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

Mayor Cindy Siegel called the City Council of the City of Bellaire, Texas, to order at 7:01 p.m. on Monday, May 17, 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 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.

Councilman Will Hickman, Position No. 1, and Councilman James P. Avioli, Sr., Position No. 2, were absent. Other officials present were City Manager Bernard M. Satterwhite, Jr., City Attorney Alan P. Petrov, and City Clerk Tracy L. Dutton.

B. INSPIRATIONAL READING AND/OR INVOCATION – Councilman Andrew Friedberg.

Councilman Andrew Friedberg provided the inspirational reading for the evening.

C. PLEDGES TO THE FLAGS – Councilman Andrew Friedberg.

1. U.S. PLEDGE OF ALLEGIANCE.

2. PLEDGE TO THE TEXAS FLAG.

Councilman Andrew Friedberg led the audience and City Council in the U.S. Pledge of Allegiance and the Pledge to the Texas Flag.
D. PERSONAL/AUDIENCE COMMENTS.

Johnnie Frazier, 4721 Jessamine Street, Bellaire, Texas:

Dr. Frazier addressed City Council and advised that the Tolan-Bellaire case was a no win situation for the Tolans and the City government, Bellaire Police Officer Cotton, or the citizens of Bellaire. The City’s reputation was tarnished due to the unfortunate police action on that fateful evening.

The case had been tried and a verdict had been rendered, although there seemed to be several unanswered questions, such as what happened to the police check and confirmation system of license plates when investigating or arriving on a potential crime scene? Additionally, what were the proper procedures for cuffing a potential, unarmed suspect when down on the ground?

Dr. Frazier urged the City not to be complacent in thinking that this was over for the City of Homes, Officer Cotton, or the Tolan Family, because it would never be over for them. She closed by stating that juries could be wrong.

Lynn McBee, 5314 Evergreen Street, Bellaire, Texas:

Ms. McBee addressed City Council and noted that she appreciated Dr. Frazier’s comments and noted that Dr. Frazier had very eloquently stated the concerns that many residents still felt.

With respect to the evening’s agenda, she noted that one of the items had to do with the Bellaire Fire Department’s recommendation that fees be imposed for emergency response services on persons other than Bellaire, West University Place, and Southside Place residents. There were no fees specifically set out, which would be done by the City Manager at some unknown future point. Ms. McBee inquired as to why this was being done and hoped City Council would address the policy aspects of the agenda item this evening.

A second agenda item dealt with a scope of work to hire a consultant for a portion of the Comprehensive Plan. Ms. McBee indicated that she felt it was foolish to fragment the regulations that the City would need for the entire Comprehensive Plan. She also believed that City Council rather than City Staff should select the consultant necessary to provide regulations for the Comprehensive Plan.

A third agenda item related to a proposal to add back alternate appointees to the Board of Adjustment. In 1996, the City of Bellaire had five regular Board of Adjustment appointees plus four alternate appointees. It was a comedy as
to who would show at which meeting and there were still times when a quorum was not present. In June of 2002, the number of members was changed according to state law, which then permitted up to seven full-time members and no alternates. The 75% presence of the Board of Adjustment was required either way.

Ms. McBee understood that the motive for going back in time to add back alternate members was because the current Board of Adjustment had to cancel several meetings. Since the Board of Adjustment only met once or twice a year, it seemed difficult to get all of the members together. She suggested that the Board of Adjustment consider meeting more often if, for nothing else, training purposes. Discussion could also include an update of general state law as it was occurring in the courts around the state. She urged City Council not to make the same mistake again.

E. REPORTS:

1. CITY MANAGER’S REPORT regarding residential safety (police activity report), public infrastructure/utilities (street and drainage projects update, Rebuild Bellaire, Phase III update, Baldwin engineering), facilities update (Fire Station monthly progress report, Rice Avenue Lift Station, Feld Park restrooms/drainage), internal operations/productivity (report of Directors’ retreat, Memorial Day Holiday – May 31), quarterly indicators (crime and building permits), current issues/information (solid waste ordinance reminders), and upcoming City Council meetings/events – Presented by City Manager Bernard M. Satterwhite, Jr.

Public Infrastructure/Utilities

The Rebuild Bellaire Program, Phase III, was noted to be 75-80% completed. A neighborhood meeting for the project would be held in June and bids would be requested in June.

With respect to the Baldwin Avenue extreme event storm water system project, coordination with utilities and surveyors had been undertaken.

Facilities Update

The Bellaire Fire Station was a little behind (i.e., one week) due to weather issues. The contractor was fairly confident that he could catch up.
With respect to the South Rice Avenue Lift Station Replacement Project, notices had been sent out to residents in the area. South Rice Avenue would be narrowed to two lanes for a certain amount of time.

The Feld Park Restroom Renovations, as well as the correction of some drainage issues in the park, would be underway soon.

**Internal Operations/Productivity**

City Manager Satterwhite referred to a Directors’ retreat that had been held during the previous week, which was very productive. The two major points of discussion were City Council goals and objectives and how to assimilate those into existing priorities and the fiscal year 2011 budget, which would be very challenging. City Manager Satterwhite proposed meeting with City Council in a somewhat informal workshop where the City Council and City Staff could have a free exchange of ideas prior to the budget presentation.

It was noted that May 31, 2010, was the Memorial Day holiday, and City offices would be closed. In addition, there would be no trash pickup that day.

**Current Issues/Information**

City Manager Satterwhite indicated that the City was at capacity in terms of solid waste and recycling pickup right now, and the City had difficulty getting everything done. Everyone could help the City’s Solid Waste Department by following the rules set out in City ordinances. City Staff would be sending out reminders to residents with respect to those rules. For example, there was a ten-bag limit and each bag should not weigh over 30 pounds. Additionally, with respect to yard waste, that waste should be bundled in four-foot strips.

**Upcoming City Council Meetings/Events**

The following upcoming City Council meeting was noted:

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Type of Meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 7</td>
<td>7:00 p.m.</td>
<td>Regular Session</td>
</tr>
</tbody>
</table>

**QUESTIONS FOR THE CITY MANAGER:**

At this point in the meeting, members of City Council asked questions of the City Manager regarding his report. One question related to the budget for the Feld Park restroom renovations and drainage corrections (Councilman Parker). It was noted that those renovations and corrections were approved in the Capital Improvements Project Fund in a previous budget year. A reminder was given to City Council
regarding the upcoming dates for the budget presentation and workshop. Those dates were noted to be July 19 and 20, 2010.

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

A motion was made by Mayor Pro Tem Phil Nauert and seconded by Councilwoman Mandy Nathan 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 5-0 vote as follows:

**FOR:** Siegel, Cindy
Parker, Corbett Daniel
Nauert, Phil
Friedberg, Andrew
Nathan, Mandy

**OPPOSED:** None

**ABSENT:** Hickman, Will
Avioli, James P., Sr.

2. **FINANCE REPORT for the City of Bellaire, Texas,** covering the period ended April 30, 2010, and including discussion of revenues and expenditures in the General Fund, Enterprise Fund, Debt Service Fund, Vehicle, Equipment and Technology Fund, and Capital Improvement Program Fund, as well as discussion of statistical data – Presented by Chief Financial Officer Donna Todd.

Chief Financial Officer Donna Todd presented the Finance Report for the City of Bellaire, Texas, for the period ended April 30, 2010.

**Revenues**

Through April, the City had revenues of $19 million, which was $858,000 less than last April. However, when Hurricane Ike reimbursements of $764,000 were removed, the City’s revenues were only lower by $195,000 (or less than ½ of 1%).

The City’s current property taxes were approximately $11.9 million or $243,000 more than last fiscal year through April. However, for the same time period, the City’s delinquent taxes, penalties and interest were approximately $18,000 lower. The net difference was $225,000 ahead of last year.
Sales taxes were noted to be $104,000 less than the previous year. Sales from August through February were included in that figure.

Fines were approximately $142,000 less than the last fiscal year to date. The City’s citations were down 16%, violations were down 19%, and there had been a 22% increase in payment plans.

Water revenues were $271,000 lower than the previous year (i.e., primarily commercial and residential revenues, as well as sprinkler revenues). The rainfall totals were approximately two inches more than the previous year.

The City did, however, have an increase in service meters of $15,000 and sewer tap fees of almost $17,000.

**Expenditures**

The City’s expenditures were $16.5 million, which was $69,000 higher than the previous year. If Hurricane Ike expenditures totaling $968,000 were removed, then the City’s expenditures were $1,037,000 more than the previous year.

With respect to the Debt Service Fund, the City was $522,000 ahead of the previous year.

With respect to the Vehicle, Equipment, and Technology Fund and the Capital Improvements Project Fund, expenditures were $431,000.

The City’s outstanding principal balance in the Debt Service Fund as of April 30, 2010, was $62.1 million. The City’s total debt service was $89.8 million. The next debt service payment would consist of an interest payment and would be made in August of 2010.

**Housing Statistics**

Excluding “by owner” listings, it was noted that 214 residential properties were for sale at the end of April, which compared to 198 at the end of March. There were 35 homes for lease in April as compared to 29 in March.

Through April, the City had issued 35 permits for an average per unit price of $556,000, which was noted to be 4% lower than last year’s average unit price.

**QUESTIONS FOR THE CHIEF FINANCIAL OFFICER:**

At this point in the meeting, members of City Council asked questions of the Chief Financial Officer regarding her finance report.
MOTION TO ACCEPT REPORT INTO THE RECORD:

A motion was made by Councilman Andrew Friedberg and seconded by Mayor Pro Tem Phil Nauert to accept the Finance Report for the City of Bellaire, Texas, for the period ended April 30, 2010, as presented by Chief Financial Officer Donna Todd into the record.

VOTE ON MOTION TO ACCEPT REPORT INTO THE RECORD:

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

FOR: Siegel, Cindy
     Parker, Corbett Daniel
     Nauert, Phil
     Friedberg, Andrew
     Nathan, Mandy

OPPOSED: None

ABSENT: Hickman, Will
         Avioli, James P., Sr.

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:
   a. APPROVAL of the minutes of the Special Session (Goals and Objectives) of the City Council of the City of Bellaire, Texas, held on Monday, April 12, 2010 – Item submitted by City Clerk Tracy L. Dutton.
   b. APPROVAL of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, April 19, 2010 – Item submitted by City Clerk Tracy L. Dutton.

2. FINAL PAYMENTS ON CONTRACTS:
   a. CONSIDERATION of and possible action regarding a recommendation from the Bellaire Public Works Department to 1) approve a Final Change Order (No. 1)
with Durham Traffic Signs, Inc., on a contract for the installation of on-street pavement markings within the City of Bellaire, Texas, reflecting a decrease of $287.25 from the original contract price, 2) on the approval for the City of Bellaire, Texas, to make the final payment to Durham Traffic Signs, Inc., on said project in an amount not to exceed $3,069.27, and 3) on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the Mayor of the City of Bellaire, Texas, to execute a Final Change Order (No. 1) with Durham Traffic Signs, Inc., and approval for the City of Bellaire to make the final payment on said contract to Durham Traffic Signs, Inc., in an amount not to exceed $3,069.27 – Item submitted by Director of Public Works Joe Keene.

b. CONSIDERATION of and possible action regarding a recommendation from the Bellaire Public Works Department to 1) approve a Final Change Order (No. 1) with Weisinger Water Well, Inc., on a contract for the “Rehabilitation of Water Well No. 5 at Feld Park Water Plant,” reflecting an increase in the original contract price of $22,608.00, 2) on the approval for the City of Bellaire, Texas, to make the final payment to Weisinger Water Well, Inc., on said project in the amount of $63,563.22, and 3) on the adoption of an ordinance authorizing the Mayor of the City of Bellaire, Texas, to execute a Final Change Order (No. 1) with Weisinger Water Well, Inc., and approval for the City of Bellaire to make the final payment on said contract to Weisinger Water Well, Inc., in an amount not to exceed $63,563.22 – Item submitted by Director of Public Works Joe Keene.

Mayor Pro Tem Phil Nauert requested separate consideration of agenda items F. 1. a. and F. 2. b.

The following items, F. 1. b. and F. 2. a., were considered as Consent Agenda items:

MOTION TO APPROVE CONSENT AGENDA:

A motion was made by Councilwoman Mandy Nathan and seconded by Councilman Andrew Friedberg to approve the Consent Agenda dated May 17, 2010, consisting of the following two items:

- Approval of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, April 19, 2010; and
Adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the Mayor of the City of Bellaire, Texas, to execute a Final Change Order (No. 1) with Durham Traffic Signs, Inc., on a contract for the installation on-street pavement markings within the City of Bellaire, Texas, reflecting a decrease of $287.25 from the original contract price, and authorizing the City of Bellaire to make the final payment to Durham Traffic Signs, Inc., on said contract in an amount not to exceed $3,069.27.

VOTE ON MOTION TO APPROVE CONSENT AGENDA:

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

FOR: Siegel, Cindy
     Parker, Corbett Daniel
     Nauert, Phil
     Friedberg, Andrew
     Nathan, Mandy

OPPOSED: None

ABSENT: Hickman, Will
         Avioli, James P. Sr.

{Ordinance related to Final Change Order (No. 1) with Durham Traffic Signs, Inc., was subsequently numbered: 10-031}

INDIVIDUAL CONSIDERATION OF CONSENT AGENDA ITEM F. 1. a.:

APPROVAL of the minutes of the Special Session (Goals and Objectives) of the City Council of the City of Bellaire, Texas, held on Monday, April 12, 2010 – Item submitted by City Clerk Tracy L. Dutton.

MOTION TO APPROVE MINUTES OF A SPECIAL SESSION DATED APRIL 12, 2010:

A motion was made by Councilwoman Mandy Nathan and seconded by Councilman Andrew Friedberg to approve the minutes of the Special Session (Goals and Objectives) of the City Council of the City of Bellaire, Texas, held on Monday, April 12, 2010.
VOTE ON MOTION TO APPROVE MINUTES OF A SPECIAL SESSION
DATED APRIL 12, 2010:

Motion carried on a 4-0-1 vote as follows:

FOR:       Siegel, Cindy
            Parker, Corbett Parker
            Friedberg, Andrew
            Nathan, Mandy

OPPOSED:   None

ABSENT:    Hickman, Will
            Avioli, James P., Sr.

ABSTAIN:   Nauert, Phil*

*Mayor Pro Tem Phil Nauert abstained from voting on the minutes of the Special Session (Goals and Objectives) of the City Council of the City of Bellaire, Texas, held on April 12, 2010, due to his absence from that session.

INDIVIDUAL CONSIDERATION OF CONSENT AGENDA ITEM F. 2. b.:

CONSIDERATION of and possible action regarding a recommendation from the Bellaire Public Works Department to 1) approve a Final Change Order (No. 1) with Weisinger Water Well, Inc., on a contract for the “Rehabilitation of Water Well No. 5 at Feld Park Water Plant,” reflecting an increase in the original contract price of $22,608.00, 2) on the approval for the City of Bellaire, Texas, to make the final payment to Weisinger Water Well, Inc., on said project in the amount of $63,563.22, and 3) on the adoption of an ordinance authorizing the Mayor of the City of Bellaire, Texas, to execute a Final Change Order (No. 1) with Weisinger Water Well, Inc., and approval for the City of Bellaire to make the final payment on said contract to Weisinger Water Well, Inc., in an amount not to exceed $63,563.22 – Item submitted by Director of Public Works Joe Keene.

MOTION TO ADOPT ORDINANCE:

A motion was made by Mayor Pro Tem Phil Nauert and seconded by Councilwoman Mandy Nathan 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 Final Change Order (No. 1) with Weisinger Water Well, Inc., on a contract for the “Rehabilitation of Water Well No. 5 at Feld Park Water Plant,” reflecting an increase in the original contract price of $22,608.00 and approval for the City of Bellaire to make the final payment on said contract to Weisinger Water Well, Inc., in an amount not to exceed $63,563.22.
DISCUSSION:

Discussion ensued among members of City Council and City Staff regarding the reason for the increase in the original contract price. It was noted that the water well and motor was over 1,000 feet underground and additional issues had come up once the repairs were underway.

VOTE ON MOTION TO ADOPT ORDINANCE:

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

FOR: Siegel, Cindy
     Parker, Corbett Daniel
     Nauert, Phil
     Friedberg, Andrew
     Nathan, Mandy

OPPOSED: None

ABSENT: Hickman, Will
         Avioli, James P., Sr.

{Ordinance was subsequently numbered: 10-032}

G. ADOPTION OF ORDINANCES:

Rebuild Bellaire Bond Program

1. CONSIDERATION of and possible action on a recommendation from Coastal Securities, Inc., to award Bid No. 10-004, Bid for Bonds, to the bidder offering a bid that conforms to the bid specifications contained within the Notice of Sale and Bidding Instructions on $6,000,000 City of Bellaire, Texas (Harris County, Texas), General Obligation Bonds, Series 2010-A, which produces the lowest true interest rate cost to the City of Bellaire, Texas, and on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the issuance of “$6,000,000 City of Bellaire General Obligation Bonds, Series 2010-A”; specifying the terms and features of said bonds; pledging the levy of a continuing annual ad valorem tax upon all taxable property within the City for the payment of the principal and interest on such bonds; enacting provisions incident and related to the issuance, delivery, payment of, and security for such bonds; approving and authorizing the distribution of an Official Statement; awarding the sale of such bonds; and authorizing and approving a Paying
Agent/Registrar Agreement – Item submitted by Chief Financial Officer Donna Todd; Presentation by James Gilley, Partner, Coastal Securities; and Alan P. Petrov, Attorney and Bond Counsel.

MOTION TO ADOPT ORDINANCE:

A motion was made by Mayor Pro Tem Phil Nauert and seconded by Councilman Andrew Friedberg to award Bid No. 10-004, Bid for Bonds, to the bidder offering a bid that conforms to the bid specifications contained within the Notice of Sale and Bidding Instructions on $6,000,000 City of Bellaire, Texas (Harris County, Texas), General Obligation Bonds, Series 2010-A, which produces the lowest true interest rate cost to the City of Bellaire, Texas, and to adopt an ordinance of the City Council of the City of Bellaire, Texas, authorizing the issuance of “$6,000,000 City of Bellaire General Obligation Bonds, Series 2010-A”; specifying the terms and features of said bonds; pledging the levy of a continuing annual ad valorem tax upon all taxable property within the City for the payment of the principal and interest on such bonds; enacting provisions incident and related to the issuance, delivery, payment of, and security for such bonds; approving and authorizing the distribution of an Official Statement; awarding the sale of such bonds; and authorizing and approving a Paying Agent/Registrar Agreement.

DISCUSSION:

James Gilley, Partner, Coastal Securities, Inc., advised that fifteen (15) bids were received for the Bellaire bonds. It was expected that the bonds would be delivered on the 22nd of June, 2010. Coastal Securities, Inc., was able to include a call option of only eight years (with a ten-year call being the industry standard). The rating of the City’s bonds was affirmed at AAA.

Of the 15 bids, the best bid was from UBS Financial Services, Inc., at a 3.913872 true interest rate cost. It was noted that the true interest rate cost (or TIC) of 3.91 was the average rate calculated on a present value basis given the consideration of the time value of money of all the debt service payments the City would pay over the life of the loan.

Mr. Gilley referred City Council to a summary of the Rebuild Bellaire Program and interest rates or TIC rates of the previous sales. On a weighted average basis, the overall cost of the Rebuild Bellaire Program thus far (having issued $23 million of bonds) was 4.21%.
Mr. Gilley strongly recommended that the City accept the bid of UBS Financial Services, Inc.

QUESTIONS FROM CITY COUNCIL:

Members of City Council asked questions of Jim Gilley regarding the bid for bonds and bond issuance itself.

VOTE ON MOTION TO ADOPT ORDINANCE:

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

FOR: Siegel, Cindy  
Parker, Corbett Daniel  
Nauert, Phil  
Friedberg, Andrew  
Nathan, Mandy

OPPOSED: None

ABSENT: Hickman, Will  
Avioli, James P., Sr.

{Ordinance was subsequently numbered: 10-033}

Code Amendment

2. 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.

SUMMARY:

City Manager Bernard M. Satterwhite, Jr., indicated that the City authorized the Bellaire Fire Department to charge and collect fees for emergency medical services several years ago. Over the years, it had been suggested that the City look into the possibility of charging and collecting fees for other emergency response services. During the budget process for fiscal year 2010, fees for emergency response services were included as a revenue item.

The item before City Council this evening would merely change the City’s Code to allow for the charge and collection of fees for emergency
response services. City Staff would then go out and interview billing service companies and make a recommendation to City Council to enter into a contract with the selected or recommended billing service company.

He indicated further that even though this item might be approved this evening, the City would not immediately start charging for such services. The Code would allow the City Manager to set the fees for such services, but he would work with the billing service company to arrive at the appropriate fees to be set for emergency response services.

**MOTION TO ADOPT ORDINANCE:**

A motion was made by Councilwoman Mandy Nathan and seconded by Councilman Andrew Friedberg to adopt 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.

**DISCUSSION:**

Discussion ensued among members of City Council wherein it was noted that the cities of West University Place and Southside Place would not be charged for emergency response services because the City of Bellaire had automatic aid agreements with both of those cities. Cities similar in size to Bellaire that had adopted a fee structure for emergency response services were noted to be Georgetown, Texas, and Highlands, Texas (volunteer fire department). Examples of “emergency response services” included hazardous materials incidents and gas line cuts (those who did not call 811).

The average response cost for emergencies was noted to be approximately $1,400, and anticipated revenues were noted to be $80,000 (i.e., based on the 2007 run volume).

Concern was expressed that charging Houston residents might hurt Bellaire’s relationship with Houston or alienate them.

It was also noted that insurance companies would typically cover the fees that would be assessed by the Bellaire Fire Department for emergency response services.
AMENDMENT (NO. 1) TO MOTION TO ADOPT ORDINANCE:

An amendment (no. 1) to the motion to adopt 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 was made by Councilman Andrew Friedberg and seconded by Councilman Corbett Daniel Parker to amend Section 13-6, Exemption from fees, to read as follows:

Calls for emergency response service by residents of Bellaire and cities with which Bellaire has an automatic aid agreement shall not be subject to emergency response services fees.

The amendment would, in essence, delete the reference to the cities of West University Place and Southside Place and replace them with the phrase “cities with which Bellaire has an automatic aid agreement.”

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

Amendment (No. 1) to motion carried unanimously on a 5-0 vote as follows:

FOR:  Siegel, Cindy
       Parker, Corbett Daniel
       Nauert, Phil
       Friedberg, Andrew
       Nathan, Mandy

OPPOSED: None

ABSENT: Hickman, Will
         Avioli, James P., Sr.

VOTE ON MOTION TO ADOPT ORDINANCE, AS AMENDED:

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

FOR:  Siegel, Cindy
       Parker, Corbett Daniel
       Nauert, Phil
       Friedberg, Andrew
       Nathan, Mandy

Page 15 of 23
OPPOSED: None

ABSENT: Hickman, Will
Avioli, James P., Sr.

{Ordinance was subsequently numbered: 10-034}

H. ADOPTION OF RESOLUTIONS:

Budget Guidelines and Parameters

1. CONSIDERATION of and possible action on the adoption of a resolution of the City Council of the City of Bellaire, Texas, setting forth guidelines and parameters for City Staff for the budget for the City of Bellaire, Texas, for the fiscal year commencing October 1, 2010, and ending September 30, 2011 – Item submitted by Assistant City Manager Diane K. White.

MOTION TO ADOPT RESOLUTION:

A motion was made by Mayor Pro Tem Phil Nauert and seconded by Councilwoman Mandy Nathan to adopt a resolution of the City Council of the City of Bellaire, Texas, setting forth guidelines and parameters for City Staff for the budget for the City of Bellaire, Texas, for the fiscal year commencing October 1, 2010, and ending September 30, 2011.

SUMMARY:

City Manager Bernard M. Satterwhite, Jr., stated that the resolution before City Council this evening set guidelines and parameters for developing the City’s budget. The resolution had not changed substantially from the previous year, with the exception of one fairly major change.

Debt Service Fund

With respect to debt service, the resolution emphasized the fact that the City had to pay its debt first. The debt service tax rate would be determined based on the following requirements:

- That the fund was sufficient to pay the annual principal and interest charges for the City of Bellaire’s long-term debt plus associated costs; and
That a transfer of $950,000 from the Enterprise Fund to the Debt Service Fund to reimburse the Debt Service Fund for water line and sewer line improvements financed by tax-backed bonds continued to be recommended.

The annual principal and interest charges in the Debt Service Fund were predictable based on previous issues as well as current issues.

City Staff knew that the Debt Service Fund would require a tax rate increase this next year. The reason for this was due to the fact that the City had drawn down the Debt Service Fund reserves over the past few years plus preliminary tax base estimates indicated that the City’s taxable values would decrease by 2.69% over last year.

In summary, the City had to allocate enough taxes to the Debt Service Fund to pay its debt.

**General Fund**

The General Fund tax rate would be determined based on the effective tax rate and truth-in-taxation calculations and budgetary requirements within the following parameters:

- The maintenance of a minimum fund balance of two months or 60 days working capital; and
- A limit of the General Fund expenditure growth to a factor not to exceed the Municipal Price Index.

The Municipal Price Index (MPI) was an economic index that took in factors that applied to the cost of running cities and was a more accurate index to use than the Consumer Price Index (CPI) alone. There were portions of the CPI in the MPI. On an annualized basis, the MPI was currently running at approximately 3%.

In previous years, the City limited non-personnel General Fund expenditures to a factor of the MPI. In other words, the City’s Compensation Plan and benefits would typically rise at a rate higher than the MPI. Therefore, personnel costs were excluded. This year, however, the City was not excluding personnel costs.

**Capital Improvement Program Fund**

City Staff would continue to seek alternative funding for the Capital Improvement Program, where applicable. This was especially critical in areas related to parks and art.
The City would also establish a prioritization value that would allow the City to develop a funding structure for all Capital Improvements Program projects.

Finally, the City would make a commitment to fund the Rebuild Bellaire Program pay-as-you-go component.

**Enterprise Fund**

The City would develop a rate structure to sustain a self-sufficient fund. The City had been able to sustain a self-sufficient fund, even with the transfer of $950,000 to the Debt Service Fund.

The City would get another large bump from the City of Houston with respect to fees for surface water this year, just as had occurred in the previous year.

City Staff wanted to continue to ensure that the fund was self-sufficient.

In closing, City Manager Satterwhite indicated that the resolution was the same as the previous year’s resolution with the exception of adding the personnel expenditures to the parameter for the General Fund.

**DISCUSSION:**

Concern was expressed that the MPI for both personnel and non-personnel expenditures might not be realistic with respect to the revenues Bellaire expected to take in during the next fiscal year.

City Manager Satterwhite noted that the City had decreased its tax rate by 10% over the past three-four years. City Staff would put a cap on everything.

Mayor Cindy Siegel noted that she wished to send the message to citizens that in order for the City to meet its budget in the upcoming year, there might have to be a reduction in services.

Mayor Pro Tem Phil Nauert indicated that he would like to ensure that the City addressed the frequency with which the City’s water rates were reviewed and adjusted accordingly in order to reflect the City’s costs. He advised that he was concerned about the annual rate increases that Houston charged Bellaire for surface water, noting that Bellaire would reach a point where it could not subsidize those increases.
City Manager Satterwhite stated that he might have to come back with a proposal for a water rate increase within the next six months, but could not justify an increase at this point in time.

Other discussion centered on costs that the City had no discretion over, such as electricity, building maintenance, some professional services, annual software maintenance, etc.

**VOTE ON MOTION TO ADOPT RESOLUTION:**

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

**FOR:** Siegel, Cindy  
Parker, Corbett Daniel  
Nauert, Phil  
Friedberg, Andrew  
Nathan, Mandy

**OPPOSED:** None

**ABSENT:** Hickman, Will  
Avioli, James P., Sr.

{Resolution was subsequently numbered: 10-07}

**Authorized Representatives – Hurricane Ike Grant and Project Funding**

2. **CONSIDERATION of and possible action on the adoption of a resolution of the City Council of the City of Bellaire, Texas, naming the authorized representatives to sign on behalf of the City of Bellaire, Texas, in matters related to Hurricane Ike grant applications and project funding – Item submitted by Chief Financial Officer Donna Todd.**

**SUMMARY:**

City Manager Bernard M. Satterwhite, Jr., advised that the resolution before City Council this evening would allow the Chief Financial Officer to sign on behalf of the City of Bellaire, Texas, such documents as might be necessary for matters related to Hurricane Ike grant applications and project funding.

**MOTION TO ADOPT RESOLUTION:**

A motion was made by Councilman Andrew Friedberg and seconded by Councilwoman Mandy Nathan to adopt a resolution of the City Council of the City of Bellaire, Texas, naming the
authorized representatives to sign on behalf of the City of Bellaire, Texas, in matters related to Hurricane Ike grant applications and project funding.

VOTE ON MOTION TO ADOPT RESOLUTION:

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

FOR:  Siegel, Cindy
      Parker, Corbett Daniel
      Nauert, Phil
      Friedberg, Andrew
      Nathan, Mandy

OPPOSED: None

ABSENT: Hickman, Will
         Avioli, James P., Sr.

{Resolution was subsequently numbered: 10-08}

I.  ITEMS FOR INDIVIDUAL CONSIDERATION:

1.  CONSIDERATION of and possible action on a recommendation from the Planning and Zoning Commission of the City of Bellaire, Texas, regarding a scope of work for the development of revisions to the Code of Ordinances of the City of Bellaire, Texas, Chapter 24, Planning and Zoning, Article V, Zoning Regulations, Division 2, Zoning District Regulations, to include specific revisions to Section 24-547, Urban Village (TOD) District (UV-T), and on possible direction to City Staff regarding such recommendation – Item submitted by Director of Community Development John McDonald.

MOTION TO APPROVE RECOMMENDATION:

A motion was made by Mayor Pro Tem Phil Nauert and seconded by Councilwoman Mandy Nathan to approve a recommendation from the Planning and Zoning Commission of the City of Bellaire, Texas, regarding a scope of work for the development of revisions to the Code of Ordinances of the City of Bellaire, Texas, Chapter 24, Planning and Zoning, Article V, Zoning Regulations, Division 2, Zoning District Regulations, to include specific revisions to Section 24-547, Urban Village (TOD) District (UV-T).
DISCUSSION:

Discussion centered on the justification for City Staff to recommend and retain a consultant to perform the services set forth in the proposed scope of work for the development of revisions to the City’s Code. City Manager Bernard M. Satterwhite, Jr., stated that he did not know what the intent of the agenda statement for this item was, but his intent was to bring the consultant to City Council for approval.

VOTE ON MOTION TO APPROVE RECOMMENDATION:

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

FOR: Siegel, Cindy
    Parker, Corbett Daniel
    Nauert, Phil
    Friedberg, Andrew
    Nathan, Mandy

OPPOSED: None

ABSENT: Hickman, Will
         Avioli, James P., Sr.

2. CONSIDERATION of and possible action on a request to consider appointing an alternate or alternate member(s) to the Board of Adjustment of the City of Bellaire, Texas; determining the term of office of said alternate or alternate member(s); and directing City Staff to develop an ordinance for City Council's future consideration for purposes of amending the Code of Ordinances of the City of Bellaire, Texas, to reflect such change in membership to the Board of Adjustment of the City of Bellaire, Texas – Item submitted by Director of Community Development John McDonald on behalf of Councilman Andrew Friedberg.

SUMMARY:

Councilman Andrew Friedberg introduced the agenda item and stated that the "key" word was to "consider." He brought the item before City Council because recently the City had a great deal of difficulty in getting a hearing scheduled before the Board of Adjustment. On matters that required a hearing before the Board of Adjustment, there was an applicant on the other side who was incurring significant cost and expense while the application was pending, in many cases.
He wished to get on the table for discussion the possibility of appointing an alternate or alternate member(s) to the Board of Adjustment as one solution to a recent issue of having to reschedule the same public hearing several times.

**MOTION TO CREATE A POSITION FOR TWO ALTERNATE MEMBERS ON THE BOARD OF ADJUSTMENT:**

A motion was made by Councilman Andrew Friedberg and seconded by Mayor Pro Tem Phil Nauert to create a position for two alternate members on the Board of Adjustment of the City of Bellaire, Texas.

**DISCUSSION:**

Discussion centered on whether or not the appointment of alternate members was the best solution to address issues the City had in getting 75% of the members of the Board of Adjustment to attend the scheduled meetings.

Director John McDonald, Community Development Department, indicated that the Board of Adjustment only held one meeting in the previous year. For the current year, more meetings had been scheduled, especially over the last 6-8 months. It had been more of a handicap with regard to two members not attending the last two hearings. The absent members were not the same each time--so one person was not the cause of the problem. The applicant was advised prior to a hearing if there would be an absence, and the applicant was given the opportunity to reschedule in an effort to get a full Board in attendance.

Mayor Siegel suggested that City Council meet with the Board of Adjustment and go over expectations. It was unprofessional not to carry forward with a commitment that had been made.

After several members of City Council expressed concern over the viability of appointing alternate members, Councilman Andrew Friedberg and Mayor Pro Tem Phil Nauert withdrew their motion and second to create a position for two alternate members on the Board of Adjustment of the City of Bellaire, Texas.

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

The Mayor and members of City Council addressed items of community interest at this point in the meeting.
K. ADJOURNMENT.

MOTION TO ADJOURN:

A motion was made by Councilman Andrew Friedberg and seconded by Mayor Pro Tem Phil Nauert to adjourn the Regular Session of the City Council of the City of Bellaire, Texas, at 9:16 p.m. on Monday, May 17, 2010.

VOTE ON MOTION TO ADJOURN:

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

FOR: Siegel, Cindy
     Parker, Corbett Daniel
     Nauert, Phil
     Friedberg, Andrew
     Nathan, Mandy

OPPOSED: None

ABSENT: Hickman, Will
        Avioli, James P., Sr.

Respectfully submitted,

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

Approved:

___________________________
Cynthia Siegel, Mayor
City of Bellaire, Texas