CITY COUNCIL MEETING MINUTES
MONDAY, AUGUST 16, 2010

The City Council of the City of Bellaire, Texas, met in Special Session on Monday, August 16, 2010, in the Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401, for the following purpose(s):

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

Mayor Siegel called the City Council of the City of Bellaire, Texas, to order at 6:02 p.m. on Monday, August 16, 2010.

Also present were Mayor Pro Tem Phil Nauert, Councilman James P. Avioli, Sr., Councilwoman Mandy Nathan, City Manager Bernard M. Satterwhite, Jr., City Attorney Alan P. Petrov, and City Clerk Tracy L. Dutton. Councilmen Will Hickman, Corbett Daniel Parker, and Andrew Friedberg arrived shortly after the hearing had begun.

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

City Clerk Dutton read the Notice of Public Hearing into the record.

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

City Manager Satterwhite summarized the public hearing procedure for the evening.

D. PRESENTATION/OVERVIEW of the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2010, and ending September 30, 2011 (i.e., fiscal year 2011) – City Manager Bernard M. Satterwhite, Jr.

City Manager Satterwhite provided a brief overview of the proposed budget for the City of Bellaire’s 2011 fiscal year. It was noted that the proposed budget was originally presented to City Council in Workshop Sessions held on July 19, 2010, and July 20, 2010. City Manager Satterwhite indicated that City Staff anticipated providing the proposed budget to City Council for approval on September 20, 2010, along with a proposal for approval of the tax rate.
In preparing the proposed budget, City Staff had to consider the tax base (expected to decrease 2.6%), revenues (expected to decrease 4%), personnel expenditures, and service levels across all City departments.

With respect to personnel costs, an employee’s pay range was determined as a result of a pay study commissioned by a third party, Waters Consulting Group. Each position was reviewed and classified. The last study was performed in 2008. The initial pay study was performed in 2001. The City Manager and City Clerk were not included in the pay study. The City Manager had an employment agreement with the City, the last one of which was approved in 2008. The City Clerk’s compensation was determined each year based upon her annual review.

The 2008 Compensation/Classification Plan consisted of two components. The first component was a step pay plan. Under the step pay plan, each pay range was divided into 10 steps. Each step represented an increase of 3-½%, with the employee reaching the highest point in the pay range after a period of 10 years. Approximately 1/3 or more of the employees had reached the highest point in their pay range and were “topped out.”

A second component was a market adjustment. Each year, a market analysis was performed and if the market had gone up for the pay plan, then the plan was adjusted accordingly. In the past, the market adjustment had been as high as 2%. Since 2008, there had been no market adjustment.

With respect to service levels, each department looked at the services provided and made recommendations as to how those services could be adjusted to balance the General Fund budget for 2010.

The budget did not have flexibility built in this year for additional desires. In other words, new initiatives would require new money.

The preliminary General Fund tax rate used to compute the budget remained the same or $0.2639 per $100 valuation. The Debt Service Fund tax rate increased by 2.4 cents per $100 or $0.136 per $100 valuation. The preliminary or total tax rate increased from $0.3759 to $0.3999 per $100 valuation. City Manager Satterwhite noted that the City was still drawing down the Debt Service Fund balance, despite the increase, in order to pay its debt.

During the budget year, there would be no transfers from the General Fund to the Capital Improvements Project Fund or the Vehicle, Equipment, and Technology Fund. Other existing fund sources would be utilized to maintain recapitalization priorities, such as the unexpended Bellaire Millennium Renewal Program (to be applied in accordance with the bond referendum authorizing the program) and the annual Metropolitan Transit Authority of Harris County, Texas (METRO) funding for mobility projects (i.e., streets and sidewalks).
The General Fund operating budget was decreasing from the 2010 approved budget by $1.4 million. The Debt Service budget would continue to increase over the next several years.

City Manager Satterwhite noted that all budget parameters set forth in a resolution adopted by the City Council had been met. There was a decrease in expenditures by 3.2% in the General Fund. Additionally, all vacant positions were frozen. Only positions with a critical need would be filled. Overtime had been cut by increasing the use of compensatory time (i.e., this would help with cash flow, but increase the City’s long-term liability). Part-time and seasonal hours had been decreased in several departments. Contract labor was reduced in the Public Works Department. No step increases were proposed in the budget for the first time since 2001. Additionally, market adjustments were not included in the budget.

The health insurance premiums paid by employees for families increased significantly last year, as did deductibles and other costs for all employees. The actual money out of pocket for the health insurance increased in 2009. A health insurance increase had not been programmed for the upcoming year. If an increase were to occur, the City would have to deal with that as well.

Professional services, travel, operating supplies, technology support, and building maintenance were among the areas that had to be reduced this budget year.

With respect to the Debt Service Fund and as mentioned previously, funds were included in the budget to pay the debt and would include a drawdown of the fund balance.

The Bellaire Millennium Renewal Program and Rebuild Bellaire Program would continue and City Staff, as requested by City Council, would also undertake video streaming in the upcoming budget year.

E. RECOGNITION OF CITIZENS AND/OR OTHER INTERESTED PARTIES – Mayor Cindy Siegel.

Larry and Carol Smith, 4535 Mimosa Street, Bellaire, Texas:

Mr. Smith addressed City Council concerning proposed budget cuts that would eliminate City services, programs, and amenities for the residents. He suggested pay cuts (with the exception of firefighters and police officers) and/or job eliminations as a means to save services and amenities.

Mr. and Mrs. Smith urged City Council to hire an efficiency expert to address overstaffing at the Parks & Recreation Department Aquatic Facility (i.e., lifeguards). The efficiency expert should also address pay cuts, elimination of positions, duplicity of positions, and elimination of waste in all departments.
He stated that he was concerned with the number of employees making close to or in excess of $100,000, noting that he personally had never made such a salary.

Kevin Topek, 4407 Jane Street, Bellaire, Texas:

Mr. Topek addressed City Council on behalf of the City’s pools. He indicated that many Bellaire adults needed a lap pool for regular exercise. He understood when voting for the bond referendum for a new pool that it would be open year-round, hence the heated lanes.

In the event that City Council elected not to keep either of its two pools open during the winter, Mr. Topek had done some research related to the cost to utilize other area pools. He found that West University Place residents could only use the West University Place pool for at least two years. The cost to join the YMCA was $100 plus a monthly fee of $75.00 for two persons. LA Fitness cost $150-$200 to join plus a monthly fee of approximately $100 for two persons.

Mr. Topek was disappointed that the City had spent money on a resource that would have such limited availability. He urged City Council to consider keeping one of its two pools open year-round so that residents could swim.

Sara Binau, 5219 Pine Street, Bellaire, Texas:

Ms. Binau addressed City Council on behalf of the City’s pools. She indicated that there was great potential for many more swimmers to utilize Bellaire’s pools with the right advertisement. She urged City Council to consider keeping the Aquatic Facility pool open during the winter.

Lynda Clemmons, 4328 Effie Street, Bellaire, Texas:

Ms. Clemmons stated that she had been actively swimming in Bellaire’s pools for the last four years two times per week. The hours of availability drove the numbers of residents that could swim at the pools. Older adults tended to utilize the pools early in the morning or late in the day. She urged City Council to keep one of the pools open in the winter.

In closing, Ms. Clemmons noted that maintenance costs would increase significantly by shutting down the pools for a period of time then starting it back up.

Hana Ginzbarg, 4520 Oleander Street, Bellaire, Texas:

Ms. Ginzbarg addressed City Council and noted that the reason she and her family had moved to Bellaire 58 years ago was because Bellaire had a swimming pool. In order to save costs, she suggested that City Council consider installing an inexpensive solar heating system that consisted of pipes.
that water circulated through to raise the temperature of the water by approximately 10 degrees.

Ms. Ginzbarg stated that she would be very reluctant to agree to a reduction in the maintenance of the City’s pools and urged City Council not to reduce maintenance.

**Richard Franke, 1104 Howard Lane, Bellaire, Texas:**

**Mr. Franke** stated that the City had gotten into its current situation because over the last 10-12 years, the City progressively and consistently lowered the tax rate in order to keep the tax bills low. No one liked to pay taxes, but it was evident that now the City had a huge amount of unfunded capital improvements that needed to be made.

His concern was the myopic focus on the tax rate and tax bill with no long-term perspective as to the benefits of enterprise risk assessment. There were no standards in the City of Bellaire to get anything done—the focus was on keeping the tax rate low. In his opinion, this was very shortsighted.

He urged City Council to consider raising the tax rate above that needed for the budget so that more infrastructure projects could be undertaken with pay-as-you-go funds.

**Charlene Owens, 115 Marrakech Court, Bellaire, Texas:**

**Ms. Owens** addressed City Council in support of keeping the Therapy Pool, at a minimum, and potentially the Aquatic Facility open year-round for the residents to use for both classes and for those needing physical therapy throughout the year.

She urged City Council to find other places in the budget to cut rather than closing one or both of the pools.

**Meredith Philipp-Tcholakian, 4437 Vivian Street, Bellaire, Texas:**

**Ms. Philipp-Tcholakian** addressed City Council in support of keeping the pools open year-round. She stated that it was a shame that the residents voted for a bond referendum to build such a beautiful new pool that was only open for three months during the year. In order to get the use, the pool needed to remain open. She suggested a campaign through the media to publicize winter swimming in Bellaire.

In closing, Ms. Philipp-Tcholakian suggested that City Council consider eliminating garbage bags in order to fund the pool on a year-round basis.
Peggy Keus, 4513 Pine Street, Bellaire, Texas:

Ms. Keus addressed City Council regarding the closure of the Aquatic Facility this winter season. She noted that the Parks & Recreation Department had presented five options to City Council to reduce the budget ranging from closing the Aquatic Facility for two months to closure for the entire season.

When making a decision, Ms. Keus suggested that City Council consider the following:

- Information from past years regarding attendance was not presented and a decision based on attendance during one of the coldest winters on record was difficult; and
- Attendance for classes held outside of normal operating hours was not presented.

Ms. Keus indicated that the Therapy Pool had historically been used by residents of all ages for various health reasons and met a need for those residents. Ms. Keus urged City Council to consider keeping the Therapy Pool open except for the time needed to re-plaster and retile the pool.

Robert Riquelmy, 506 Winslow Lane, Bellaire, Texas:

Mr. Riquelmy addressed City Council and asked for a tax rate adequate to fund a first-class Police Department. Doing so would require money, as well as leadership and courage and persistence on the part of City Council.

He urged City Council to set aside money to begin the rehabilitation of the Bellaire Police Department.

Lynn McBee, 5314 Evergreen Street, Bellaire, Texas:

Ms. McBee addressed City Council and referred to the First Street Surgical Center’s purchase of a right-of-way for approximately $500,000 that City Council immediately applied to purchasing new parkland. She indicated that the City could utilize the funding for other purposes during these hard economic times.

She did not oppose the proposed higher tax rate, but did oppose some of the expenditures to be made with that increase. Examples of expenditures she opposed were some of the dues to be paid to organizations, such as the Texas Municipal League, the Greater Southwest Houston Chamber of Commerce, the Texas City Manager’s Association, the Houston-Galveston Area Council, and the Harris County Mayors’ & Councils’ Association.
Other proposed budget cuts that Ms. McBee opposed included a reduction in the number and types of City Council and Board meetings televised, codification of ordinances, and City calendars, among other things.

**Mayor Siegel** noted that the City Council had received several written comments to be read into the record as follows:

**Julie Boom, M.D., 545 South Third Street, Bellaire, Texas:**

Dr. Boom expressed concerns regarding the closure of Bellaire pools due to budgetary concerns. She understood the need to be fiscally responsible, but did not believe that limiting or eliminating access to the Bellaire pools was prudent, especially for those using the facilities for health reasons, such as physical rehabilitation and exercise therapy.

She urged City Council to maximize access to the Bellaire Pools in every way possible despite the budgetary concerns.

**Jennifer Otto**

Ms. Otto urged City Council to keep the Bellaire pools open, if possible.

**Lynne Gaudette, 4625 Braeburn Drive, Bellaire, Texas:**

Ms. Gaudette urged City Council to keep the Therapy Pool open year-round. She stated that it was very difficult for those utilizing the pool for the therapy of ailments to stop doing so in the winter.

She indicated that it was true that the numbers of residents utilizing the pool were not large, but neither was the pool. She believed that the reason the pool was not utilized more heavily was due to the fact that the hours and availability were not consistent.

**John and Jude Overman, 4314 Holt Street, Bellaire, Texas:**

The Overmans urged City Council to keep the Therapy Pool open year-round.

**Deborah Williams, 534 College Street, Bellaire, Texas:**

Ms. Williams expressed her concerns regarding the winter pool closures. She realized that the pools cost money to operate, but noted that many residents benefited from its warm water jets.

She urged City Council to keep the less able-bodied in mind when making their tough decisions about the budget.
She further urged City Council not to consider outsourcing garbage pickup, as the City’s crews were extremely conscientious. She suggested instead that the City consider reducing the number of days that garbage was picked up as a cost-cutting measure.

**Karla Siemens, 5203 Patrick Henry Street, Bellaire, Texas:**

Ms. Siemens indicated that she was surprised to hear that City Council was considering closing all of the Bellaire pools during the winter months. She was very disappointed that the closure was a consideration.

She urged City Council to keep one pool open throughout the year as year-round pools made Bellaire a desirable place to live in.

**Felicia and Jim Broadwell, 1212 Howard Lane, Bellaire, Texas:**

The Broadwells stated that they were concerned about the quality of life, safety of their children, and protection of their property values. They appreciated low taxes, but noted that when Bellaire was faced with almost $200 million in capital improvements for streets and facilities, they wondered if elected officials had the right priorities.

The Broadwells did not wish to wait for the redevelopment of downtown to generate taxes to pay for street rehabilitation. They understood that high quality required money and were willing to pay their fair share. They could not understand why some neighborhoods in Bellaire in better shape than their street received a higher level of attention. The Broadwells also referred to the lack of sidewalks and drainage issues on their street.

In closing, the Broadwells further urged City Council not to consider outsourcing garbage services.

**Lucinda Kontos, 4960 Willow Street, Bellaire, Texas:**

Ms. Kontos addressed City Council regarding the proposed closure of City pools. She urged City Council to consider leaving one pool open year-round for residents to utilize for fitness purposes.

**Rose Williams, 4401 Darsey Street, Bellaire, Texas:**

Ms. Williams advised that she was against the closure of the City’s Aquatic Facility. She noted that it had only been open for one winter season and had not had a chance to grow.

**Valerie Raymond, 1614 Robin Street, Houston, Texas:**

Ms. Raymond urged City Council to keep the Evergreen Pool open year-round.
Lulita Oleno, 4534 Birch Street, Bellaire, Texas:

Ms. Oleno urged City Council to keep the City’s Therapy Pool open year-round.

Asdghig Bray, 4707 Holly Street, Bellaire, Texas:

Mr. Bray indicated that he used the pool regularly almost every day at age 73. He urged City Council not to close the pools.

John Whittlesey and Scott Pollack, 5439 Del Monte Drive, Houston, Texas:

Mr. Pollack urged City Council to keep the City’s pool open year-round.

Gerry Waters, 4526 Teas Street, Bellaire, Texas:

Ms. Waters urged City Council to support the residents’ desire to stay fit by supporting the great new Aquatic Facility.

Edward Perkins, 4536 Verone Street, Bellaire, Texas:

Mr. Perkins advised that before degrading the maintenance of the City’s infrastructure, pools, parks and streets, and before reducing police force, fire, or EMS staff, he wished City Council to increase his city taxes. Bellaire city taxes were the best bang for a resident’s buck.

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

Mayor Siegel opened for floor for questions from City Council at this point in the meeting. After questions had been asked and answered, Mayor Siegel moved to close the public hearing.

G. CLOSE OF PUBLIC HEARING – Mayor Cindy Siegel.

Mayor Siegel closed the public hearing before the City Council of the City of Bellaire, Texas, regarding the proposed budget for the City of Bellaire for the fiscal year beginning October 1, 2010, and ending September 30, 2011, at 7:41 p.m. on Monday, August 16, 2010. She advised that oral comment would not be received following the public hearing; however, written comments could be submitted to the Bellaire City Council in care of the City Clerk until noon on September 16, 2010.
H. ADJOURNMENT.

Mayor Pro Tem Nauert moved to adjourn the Special Session (Budget Public Hearing) before the City Council of the City of Bellaire, Texas, at 7:42 p.m. on Monday, August 16, 2010. Councilman Hickman seconded the motion. The motion carried unanimously on a 7-0 vote as follows:

FOR: Mayor Siegel, Mayor Pro Tem Nauert, Councilmen Hickman, Avioli, Parker, and Friedberg, and Councilwoman Nathan

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