslow Lane, Bellaire, Texas:

Mr. Riquelmy addressed City Council and advised that approximately one or two weeks ago he was chatting with Councilmen about the cost of the Texas property. The Mayor volunteered that Harris County, and Commissioner
Radack in particular, would have nothing to do with it. Mr. Riquelmy telephoned Mr. Radack, and the Commissioner expressed wariness about the Bellaire City Council, but said that he “could be interested” in the Teas property as a county park.

Mr. Riquelmy advised that there were two lessons to be learned from this. First, the City did not have to be burdened with the cost of developing and maintaining the park. Secondly, City officials can be careless with the truth.

**Mayor Siegel** reiterated that Bellaire did not own the Teas property yet.

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

Ms. McBee commented that the Bellaire City Council was now seeking applicants to all of the City’s boards and commissions. She felt that this was the second, perhaps the third, year that boards and commissions had been given no training. While she did not see that the members of the boards and commissions were suffering, as they were quick learners, it seemed to Ms. McBee that the City had an obligation to offer training. Minimally that training should include how the City worked, the powers and restrictions those appointees had, parliamentary procedure, etc.

Similarly, in the City Council’s goals and objectives, the nature of a policy was not discussed. When people asked where the Bellaire policies were, it was pretty hard to find them. Tonight was a perfect example in the previous public hearing as to what the City’s policy was concerning agreements with third parties and what rights and obligations that the City had. The City had a custom wherein negotiations were undertaken with other entities for its own benefit, such as playing fields. She felt that it was important for the City to have a policy regarding such agreements.

Additionally, when the City started deliberating on the specific use permit requested by HISD for a replacement school for Paul W. Horn Elementary, City Council should ask the City Attorney to provide a legal primer on the subject.

In closing, Ms. McBee urged City Council to secure training for their appointees and start providing literate, written policy statements as to what City Council planned to do in their two years of service or four years, as the case might be.
E. REPORTS:

1. CITY MANAGER’S REPORT regarding residential safety (police activity report), public infrastructure/utilities (street and drainage projects update and facilities update), quarterly indicators (crime and building permits), and upcoming City Council meetings/events – Presented by City Manager Bernard M. Satterwhite, Jr.

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

**Residential Safety**

With respect to police activity, City Manager Satterwhite advised that there were 39 Part I criminal offenses in March compared with 42 in the previous year and 52 traffic accidents compared with 76 the previous year.

Also in March, two suspects were arrested and charged with multiple counts of burglary of a motor vehicle. These suspects were responsible for a number of vehicle burglaries at Evergreen Pool and the Nature Discovery Center over the past few months.

One robbery was reported in March. The victim advised that he was robbed by a suspect wearing a mask in the driveway of a residence in the 4900 block of Cedar Street. The case was currently under investigation.

There were two assaults during the month of March, both of which involved incidents of reported family violence. Charges were filed in one of the incidents.

City Manager Satterwhite advised that 6,000 letters were sent out over the past week by an outside firm that City Council had contracted with to collect outstanding Municipal Court fines and warrants. A few telephone calls had already been received from people who had received some of the letters.

**Public Infrastructure/Utilities**

City Manager Satterwhite advised that he would defer his report on public infrastructure and utilities until the mid-year review as he had a full update to present at that time.

He did advise that the Evergreen Pool bathhouses were up and operating after a recent repair project. There was an item on the
evening’s agenda to close out the contract for the repairs, which did come in on budget.

**Upcoming Meetings/Events**

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Type of Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 26</td>
<td>6:00 p.m.</td>
<td>Special Session (Public Hearing) – abandonment and sale of Chestnut Street right-of-way</td>
</tr>
<tr>
<td>April 26</td>
<td>6:15 p.m.</td>
<td>Special Session (Joint Public Hearing) – request for specific use permit to construct and operate a hospital – First Street Hospital</td>
</tr>
<tr>
<td>May 3</td>
<td>7:00 p.m.</td>
<td>Regular Session</td>
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**QUESTIONS FROM CITY COUNCIL:**

**Councilman Will Hickman** noted that he had received a door hanger from CenterPoint Energy regarding the installation of smart meters in Bellaire. He inquired as to the timing and method that CenterPoint Energy would use in going through Bellaire.

**City Manager Satterwhite** indicated that he had no idea. He stated that he would try to get someone from CenterPoint Energy to come to a City Council meeting and speak with the City about the process and impacts related to smart meters.

**Councilwoman Mandy Nathan** inquired as to when the Bellaire pools would open for weekend use.

**City Manager Satterwhite** indicated that he believed that the Bellaire Pool would open on May 1st and Evergreen Pool would open at the end of May.

**Councilman Andrew Friedberg** referred to communication forwarded to City Council in their packet from the Houston-Galveston Area Council (H-GAC) regarding solid waste implementation grants. He wanted to make sure that City Staff was aware of the grants and inquired as to whether the City would be applying for a grant(s).

**City Manager Satterwhite** indicated that the City had applied and received those grants in the past. He indicated that the City would look into it again.

**Councilman Corbett Daniel Parker** referred to a previous discussion by City Council related to collections of Municipal Court fines and fees. At that time, Municipal Court Presiding Judge Lisa Wesely indicated that she would bring forth some options for City Council. He inquired
as to whether City Manager Satterwhite had communicated with Judge Wesely regarding those options.

City Manager Satterwhite stated that he had received communication from Judge Wesely and was looking over the options that she had provided.

Councilman Parker referred to a request he had made at that time for available information on payment plans offered for the payment of fines and fees.

City Manager Satterwhite advised that the City did not really have the system in place to pull that together easily, but City Staff would work on it. The priority for the City initially was to put together the information that the outside firm needed in order to mail their letters.

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

A motion was made jointly by Councilman James P. Avioli, Sr., and Councilwoman Mandy Nathan and seconded jointly by Councilman Andrew Friedberg and Councilman Will Hickman to accept the City Manager’s Report as presented by City Manager Bernard M. Satterwhite, Jr., into the record.

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

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

**FOR:** Siegel, Cindy  
Hickman, Will  
Avioli, James P., Sr.  
Parker, Corbett Daniel  
Nauert, Phil  
Friedberg, Andrew  
Nathan, Mandy

**OPPOSED:** None

**ABSENT:** None

2. **MID-YEAR REVIEW OF FISCAL YEAR 2010 – Presented by City Manager Bernard M. Satterwhite, Jr., and Assistant City Manager Diane K. White.**

City Manager Bernard M. Satterwhite, Jr., presented the Mid-Year Review of Fiscal Year 2010 to City Council. He advised that the mid-year review was started approximately five years ago and was an opportunity to take a short look at where the City was in its budget
after six months. The report this evening reflected where the City was at the end of March 2010 (i.e., six months into the fiscal year).

Financial reports were provided to City Council on a monthly basis, so City Staff hoped that when the mid-year review was presented that there would be no real surprises. Another purpose of the mid-year review was to communicate substantial impacts, if any, on revenue and/or expenditures. If needed, the City could also revise current budget allocations based on the mid-year review.

City Manager Satterwhite reminded City Council that the budget process for fiscal year 2011 would begin (for City Staff) during the month of May 2010. A resolution setting forth parameters and guidelines for the development of the 2011 budget would be presented to City Council for consideration at the second meeting in May 2010.

Typically, the City formed its budget resolution around the Municipal Cost Index (MCI), which was somewhat similar to the Consumer Price Index (CPI). The performance of the MCI for the past year and longer had been fairly flat. When City Staff put its fiscal year 2010 budget together, the non-personnel expenditures were flat and essential mirrored the MCI at the time, which was less than 1%.

In order to meet the challenges of a flat MCI and to continue to provide the services that the citizens desired, many things were discussed. For example, some employee positions were frozen. Those positions were not necessarily critical nor were the positions in the area of public safety. The positions that were frozen were in the Community Development, Public Works, and Parks & Recreation Departments.

The City also tackled the Sick Leave Buyback Program, which was fairly liberal and generous. This program was difficult to control from a budget perspective as it was difficult to anticipate what an employee’s buyback number might be in a given year. The process was changed so that employees had to accrue a certain stated amount. Once that stated amount was exceeded, the City would buy back the sick leave to that stated amount at 50% of an employee’s normal rate of pay.

Another challenge that was dealt with during fiscal year 2010 was employee health insurance. The health insurance premiums were not known until after the budget for fiscal year 2010 had been approved. Shortly thereafter, the City learned that the premiums were going to rise by 50%. City Staff negotiated with a health insurance provider and was able to provide insurance to an employee and pay 100% of the premium. The City’s portion of the premium for employee and spouse or a child was at 75%, while the City’s portion of the premium
for employee and family was at 65%. The deductibles were raised significantly in order to lower the insurance premiums. The City was still able to provide $650 per employee to the employee’s health savings account, which helped to offset some of the significant increase in their deductible.

The City did not give employees a market adjustment during fiscal year 2010, as there was really no market to adjust. The purpose of a market adjustment was to keep the salary ranges floating with the market. Since the market had not changed, an adjustment was not necessary.

In the non-personnel expenditure categories, there were line item reductions across the board.

**GENERAL FUND**

**General Fund Issues**

With respect to the General Fund, the City would have less than anticipated revenues. Expenditures were on track and there would be no expenditure variances department by department, although there might be line items within departments that incurred variances or overages. Those variances or overages could be adjusted within the departments at this point in time.

The City had done a good job in maintaining service expectations. For example, the pool was open year-round.

**Operational Changes in 2010**

There were and would continue to be several operational changes in 2010. For example, the acceptance of credit card payments for utility bills would occur in two-three weeks. The City had to write an interface between its system and the website and its system and the credit card company in order to make that process happen.

The Community Development Department and the Bellaire City Library had undertaken digitization projects. The Community Development Department had digitized many of the paper plans that they were required to maintain.

Fuel cards were undertaken this year. The City removed its fuel storage tanks and opted to use a fuel card program. Fuel was purchased at local gasoline stations with the fuel card. The City received rebates each time the fuel cards were used. City Manager Satterwhite pointed out that the City paid a negotiated lower price when using its fuel card. The City did not have to pay the price that
was listed on the fuel pump. As a result, the City no longer had the burden of maintaining and accounting for underground storage tanks.

With respect to electricity, it was noted that electricity costs represented the largest non-personnel item in the City’s budget. Over the last several years, the City had been able to control its electrical costs. The water well and wastewater treatment plant utilized approximately 65% of the City’s total consumption of electricity.

One of the items that the City of Houston cited as a reason that their water rates had increased so much was the dramatic increase in electrical costs. City Manager Satterwhite questioned that cautiously. He suspected that Houston did have rising costs, especially as they were building new plants. However, on a business-based fund, increasing revenue should offset those costs. Electricity costs for Bellaire, on the other hand, had not increased significantly since 2001. The trend line was actually fairly flat.

Bellaire’s costs per kilowatt-hour had increased a little; however, the City’s consumption had decreased fairly significantly over the past nine years. City Manager Satterwhite did note that the City was locked into a low rate for a number of years and that particular contract would end next year.

**General Fund Revenues**

The categories of General Fund revenues were reviewed in a pie chart as follows: property tax (55%), sales tax (13%), franchise fees (8%), fines (8%), other (6%), recreation fees (5%), and permits and licenses (5%).

The General Fund revenues were allocated in the fiscal year 2010 budget as follows: salaries and benefits (76%), materials and supplies (8%), professional services (7%), maintenance (6%), and contractual services (4%).

City Manager Satterwhite indicated that actual revenues for several categories were estimated to be less than budget by the following amounts:

- **Sales Tax** ($ 68,000)
- **Property Tax** ($ 35,800)
- **Fines** ($300,000)
- **Investments** ($180,000)

He noted that the City had lost some sales tax revenue with the closure of the Teas Nursery. There were a number of reasons that the fines were down, although City Manager Satterwhite could not pin
those reasons down yet. He did not believe that the shortfall could be made up this year unless the 6,000 letters sent out by the firm hired to make those collections had some effect.

City Staff had actually anticipated that the interest rates might rebound slightly this year. However, the interest rates for the City’s investments ranged from 0% to .25%.

**General Fund Expenditures**

City Manager Satterwhite advised that expenditures were in control. Approximately 48% of the City’s budget had been expended as of the end of March 2010. With respect to summer expenditures, it was noted that summer activities would result in more expenditures, and City Staff was watching that. He noted further that there was nothing in the budget right now that City Staff did not believe could be absorbed on the expenditure side.

It was possible that City Staff might have to come back to City Council and request a variance on the revenue side. At the present time, it was anticipated that expenditures would exceed revenues by approximately $200,000. Ways in which the variance could be corrected were noted as follows: 1) change expectations; 2) reduce expenditures; 3) increase revenues; and 4) reduce transfers.

**ENTERPRISE FUND**

With respect to the Enterprise Fund, City Manager Satterwhite advised that revenues were still healthy over budgeted expenses. Even though the City’s water and sewer rates had not increased over the past two years, the revenues were increasing due to an increase in consumption, especially on the commercial side. Since the City had a tiered rate structure, a slight increase in consumption represented an exponential increase in revenue.

City Manager Satterwhite did advise that City Staff was looking at a rate increase. He was not certain at this time as to whether that increase would occur this year or the next year.

**Enterprise Fund Revenues**

The categories of Enterprise Fund revenues were reviewed in a pie chart as follows: water sales (44%), wastewater service (32%), solid waste service (22%), fines (8%), other (1%), interest income (1%), and penalties (0%).

The Enterprise Fund revenues were allocated in the fiscal year 2010 budget as follows: materials and supplies (42%), salaries and benefits
(25%), professional services (17%), maintenance (12%), and contractual services (4%).

**Enterprise Fund Expenditures**

For the six months ended March 31, 2010, approximately 62% of the Enterprise Fund budget had been expended. One of the reasons for that was much of the cost for surface water from the City of Houston had already been encumbered (i.e., not necessarily paid for, but noted in the City’s financials as an expenditure). In addition, there were a number of expenditures in the fund that occurred early in the year.

City Manager Satterwhite referred to some of the costs of doing business for the Enterprise Fund. Those costs were contract labor, mandatory testing, the cost of water, and depreciation.

It was noted that the City had a fairly healthy working capital in the Enterprise Fund. In the future, City Staff would need to come forward with a plan to sell revenue bonds for needed water and wastewater projects.

One of the reasons that the City of Houston had to raise its water rates was to support their revenue bonds. It was necessary to have a certain ratio of debt service to operating costs. For Houston, that ratio was becoming dangerously small. In order to prop that up, they had to raise rates.

**Solid Waste and Recycling**

The City’s revenues with respect to solid waste and recycling exceeded expenditures by approximately $100,000. There was not room for a great deal of expansion in this area. The City picked up solid waste four days a week and recycling one day per week, for a total of five days of operation. Heavy brush and leaves were also picked up during the five days of operation. On any given day, all of the City’s resources were being used. If the City wanted to expand the solid waste and recycling services, which City Manager Satterwhite felt would be desired, then the City needed to be able to keep everything in balance.

City Manager Satterwhite reviewed the actual expenditures for solid waste and recycling during fiscal year 2009, the total of which was $1,286,722, as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>22%</td>
</tr>
<tr>
<td>Contract Labor</td>
<td>19%</td>
</tr>
<tr>
<td>Trash Hauls</td>
<td>18%</td>
</tr>
<tr>
<td>Vehicle, Equipment, Maintenance</td>
<td>11%</td>
</tr>
</tbody>
</table>
CAPITAL IMPROVEMENT PROJECTS/VEHICLE, EQUIPMENT & TECHNOLOGY UPDATE

The Capital Improvement Projects (CIP) Program was on track. City Staff would be changing some policies in the CIP Program. For example, if a particular project scheduled for 2010 was not completed in 2010, that project would have to be reprioritized and reprogrammed for the next fiscal year. The project might not be a priority for the next fiscal year.

City Manager Satterwhite provided City Council with a slide depicting the Rebuild Bellaire Pay-As-You-Go Program, which was funded out of the CIP Program, as follows:

<table>
<thead>
<tr>
<th></th>
<th>Budget Amount</th>
<th>Expenditures</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2006-CIP</td>
<td>$ 500,000</td>
<td>($36,977)</td>
<td>$463,023</td>
</tr>
<tr>
<td>FY2007-CIP</td>
<td>0</td>
<td>(92,880)</td>
<td>370,143</td>
</tr>
<tr>
<td>FY2008-CIP</td>
<td>250,000</td>
<td>(66,099)</td>
<td>554,045</td>
</tr>
<tr>
<td>FY2009-CIP</td>
<td>750,000</td>
<td>(806,417)</td>
<td>497,628</td>
</tr>
<tr>
<td>FY2010-CIP</td>
<td>750,000</td>
<td>(15,000)</td>
<td>$1,232,628</td>
</tr>
<tr>
<td>Total</td>
<td>$2,250,000</td>
<td>$1,017,373</td>
<td>$1,232,628</td>
</tr>
</tbody>
</table>

City Manager Satterwhite advised that City Staff was looking at the Library right now and a conceptual plan would be brought forward to City Council. He hoped to undertake that project this year and to utilize some of the $1,232,628 pay-as-you-go funds for that project.

Among the projects undertaken or to be undertaken this year under the Capital Improvement Projects Program were the History Walk Project, Pergola/Meditation Area (Loftin Park), Street Striping Project, Engineering and Installation of LED Signals at South Rice Avenue and Jessamine Street, Crosswalk at South Rice Avenue, and Sidewalk Program.

With respect to the General Facilities Program, the citywide security project was the largest part of that program and was halfway complete (i.e., Library and Recreation Center), with City Hall to follow. The
Evergreen Pool House was completed this year, as well as Driscoll Park Drainage and Holly Street Esplanade Landscaping Improvements. A plan for drainage improvements for Feld Park would be presented to City Council shortly.

It was noted that the project to replace the Rice Lift Station would be underway shortly. The engineering design work for the Feld Park Water Plant Rehabilitation was almost complete and would be going out for bid in May of 2010. The Feld Park Water Well Rehabilitation (Water Well No. 5) was almost completed, with the closeout to be presented to City Council in May of 2010. The Central Water Plant Electrical and Disinfection Upgrades Project was on hold for a little bit. The Wastewater Treatment Plant Solids Handling Improvements were 99% completed.

With respect to the Rebuild Bellaire Program, Phase 2 was completed and Phase 3 of the Rebuild Bellaire Program was set to go out for bid soon.

The engineering design phase for the Baldwin Avenue Improvements was approved; the Traffic Signal Project would be completed next month; and the Bellaire Fire Station was on track.

With respect to the Vehicle, Equipment and Technology Program, the City purchased all four vehicles that were budgeted (three vehicles for the Bellaire Police Department and one vehicle for the Parks & Recreation Department).

The large technology program undertaken this year was the City’s fiber optic network. The next technology project that would be undertaken was the City’s phone system. The City had no support for its current phone system, as there were no longer parts or a warranty for that system. The City would recommend a voice over IP system (VOIP), which would be presented to City Council in the not too distant future.

**MUNICIPAL COST INDEX**

The Municipal Cost Index (MCI) was currently showing an annualized growth of 3.1%; however, the corresponding revenues for the City (i.e., tax base, etc.) were flat. Costs were going up, but revenues were holding at a flat line. City Manager Satterwhite indicated that this was going to be difficult to deal with. He was not sure the City could generate the revenues necessary to meet the costs with its current tax base.
**CHALLENGES FOR 2011**

Among the challenges for 2011 was an anticipated increase in operations and maintenance. The City would have a new facility coming on—the Bellaire Fire Station. Although the systems within that facility would be more efficient, the facility was larger. Other challenges to be considered were security, technology, parkland, implementation of the Comprehensive Plan (i.e., hiring of professional services), cost of doing business, and fuel.

City Manager Satterwhite also referred to the need to stay competitive with the personnel market. The City would need to look at salaries and benefits in order to ensure that it was competitive.

**BUDGET CALENDAR**

City Manager Satterwhite advised that the proposed budget calendar for 2011 was similar to calendars proposed in the past. A resolution for guidelines and parameters for the 2011 budget would be presented to City Council in May of 2010. Once the resolution was passed, City Staff would develop a budget based on those guidelines and parameters. The budget packet would be distributed to Department Heads the day after the resolution was passed by City Council. The Department Heads would be required to turn in their budgets one month later.

The budget had to be filed with the City Clerk on July 15, 2010, in order to make all of the timelines necessary for advertising, publishing, and holding a public hearing. The budget would be presented to City Council on July 19, 2010; however, the budget would not really be deliberated until after the public hearing, which would be scheduled on August 16, 2010. A Special Session would be called on August 17, 2010, so that City Council could deliberate the budget.

City Staff was anticipating requesting City Council to adopt the fiscal year 2011 budget on September 20, 2010. This would probably be the same date that the City Council would consider the adoption of a tax rate. City Manager Satterwhite advised that the tax rate had to be adopted after the budget was adopted.

**QUESTIONS FROM CITY COUNCIL:**

Councilman Corbett Daniel Parker referred to the City’s investments and investment policy and the fact that the City was only able to get 0% to .25%. He asked if the City was comfortable with that and/or if City Council needed to revisit the policy.
City Manager Satterwhite indicated that City Staff was not comfortable with the rate it was earning on its investments. There were not many opportunities that fell within the state-mandated Public Funds Investment Act.

Councilman Parker referred to the amount of money the City was transferring to the Capital Improvement Projects (CIP) Program. He asked if the City was at risk of the CIP Program not having the funds necessary to maintain asset values, health, safety, welfare, etc.

City Manager Satterwhite stated, frankly, that City Staff was concerned with the ability to transfer funds to that program. He did not know if a City could totally catch up on asset values in this business or not. It was City Staff’s goal and priority to bring its asset values back up. The risk was the “nice to have things.”

Councilman Parker referred to the water increase issues that the City of Houston had with commercial and multi-unit complexes, noting that many felt that the increases were disproportionate. He asked if Bellaire discriminated in its water rates between residential and commercial customers. He also asked if the City Manager’s recommendation for a rate increase would include a higher percentage increase for commercial users.

City Manager Satterwhite stated that his recommendation might have a higher percentage increase for commercial users. It really depended on the market. He was planning an increase across the board for all tiers and all customers at about the same rate. He noted, however, that giving the same rate to all customers across the tiers might still be disproportionate.

Councilman Parker referred to the closure of the Recycling Center. He inquired as to when the City’s contract was up for recycling.

City Manager Satterwhite indicated that he believed the contract might end this year.

Councilman Parker asked if the City would consider privatizing the collection of recycling. He indicated that he understood that the City’s trucks were not getting in for the day until 8:00 p.m.

City Manager Satterwhite advised that City Staff would be considering all options and opportunities going forward. He doubted, however, that he would bring forth a privatizing option to City Council within the next year.

He noted that the City did not have time to pick up its own garbage. An outside contractor picked up the garbage generated by City
departments. Similarly, the City did not have time to pick up its own recycling. If there were an opportunity to outsource recycling, he would probably begin with City buildings first.

**Councilman Parker** inquired as to whether the City would consider offering recycling to commercial businesses as well.

**City Manager Satterwhite** advised that commercial businesses had to contract with an outside service for garbage pickup currently.

**Councilman Parker** asked if the City would offer an opportunity to commercial businesses if the service were prioritized and then pass that cost on.

**City Manager Satterwhite** indicated that he had not really thought about it.

**Councilman Parker** inquired as to whether the City received any complaints from commercial businesses because the City did not pick up their garbage.

**City Manager Satterwhite** indicated that he had not received many complaints and that businesses were responsible for contracting their garbage pickup in many other cities.

**Councilman Parker** referred to the Master Park Plan and the fact that the City had not moved forward on funding some of those projects. He had received feedback on the Paseo Park Plan and the protection of the Trolley. He asked City Manager Satterwhite to educate him on the process for that plan.

**City Manager Satterwhite** advised that the architect had completed their conceptual plan. The Parks & Recreation Advisory Board ("Board") had reviewed the plan and wanted to bring forth a recommendation to City Council. Before doing so, however, the Board wanted to go through the Bellaire Historical Society. A meeting had been held and the Bellaire Historical Society was making some comments on the plan. The comments would then go back to the Board, with a recommendation to City Council to follow.

**Councilman Parker** referred to security for the City Hall. He inquired as to the plans for updating the security at City Hall.

**City Manager Satterwhite** indicated that security cameras and electronic locks had already been installed. The electronic locks had not yet been activated so that employees could use their key fobs to get in and out of the building.
Councilman Parker stated that City Manager Satterwhite had given City Council some tremendous information this evening. He asked if City Manager Satterwhite's notes could be placed on the website for the public to review.

City Manager Satterwhite advised that he could get some notes on the website.

Councilman Parker referred to the vehicles that had been purchased this year (i.e., four). He inquired as to whether City Manager Satterwhite was aware of any other vehicle needs for this fiscal year.

City Manager Satterwhite advised that he had not been told of any other vehicle needs for the year.

Councilman Parker inquired as to the estimated timeframe for hiring a professional consultant to assist the City with the implementation of the Comprehensive Plan.

City Manager Satterwhite advised that the Planning and Zoning Commission was working on a proposal now.

Councilman Parker inquired as to which cost in the Municipal Cost Index that the City could best control. In other words, what should City Council be looking at if they wanted to control costs?

City Manager Satterwhite advised that costs could be controlled somewhere within personnel.

Councilman Parker referred to the deficit in fines and inquired as to what percentage of those fines were related to construction enforcement.

City Manager Satterwhite stated that code enforcement and construction fine were a very small portion of the overall fines.

Mayor Pro Tem Phil Nauert referred to the Municipal Cost Index (MCI) and inquired as to who was responsible for that calculation.

Assistant City Manager Diane K. White advised that "American Town & City” had the MCI in place since 1980. It consisted of the Consumer Price Index (CPI), the Production Price Index (PPI), and the Construction Cost Index (CCI), all of which were obtained from the U.S. Department of Labor. She stated that she could get a detailed description of the formula for Mayor Pro Tem Nauert if he would like.
Mayor Pro Tem Nauert inquired as to whether the MCI was regional or industry sensitive or more applicable to small, medium, or large cities.

Assistant City Manager White advised that the MCI was a national index.

City Manager Satterwhite indicated that the MCI was a guideline.

Mayor Pro Tem Nauert asked for confirmation that it was reasonably accurate for Bellaire, Texas.

Assistant City Manager White advised that Mayor Pro Tem Nauert was correct.

Mayor Pro Tem Nauert inquired as to how often the rating agencies reviewed Bellaire’s bond rating.

City Manager Satterwhite inquired that a review was undertaken each time the City had a bond issuance.

Mayor Pro Tem Nauert inquired as to what market sector change in the Bellaire region would most affect the City’s revenue. In other words, what would the City look to as an indicator that there might be a turnaround—oil, real estate, banking, energy, and/or medical? In other words, how would the City know when things were starting to get better?

City Manager Satterwhite did not know that there was any one industry that was really impacting where the economy was today. Because of the makeup of the industries in this area and the fact that it was much more diverse now than the last time the country was in a recession, Bellaire was experiencing what was happening around the country, only a little later.

Councilman James P. Avioli, Sr., referred to one of the slides presented by City Manager Satterwhite, slide number 6, related to outsourcing inspections. He indicated that there was obviously a cost-benefit to outsourcing those services and asked if City Manager Satterwhite could comment on that.

City Manager Satterwhite advised that there was a cost-benefit for outsourcing those services, although he did not have the exact information with him this evening. The City had recently starting outsourcing those services, so a good analysis might take a little more time.
Councilman Avioli next referred to slide 9 on kilowatt prices. He advised that in looking at the chart, it seemed to him that the City was paying $0.10 per kilowatt-hour. He inquired as to whether this was correct.

City Manager Satterwhite indicated that the $0.10 per kilowatt-hour included wire line charges. The contract charge for just electricity was around $0.07 per kilowatt-hour.

Assistant City Manager White advised that the chart provided to City Council in their packet was strictly the cost per kilowatt-hour. Right now, the cost per kilowatt-hour was $0.07. Before that, it was $0.065. Depending on the facility, the City could pay up to $0.14 per kilowatt-hour based on wire line charges and other associated costs for a particular facility.

Councilman Avioli inquired as to whom the City bought its electricity from.

Assistant City Manager White advised that the City was with Reliant Energy, who was the low provider for the State of Texas’ General Land Office.

Councilman Avioli asked if the City tried to shop around for better rates.

Assistant City Manager White indicated that the City looked at the rates every year. One of the reasons that the City had stayed with Reliant Energy since 2003 was due to the fact that the City did not have to pay sales tax or aggregation fees. If the City could find a better deal, the City would definitely consider changing providers.

Councilman Avioli inquired as to whether Reliant Energy told the City what their rates were based on. He noted that electricity in Texas was produced from natural gas. He inquired as to whether Reliant Energy related their rate to the rate of natural gas.

Assistant City Manager White indicated that she did not have the breakdown with her, but the electricity purchased for the City was tiered—some was pre-purchased, some was wind generated, some was through natural gas, etc.

Councilman Avioli next referred to slide 13 and the City’s anticipated shortfall of roughly $500,000. He asked if City Council should be overly concerned about that right now.

City Manager Satterwhite did not feel that City Council should be overly concerned, but should be mildly concerned.
Councilman Avioli next referred to slide 15 and possible ways in which to correct the variances between budget and actual revenues. He asked if City Staff was recommending all of the methods for correcting the variances or a combination.

City Manager Satterwhite advised that City Staff would probably recommend a combination of the methods. He felt that the City needed to readjust its revenue outlook at the beginning of the year. In the past, the City had actually underestimated its revenues. In the last two years, the City had not been quite as conservative. This next year the City would be taking a different approach.

Councilman Avioli next referred to slide 32 and parkland. He inquired as to whether City Manager Satterwhite was referring to some of the improvements that City Council had already decided on.

City Manager Satterwhite indicated that he was referring to the possibility for the City to acquire additional parkland, such as the Teas property. The City had not been officially offered the property, but his mention of that possibility was in anticipation of a possible offer.

Councilman Avioli referred to whether or not City Manager Satterwhite had thought about developing a zero-based budget this year.

City Manager Satterwhite indicated that City Staff did a modified zero-based budget every year--City Staff reviewed what was needed each year. He indicated that if City Staff did a zero-based budget based on what the residents expected or desired, the City’s budget would be much higher than it currently was.

Councilman Andrew Friedberg referred to slide 8 and noted that electricity was the City’s largest non-personnel line item. Since the City just recently completed its LED and CMAQ projects, he inquired as to whether the City could expect to see efficiencies around town as a result of those projects.

City Manager Satterwhite indicated that he believed the City would see efficiencies as a result of those projects and probably already had.

Councilman Friedberg referred to slide 20 and the fact that the City was a little ahead in the Enterprise Fund with respect to revenues exceeding expenditures. He asked for confirmation that City Manager Satterwhite had suggested that the City accrue ahead of usage some water liabilities. He asked how far in advance the City would accrue for the Houston water rate increases.
City Manager Satterwhite advised that City Staff would plan for the increase in the next budget, noting that Houston planned to raise their rates in January of 2011. The City would not actually encumber all of the water purchases for the year.

Councilman Friedberg referred to slide 23 and noted that trash bags were 10% of almost $1.3 million in expenditures, or $130,000. Aside from convenience for the residents, the cost seemed to be a shocking number, although there might be value there.

City Manager Satterwhite personally felt that if the City was going to pick up garbage, then the City needed to provide the conveyance to pick it up, either in the form of a bag or a container. The City of Houston required its residents to buy certain bags for yard waste. He thought this was a good idea as well.

Councilman Will Hickman referred to the countywide decrease in property values of 4%. He inquired as to whether Bellaire had any specific numbers for the City yet.

City Manager Satterwhite advised that he had not received any numbers yet, but anticipated receiving them in the next month.

Councilman Hickman referred to slide 7, which related to the City’s fuel contract. He inquired as to whom the contract was with.

Assistant City Manager White stated the fuel card contract was with the State of Texas. The credit card went through Comdata. TransMontaigne handled the invoicing.

Councilman Hickman inquired as to whether employees could use any gas station for fuel purchases.

Assistant City Manager White stated that any station could be used. The City received a sales tax rebate from certain locations. The City was paying a wholesale price for its fuel—not the price listed on the fuel pump.

Councilman Hickman inquired as to whether the City would be getting smart meters and whether there were any providers providing time of day metering and time of day rates for City use.

Assistant City Manager White indicated that she did not know on the electrical side. On the gas side she believed it might be possible.

City Manager Satterwhite stated that there were opportunities to get time of day billing, but the City had not worked on that yet.
Councilman Hickman advised that Reliant had a residential plan. He urged City Staff to look into that for the City. With respect to investments, he noted that the City was down by $180,000. He asked if that were more than offset by the bond refinancing and the bond issuance, and asked if the City was better off with lower rates or worse off.

City Manager Satterwhite advised that the City was worse off because the bond rates would not be correspondingly higher than the savings rates were.

Councilman Hickman noted that there was a time when the City was making money on investments.

City Manager Satterwhite advised that Councilman Hickman was correct.

Councilman Hickman advised that his son attended school in the City of West University Place. He indicated that while taking him to school, he observed a City vehicle with an arm on it picking up a bin that was then dumped into the vehicle. He asked the City Attorney (who resided in West University Place) if he knew if the truck was picking up recycling or garbage or both. He advised that it might have been a commercial pickup.

City Attorney Alan P. Petrov advised that West University Place was not picking up residential garbage with a vehicle with a robotic arm.

Councilman Hickman inquired as to whether the City of West University Place picked up recycling and if bins were used.

City Attorney Petrov indicated that regular trash was picked up in garbage bags and bins were provided for recycling pickup.

Councilman Avioli followed up on one of Councilman Hickman’s questions. He inquired as to whether the fuel card lent itself to purchases of tires and batteries.

Assistant City Manager White indicated that the City was able to purchase things other than fuel; however, restrictions had been placed on the cards. For example, a limit of $300 per day was set for certain departments and $100 per day for other departments. If a department needed tires, the City could increase the limit that day for that purchase.

Councilwoman Mandy Nathan referred to page 11, General Fund Revenues, and inquired as to whether the pie chart looked similar to the actual revenues for fiscal year 2009.
City Manager Satterwhite advised that Councilwoman Nathan was correct.

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

A joint motion was made by Mayor Pro Tem Phil Nauert and Councilman James P. Avioli, Sr., and seconded by Councilman Will Hickman to accept the Mid-Year Review of Fiscal Year 2010 as presented by City Manager Bernard M. Satterwhite, Jr., into the record.

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

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

**FOR:**
- Siegel, Cindy
- Hickman, Will
- Avioli, James P., Sr.
- Parker, Corbett Daniel
- Nauert, Phil
- Friedberg, Andrew
- Nathan, Mandy

**OPPOSED:** None

**ABSENT:** None

Mayor Cindy Siegel asked the Bellaire City Council to consider moving agenda item G. forward at this point in the meeting. After noting no objections, agenda item G. was considered.

**G. INDIVIDUAL ITEM FOR CONSIDERATION:**

**Rebuild Bellaire Bond Program**

CONSIDERATION of and possible action regarding the acceptance of a Preliminary Official Statement and timetable for the sale of "$6,000,000 City of Bellaire General Obligation Bonds, Series 2010A," to be used for issuance costs and paving and drainage improvements under the Rebuild Bellaire Program – Item presented by James F. Gilley, Partner, Coastal Securities; Item submitted by City Manager Bernard M. Satterwhite, Jr.

**MOTION TO ACCEPT PRELIMINARY OFFICIAL STATEMENT AND TIMETABLE FOR SALE OF BONDS:**

A motion was made by Councilman Corbett Daniel Parker and seconded by Councilwoman Mandy Nathan to accept a Preliminary Official
Statement and timetable for the sale of “$6,000,000 City of Bellaire General Obligation Bonds, Series 2010A,” to be used for issuance costs and paving and drainage improvements under the Rebuild Bellaire Program.

James F. Gilley, Partner, Coastal Securities, advised that the timetable set for the prospective sale of $6,000,000 City of Bellaire General Obligation Bonds, Series 2010A, was May 17, 2010. The City should have its proceeds from the sale on June 22, 2010. The agenda item before City Council this evening requested approval of the offering statements to be used in the sale of the bonds. The bonds would be sold in a competitive sale at 1:00 p.m. on May 17, 2010.

Mayor Pro Tem Phil Nauert noted that in the past the public had been able to participate in some of the City’s bond sales. He inquired as to whether that mechanism would be available with this particular sale.

Mr. Gilley stated that because this was a competitive sale, the mechanism was not really suitable. The buyer would not have access to the bonds until the sale was determined by competitive process.

Councilman Andrew Friedberg stated that he had a good time going through the Preliminary Official Statement. He inquired as to whether this version had any material changes from prior versions that the City had used and needed to be aware of.

Mr. Gilley indicated that there had been no material changes from prior versions. This version was very similar to the refunding document that the City sold a few months ago.

Councilman Corbett Daniel Parker pointed out a small typographical error on page iii. The name of the City’s certified public accountants had been thrown to the far right on that page.

Mr. Gilley agreed that there was a tabbing error on that page and indicated that his firm would fix the error.

Councilman Will Hickman asked for confirmation that the recent sale of bonds by the City was a refunding issue.

Mr. Gilley advised that Councilman Hickman was correct--the recent sale was a refinancing opportunity. There was no new money for that sale.

Councilman Hickman inquired as to the last time the City sold a new issue of bonds.
Mr. Gilley indicated that it was about the same time during the previous year. The City had historically been selling the Rebuild Bellaire Program bonds approximately once each year.

Councilman Hickman asked if the citizens had the opportunity to purchase during one of those new issuances.

City Attorney Alan P. Petrov indicated that the City had done a refunding at the same time as one of the new issuances. The refunding was not done through a competitive sale process, so citizens had an opportunity at that time to purchase some of the City's bonds.

Mayor Cindy Siegel advised that she was not clear on why the City could not offer the citizens an opportunity to purchase the City's bonds.

Mr. Gilley stated that when the City had the citizen participation program for its refunding, the underwriter was known in advance because City Council had pre-selected an underwriter. Coastal Securities imposed upon that underwriter some specifications that they had to offer bonds to citizens if citizens were interested prior to that time. Because of the competitive nature of the new issuance, the City would not have that opportunity with the underwriter.

City Attorney Petrov added that the City's Charter required the sale of new money issues through a competitive process.

Mayor Siegel asked for confirmation that the citizen participation process could only occur with refunding issues.

Mr. Gilley advised that Mayor Siegel was correct.

Councilman Hickman inquired of City Manager Satterwhite as to the use of the new money issue.

City Manager Satterwhite indicated that the new money would be utilized primarily for the Rebuild Bellaire Program, Phase Three.

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

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

FOR: Siegel, Cindy  
Hickman, Will  
Avioli, James P., Sr.  
Parker, Corbett Daniel  
Nauert, Phil  
Friedberg, Andrew
FOR (CONT.): Nathan, Mandy

OPPOSED: None

ABSENT: None

The City Council returned to the agenda in the order in which it was written.

F. CONSENT AGENDA – All items listed under the Consent Agenda are considered routine and are recommended for approval by a single motion of City Council, without discussion. If discussion is desired, any one or more members of City Council and/or the Mayor may request that an item be removed and considered separately.

1. APPROVAL/CORRECTION OF MINUTES:

APPROVAL of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, March 22, 2010 – Item submitted by City Clerk Tracy L. Dutton.

2. FINAL PAYMENT ON CONTRACT:

CONSIDERATION of and possible action on a recommendation from the Department of Facilities Management to make the final payment to Structura Design & Construction related to the Evergreen Park Pool Bathhouse Repair Project in the amount of $8,435.80 and to adopt an ordinance of the City Council of the City of Bellaire, Texas, authorizing the Mayor of the City of Bellaire, Texas, to execute a Fourth Final Draw-PO1193 related to the Evergreen Park Pool Bathhouse Repair Project, as performed by Structura Design & Construction, authorizing the City of Bellaire to make the final payment on said contract in an amount not to exceed $8,435.80 – Item submitted by Director of Facilities Management Karl Miller.

Councilman Will Hickman requested separate consideration of agenda item F. 2.

MOTION TO APPROVE CONSENT AGENDA:

A motion was made by Councilman Andrew Friedberg and seconded by Mayor Pro Tem Phil Nauert to approve the Consent Agenda dated April 19, 2010, consisting of the following item:

- Approval of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, March 22, 2010.
VOTE ON MOTION TO APPROVE CONSENT AGENDA:

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

FOR:  Siegel, Cindy
       Hickman, Will
       Avioli, James P., Sr.
       Parker, Corbett Daniel
       Nauert, Phil
       Friedberg, Andrew
       Nathan, Mandy

OPPOSED:  None

ABSENT:  None

INDIVIDUAL CONSIDERATION OF FINAL PAYMENT ON CONTRACT:

MOTION TO APPROVE FINAL PAYMENT AND ADOPT ORDINANCE:

A motion was made by Councilwoman Mandy Nathan and seconded by Councilman Andrew Friedberg to approve a recommendation from the Department of Facilities Management to make the final payment to Structura Design & Construction related to the Evergreen Park Pool Bathhouse Repair Project in the amount of $8,435.80 and to adopt an ordinance of the City Council of the City of Bellaire, Texas, authorizing the Mayor of the City of Bellaire, Texas, to execute a Fourth Final Draw-PO1193 related to the Evergreen Park Pool Bathhouse Repair Project, as performed by Structura Design & Construction, authorizing the City of Bellaire to make the final payment on said contract in an amount not to exceed $8,435.80.

Councilman Will Hickman inquired as to the total amount approved for this project. He indicated that he did not understand the final invoice. The third draw was 20% and the fourth draw was 10%. He was not sure how the final invoice added up.

Director of Facilities Management Karl Miller indicated that the way Structure Design & Construction had their invoice broken out was a little confusing. The last couple of payments were based on a payment of 10% of the contract price. In other words, the third and fourth payments were 10% of the contract price. The bottom line was that the contract was on budget.
Councilman Hickman asked for confirmation that the total contract price was approximately $84,000 and the requested final payment of $8,435.80 would pay the contract in full.

Director Miller advised that Councilman Hickman was correct.

Councilman Andrew Friedberg asked for confirmation that the City’s retainage of the final 10% protected the City in the event that completion of the project was unsatisfactory.

Director Miller advised that Councilman Friedberg was correct.

Mayor Pro Tem Phil Nauert referred to a contingency set forth in the contract of 3-1/2% or 3.55%. He noted that Structura Design & Construction applied for the entire contingency. Mayor Pro Tem Nauert asked if the City had an itemization of materials, labor, or other costs associated with the contingency.

Director Miller indicated that he did not have that with him, but could get it for Mayor Pro Tem Nauert.

Mayor Pro Tem Nauert stated that it was important because the contractor just happened to take every dime on the table.

Director Miller stated that owner of Structura Design & Construction, Tony Garcia, went above and beyond what was requested of him. The contingency monies went toward items such as additional fascia that needed to be replaced and was rotting. He removed and capped off an abandoned sewer. He replaced some sewer caps and expanded the enclosure on one of the entryways. Beyond that, old ceiling fans were replaced in the office area, as well as storage doors, counters, and a cubicle.

Mayor Pro Tem Nauert advised that he understood where Director Miller was going, but asked for an itemized statement so that everything was real clean at the end of the contract.

Councilman James P. Avioli, Sr., indicated that he had the same concern that Mayor Pro Tem Nauert had with respect to the $3,000 contingency item. He, too, wished to see the detail.

The other concern he had was the fact that there did not appear to be a warranty associated with the project. He asked if the City should have a warranty, especially with respect to the new fixtures that were purchased and installed.

Director Miller advised that the fixtures came with a manufacturer’s warranty of one year.
Councilman Avioli asked if Director Miller was satisfied that the City was covered for one year.

Director Miller advised that he was.

**VOTE ON MOTION TO APPROVEFINAL PAYMENT AND ADOPT ORDINANCE:**

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

FOR: Siegel, Cindy
     Hickman, Will
     Avioli, James P., Sr.
     Parker, Corbett Daniel
     Nauert, Phil
     Friedberg, Andrew
     Nathan, Mandy

OPPOSED: None

ABSENT: None

{Ordinance was subsequently numbered: 10-026}

**G. INDIVIDUAL ITEM FOR CONSIDERATION:**

**Rebuild Bellaire Bond Program**

CONSIDERATION of and possible action regarding the acceptance of a Preliminary Official Statement and timetable for the sale of "$6,000,000 City of Bellaire General Obligation Bonds, Series 2010A," to be used for issuance costs and paving and drainage improvements under the Rebuild Bellaire Program – Item presented by James F. Gilley, Partner, Coastal Securities; Item submitted by City Manager Bernard M. Satterwhite, Jr.

{Note: This item was considered earlier in the meeting. See pages 22-25 of these minutes for discussion and action related to this item.}

**H. ADOPTION OF ORDINANCE:**

**Code Amendment – Emergency Response Services**

CONSIDERATION of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, amending Chapter 13, Fire Protection and Prevention, Article I, In General, of the Code of Ordinances of the City of Bellaire, Texas, by adding new
Sections 13-4 through 13-7 for the purpose of authorizing the Bellaire Fire Department to charge and collect fees for certain emergency response services – Item submitted by Fire Chief Darryl Anderson.

{Note: Due to the lateness of the hour this agenda item was delayed until the next Regular Session of the Bellaire City Council.}

I. ADOPTION OF RESOLUTION:

CONSIDERATION of and possible action on the adoption of a resolution of the City Council of the City of Bellaire, Texas, adopting a policy to designate and restrict the funds paid by a petitioner and/or other affected or abutting property owner for all or a portion of a City easement, right-of-way, alley, street, or other public way to the future purchase or acquisition of parkland, said policy of which would be effective from the date of adoption of the ordinance and retroactively to October 1, 2009 – Item submitted by Chief Financial Officer Donna Todd on behalf of Mayor Cindy Siegel.

MOTION TO ADOPT RESOLUTION:

A motion was made by Councilman Corbett Daniel Parker and seconded by Councilman Will Hickman to adopt a resolution of the City Council of the City of Bellaire, Texas, adopting a policy to designate and restrict the funds paid by a petitioner and/or other affected or abutting property owner(s) for all or a portion of a City easement, right-of-way, alley, street, or other public way to the future purchase or acquisition of parkland, said policy of which would be effective from the date of adoption of the ordinance and retroactively to October 1, 2009.

AMENDMENT (NO. 1) TO MOTION TO ADOPT RESOLUTION:

An Amendment (No. 1) was made by Councilwoman Mandy Nathan to amend the policy so that the funds could be used for the acquisition and/or the development of parkland. Councilman Corbett Daniel Parker seconded the amendment.

Councilwoman Mandy Nathan advised that she understood that the Parks & Recreation Advisory Board had suggested that the City try to set aside funds for the acquisition of parkland and she was certainly in favor of that. However, at this point, the City seemed to have parkland and more potential parkland without the funds to develop what the City already had. With her amendment, Councilwoman Nathan wanted to preserve the flexibility for the City to decide that the funds might be spent on Bellaire Town Square or the Teas property or elsewhere.
Councilman Corbett Daniel Parker stated that he liked the idea, but inquired as to when “development” became “maintenance.” He was concerned that refurbishing benches, for example, might be considered “development” rather than “maintenance.” He desired to see the funds spent on development and not on maintenance.

Councilwoman Nathan advised that she believed that any projects undertaken with the funds would ultimately come back to City Council for approval and a decision could be made at that time. She assumed that “development” meant the initial development of a skate park or pavilion, for example.

City Manager Bernard M. Satterwhite, Jr., indicated that City Staff would not recommend spending the funds on maintenance.

Councilman Will Hickman stated that he would vote against the motion. The purpose of the policy for him was to get new parks in the system and not to maintain or develop existing land the City already had.

Councilman Parker asked if City Council’s vote this evening was a vote in favor of the addition of new parkland. He asked City Attorney Petrov for confirmation that the current or a new City Council could change the policy. If so, was the vote this evening a public showing in good faith that City Council wanted additional parkland?

City Attorney Alan P. Petrov indicated that a vote in favor would be an expression of what City Council’s goal was. Future Councils could change or repeal the policy.

City Manager Satterwhite indicated that this policy created a restrictive line item in the City’s budget and provided authorization for that line item.

Councilman Parker asked if the line item referred to by City Manager Satterwhite was the line item placed in the budget in the previous year, but not funded. In other words, this policy would create the first funding for that line item.

City Manager Satterwhite advised that Councilman Parker was correct.

Councilman James P. Avioli, Sr., indicated that he agreed with the concept. His concern was that it was restricted. In this time of potential budget shortfalls, he inquired as to whether the policy should be a little more flexible. He had in mind a similar type of amendment in that if there were an emergency in the City, City Council could call on the funds. It was a great idea to preserve it for parks, but other situations could arise wherein the City would need the funds.
Mayor Cindy Siegel indicated that she felt City Council always had the latitude to redirect funds if needed for an emergency.

City Manager Satterwhite advised that City Council could tap into the City’s sixty-day operating reserve if it were necessary.

Councilman Avioli asked for confirmation that City Council could tap into the restricted line item for the funds if it were necessary.

City Manager Satterwhite advised that the funds could be “unrestricted” just as easily as “restricted.”

Mayor Siegel indicated that the purpose of the policy was to shift public land (i.e., easements, alleyways, street right-of-ways, etc.) for other types of public land. The net result would be that the City would still have land.

Councilman Parker referred to a letter that he understood was presented to City Council by the Parks & Recreation Advisory Board that requested that funds be set aside for future parkland purposes. He inquired as to whether the letter included development as well as parkland purchases.

Councilman Nathan indicated that her understanding was that the Parks & Recreation Advisory Board asked that $200,000 be set aside each year for the acquisition of parkland. She understood the sentiment, but felt that right now Bellaire was sitting at the bottom of a very deep hole of money that would be needed for parks. She wished to have the flexibility for City Council to spend the funds where they thought it was needed.

Mayor Pro Tem Phil Nauert indicated that one of the good things about land was that it had good shelf life. If something could not be developed right away, at least the land was still there. He joined with Councilman Hickman and Mayor Siegel in keeping the policy where the funds would go toward the acquisition of land.

VOTE ON AMENDMENT (NO. 1) TO MOTION TO ADOPT RESOLUTION:

The Amendment (No. 1) to the motion to adopt a resolution failed on a 2-4 vote as follows:

FOR: Parker, Corbett Daniel
     Nathan, Mandy

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

ABSENT: None
Mayor Pro Tem Phil Nauert indicated that he would like to amend the agenda statement for this item in a minor way. He felt it was important in years to come that the minutes accurately reflect where this agenda item came from. He wished to amend the statement that the item was submitted by Chief Financial Officer Donna Todd to include “on behalf of Mayor Cindy Siegel.” The Mayor and Bob Siegel (her husband) were the ones that brought the item forward. Councilman Corbett Daniel Parker seconded Mayor Pro Tem Nauert’s suggestion. After noting that the City Clerk would make the notation in the minutes regarding the fact that the credit for the item was attributable to Mayor Cindy Siegel and Bob Siegel, the motion and second were withdrawn for voting purposes.

AMENDMENT (NO. 2) TO MOTION TO ADOPT RESOLUTION (CLEANUP MOTION):

An Amendment (No. 2) to the motion to adopt a resolution was made by Councilman Andrew Friedberg in the spirit of cleanup as follows: in the preamble, the word “acquisition” was misspelled; in the first recital clause add the phrase “from time to time,” to read as follows:

That the City of Bellaire, Texas, has occasion from time to time to sell to a petitioner . . . ; in the final recital, the placement of retroactively to October 1, 2009, might be better placed in the second line after the word “policy,” so the policy is retroactive to October 1, 2009, stating that the funds made . . . .”

Councilman Corbett Daniel Parker seconded Amendment (No. 2).

Councilman Will Hickman inquired as to whether there was any legal issue with making the policy retroactive to 2009.

City Attorney Petrov indicated that if the funds had not been spent yet, the policy could be made retroactive to 2009.

Mayor Siegel asked if this policy were sufficient for a budget amendment.

City Manager Satterwhite advised that did not need a budget amendment.

VOTE ON AMENDMENT (NO. 2) TO MOTION TO ADOPT RESOLUTION:

The Amendment (No. 2) to the motion to adopt a resolution carried unanimously on a 7-0 vote as follows:

FOR: Siegel, Cindy
     Hickman, Will
     Avioli, James P., Sr.
     Parker, Corbett Daniel
     Nauert, Phil
     Friedberg, Andrew
FOR (CONT.): Nathan, Mandy

OPPOSED: None

ABSENT: None

VOTE ON MOTION TO ADOPT RESOLUTION, AS AMENDED:

The motion to adopt resolution, as amended, carried unanimously on a 7-0 vote as follows:

FOR: Siegel, Cindy
     Hickman, Will
     Avioli, James P., Sr.
     Parker, Corbett Daniel
     Nauert, Phil
     Friedberg, Andrew
     Nathan, Mandy

OPPOSED: None

ABSENT: None

{Resolution was subsequently numbered: 10-06}

J. COMMUNITY INTEREST ITEMS FROM THE MAYOR AND THE CITY COUNCIL.

Councilman James P. Avioli, Sr., advised that he had no community interest items this evening.

Councilman Will Hickman thanked Kay Hieronymus for a great evening on Friday at the art gala. He noted further that the Art Festival held on Saturday was also a great event.

Councilwoman Mandy Nathan echoed the kudos to the Bellaire Cultural Arts Commission and the Greater Southwest Houston Chamber of Commerce on the art events. She noted further that this weekend was “Tents in Town” and recommended that people visit www.bellaireparks.com for more information regarding the event. Proceeds benefited the Patrons for Bellaire Parks, Inc., and Bellaire Town Square.

Councilman Andrew Friedberg referred to the Bellaire Men’s Club and congratulated them on their Fifth Annual Gala. It was his honor to serve as Co-Chair for the event. Some scholarship money was awarded and thousands more were raised for other deserving students in the area and at Bellaire High School.
Mayor Pro Tem Phil Nauert advised that he had no community interest items this evening.

Councilman Corbett Daniel Parker advised that Councilman Andrew Friedberg did a tremendous job representing everyone in the City at the Bellaire Men’s Club.

Mayor Cindy Siegel reminded City Council that two public hearings had been scheduled for 6:00 p.m. on Monday, April 26, 2010. She echoed the kudos given to the Bellaire Cultural Arts Commission and the Greater Southwest Houston Chamber of Commerce on the art events. She noted that Bellaire had a very talented community. Councilman Will Hickman performed during the event—it was noted that he had a fabulous voice.

On May 3, 2010, just before City Council’s Regular Session, a kick-off event was scheduled in honor of “Older Americans Month.” The kick-off event would be held at 6:00 p.m. in the BLIFE Center.

K. ADJOURNMENT.

MOTION TO ADJOURN:

A motion was made by Councilman Corbett Daniel Parker and seconded by Councilman James P. Avioli, Sr., to adjourn the Regular Session of the City Council of the City of Bellaire, Texas, at 10:14 p.m. on Monday, April 19, 2010.

VOTE ON MOTION TO ADJOURN:

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

FOR: Siegel, Cindy
Hickman, Will
Avioli, James P., Sr.
Parker, Corbett Daniel
Nauert, Phil
Friedberg, Andrew
Nathan, Mandy

OPPOSED: None

ABSENT: None
Respectfully submitted,

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

Approved:

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Cynthia Siegel, Mayor
City of Bellaire, Texas