CITY COUNCIL MEETING MINUTES
MONDAY, OCTOBER 18, 2010

The City Council of the City of Bellaire, Texas, met in Regular Session on Monday, October 18, 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 7:16 p.m. on Monday, October 18, 2010.

Also present were Mayor Pro Tem Phil Nauert, Councilmen Will Hickman, James P. Avioli, Sr., and Andrew Friedberg, Councilwoman Mandy Nathan, City Manager Bernard M. Satterwhite, Jr., City Attorney Alan P. Petrov, and City Clerk Tracy L. Dutton.

B. INSPIRATIONAL READING AND/OR INVOCATION – Councilman James P. Avioli, Sr.

Councilman Avioli provided the inspirational reading for the evening.

C. PLEDGES TO THE FLAGS – Councilman James P. Avioli, Sr.

1. U.S. PLEDGE OF ALLEGIANCE.

2. PLEDGE TO THE TEXAS FLAG.

Councilman Avioli led the audience and City Council in the U.S. Pledge of Allegiance and the Pledge to the Texas Flag.

D. PERSONAL/AUDIENCE COMMENTS.

See pages 2-4 of these minutes for personal/audience comments made on October 18, 2010.

Mayor Siegel requested consideration of agenda item E. 1. at this point in the meeting. After noting no objections from members of City Council, agenda item E. 1. was moved forward.
E. REPORTS:

1. PRESENTATION from the Federal Bureau of Investigation commending certain officers of the City of Bellaire Police Department for their actions – Presentation conducted by Richard C. Powers, Special Agent in Charge (SAC), Federal Bureau of Investigation, Houston Field Office.

Special Agent in Charge (SAC) Richard C. Powers, Federal Bureau of Investigation (FBI), Houston Field Office, honored thirteen (13) City of Bellaire Police Officers for their response to a silent alarm on January 14, 2009, at the Guaranty Bank in Bellaire. The rapid response by the Bellaire Police Department resulted in their capture of the violent bank robbers as the robbers attempted to flee the scene of the robbery. The evidence obtained by the Bellaire Police Department was instrumental in connecting the robbers to seven (7) other bank robberies in the area and their subsequent conviction.

The Bellaire Police Officers recognized by SAC Powers and thanked by him on behalf of the Director of the FBI and the citizens of the area for their heroic and courageous actions were as follows:

Sergeant Gregory Bartlett, Lieutenant William Bledsoe, Detective John Bohannon, Officer Russell Brown, Officer Jorge Florido, Sergeant Tony Hefferin, Corporal Joseph Jenkins, Officer Dan Kerr, Detective Michael Lacy, Lieutenant Michael Leal, Corporal Jimmie Norman, Officer Andre Porter, and Officer Freddie Ramirez.

The Bellaire City Council returned to agenda item D. at this point in the meeting.

D. PERSONAL/AUDIENCE COMMENTS.

Lisa Gilchrist, 4034 Durness, Houston, Texas 77025:

Ms. Gilchrist advised that she was opposed to any proposal by the City to ban the feeding of feral cats. She urged City Council to utilize local advocacy groups for a Trap, Neuter, Return (TNR) Program.

Judy Murphy, 4803 Bellview Street, Bellaire, Texas:

Ms. Murphy advised that she was opposed to any proposal by the City to ban the feeding of feral cats.
Susan Baker Golden, 4329 Betty Street, Bellaire, Texas:

Ms. Golden advised that she opposed any proposal by the City to ban the feeding of feral cats and urged City Council to work with local advocacy groups on a solution that did not require legislation.

Lydia Caldwell, 5106 Aspen Street, Bellaire, Texas:

Ms. Caldwell urged City Council to resolve the feral cat issue without a feeding ban and to vote against any proposal to prohibit the feeding of feral cats.

Bett Sundermeyer, 201 Wilcrest Drive, Houston, Texas:

Ms. Sundermeyer urged City Council to work with local advocacy groups and others who had offered to help on a TNR Program, as that was the only solution for reducing a feral cat population. She indicated that Houston had passed feeding bans and found that the bans had not worked.

D’Lane Viator, 10407 Willowgrove, Houston, Texas:

Ms. Viator advised that she had personally taken many of the feral cats from the Spruce Street feral cat colony away and, within the next month, there would not be a feral cat problem on Spruce Street.

Brenda Fraley, 2612 Newman Street, Houston, Texas:

Ms. Fraley urged City Council to consider a TNR Program, as well as educating the public about feral cats. She expressed her concern that cats needed help too and that there were many organizations willing to help.

Rita Vallet, 2415 Mimosa Street, Bellaire, Texas:

Ms. Vallet advised that education was the key and that a TNR Program was the only way to handle feral cat populations. She personally offered to help with the issue. In closing, Ms. Vallet advised that a ban, by ordinance, on public property was a diversion of tax money and the police department’s time.

Lynn McBee, 5314 Evergreen Street, Bellaire, Texas:

Ms. McBee addressed City Council to report on the upcoming Congressional elections. She advised that early voting had already started and provided City Council with a list of the Election Day precinct locations for Bellaire as follows:

Precinct 128: Bellaire City Hall Civic Center;
Precinct 182: Horn Elementary School;
Precinct 214: The Gatherings Banquet Hall, 5206 Bissonnet Street (New location for this election);
Precinct 215: Faith American Lutheran Church; and
Precinct 268: Christ Church Presbyterian Fellowship Hall.

In closing, Ms. McBee advised that all polling locations would operate with sufficient direct recording equipment. Paper ballots would also be provided as an option for voters.

Donna Todd, Chief Financial Officer, 166 Black Swan Place, The Woodlands, Texas:

Chief Financial Officer Todd publicly expressed her gratitude and thanks to the City for the experiences she had while working as the City’s Chief Financial Officer.* She also publicly acknowledged the team (City Directors and Staff) she had worked with, noting how exceptional that team was. She thanked City Manager Satterwhite, noting that she respected his integrity, wisdom, and strategic approach.

*CFO Todd’s last day of employment with Bellaire was scheduled to be October 21, 2010, as she had accepted employment with another nearby township.

Mayor Siegel read two written comments into the record. Those comments have been summarized below.

Ann Knight, 7602 Burning Hills Drive, Houston, Texas 77071:

Ms. Knight expressed her opposition to a proposal by the City to ban the feeding of feral cats on the basis that it was inhumane and would not serve the purpose that City Council intended, which she presumed was to control the feral cat community.

Chris Sizemore, 1207 Mulberry Lane, Bellaire, Texas:

Mr. Sizemore advised that he had trapped 32 cats to take to the SPCA (Society for the Prevention of Cruelty to Animals) over the eight years he had lived in his home. He spoke to the hardship of living with feral cats sleeping on or under his car, as well as using his yard as a litter box. He also indicated that the SPCA would no longer accept the feral cats.

E. REPORTS:

1. PRESENTATION from the Federal Bureau of Investigation commending certain officers of the City of Bellaire Police Department for their actions – Presentation conducted by Richard C. Powers, Special Agent in Charge (SAC), Federal Bureau of Investigation, Houston Field Office.
This agenda item was considered earlier in the evening. See page 2 of these minutes for discussion related to this item.

2. CITY MANAGER’S REPORT regarding residential safety (police activity report and National Night Out), public infrastructure/utilities (Fire Station update), cultural and recreational (Bellaire Recycles Day and Friends of the Bellaire Library Book Sale - November 13, 2010), quarterly indicators (crime and building permits), and upcoming City Council meetings/events – Presented by City Manager Bernard M. Satterwhite, Jr.

City Manager Satterwhite presented the City Manager’s Report to City Council.

Residential Safety

The Bellaire Police Department Activity Summary for September of 2010 referred to National Night Out in Bellaire. There were 26 residential events, with a total attendance of 550 residents.

There were no robberies during the month of September. There were six assaults, two of which involved students at Bellaire High School. There was one auto theft and the stolen vehicle was recovered in the City of Houston.

Last Friday, the Tiffany Cleaners at the 5400 block of Bellaire Boulevard was robbed by a male suspect at 11:47 a.m. The suspect was in custody by 11:51 a.m. by the Bellaire Police Department.

Public Infrastructure/Utilities

Bellaire Fire Station:

The Bellaire Fire Station was coming along well; however, there were a few glitches that might prevent it from opening on November 1, 2010. One glitch involved the chiller unit, which was a little too loud. City Staff was looking into ways to make the unit quieter for the residents located behind the Fire Station. Secondly, a major component of the new telephone system was on backorder and was not expected to come in until the end of this month. The Fire Department would be able to stay at the Chevron location until such time as they could move into their new facility.
Rebuild Bellaire Program, Phase Three:

Phase Three of the Rebuild Bellaire Program started last week. Construction had begun on the 4500 block of Oleander Street and the 5000 block of Holt Street.

Baldwin Avenue Paving and Drainage Improvements:

It was noted that the engineering design work for the Baldwin Avenue Paving and Drainage Improvements was 50% completed. The design was expected to be 100% completed by February of 2011.

Crosswalk on South Rice Avenue (from City Hall to Condit Elementary School):

The crosswalk on South Rice Avenue (from the corner of City Hall to the corner of Condit Elementary School) was approximately 90% completed with respect to engineering design. The overhead lines across the street were causing some conflict. The City was working with CenterPoint Energy on a resolution for those lines.

Rice Lift Station Project:

The Rice Lift Station Project was continuing.

Chestnut/Bissonnet Street Sanitary Sewer Relocation Project:

The Chestnut/Bissonnet Street Sanitary Sewer Relocation Project started today, October 18, 2010. The center turn lane on Bissonnet Street was now the only eastbound lane of traffic. The main lanes were closed, and there was no left turn in either direction at First Street.

Cultural and Recreational

The Bellaire Recycles Day and the Friends of the Library Book Sale would both be held on November 13, 2010. A notice regarding the Bellaire Recycles Day would appear in this month’s utility bill.

The Bellaire Police Officers’ Association and the Bellaire Firefighters’ Association would have their “annual” Guns ‘n Hoses Football Game on November 13, 2010. Although this was not a City-sponsored event, City Manager Satterwhite wished to make everyone aware of the event.
Quarterly Indicators

The crime statistics for the nine months' ended September 30, 2010, were presented to City Council via a slide presentation. All crimes were down, with the exception of burglaries which had increased significantly. The Bellaire Police Department was obviously concerned about burglaries and was working hard on them. The overall crime rate was running a little less than in previous years.

With respect to building permits, City Manager Satterwhite presented a slide depicting building permit trends. In 2010, construction was higher than 2009, but still well below the “good years” (i.e., 2006, 2007, and 2008). Although construction numbers were higher (17 more issued in 2010 versus 2009), the construction values were only slightly above the 2009 values. Forty-nine permits were issued in fiscal year 2009 and 66 permits were issued in fiscal year 2010.

Upcoming City Council Meetings/Events

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Type of Meeting</th>
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</thead>
<tbody>
<tr>
<td>November 1</td>
<td>7:00 p.m.</td>
<td>Regular Session</td>
</tr>
<tr>
<td>November 15</td>
<td>7:00 p.m.</td>
<td>Regular Session</td>
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It was noted that the annual reviews for the City Attorney, City Manager, and City Clerk were due in November. City Manager Satterwhite indicated that a mutually acceptable date for all would be selected. He tentatively suggested November 29, 2010, as a possibility.

Following questions from members of City Council regarding the City Manager’s Report, Councilman Avioli moved to accept the City Manager’s Report dated October 18, 2010, as presented by City Manager Satterwhite into the record. Councilman Hickman seconded the motion. The motion carried unanimously on a 6-0 vote as follows:

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

OPPOSED: None

ABSENT: Councilman Parker

3. FINANCE REPORT for the City of Bellaire, Texas, covering the period ended September 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 a discussion of statistical data – Presentation by Chief Financial Officer Donna Todd.

Chief Financial Officer Todd presented the Finance Report for the period ended September 30, 2010, to City Council.

It was noted that two of the least informative financial reports were the month of October (i.e., beginning of new fiscal year with one month of results) and the month of September (i.e., the report was very preliminary, consisted of unaudited information, and accruals and audit adjustments were not yet made).

**Revenues**

Total revenues were approximately $26 million or $1.7 million lower than last year’s final results. Again, it was noted that the Enterprise Fund accruals and franchise fees had not been made yet.

It was noted that last year’s revenues included approximately $1.5 million of reimbursement related to Hurricane Ike.

Using the water and wastewater accrual recorded after this point last year, Chief Financial Officer Todd expected that this year’s accrual would add at least another $500,000 to Enterprise Fund revenues.

In September, the City also received a little over $4,000 from the Bellaire Recycling Committee.

**Expenditures**

Total expenditures were approximately $26.8 million, which was $3.2 million lower than the previous fiscal year. Again, the expenditures did not reflect the final results as the City was still processing invoices that would be recorded for fiscal year 2010. The next pay period would also include five days of payroll that would be accrued into the 2010 fiscal year.

When comparing to last year’s preliminary numbers, the City was still down approximately $2.7 million of which $1.6 million related to Hurricane Ike expenditures.

The City also spent approximately $1.6 million less on the capital side (Capital Improvement Program Funds and Vehicle, Equipment, and Technology Funds).

Interfund transfers were as budgeted--$950,000 from the Enterprise Fund to the Debt Service Fund; $200,000 from the General Fund to
the Vehicle, Equipment, and Technology Fund; and $700,000 from the General Fund to the Capital Improvement Program Fund. It was noted, also, that during the month of September the City transferred $2.9 million from the Enterprise Fund to the Capital Improvement Program Fund to pay for some of the infrastructure capital projects (i.e., Feld Park Water Plant, Rice Avenue Lift Station, and the Solids Handling Project). The transfer consisted of monies from fiscal year 2009 and fiscal year 2010.

**Housing Statistics**

Chief Financial Officer Todd advised that the City had 205 residential properties for sale at the end of September as compared to 219 for sale one year ago.

**Debt Service**

The City’s outstanding principal as of September 30, 2010, was $68.1 million. The total Debt Service owed was $98.2 million (principal and interest). The City’s next payment for Debt Service would be another principal and interest payment of just over $3 million in February of 2011, followed by an interest payment in August of 2011.

Following questions from members of City Council regarding the Finance Report, Mayor Pro Tem Nauert moved to accept the Finance Report covering the period ended September 30, 2010, as presented by Chief Financial Officer Todd into the record. Councilwoman Nathan seconded the motion. The motion carried unanimously on a 6-0 vote as follows:

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

**OPPOSED:** None

**ABSENT:** Councilman Parker

**F. CONSENT AGENDA:**

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, August 16, 2010 – Item submitted by City Clerk Tracy L. Dutton.
2. BID AWARD(S)/AGREEMENT(S):

a. CONSIDERATION of and possible action on a recommendation from the Bellaire Public Works Department to award Bid No. 10-010, 1.5 Mil Density Polyethylene Bags (Garbage Bags) (35 bags per roll) to Dyna Pak Corporation in an amount not to exceed $59,925.00 and on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, authorizing the Mayor and the City Clerk of the City of Bellaire, Texas, to execute and attest, respectively, a Standard Form of Agreement with Dyna Pak Corporation for the provision and delivery of said bags in an amount not to exceed $59,925.00 – Item submitted by Director of Public Works Joe Keene.

b. CONSIDERATION of and possible action on the adoption of resolution of the City Council of the City of Bellaire, Texas, authorizing the City Manager, Chief Financial Officer, or Finance Manager to set up a safekeeping account or accounts at Wells Fargo Bank, N.A., for the safekeeping of government securities, for the settlement of security purchases, and for the receipt of payments on any interest payment, sale, call, or maturity date, and designating the City Manager, Chief Financial Officer, and Finance Manager of the City of Bellaire, Texas, as authorized representatives to act on behalf of the City of Bellaire, Texas, with respect to said account or accounts – Item submitted by Chief Financial Officer Donna Todd.

3. GRANT REQUEST:

CONSIDERATION of and possible action on a request from the Bellaire City Library for City Council approval to apply for a Loan Star Libraries Grant from the Texas State Library and Archives Commission in the amount of $9,130.00 – Item submitted by Library Director Mary Cohrs.

Councilman Hickman moved to approve the Consent Agenda dated October 18, 2010, consisting of the following items:

- Minutes of the Regular Session of the City Council held on Monday, August 16, 2010;

- Award of Bid No. 10-010, 1.5 Mil Density Polyethylene Bags (Garbage Bags), to Dyna Pak Corporation in an amount not to exceed $59,925.00 and adoption of an ordinance authorizing the Mayor and City Clerk to execute and attest,
respectively, a Standard Form of Agreement with Dyna Pak Corporation for the provision and delivery of said bags in an amount not to exceed $59,925.00;

- Adoption of a resolution authorizing the City Manager, Chief Financial Officer, and Finance Manager to set up a safekeeping account or accounts at Wells Fargo, N.A., for the safekeeping of government securities, for the settlement of security purchases and for the receipt of payments on any interest payment, sale, call, or maturity date, and designating the City Manager, Chief Financial Officer, and Finance Manager as authorized representatives to act on behalf of the City with respect to said account or accounts; and

- Approval of a request from the Bellaire City Library to apply for a Loan Star Libraries Grant from the Texas State Library and Archives Commission in the amount of $9,310.00.

Councilman Friedberg seconded the motion. The motion carried unanimously on a 6-0 vote as follows:

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

OPPOSED: None

ABSENT: Councilman Parker

{Ordinance was subsequently numbered: 10-073; Resolution was subsequently numbered: 10-20}

G. ADOPTION OF ORDINANCES:

Tax Rate and Tax Levy

1. CONSIDERATION of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, fixing the tax rate and tax levy for the City of Bellaire, Texas (“City”), for the tax year 2010 (fiscal year beginning October 1, 2010, and ending September 30, 2011) upon all taxable property in said City – Item submitted by Chief Financial Officer Donna Todd.

Note: The rate recommended by City Staff is $0.3999 per $100 valuation, with $0.2639 apportioned to the General Fund and $0.1360 apportioned to the Debt Service Fund.
Summary:

Chief Financial Officer Todd advised that the item before City Council this evening was the adoption of the tax rate, which must be accomplished before November 1, 2010. The City had followed the process as required by truth-in-taxation. The proposed tax rate exceeded the effective tax rate. If City Council chose to adopt the proposed tax rate, two things needed to be done. First, the vote needed to be a record vote. Secondly, the motion must be in a particular form: *I move that the property tax rate be increased by the adoption of a tax rate of $0.3999, which is effectively a 1.73% increase in the tax rate.*

Mayor Pro Tem Nauert moved that the property tax rate be increased by the adoption of a tax rate of $0.3999, which is effectively a 1.73% increase in the tax rate. Councilwoman Nathan seconded the motion.

Councilman Hickman requested a verbatim transcript of his questions regarding the tax rate increase, as set forth below.

Councilman Hickman: Too bad Corbett is not here. I read his letter to the editor and blog entry and it was trying to clarify some of the issues I have seen in the paper, emails, and heard at the public hearings.

First question, I guess for you Bernie, do you know the last time we voted for a tax rate greater than the effective tax rate?

City Manager Satterwhite: I don’t know the year. Does anybody know?

Mayor Siegel: I wasn’t Mayor, but I think Mary Ann was.

City Manager Satterwhite: I was here. We voted for a tax rate in excess of the effective rate even when we lowered the tax rate in early 2000—around 2003 or 2004—somewhere in there.

Councilman Hickman: Okay.

City Manager Satterwhite: And it may have been later than that. In fact, I think the three previous years to this year, we set the tax rate at or below the effective rate. I think before that, it was pretty much above the effective rate. But back then, you didn’t have to have public hearings for that.

Councilman Hickman: Okay. The proposed tax rate is $0.3999?
City Manager Satterwhite: That’s correct.

Councilman Hickman: Okay. The effective tax rate is $0.393?

City Manager Satterwhite: Say again?

Councilman Hickman: $0.393 and some change?

Mayor Siegel: Would you repeat it again? $0.39 . . .

Councilman Hickman: $0.393087. And that would create a difference in revenue of $240,000?

City Manager Satterwhite: Yes.

Councilman Hickman: Okay. So first off, in the General Fund if you had a $240,000 cut, would that require cuts in Police and Fire?

City Manager Satterwhite: I don’t know.

Councilman Hickman: So, if you cut $240,000, you don’t have $240,000 in cost other than Police and Fire? Does that make sense?

City Manager Satterwhite: I have $240,000 in cost other than Police and Fire.

Councilman Hickman: Okay. So, it wouldn’t require a cut in Police and Fire?

City Manager Satterwhite: Not necessarily.

Councilman Hickman: Okay. Also, we talked about the budget and, I think, someone talked about there was only $5,000 proposed. I also proposed a $14,000 cut for the Internet video.

Move on to the Enterprise Fund, page 58. The budgeted amount . . . . So, the bottom numbers here . . . . Do you have that?

City Manager Satterwhite: I do now.

Councilman Hickman: 2010 adopted and the 2011 proposed—bottom number 2.83 and 2.99—is that the fund balance?

City Manager Satterwhite: Yes.

Councilman Hickman: Okay. So you could consider that savings or . . . ?
City Manager Satterwhite advised that in the Enterprise Fund, since that was a business based fund, it was kind of the same as working capital.

Councilman Hickman: And would . . . if you . . . and your budgeted amount is $158,000 higher than last year?

City Manager Satterwhite: Yes.

Councilman Hickman: Okay. So, your fund balance ending is about $3 million. If you transferred $240,000, you would have a balance of $2.75 million?

City Manager Satterwhite: Correct.

Councilman Hickman: Okay. And the ending balance of $2.75 million—would that require a water rate increase?

City Manager Satterwhite: I don’t know.

Councilman Hickman: So you’re planning, well, let’s go to the top then. You’re beginning with $5.1 million next year?

City Manager Satterwhite: Yes.

Councilman Hickman: And you’re ending with, if you transferred $2.75 million?

City Manager Satterwhite: Right.

Councilman Hickman: So, you’re not planning to spend that to zero.

City Manager Satterwhite: No—not this year.

Councilman Hickman: Okay. So, you could survive this year with $240,000 less without raising water rates?

City Manager Satterwhite: Yes.

Councilman Hickman: And you also mentioned one time, a transfer would be justified because there’s employees expenses in excess of $240,000 paid out of the General Fund for Enterprise Fund functions?

City Manager Satterwhite: Yes.

Councilman Hickman: Okay. Let’s go back to the General Fund, page 2. The 60-day balance fund requirement is $2.4 million?
City Manager Satterwhite: That’s correct.

Councilman Hickman: And the budgeted fund balance is $3.1 million?

City Manager Satterwhite: That’s correct.

Councilman Hickman: So, you’re $700,000 greater than required?

City Manager Satterwhite: That’s correct.

Councilman Hickman: Do you think our bond rating will increase this year?

City Manager Satterwhite: No.

Councilman Hickman: Do you think it will stay the same?

City Manager Satterwhite: I’m hoping.

Councilman Hickman: Well, we’re budgeting $400,000 higher than we budgeted last year—from $2.7 to $3.1 million?

City Manager Satterwhite: Yes . . . but, we also are not transferring anything to the CIP and VET, which we’re drawing down those fund balances, which they will question because all of that money is derived from the General Fund.

Councilman Hickman: Okay. If we spent $240,000 of our fund balance, it would leave us with $2.868 million out of the $3.1?

City Manager Satterwhite: That’s correct.

Councilman Hickman: And the $2.868 is greater than the budget last year of $2.714?

City Manager Satterwhite: Right.

Councilman Hickman: Okay. And it’s still $454,000 greater than our 60-day requirement?

City Manager Satterwhite: Right. Remember, most of that is made up of previous year funds. It would . . . if we drew down that fund balance beyond $84,000, it would represent a deficit budget.

Councilman Hickman: Okay. Well, let’s talk about that. In 2009, we decreased the fund balance in actual, right? From $4.7 to $3.86?
City Manager Satterwhite: Um Huh.

Councilman Hickman: So that was a deficit. In 2010 budget, we decreased from $3.275 to $2.712?

City Manager Satterwhite: Right.

Councilman Hickman: So, that was a deficit.

City Manager Satterwhite: No, no, no, no, no.

Councilman Hickman: Well, we decreased the fund balance?

City Manager Satterwhite: Yes, but that was after the . . . again, that was after the transfers to the CIP and VET. So, you were really just transferring that fund balance. And, like I said, when I talked to the bond raters, I convinced them, rightfully so, that part of that fund balance is in CIP and VET, because that doesn’t represent a deficit because that’s not being spent in that given year.

Mayor Siegel: It’s not being spent on operations.

City Manager Satterwhite: Right.

Councilman Hickman: It’s being spent on something else.

City Manager Satterwhite: Not necessarily in that year.

Councilman Hickman: Over time, CIP/VET--it’s capital expenses.

City Manager Satterwhite: Right.

Councilman Hickman: If you reduced from $3.108 to $2.868, the $240,000, would you be able to pay for emergencies, like Ike?

City Manager Satterwhite: Probably, because, again, that’s a cash flow issue. As long as we have enough money in the bank, we could write checks against it.

Councilman Hickman: Okay and that’s why we set the $2.414, 60-day, for contingencies like that?

City Manager Satterwhite: Uh, yes.

Councilman Hickman: So, we just want to stay above the $2.41?

City Manager Satterwhite: That’s a question for ya’ll.
Councilman Hickman: Okay. But, we set the 60-day?

City Manager Satterwhite: Right.

Councilman Hickman: Okay.

City Manager Satterwhite: Which, incidentally, is considered to be somewhat low by most people—auditors and what not.

Councilman Hickman: Okay. That’s all the questions I had. Thanks.

Discussion continued among members of City Council regarding the tax rate. Each member was given an opportunity to comment on the tax rate and why they would be voting in favor or against a tax increase.

At the conclusion of comments, Mayor Siegel called for a record vote on the motion that the property tax rate be increased by the adoption of a tax rate of $0.3999, which is effectively a 1.73% increase in the tax rate, as follows:

Councilman Will Hickman  
Councilman James P. Avioli, Sr.  
Mayor Cindy Siegel  
Mayor Pro Tem Phil Nauert  
Councilman Andrew Friedberg  
Councilwoman Mandy Nathan  
Councilman Corbett Daniel Parker

No  
Yes  
Yes  
Yes  
Yes  
Absent

The motion that the property tax rate be increased by the adoption of a tax rate of $0.3999, which is effectively a 1.73% increase in the tax rate carried on a 5-1 vote as recorded above.

Councilman Hickman indicated that he had not voted for a tax rate above the effective tax rate since he was elected to City Council and was not in favor of one now. He argued against large reserves and felt that the City could have used some of its fund balance on the budget, while keeping the tax rate at the effective rate.

{Ordinance was subsequently numbered: 10-074}
Specific Use Permits

2. CONSIDERATION of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, granting Specific Use Permit S-76 to the Houston Independent School District (HISD) to construct and operate a 55,000 square foot science wing within the central portion of the existing Bellaire High School campus located at 5100 Maple Street in the R-1 Residential Zoning District in the City of Bellaire, Texas – Item submitted by City Clerk Tracy L. Dutton at the direction of City Council.

Councilman Friedberg moved to adopt an ordinance of the City Council of the City of Bellaire, Texas, granting Specific Use Permit S-76 to the Houston Independent School District (HISD) to construct and operate a 55,000 square foot science wing within the central portion of the existing Bellaire High School campus located at 5100 Maple Street in the R-1 Residential Zoning District in the City of Bellaire, Texas. Councilwoman Nathan and Councilman Avioli jointly seconded the motion. The motion carried unanimously on a 6-0 vote as follows:

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

OPPOSED: None

ABSENT: Councilman Parker

{Ordinance was subsequently numbered: 10-075}
facilitate sales and for the convenience of customers, said facility to be located inside a portion of the building located at 5225 Bellaire Boulevard in the CCD-1 Zoning District in the City of Bellaire, Texas. Councilwoman Nathan seconded the motion.

**Questions** were posed by members of City Council to City Staff regarding the application submitted by Shipley Do-Nuts.

Following discussion of the motion, Councilwoman Nathan moved to amend Specific Use Permit S-77 by adding a condition to limit the drive-through hours from 7:30 a.m. until 7:30 p.m. for a six-month period, after which City Council could review whether to grant Specific Use Permit S-77 permanently. Mayor Pro Tem Nauert seconded the motion.

Following discussion of the amendment, Councilman Friedberg made a friendly amendment to change the limit on the drive-through hours to 7:00 a.m. until 7:00 p.m. Mayor Siegel seconded the friendly amendment. Councilwoman Nathan and Mayor Pro Tem Nauert accepted the friendly amendment.

A vote was taken on the amendment, which carried on a 5-1 vote as follows:

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

**OPPOSED:** Councilman Hickman

**ABSENT:** Councilman Parker

Councilman Hickman’s opposition was due to the restrictions proposed for the window operations.

A vote was taken on the motion, as amended, which carried unanimously on a 6-0 vote as follows:

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

**OPPOSED:** None

**ABSENT:** Councilman Parker
Councilman Hickman voted in favor of the motion, as amended, due to the City Attorney’s statement that the restriction could be lifted by action of City Council at end of the six-month period.

{Ordinance was subsequently numbered: 10-076}

Appointments

4. CONSIDERATION of and possible action on the adoption of an ordinance appointing two (2) members to the Bellaire Cultural Arts Commission of the City of Bellaire, Texas, to fill one unexpired term commencing on October 18, 2010, and expiring on June 30, 2011, and to fill one unexpired term commencing on October 18, 2010, and expiring on June 30, 2012 – Item submitted by City Clerk Tracy L. Dutton at the direction of City Council.

Members of City Council voted by ballot for an applicant to be appointed to the Bellaire Cultural Arts Commission of the City of Bellaire, Texas, to fill an unexpired term commencing on October 18, 2010, and expiring on June 30, 2011. The ballots were signed and read aloud by Mayor Siegel as follows:

<table>
<thead>
<tr>
<th>Member of City Council</th>
<th>Ballot Cast For:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor Siegel</td>
<td>Susan Farb Morris</td>
</tr>
<tr>
<td>Mayor Pro Tem Nauert</td>
<td>Susan Farb Morris</td>
</tr>
<tr>
<td>Councilman Hickman</td>
<td>Susan Farb Morris</td>
</tr>
<tr>
<td>Councilman Avioli</td>
<td>Susan Farb Morris</td>
</tr>
<tr>
<td>Councilman Friedberg</td>
<td>Susan Farb Morris</td>
</tr>
<tr>
<td>Councilwoman Nathan</td>
<td>Terry Leavitt-Chavez</td>
</tr>
</tbody>
</table>

Tally:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Susan Farb Morris</td>
<td>5 Votes</td>
</tr>
<tr>
<td>Terry Leavitt-Chavez</td>
<td>1 Vote</td>
</tr>
</tbody>
</table>

Members of City Council next voted by ballot for an applicant to be appointed to the Bellaire Cultural Arts Commission of the City of Bellaire, Texas, to fill an unexpired term commencing on October 18, 2010, and expiring on June 30, 2012. The ballots were signed and read aloud by Mayor Siegel as follows:

<table>
<thead>
<tr>
<th>Member of City Council</th>
<th>Ballot Cast For:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor Siegel</td>
<td>Terry Leavitt-Chavez</td>
</tr>
<tr>
<td>Mayor Pro Tem Nauert</td>
<td>Terry Leavitt-Chavez</td>
</tr>
</tbody>
</table>
Member of City Council:  
Councilman Hickman  
Councilman Avioli  
Councilman Friedberg  
Councilwoman Nathan  

Ballot Cast For:  
Terry Leavitt-Chavez  
Terry Leavitt-Chavez  
Terry Leavitt-Chavez  
Terry Leavitt-Chavez

Tally:
Terry Leavitt-Chavez  -  6 Votes

Councilman Hickman moved to adopt an ordinance appointing Susan Farb Morris as a member to the Bellaire Cultural Arts Commission of the City of Bellaire, Texas, to fill an unexpired term commencing on October 18, 2010, and expiring on June 30, 2011, and Terry Leavitt-Chavez as a member to the Bellaire Cultural Arts Commission to fill an unexpired term commencing on October 18, 2010, and expiring on June 30, 2012. Councilman Avioli seconded the motion. The motion carried unanimously on a 6-0 vote as follows:

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

OPPOSED:  
None

ABSENT:  
Councilman Parker

{Ordinance was subsequently numbered: 10-077}

H. ITEM FOR INDIVIDUAL CONSIDERATION:

Video Streaming

CONSIDERATION of and possible action on a request from the Communications Technology Services Department for City Council approval to purchase streaming media and media content management services for the purpose of providing Internet access to City Council and City Board meetings through the City’s website in an amount not to exceed $13,599.00 and authorization for the City Manager to execute any and all necessary documentation for the purchase of said services – Item submitted by Communications Technology Services Director Larry Parks.

Councilwoman Nathan moved to approve a request from the Communications Technology Services Department to purchase streaming media and media content management services for the
purpose of providing Internet access to City Council and City Board meetings through the City’s website in an amount not to exceed $13,599.00 and to authorize the City Manager to execute any and all necessary documentation for the purchase of said services. Councilman Friedberg seconded the motion.

Following discussion, Councilman Hickman made an amendment to the motion to require City Staff to come back to City Council in six months with a report on the number of users. Mayor Siegel seconded the amendment.

Following discussion on the amendment wherein it was noted that the contract for the referenced services covered a one-year period of time, Mayor Pro Tem Nauert made a friendly amendment to require City Staff to come back to City Council after a one-year period with a report on the number of users. Councilman Hickman and Mayor Siegel accepted the amendment. The amendment carried unanimously on a 6-0 vote as follows:

FOR: Mayor Siegel, Mayor Pro Tem Nauert, Councilmen Hickman, Avioli, and Friedberg, and Councilwoman Nathan
OPPOSED: None
ABSENT: Councilman Parker

A vote was taken on the original motion, as amended, which carried unanimously on a 6-0 vote as follows:

FOR: Mayor Siegel, Mayor Pro Tem Nauert, Councilmen Hickman, Avioli, and Friedberg, and Councilwoman Nathan
OPPOSED: None
ABSENT: Councilman Parker

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

Items of community interest from the Mayor and City Council included special thanks and best wishes/good luck sentiments to outgoing Chief Financial Officer Donna Todd; congratulations to the Bellaire Police Officers honored by the FBI earlier in the evening, as well as special thanks to the FBI for honoring the Bellaire Police Officers; and a reminder that the City Council’s next meeting was scheduled for November 1, 2010.
J. ADJOURNMENT.

Councilman Friedberg moved to adjourn the Regular Session of the City Council of the City of Bellaire, Texas, at 10:01 p.m. on Monday, October 18, 2010. Councilman Hickman seconded the motion. The motion carried unanimously on a 6-0 vote as follows:

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

OPPOSED: None

ABSENT: Councilman Parker

Respectfully submitted,

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

Approved:

_______________________________
Cynthia Siegel, Mayor
City of Bellaire, Texas