The City Council of the City of Bellaire, Texas, met in Special Session (Budget) on Tuesday, August 16, 2011, 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 7:05 p.m. on Tuesday, August 16, 2011.

Also present were Mayor Pro Tem Phil Nauert, Councilmen Roman F. Reed, James P. Avioli, Sr., and Andrew Friedberg, Councilwoman Mandy Nathan, City Manager Bernard M. Satterwhite, Jr., and City Clerk Tracy L. Dutton.

Councilman Corbett Daniel Parker arrived at 7:18 p.m. and participated in the remainder of the Special Session (Budget).

B. DISCUSSION and possible action regarding various items within the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2011, and ending September 30, 2012 (FY2012 budget), including input received from citizens and/or other interested parties during the public hearing on the FY2012 budget scheduled to be held on August 15, 2011 – Members of City Council and City Staff.

Mayor Cindy Siegel advised that the purpose of this evening’s meeting was to allow members of City Council an opportunity to consider input received from citizens and/or other interested parties during the public hearing on the budget held the previous evening.

For Councilman Reed, who was considering a budget for the first time as a member of City Council, Mayor Siegel advised that individual line items, projects, equipment, etc., could be “tagged” by any one or more members of City Council, which would require City Staff to bring that item back to the Council table for discussion prior to making a purchase.

In addition, members of City Council could request cuts or additions to the budget, which could be voted on during the evening by City Council. The actual vote on the budget document as a whole would occur on Monday, September 12, 2011.
City Manager Bernard M. Satterwhite, Jr., requested an opportunity to respond to/answer some of the comments and questions that had arisen as a result of the budget public hearing held the previous evening.

Comment 1:

The City was not growing in population; therefore, the City budget should not grow.

Response:

City Manager Satterwhite advised that he did not agree with the logic behind the comment, although population certainly impacted some growth. Although the population might not grow, this did not mean that costs did not increase. For example, City Manager Satterwhite’s base salary when he began his employment with Bellaire was $114,000. Subsequently today, his base salary was $147,000. This represented a growth in the budget. Other examples included increases in fuel and insurance.

In the past several years, the City had used cost indices to control budget growth. The budget growth had been based on the Municipal Cost Index (MCI) and some other cost indices. This was not applicable today because the cost for doing business, whether or not the population increased, was rising at a higher rate than the City’s budget was growing.

Comment 2:

Possible flaws were noted with respect to personnel/staffing.

Response:

City Manager Satterwhite indicated that personnel/staffing was his responsibility according to the City’s Charter. City Council provided the monies to run the organization and he staffed and managed the organization.

Comment 3:

A suggestion was made to discontinue and/or combine services.

Response:

City Staff had discontinued and/or combined services over the last several years and would continue to do so into the future. For example, prior to last year, one of the pools was closed.
Comment 4:

*How could effective employees not get raises? People who outperformed should get raises.*

Response:

City Manager Satterwhite indicated that he agreed 100% with the comment made with respect to raises. The employees were a team, and everyone understood the economic difficulties surrounding Bellaire.

Comment 5:

*A suggestion was made that an efficiency study should be performed so that unnecessary staff could be reduced.*

Response:

City Manager Satterwhite advised that the key word in the comment was the definition of “unnecessary.” That definition would vary among the members of City Council, as well as the 7,000 households in Bellaire. For example, was the receptionist at City Hall unnecessary? Councilman Avioli just mentioned the receptionist’s value to City Manager Satterwhite a few days ago. The staff members at City Hall felt that the receptionist certainly added a great deal of value to the citizens of Bellaire.

Comment 6:

*A suggestion was made to install red light cameras at various intersections along Loop 610 to generate additional revenues.*

Response:

In the past, the City had held discussions regarding red light cameras. City Manager Satterwhite stated that he would never look at red light cameras as a revenue-generating tool for the City of Bellaire. If he were ever to bring a proposal for red light cameras forward to City Council, it would be to increase safety in the City of Bellaire.

With the latest Texas laws regarding revenues for red light cameras, a city would not get rich off of the enforcement of such cameras.

Comment 7:

*The City needed to increase the number of written violations. Additionally, there were other violations besides traffic violations that the City could be collecting revenue for.*
Response:

City Manager Satterwhite stated that violations were issued to enhance safety, not specifically to collect revenues. The City could take steps to increase the number of citations issued, however, this did not mean that all citations would be adjudicated against the person that the citations were written against. Additionally, a court system and judges were involved in how much revenues were generated.

There was an implication that if the City increased the number of people designated to write citations that the City could increase revenues. That could be true; however, the amount of revenues generated through citations was about a 3-1 ratio of cost to revenue. In other words, for every $1.00 collected in revenues, the City had to spend approximately $3.00 to collect on the citation.

Comment 8:

There was a suggestion made to “right-size” the City.

Response:

City Manager Satterwhite indicated that he, himself, was a product of “right-sizing” in the military in the 1990s. Someone came up with that term to use in lieu of “downsizing,” which had a negative connotation.

The problem was the definition of “right.” He felt that City Council paid him well to try to determine what fit with the desires of the residents with respect to staffing.

City Manager Satterwhite noted that just before he was employed by Bellaire, an efficiency study had been performed for the City. He recalled that the study was not well accepted by members of City Council because the study indicated that the City had too few people doing too much work. The City had more staff at that time than the City had now.

It was noted further that the City had a very small staff. A city the size of Bellaire to have a City Clerk without an Assistant was very rare. To have a Human Resources Director without an Assistant was very rare. City Manager Satterwhite stated that he was not asking for more staff, but rather wanted to make the point that Bellaire’s staff was very small.

Comment 9:

A question was raised as to why the water bill was not sent to residents via email.
Response:

City Manager Satterwhite advised that the City had just completed a test phase for water billing by email and the service would soon be offered to all residents. Although there would be savings with respect to envelopes and postage, the savings would not be significant.

Comment 10:

A question was raised by a corporate resident (and homeowner) regarding the $15,000 budget line item for economic development.

Response:

City Manager Satterwhite indicated that the issue had been discussed the previous evening.

Comment 11:

A question was raised as to whether or not the City needed two utility billing clerks when walk-in traffic was so low.

Response:

City Manager Satterwhite indicated that the question was a great one, because what the resident saw was two people behind a glass wall who were there primarily to deal with very little walk-in traffic. This was certainly not the case.

City Manager Satterwhite reviewed the job description for the utility billing clerks, noting that they handled 6,700 accounts, 2,000 automatic drafts, and 200 new accounts that constantly changed. The clerks did take payments at the window, but also took payments via mail, via drop box in front of City Hall, via lockbox (automatic billing through banks), via credit card, and via online. Those payments had to then be posted properly and reconciled.

Comment 12:

A question was raised as to why the City did not offer online bill payment.

Response:

City Manager Satterwhite advised that the City did offer online bill payment. He provided a brief overview as to how a resident’s bill could be paid online through the City’s website.

It was noted that registration for Parks and Recreation events and memberships could be handled online, as could municipal court fines.
Comment 13:

A suggestion was made to include monies in the budget for board, commission, and committee training.

Response:

City Manager Satterwhite advised that $1,000 was included in the budget to provide training for boards, commissions, and committees.

Comment 14:

A statement was made that the City needed to make plans for the Human Resources Director’s upcoming retirement.

Response:

City Manager Satterwhite stated that the City was making plans for that retirement. This was his responsibility by Charter and was not really a budget issue.

Comment 15:

A suggestion was made to consider reducing trash pickup as a means to cut costs.

Response:

The City had not considered reducing trash pickup in the context of preparing the FY2012 budget. City Staff was bound to follow the current City Code in developing the budget. This did not mean that the process could not be reviewed moving forward nor would the City have to wait until the end of the year to begin reviewing the process. Reducing trash pickup would impact the budget.

In looking at solid waste, there were a little under 7,000 households that put out waste. The waste was picked up by the City over five days, one full day of which was reserved for recycling. In other words, it took four full days to pick up the trash left in the City.

If Bellaire went to one-day per week trash pickup and did not change the pickup process, he was not sure the City would save a great deal. The Public Works Department would still have to get the same amount of solid waste out of the City—whether it was trash or recycling, which would not change. However, he felt there were efficiencies to be gained in going to a one-day per week trash pickup.
City Manager Satterwhite stated that he believed that the City would have to change the method of pickup to do so, such as the use of larger containers.

**Comment 16:**

*A suggestion was made to eliminate the provision of trash bags to residents in order to save costs.*

**Response:**

City Manager Satterwhite advised that he kept hearing a desire to cut the budget, which he had no problem with. He noted that, on the other hand, there were ramifications to cutting the budget.

He needed to know why the budget was being cut. He assumed that the primary reason to cut the budget would be to alleviate some of the financial burdens on the citizens. With respect to trash bags, eliminating trash bags would cut $85,000 in expenditures in the Enterprise Fund. The $85,000 represented approximately $4.00 per roll of bags (36 bags per roll or $0.11 per bag). He challenged City Council to go to Home Depot and see if they could get 1.5 mil bags for $0.11 per bag.

Also, residents paid approximately $1.00 per account per month or $12.00 per year for the bags. A decision would need to be made as to whether the City lowered the cost citizens paid for solid waste by $1.00 per month. If so, there would be an $85,000 decrease in revenues.

The City did decrease the number of bags provided in the previous year to encourage recycling.

**Mayor Siegel** indicated that she wished to “go down the line” along the Council dais to allow members of City Council to state their thoughts on the budget and to indicate whether or not they wished to add or delete anything to/from the budget or tag any items.

Mayor Siegel advised that she had seen the City’s budget process for the last 14 years, noting that it had gotten better and that she appreciated the work and willingness of City Staff to work hard on the budget and for being part of the solution. She indicated that she believed it was a good budget, and she appreciated the fact that City Staff met City Council’s parameters.

With respect to garbage bags, she agreed that a reduction or elimination of garbage bags was a policy decision for City Council. She indicated that the last time the City had a discussion regarding solid waste, with consideration to outsourcing the service, the Council Chamber was packed with residents opposed to outsourcing. She indicated that she believed it was important for the City to take “baby steps” when making changes to solid waste.
Mayor Siegel stated that she would like to tag the economic development line item, as she did not believe that $15,000 was the right number. She expressed concern that the City might be spending money to do something when the economy was working against the City. She understood from discussions with Director of Community Development John McDonald that these monies would be used to focus on existing Bellaire businesses. She indicated that she really would like to see the plan before any monies were spent.

Mayor Siegel agreed with the removal of Council compensation from the budget. She noted that meals were still included in the budget and that she could go either way (retaining the meals or removing them).

With respect to the Capital Improvement Program Fund and the Vehicle, Equipment, and Technology Fund, Mayor Siegel felt that there were items that could be tagged or removed. Right now, things were flat rather than declining. She felt that the City should place an emphasis on keeping healthy reserves in case things trended down again. In other words, she inquired as to whether the City could get by one more year with respect to many of the items/projects within those funds.

Mayor Siegel advised that she had heard from residents who were pleased that the budget did not require an increase in the tax rate and provided the same level of service. She suggested that if things turned down in the next year or so, members of City Council could look at the City’s retirement plan and insurance plan and spread the pain across the entire employee body. It seemed to her that having a job was better than no job. She stated that it was harder to eliminate a program and start it back up again (i.e., such as the children’s librarian or community resource officer).

Mayor Siegel closed by stating that she felt the City needed to be more flexible during the next fiscal year with respect to the budget. In her opinion, the focus was on having healthy reserves.

Mayor Pro Tem Phil Nauert noted that in the 1980s, the City’s personnel pool numbered 200 employees versus the 157 that the City currently employed. When he first came on City Council, the tax rate was $0.52 per $100 valuation as opposed to $0.3999 as proposed in the fiscal year 2012 budget. The City was more efficient, leaner, and operated better. He saw the employees deliver a great deal more than they had in past years—referring to the many technological changes that had occurred—all for less money.

He cited examples, such as more pool, more policing, more technology for fire and police services—automatic fingerprinting identification system, terminals in police cars and on police motorcycles.
In operations, residents could pay fees online with credit cards. The library had more computers, faster lines, more functional spaces, more programs, and more people were served—all with less.

More of the City’s public works had been brought to people’s homes. Recycling had been taken out of the center and brought to curbside. The City now had multiple capacities to handle power interruptions throughout the City and would have even more with the substantial, self-sustained diesel generators to be installed at the Wastewater Treatment Plant and Central Water Plant.

The facilities throughout town had been renewed, repaired, replaced, reprogrammed, or removed. The City had identified what needed to be done through a facilities study and projects had been prioritized accordingly. Specifically—the City had a new fire station, a substantially renovated library, City Hall repairs, and Parks and Recreation Center roof repairs.

Mayor Pro Tem Nauert referred to an earlier statement by City Manager Satterwhite, which he agreed with, that the budget could continue to be cut, but we needed to understand why we were cutting the budget. A lot more had been delivered with less. He was proud of the City’s employees for doing that and was proud of the citizens for giving the employees the resources they needed to do their jobs.

He indicated that he had some specific “tweaks” he wished to talk about with the budget, but most of his “tweaks” were front-loaded in the budget parameters given to the City Manager—such as maintenance of specific reserve balances, maintenance of an expense profile, delivery of services at the level of performance the citizens expected—all without a tax increase. He advised that City Manager Satterwhite had provided such a budget to City Council.

Mayor Pro Tem Nauert stated that one thing not discussed was the fact that there was an opportunity to realize some significant income to the City with the delta on the interest rates that our general obligation bonds sold at last night versus the rates received on some of the City’s more recent bond issuances. He believed that Coastal Securities might bring forward an opportunity for City Council to refinance some of the 4-1/2% bonds for a more favorable rate. As he recalled from prior bond refunding, the City could end up approximately $100,000 to the better. He advised that one of his “tweaks” was for the City to press on with a refunding of bonds, if it made sense to do so.

Mayor Pro Tem Nauert also joined the Mayor in tagging the economic development expense of $15,000. He advised that he wished to tag the expense for two reasons. First, he was not sure economic development was the function of government. He felt that it was more a free enterprise system function. Governments could make things happen, but his own bent was that
in a free enterprise system, if there was a buck to made, a buck would be made. If the City were to get into that business and attract an economic development system or program focus, he was not sure $15,000 would pay for such a system. Mayor Pro Tem Nauert referred to the fact that the City's Community Development Director, John McDonald, had an economic development background and stated that he would like to see the City tap into that expertise. He stated that he wanted to look into deciding whether the City wanted to get into the business of spending money on economic development—he could see that it might help a retail establishment, but not necessarily an auto service repair business. If the City was going to engage in economic development, the effort needed to be broad-based and similarly useful to all businesses.

Councilman Friedberg referred to Mayor Pro Tem Nauert's desire for a bond refunding and noted that he believed the City had saved more than $100,000. The savings was actually closer to $900,000.

Mayor Siegel indicated that Jim Gilley, Partner of Coastal Securities, would not bring a refunding forward unless it provided a good savings for the City.

Councilman Andrew Friedberg stated, in that regard (bond refunding), that the City should not count its chickens before they hatched. With respect to economic development, he advised that he looked at the topic from a different angle. He had pushed hard in the previous year's budget to get the funding for a planning consultant to start on the ordinance rewrites related to the Comprehensive Plan. The Comprehensive Plan called for economic development efforts. He maintained that economic development was exactly something that Bellaire should be doing.

Economic development had occurred successfully in other cities with a governmental role. He agreed that economic development was a public-private partnership and private funds drove the growth. If government could create an environment to get private funds directed where they needed to go, then he felt government needed to do that.

Councilman Friedberg stated that he would like to see the City increase the funding for economic development and suggested using the $1,100 slated for Council meals for economic development. He hoped City Council could find some other funds that could be applied to economic development. Rather than red tagging the item until City Council got something more concrete back, Councilman Friedberg suggested a line item in the budget for economic development, and a request to City Staff to share their plan with City Council before spending any funds.

Mayor Siegel advised that “red tagging” the item would accomplish what Councilman Friedberg had suggested.
Mayor Pro Tem Nauert agreed and advised that “red tagging” was essentially the same thing suggested by Councilman Friedberg.

Councilman Friedberg stated that his hope was that City Council would look at a dollar amount north of $15,000 for economic development, but $15,000 was a start. He suggested $25,000 as a starting point, combined with the $40,000 already included for the CCD-1 and CCD-2 zoning districts and commercial corridors ordinance rewrites. He felt it was important for the City to move forward, even in the down time— to “prime the pump” so that a plan was in place when the economy rebounded.

Councilwoman Mandy Nathan indicated that she was very pleased with the budget that City Manager Satterwhite was able to put together. She thanked the City Manager and the Department Heads for their work on the budget and noted that all had done a terrific job.

One of two things she wished to emphasize was the economic development issue. She indicated that she would like to keep it in the budget and would like City Council to have a formal occasion to discuss what City Council wanted done with respect to economic development. She suggested a committee of Council and perhaps others to discuss economic development. She agreed that more than $15,000 was needed for economic development, especially in the event that the City progressed far enough to determine what needed to be done.

The second thing she wished to emphasize was, as mentioned earlier by Mayor Siegel, the importance of preserving fund balances. She was interested specifically in some of the Vehicle, Equipment, and Technology (VET) Fund items. She inquired as to the interoperability project and whether or not there would be any grant opportunities for the City with regard to the project. She was interested in looking closely at the items in the VET Fund and whether any of them could be postponed.

Councilman James P. Avioli, Sr., indicated that before talking about the budget, he wished to expand on City Manager Satterwhite’s comment about the receptionist. He happened to walk into City Hall and observed a resident that was having a situation. The resident was fairly emotional in explaining the situation to the receptionist. The receptionist listened to the situation, was sympathetic, and proposed a remedy. The receptionist also introduced him as a member of City Council to the resident. The point he wished to make was that the receptionist was a valued employee and knew how to handle a situation without shoving it aside or pushing it on someone else.

Mayor Siegel noted that everyone loved the receptionist, Tillie, who provided a good face for the City’s front door.

Councilman Avioli continued and referred to a comment made the previous evening by resident Lynn McBee, which he agreed with and wished to
reiterate. The budget was a credit to the Department Heads and people such as Assistant City Manager Diane K. White, who put the budget together, because it was easy to follow.

Councilman Avioli advised that he that he had a few questions related to the budget document. He began and noted that he struggled with page 1 of the budget document, but was comfortable after finding explanations on subsequent pages. With respect to page 12 and the line titled “contractual services,” there was an increase of $23,000. He found that $16,000 was due to an increase in risk management and $5,000 due to increases in communications services and asked if his findings were correct.

After City Manager Satterwhite indicated that Councilman Avioli was correct, Councilman Avioli continued with a reference to page 53 of the budget document. He inquired as to whether the budgeted amount of $9,500 adequately covered refreshments for senior activities. City Manager Satterwhite indicated that the amount budgeted was adequate and that City Staff needed to determine the nexus of the comments made during the public hearing with respect to refreshments. He noted that the information provided was anecdotal and gathered more than 1-1/2 years ago. City Manager Satterwhite did not believe the comment made was really a budgetary issue.

Mayor Siegel asked if City Council would hear such comments in the future.

City Manager Satterwhite indicated that City Council might if the same person came forward and said the same thing.

Mayor Siegel advised that she assumed that City Staff and the Senior Board understood that they determined the refreshments to be provided—not that the City was too cheap to buy cheese and crackers.

Councilman Avioli continued and referred to page 58 of the budget document. With respect to surface water, there was an increase of $320,000. He asked if the increase was included because Bellaire expected the City of Houston to raise water rates that Bellaire paid to Houston.

City Manager Satterwhite advised that Councilman Avioli was correct.

Councilman Avioli asked for confirmation that Bellaire had a long-term contract with Houston. Upon receiving confirmation that Bellaire did have such a contract, Councilman Avioli inquired as to whether Houston could still increase rates in light of the contract.

City Manager Satterwhite advised that the City of Houston raised rates each year by ordinance, which was part of the contract.

Councilman Avioli asked if the increase would hurt the City.
City Manager Satterwhite advised that it would not hurt the City as the fund was still solvent.

Councilman Avioli referred to the odor control study that was currently ongoing at the Wastewater Treatment Plant. He inquired as to whether any contingency funds had been included in the budget to cover recommendations that might be brought forward as a result of the study.

City Manager Satterwhite indicated that funding had not been included, but he felt that any necessary funding could come from the Enterprise Fund’s unrestricted assets. In other words, a budget amendment could be made if funding were necessary for odor control improvements.

Councilman Avioli referred to trash bags, which appeared on page 79 of the budget document. He indicated that even though the City had cut back on the number of trash bags, the prices had increased somewhat. In other words, in 2010, the City paid $77,000. The estimate for 2012 was $85,000.

City Manager Satterwhite indicated that the prices for trash bags fluctuated through the years. Since trash bags were a petroleum product, the prices were tied to the oil market. The City would not know the true cost until bids were received.

Councilman Avioli referred to page 82 of the budget document, which contained an item for court conceptual planning and design in the amount of $200,000. He inquired as to whether this amount would cover the planning and design of a new building or whether the plan was to tie Municipal Court to the Police Station.

City Manager Satterwhite advised that the funding would determine which direction the City wanted to go. Some preliminary studies were performed several years ago. He indicated that funding was included in the budget so that the City could “get the ball rolling” on that project. The Municipal Court was the next facility or step in the Rebuild Bellaire Program.

Mayor Siegel indicated that the Rebuild Bellaire Program pulled Municipal Court out of the Police and Municipal Court Building to allow for the Police Department to remodel and expand into the space currently occupied by the Municipal Court. City Council never made a final decision with respect to the project, although there had been many preliminary discussions. There were enough funds to consider building a new structure for Municipal Court. Another possibility under consideration was the leasing of space for Municipal Court. She felt that the decision should be one made by the new City Council.

Councilman Avioli advised that he agreed with all of the statements made by the Mayor but, for planning purposes, $200,000 seemed like a lot of money.
City Manager Satterwhite agreed that it might be too high, but noted that the cost depended on the scope of the project and how far or fast City Council wanted to move on it.

Councilman Avioli next referred to page 84 of the budget document and indicated that he was certain that Chief Anderson had an answer. Under “Fire,” there was a line item for portable radios and batteries at a cost of $30,000 as compared to roughly $5,500 this past year. He inquired as to whether the Fire Department needed the radios.

Fire Chief Darryl Anderson advised that the need to spend $30,000 on radios and batteries was very much dependent on the greater scope of the radio band mandate. He stated that he wished to place funds aside so that he could meet the requirements of narrow banding.

Councilman Avioli reiterated that the budget was a good one. The Department Heads and all those that worked on the budget had done a very good job.

With respect to economic development, Councilman Avioli felt that the City needed to do what it could to enhance business. A business owner spoke during the public hearing on the budget and urged City Council to do something.

He advised that he was struggling a little bit with getting a consultant for economic development. In his business career, he had a great deal of experience with various consultants. These consultants came in, asked many questions related to possible problems and talked to employees and asked what their answers were. The consultants then went back and wrote a report telling the company the answers that the company had already given them. Consultants had a way of using your information and charging you for it. He indicated that he was not seeing he was not necessarily against consultants—he was pro-business, but he wished to see the City spend its money wisely.

Councilman Roman F. Reed commended City Manager Satterwhite and the City Staff for preparing a great budget. He indicated that he had a few thoughts. He agreed with Mayor Siegel that City Council needed to be flexible and fluid throughout the next budget year.

He indicated that he believed that the City’s personnel was “right-sized,” and that no further cuts were needed with respect to personnel. He thought it would be detrimental to the City to further cut personnel. As things improved, he hoped that the City could add personnel.

Councilman Reed stated that he would like to review solid waste options with Public Works Director Joe Keene, especially with respect to trash pickup and bags. He was against outsourcing and would vote against it, but felt that the City should review its options.
One thing that had bothered him since he had joined City Council was seeing the monthly outstanding funds for warrants—the amount of money owed to the City for warrants and fines was significant. He suggested that the City review its process with regard to collecting such funds.

**Mayor Siegel** suggested that an item could be placed on a future agenda to allow the City’s collection attorney, Michael Darlow of the Perdue, Brandon law firm, an opportunity to discuss his collection efforts and provide a status report.

**Councilman Reed** stated that he believed that the Mayor’s suggestion would be very good. With respect to economic development, he agreed with comments made by Councilman Avioli and advised that $15,000 was not enough. He felt that the City needed a full-time economic development officer—not a consultant. The City needed to be more business proactive—which needed to be a top priority for City Council.

Councilman Reed advised that he wished to add patrol officers for increased security. He stated that he would like to see a larger police presence in the neighborhoods. The police were doing a great job with the personnel they had, Councilman Reed merely wished to see more personnel (patrol officers). He referred to the $200,000 to $400,000 in savings that could be applied to the Police Department for more personnel and toward the hiring of an economic development officer through the elimination of sidewalks on Baldwin Avenue.

Councilman Reed closed his comments by commending City Staff and the City Manager on a great budget. He emphasized the need for an economic development officer and more patrol officers.

**Mayor Siegel** clarified the fact that money for personnel came from a different “pot” of money than bond proceeds. City Council could cut the sidewalk, but could not use the monies saved for personnel.

**Councilman Reed** advised that he understood.

**Councilman Corbett Daniel Parker** thanked the City Manager and City Staff for working very hard on the budget and being present this evening, as well as meeting privately with members of City Council who had questions regarding the budget.

He advised that one comment made this evening resonated with him and was most appreciated. That comment was made by Mayor Pro Tem Nauert regarding the need for City Council to decide what the City wanted to be. Clearly, some residents wanted the lowest possible tax rate regardless of whether it gutted the City and others were willing to triple the tax rate and install “gold lamps” like neighboring cities. Before micromanaging, the
decision as to what the City wanted or should be needed to be made either individually or collectively by City Council first.

Councilman Parker felt that it was the job of City Council to look at the budget line item by line item to ensure that the expectations of residents were accomplished to the best of City Council’s knowledge. Two of his central focuses were 1) implementing new technologies and efficiencies (to which the City had made tremendous strides in that regard); and 2) eliminating disincentives to Bellaire businesses. The City had addressed disincentives, to some degree, through the recent sign ordinance changes.

City Council also needed to be creative and proactive in providing incentives to businesses—to keep those currently in Bellaire and to attract new businesses. Like Councilman Friedberg, he disagreed with the statement that it was not City Council’s responsibility to do what was possible with respect to economic development, as well as to meaningfully engage the business community. He liked Councilwoman Nathan’s idea of a subcommittee to work on a plan for economic development. Councilman Parker indicated that he would be willing to lead a subcommittee and would certainly put forward the necessary time and effort to attack the issue.

Although Councilman Parker understood the Mayor’s concern or argument as to the timing of spending money on development during an economic downturn, he agreed with Councilman Friedberg that in this downturn, it was even more important to spend the time (not necessarily the money) trying to figure out what the City could do to jump start the commercial tax base. City Council had the ability to alleviate the tax burden on residents—not from continuing to lower the tax rate, but by growing the commercial tax base.

With respect to Council compensation, he agreed with eliminating it from the budget. He was ambivalent with respect to Council meals.

Councilman Parker disagreed with some comments that were absolute as to looking at the services the City provided, the quality of services, and the cost of providing those services in relation to what the private sector could provide. It would be imprudent for City Council to universally state that “we picked a fight before and do not want to go there.” He was willing to take any flack given for evaluating City services to determine if the private sector could provide better services at a lesser cost. He did not advocate making rash decisions.

As to warrants collected, Councilman Parker indicated to Councilman Reed that he, too, was outraged about the issue. The City’s warrant officer spent a great deal of time facilitating the warrants. One resolution would be to spend more money on another warrant officer to actually collect warrants or to continue to utilize the third-party collection firm (which had worked well up to this point). Unfortunately, some of the monies owed to the City were simply “Uncollectible,” as frustrating as that was.
Councilman Parker referred to the line item in the budget for AT&T U-Verse in the amount of $13,500. He noted that it was currently recommended to be red tagged by staff and asked City Manager Satterwhite what the funds would provide.

**Director of Communications Technology Services Larry Parks** provided an explanation as to the purpose of the funds. In order to broadcast over the AT&T U-Verse system, the City needed to have equipment onsite that transmitted a signal to AT&T (the provider). The $13,500 would cover the cost of equipment to receive a signal, encode the signal, and transmit the signal to AT&T for actual transmission.

**Councilman Parker** asked if the cost were an upfront, one-time cost.

**Director Parks** advised that the cost for the equipment was a one-time cost ($13,500).

**Councilman Parker** asked if there were any way to project ongoing maintenance related to the equipment. In other words, would the equipment need to be replaced in five years?

**Director Parks** indicated that the equipment would need to be replaced at some point in the future. Standards were always changing. If he tried to put a useful lifetime on the equipment, he would estimate a three-year life. Additionally, someone on City Staff would have to be able to use the equipment. For example, the equipment the City was using for webcasting was operated by the City Clerk. An operator would be needed for the AT&T U-Verse equipment as well. Once the equipment was set up, the product would run very similarly to a server or an appliance. AT&T would provide the “expensive part,” which was a T1 line to get the signal to AT&T and on to the public.

**Councilman Parker** inquired as to whether AT&T had given the City any type of expectations as to the number of people who might view a city’s meetings through their system?

**Director Parks** advised that one-half dozen cities were currently utilizing the AT&T U-Verse system (Channel 99). The City did not have any sound numbers as to how many residents of Bellaire were current subscribers, although we understood that the numbers were growing.

**Councilman Parker** referred to cities that provided their meetings on AT&T U-Verse and through webcasts. He asked if we had any idea what the split was—the number utilizing AT&T U-Verse versus the number utilizing the webcast. In other words, how effective would AT&T U-Verse be? How many additional people might the City reach?
**Director Parks** stated that he did not have the numbers Councilman Parker was asking for. AT&T U-Verse was definitely growing. IP-based transmissions, in general, were growing nationwide. More people were bundling telephone service with their regular computer Internet service and with their television service. Other cable companies, such as Comcast, were trending toward IP-based transmissions as well.

Councilman Parker asked if the channel would be included for all customers already subscribing to AT&T or if a special subscription would be required.

**Director Parks** advised that the channel would be part of the customer’s regular programming.

**City Manager Satterwhite** stated that AT&T U-Verse was slightly different from Comcast in that it was a little more interactive. When a customer turned on the government access channel, the customer could actually choose which city they wanted to watch. He could, for example, watch the City of Pearland.

Councilman Parker asked if the technology would allow the City to do any other things that could not already be done, such as, by webcast.

**Director Parks** indicated that utilizing AT&T U-Verse would simply provide the City with an opportunity to reach another audience.

**Mayor Siegel** referred to the budgeted amount of $13,500 for AT&T U-Verse and asked for confirmation that the City did not currently have the capability to provide webcasts from the auditorium (Civic Center).

**Director Parks** advised that Mayor Siegel was correct.

**Mayor Siegel** asked what it would take to get the auditorium (Civic Center) set up for webcasting. She noted that the City sometimes had large meetings, swearing in ceremonies, etc., in the Civic Center.

**Director Parks** stated that the Civic Center basically needed a cable connection similar to the connection that currently existed in the Council Chamber.

**Mayor Siegel** inquired as to the cost for such a cable.

**Director Parks** advised that he believed the cost would be under $2,000.

**Councilman Friedberg** asked for confirmation that the reason an additional component was needed to communicate with AT&T was due to an IP (Internet Protocol) issue rather than a cable feed issue.
Director Parks advised that Councilman Friedberg was essentially correct. The component would allow the City to receive, encode, and send the necessary signal.

Councilman Friedberg stated that it sounded as if the product being described was one that was either proprietary or specific to the AT&T U-Verse application. He asked if transmissions via “IP” were the wave of the future versus cabling.

Director Parks indicated that the budgeted cost of $13,500 was for a specific “appliance” application designed to receive, encode, and send a signal to AT&T U-Verse. The City looked at similar “appliance” applications for webcasting as well. The City waited a year and webcasting was available through the computer. It was possible that the same situation could occur if the City waited—especially when considering that all “appliances” at their core were personal computers anyway.

Councilman Friedberg advised that he was ultimately suggesting that the City look a few years down the road at getting an “appliance” that would work for AT&T U-Verse as well as other things. In other words, he was hoping that the City could ultimately get more bang for its buck.

Councilman Parker referred to the interactive focus of AT&T U-Verse, as mentioned earlier by City Manager Satterwhite. He inquired as to whether it were possible for residents (through AT&T U-Verse) to access the City’s website, for example, or other forms of social media. He inquired as to whether the City knew if that type of integration were possible.

Director Parks advised that if Bellaire were a producer for such programming, the capabilities described by Councilman Parker would be possible.

Councilman Parker asked for confirmation that the City would actually have to produce its programming versus having the resident cull certain information from the City’s website or from the Facebook page or any other portals set up within a specific department. In other words, was the interactivity limited to “just grabbing the video a resident wanted to view.”

Director Parks advised that Councilman Parker was correct.

Mayor Siegel asked for clarification with respect to economic development. She indicated that she was not opposed to an “economic development person”; however, she felt that City Council needed to flush out what its desires were with respect to economic development.

She indicated that if the City really wanted an improved downtown or stronger business environment, the cities who were successful were those that had someone who focused on economic development—a deal maker.
This was someone meeting with people, talking with business owners, talking with land owners, and people who might be interested in investing in Bellaire. The reality was that the property values would increase, as would quality of life.

Mayor Siegel advised further that she did not really think another committee was needed. The City had met with business owners while working through the Comprehensive Plan. If the City had someone talking to business owners, things such as the sign ordinance changes could have been addressed. She agreed that while things were slow, it was time for the City to get its ducks in a row in terms of ordinances in the event the economy turned around soon.

At this point, if banks were not lending to businesses or land owners and the land was not available, Mayor Siegel did not know if throwing money at economic development was a good thing to do. The City had drawers full of plans that the City had commissioned (going back to the 1980s and 1970s). Mayor Siegel stated that the next step would be an economic development person—it would take a person that had the time and focus to go out and sell Bellaire to the developers who could put land packages together and build new business centers, for example.

Before the money was expended on economic development, Mayor Siegel indicated that she would like to see City Council have an opportunity to review any plan or plans developed by City Staff.

With respect to AT&T U-Verse, it seemed from the discussion with Director Parks that it might behoove the City to wait another year before spending any money. With the City’s webcast system, residents had an opportunity to view meetings via their computers. She indicated that she would rather see the City spend $2,000 to get cable run in the Civic Center so that every important meeting could be webcast. She suggested delaying a decision on AT&T U-Verse until the next year or year after in order to possibly get more bang for the City’s buck.

Mayor Siegel advised that, especially with respect to Fire and Police, if the City was seeing a mass exodus of employees and if salaries were the reason, then she felt that City Council needed to address that issue versus waiting. The City did not want to be in a position of having departments decimated because the City was not competitive. The City did not want to be in a position where it was losing key people.

Mayor Siegel next asked if City Council wished to make any amendments and/or tag any items in the budget.

**Councilman Parker** indicated that he agreed with the Mayor in that City Council had done much to make meetings accessible to the public—both live and thereafter via the City website. There was really no dying need to adopt AT&T U-Verse.
COUNCIL AMENDMENT (NO. 1):

Councilman Parker moved to remove AT&T U-Verse in the amount of $13,500 from the proposed budget for fiscal year 2012 and to include an estimated amount ($2,000 or a better estimate, if obtained prior to finalizing the budget) necessary to ensure that the City’s webcast system could be utilized in the Civic Center. Mayor Pro Tem Nauert seconded the amendment.

Councilman Friedberg inquired, to the extent funds were freed up in the Vehicle, Equipment, and Technology (VET) Fund, whether the City could simply reduce the transfer from the General Fund to the VET Fund and effectively move that money back to the General Fund. In other words, was there a reason that the two funds could not “cross the line?”

City Manager Satterwhite indicated that there was not a reason that the two funds could not “cross the line.”

COUNCIL ACTION (FINAL) ON COUNCIL AMENDMENT (NO. 1):

The amendment carried unanimously on a 7-0 vote as follows:

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

OPPOSED: None

ABSENT: None

Councilman Friedberg indicated that he wished to offer an amendment that with the cost savings just achieved in the VET Fund (i.e., removal of AT&T U-Verse), to transfer that amount (less a small amount of funding for webcasting in the Civic Center) back to the General Fund, or to reduce the General Fund transfer by that amount, plus $1,100 for Council meals, plus whatever additional funds might be needed to gross up the line item for economic development to $30,000.*

*$13,500 saved from the removal of AT&T U-Verse + $1,100 from Council meals + $15,000 already apportioned for economic development = $29,600 + an additional $400 to be added for economic development for a total of $30,000.

Mayor Siegel asked if she could simplify the amendment by stating that through a cost savings from eliminating AT&T U-Verse (leaving a small portion for webcasting in the Civic Center) and Council meals, City Staff would make a determination as to the funding necessary to include $30,000 for the economic development budget line item.
Councilman Friedberg advised that Mayor Siegel was correct—recognizing that the difference needed to yield $30,000 in the economic development budget line item would come from the bottom line fund balance in the amount of approximately $2,000.

COUNCIL AMENDMENT (NO. 2):

Councilman Friedberg moved to increase the economic development budget line item from $15,000 to $30,000 through a cost savings from eliminating AT&T U-Verse (while leaving a small portion in the budget for webcasting in the Civic Center) Council meals in the amount of $1,100, and adding the remaining funding from the bottom line fund balance necessary to equal $30,000. Councilwoman Nathan seconded the amendment.

DISCUSSION ON COUNCIL AMENDMENT (NO. 2):

Councilman Reed referred to the City Manager and noted that he had asked before if the funding could be increased so that the City could hire a full-time employee for economic development. He asked if City Manager Satterwhite had given that any thought.

City Manager Satterwhite stated he had given it some thought; however, this would create an expenditure that would have to be eliminated from another area of the budget. The funding could be taken from the City Center District planning line item. He believed that City Council would probably have to take the funding from the contingency line item and increase the expenditure over the parameter amount.

He indicated further that he could not redo the entire budget just to come up with such a number. In the prior year, he had included a number in the budget for economic development and it was removed. This year, the Director of Community Development (John McDonald) had an idea as to how the City could move forward with economic development—not get there, but to move forward. He and Director McDonald came up with a token amount that would give the City a balanced budget, while providing for some economic development effort.

To pull pieces from various areas of the budget without even knowing what the concept was—was a little premature. He indicated that he would like to use the $15,000 to move forward, and then come back to City Council with a plan and an idea as to the cost necessary to take the plan to the next step. Once the City got into its next budget year and if City Council wanted to focus more on economic development, then the budget could be adjusted at that time. He reiterated that he believed it was premature to put a number in when we did not really know . . . . He stated further that he heard many different ideas expressed as to what economic development was, and he believed it needed to be flushed out a little bit.
Mayor Siegel indicated that her purpose for tagging the item . . .

City Manager Satterwhite advised that everything was “tagged.”

Mayor Siegel indicated that everything was not necessarily “tagged.” City Manager Satterwhite had the authority, if City Council had not said something otherwise, to purchase those items or services. Her thought was that . . .

City Manager Satterwhite advised that he was struggling with . . .

Mayor Siegel advised that she believed that she and City Manager Satterwhite were saying the same thing. She felt that the City needed a plan versus throwing money at economic development. The City needed a plan on what “economic development” meant. She had heard “committee,” she knew that Director McDonald had some thoughts . . .

City Manager Satterwhite stated that he believed Director McDonald needed to come back and tell City Council what the options were.

Mayor Siegel noted that Director McDonald had suggested that the City start off with trying to better service the City’s existing businesses. She felt that some members of City Council were also thinking about how to get new businesses to Bellaire. She felt that was the ultimate outcome, but would agree that hiring someone to hire someone without knowing what that person was supposed to do and the expectations . . .

City Manager Satterwhite agreed that the City was not talking about consultants. The City had talked about utilizing a contractor for economic development versus utilizing a full-time employee. He indicated that the City currently had a number of contract employees that did good work. He was not saying that was the right answer. He advised further that the City needed to make sure there was enough work for this person to do on a full-time basis.

Mayor Siegel referred to Assistant City Manager Diane White, noting that she was a contract employee at one time. Mayor Siegel asked Councilman Reed if he was through with his comments.

Councilman Reed stated that he would agree with the amendment, but he wanted the ability to increase the $30,000 to the amount needed for a full-time employee, if members of City Council agreed. He disagreed with some members of City Council in that he believed that the City needed to get in front of this. He believed there was a bright future—things were slowly, but surely, turning around, and he thought if the City had someone in place, then the City would have done its homework and would be ready for the turnaround. You could not add someone when the turnaround was taking place. He believed that City Council needed to make whatever sacrifice was necessary to be ready for that turnaround. The way to handle economic
development correctly was with a full-time employee—someone who knew what they were doing to be able to sell Bellaire to outside businesses and current businesses who might wish to expand.

Councilman Reed reiterated that he agreed with the amendment, but did not want to say “that’s where we will be happy.”

**Mayor Siegel** advised that City Council had and could amend the budget after it was passed. The ability to amend the budget was what she had meant when she indicated that the City needed to be “fluid” and “flexible.” If the City Manager and City Staff came forward with a plan that needed extra funding, City Council could provide the extra funding, whether that be for a new employee, if that made sense.

**Councilman Reed** asked if the plan would be completed before the budget was approved or if the planning would occur through the next budget year. He did not want to go into the budget year following the next budget without some resolution. He felt City Council was losing time otherwise.

**Mayor Pro Tem Nauert** stated that he agreed with Councilman Reed, but wanted to be sure that City Council was not putting the “cart in front of the horse.” When he spoke earlier--he was not at all against economic development. In fact, he had chaired an Economic Development Committee for the City that met for months. At the conclusion of the Committee work, the City spent close to $100,000 on embellishments to one small area of Bellaire’s downtown. He felt that was really not an appropriate broad-based use of the City’s money. The problem at that time was that the Committee had not looked thoroughly enough at what “economic development” was. In other words, was economic development a person, a plan or an attitude?

Mayor Pro Tem Nauert noted that Councilman Parker used the phrase “to eliminate economic disincentives from businesses to come.” That was “spot on.” It was something that did not cost anything—just get out of the way of good old fashioned progress.

He indicated further that he would support more funding for economic development, but it had to be the right kind, and he did not know what $15,000 got the City. The question now became what would $30,000 get the City that $15,000 would not? That might be a full-time employee. It might be a consultant—as much as some were wary of consultants, as was he. He felt that what the City needed to do was first hear the ideas from City Staff—he had not even heard what the $15,000 bought and sure did not know what the $30,000 bought. He wanted to know City Staff’s thoughts—which could occur in a Workshop Session. He felt that a Workshop Session would be a good forum for such a discussion. Then, it was important for the City to spend effective dollars and did things that really worked.
Mayor Pro Tem Nauert closed by stating that he would not support the amendment, because maybe it was not enough. He agreed with City Manager Satterwhite in that City Council was being a little premature. He just wanted to know where the City was going first, what the deliverables would be, and how much needed to be put aside for those deliverables.

Councilman Avioli agreed that the City did not have a plan. He was still uneasy as to what the City was going to do with the $15,000—whether it was to hire someone or to come up with a plan or to get a consultant. He was not going to be able to support raising the amount to $30,000.

Councilman Friedberg indicated that he was trying to dissect what he had heard in the discussions. He had the sense that the only thing City Council was really disagreeing on, in general, was the number. He had not heard anyone who wanted to amend the budget to remove the $15,000 already included. What he was hearing was general agreement that while the $15,000 was okay, “City Staff this was the thanks you got for coming in with a modest figure.”

He felt that everyone agreed that $15,000, in general, was a start. He also heard general agreement (and if red tagging was the way to do it, he was not opposed to it) that the funds would remain in the budget, but City Staff was not to go forth and spend the funds until a plan was brought forward to City Council for the use of the funds. This meant Workshop Sessions, educating City Council, educating the public, and having the public educate the City . . . he was not trying to circumvent that or avoid going through that exercise.

Councilman Friedberg urged City Council to include $30,000 in the economic development line item for a few reasons. First, now that City Council had communicated very clearly to City Staff that they were expected to come forward with some meaningful proposal, City Council had doubled or raised the bar even higher stating that City Staff needed to be even more ambitious than what they thought $15,000 bought. City Council was telling City Staff upfront that they were prepared to stand behind at least $30,000 and wanted City Staff to come forward with something better than when they thought the instruction was $15,000. Secondly, he felt that it was much easier to dedicate some funds to something City Council generally felt was a pretty high priority. If there were a later need to divert those funds away, City Council could. It was much easier when the funding was already in the budget to agree to spend the money than to wait until later to try to pick up scraps to put together for economic development. He was in favor of including the $30,000 now and raising the bar for City Staff to bring something even more ambitious back to City Council than what $15,000 would provide.

Councilwoman Nathan asked if Councilman Friedberg was suggesting where City Council would get the additional $15,000 to solve the expenditure problem or if he were suggesting that City Council do away with . . .
Mayor Siegel indicated that the funds from the removal of AT&T U-Verse and Council meals . . .

Councilwoman Nathan advised that this was not an expenditure—this was out of VET.

Councilman Friedberg advised that utilizing those funds would reduce the extent of the transfer to VET. He asked that question of City Manager Satterwhite and he responded affirmatively that it would . . .

City Manager Satterwhite agreed, but restated that the parameter would be busted if that were okay.

Councilman Friedberg indicated that City Council set the parameters and could . . . He stated that perhaps he was wrong in the process. He thought the parameters were set up front, but could later be amended if City Council desired to do so.

Mayor Siegel agreed.

Councilman Friedberg stated that he was not talking about throwing the whole thing out and starting from scratch and spending in the seven or eight figures.

Mayor Siegel advised that the fact was that City Council had amended the budget before. Amendments were frequently made by City Council throughout the year.

Councilwoman Nathan advised that she was inclined to not support the amendment either for the reason just stated by Mayor Pro Tem Nauert. She was not sure what the City could do for $30,000 that it could not do for $15,000. If City Council was ultimately talking about hiring a full-time person, $30,000 would not buy a full-time person for very many months.

She felt that City Council all agreed that they wanted to do something. They all agreed that City Council needed to reach a point where they knew what they wanted to do. City Council needed input from the City Manager and from the Director of Community Development . . . she had suggested a Committee. Her committee, by the way, was not one to interact with the business community, but one to figure out what City Council wanted to do. She had conversations with Bill Thorogood (former Chair of the Planning and Zoning Commission) about such a person and what capacity they might take. He had even speculated there could be someone who might do this on a contingency basis. Once deals were put together, then the person would get paid. It sounded as if there were a variety of packages that could be put together and ways to do this. Councilwoman Nathan suggested that City Council encourage City Staff sooner or later to get an agenda item to City
Council so that City Council could start thinking about what they wanted to do. At this point, she was content to leave the line item at $15,000 in the proposed budget, but would be very receptive, once City Council had determined what they wanted to do, toward finding money to pay for it.

**Councilman Avioli** thanked the Mayor for the opportunity to speak again. He stated that he might be making an oversimplification. City Council was in a situation where City Council was not giving anyone any raises, were very concerned about funding that was being spent, and were talking about increasing economic development from $15,000 to $30,000 when City Council did not even know what the plan was. He suggested leaving the $15,000 in the budget and to move on. City Council had other things that had been cut back on, and certainly people’s salaries were one of those things. He was okay with staying with $15,000, but not doing anything further without a plan. The plan might include hiring someone—which he would support if that were what City Council decided to do. Right now, he needed a plan.

**Councilman Parker** stated that he believed City Council was focusing on the wrong things. To some degree, City Council and City Staff had become a bit numb from hearing the same thing over and over again over the last few years. It was no secret that something needed to be done about Bellaire’s commercial tax base; however, since there had not been significant results to date, he did not think there was—and because there had been efforts in the past where a return had not been seen on those efforts—he felt that City Council did not have the expediency that they probably should collectively.

For him, it was not about the number. It was about signaling City Council’s intent to meaningful address, by working with the businesses, their concerns. City Council had to find a way—whether through a big number or a committee—to answer the question businesses had asked, which was, whether or not City Council had heard them. It was important that businesses understood that City Council understood their concerns, understood that businesses were continuing to leave, understood that only certain businesses were attracted to Bellaire, and understood that residents wanted options of local places to shop.

Councilman Parker indicated that he did not have great faith that City Council would move this process forward or signal to the businesses that City Council was as committed as they were in making sure that City Council found ways to increase the commercial tax base. He advised that he was ignorant and ambivalent as to whether the City needed a full-time employee, economic incentives, consultants, etc. He disagreed with the earlier comment that it was not the job of City Council to engage the business owners—it was either staff or someone else’s . . .

**Mayor Siegel** advised that she did not say that—she felt that both City Council and City Staff could engage the business owners; however, City Council Members had day jobs to attend to.
Councilman Parker advised that he understood that. He asked a simple question—were Council Members willing, as individuals, to go out to the business community and facilitate that dialog—whether, collectively, through some committee, or individually? That answer to that question would dictate his comments as to what he felt City Staff should then do based on City Council’s willingness to invest their time and focus.

Mayor Siegel stated that over her previous eight years as Mayor, her role was to run the meetings and her vote carried the same weight as any other member of City Council. Part of the role of the Mayor was to attend many meetings with the City Manager because people wanted someone representative of the elected body present at many of the meetings. She referred to meetings with the Metropolitan Transit Authority of Harris County, Texas (METRO), meetings with land owners and potential developers, etc. She felt that all members of City Council spent a great deal of time, some more than others, talking to people. However, she did think to really move economic development forward—whether this budget or down the road and whether it be through a contract person or part-time employee or full-time employee—it would take someone who was assigned the responsibility and focus to get out there and market and sell the City, as well as to work with existing business owners.

For example, when the City’s newly rezoned UV-T District was the RDD Zoning District, Mayor Siegel ran into a developer that did not realize that the land in that area was in Bellaire who felt that it was a great piece of property worthy of development. If the City had someone on Staff that she could have referred the developer to, it would have been great. Additionally, there had been opportunities for her to provide materials to potential developers and/or corporations desiring to locate in the City, but Bellaire had no marketing materials for her to provide.

She agreed with Councilman Avioli—Bellaire did not yet have a plan. She would vote against the amendment, with the idea that City Council might provide more once City Council had a Workshop Session with City Staff to find out the idea.

City Manager Satterwhite asked if there would be any chance of getting a few Council Members—perhaps, Councilman Reed, Councilman Parker, and Councilwoman Nathan—and a few City Staff members together to figure out the City’s goals and objectives. Using those goals and objectives, City Staff would have a better idea as to how to come up with a cost. This was more than a person. That person needed to be provided with the resources to do their job—office space, computer, etc. He certainly wanted to facilitate what he had heard this evening. The $15,000 might pay to at least get that started.

Councilwoman Nathan advised that this was what she meant by a “committee.”
**City Manager Satterwhite** indicated that this “committee” could then come back to City Council with a proposal.

**Councilman Friedberg** stated that in closing (and before he lost this vote), it occurred to him that all of the arguments he had heard against it intellectually would also support an amendment to remove the $15,000 in its entirety until City Council had a plan. He would not be making that amendment, but hoped that someone would because it was a very consistent view.

All Councilman Friedberg was trying to do was increase the number if there was agreement on the $15,000 (that City Council was not spending until they had a plan), he could not see why there was not agreement on the $30,000 (again, that City Council was not spending until they had a plan).

Obviously, he would be voting for his amendment, but would expect that another member of City Council would offer an amendment to remove the $15,000 on the same basis that was articulated to oppose his amendment.

**Councilman Reed** advised that he would vote against the amendment after hearing everyone. He really felt that the number should be greater than $30,000. He also agreed that City Council should have a plan. He did not want City Council to take a long time to develop the plan as it would hinder the City. He noted that Mayor Siegel was an outgoing Mayor, but the incoming Mayor (whether that be Dr. Nauert or someone else) would find having such a plan to be an asset. He urged City Council to be ready to hit the ground running when the economy turned around—the person and plan for economic development needed to be in place at that time.

**Mayor Siegel** called for a vote on the amendment. Prior to voting, however, Councilman Parker indicated that he had another comment.

**Councilman Parker** stated that before City Council got to a plan, noting that everything he had stated earlier yielded no comments from City Council—so, he must not have stated his comments very clearly—he agreed that members of City Council had day jobs and that City Staff was paid to operate the City. His question was whether City Council agreed that economic development was going to be a significant area of focus. For example, was it more important than feral cats and garage sale signs? Would City Council focus on economic development? This was one of the more important focuses, in Councilman Parker’s opinion, that City Council should consider. Before getting to a plan and setting a number, did City Council collectively agree that economic development was a focus or were other areas more important for the City to focus on?

**Mayor Siegel** advised that she had not heard any member of City Council make the statement that economic development was not a priority. She believed the issue was what number to throw out. She suggested that
whether City Council went with $15,000 or $30,000, she would commit to working with the City Manager in setting up a Workshop Session. She felt that City Council could preliminarily workshop the issue, then appoint a subcommittee to flush out a plan. At that point, City Council could set its objectives. She suggested it be done soon.

Councilman Parker asked for confirmation that economic development was a higher priority than other areas City Council had focused on during the past year. He was trying to find a sense as to where City Council was.

Councilman Reed indicated that he considered it a higher priority.

Councilman Friedberg indicated that he had neglected to answer Councilman Parker’s question. He did not do so because he was not willing to commit the time, but rather because he did not profess to have the expertise to do what he thought was needed to do it right. Again, everything he had heard this evening was not to throw a number in until City Council had a plan.

Councilman Parker advised that he was supporting Councilman Friedberg’s amendment.

Councilman Friedberg felt that all members of City Council were on the same page with respect to their support of economic development—City Council should be involved in economic development, but professional expertise was also needed. The City needed to make a multi-pronged attack with respect to economic development.

Mayor Siegel called for a vote on the amendment.

COUNCIL ACTION (FINAL) ON COUNCIL AMENDMENT (NO. 2):

The amendment failed on a 2-5 vote, as follows:

FOR: Councilmen Parker and Friedberg

OPPOSED: Mayor Siegel, Mayor Pro Tem Nauert, Councilmen Reed and Avioli, and Councilwoman Nathan

ABSENT: None

Mayor Siegel asked if anyone wanted to make the amendment suggested by Councilman Friedberg to remove the $15,000 slated for economic development from the budget. She indicated that she was fine with re-tagging the item, with the idea that City Council might come forward (as had been done in the past) and change the funding.

Councilman Parker asked if City Staff could spend up to $15,000 to come up with a plan.
Mayor Siegel and City Manager Satterwhite advised that City Staff could not because the item was red tagged.

Mayor Siegel advised that any one member of City Council could tag an item.

Mayor Pro Tem Nauert suggested that City Council move on.

Councilwoman Nathan advised that she would either like to discuss all of the VET items that were not already red tagged or to be funded out of the court technology fund. She asked the City Manager how inconvenient it would be for City Staff if all of the items were red tagged.

City Manager Satterwhite indicated that there were some items in the VET Fund that he felt the City should go forward with as those items were almost a part of normal operations.

Councilwoman Nathan asked if City Manager Satterwhite could advise as to what those items would be. She indicated that she would like to know which items the City routinely did.

City Manager Satterwhite referred to the personal protective equipment replacement program and the fire hose replacement program as examples of routine items considered part of normal operations.

He indicated that it would be easier for him to suggest what City Council should red tag.

Mayor Siegel asked if City Council could consider City Manager Satterwhite’s suggestions during the meeting in which the budget would be considered. For example, City Manager Satterwhite could prepare a list for City Council as to which items in the VET Fund were critical and which were non-critical.

City Manager Satterwhite suggested that he provide that list now. Items that could be red tagged were cited as follows: portable radios and vehicle replacement (had already been red tagged).

Councilman Nathan inquired as to which month in the fiscal year that vehicles were purchased.

City Manager Satterwhite indicated that vehicles were purchased early in the fiscal year (October or November). The remaining items included in the VET Fund that had not previously been red tagged should remain untagged.

Councilwoman Nathan stated that she wished to red tag the portable radios and vehicles that were included in the VET Fund.
Councilman Friedberg suggested eliminating the $1,100 for Council meals and made an amendment to that effect.

COUNCIL AMENDMENT (NO. 3):

Councilman Friedberg moved to eliminate the $1,100 that had been included in the proposed fiscal year 2012 budget for Council meals. Councilman Parker seconded the amendment.

COUNCIL ACTION (FINAL) ON COUNCIL AMENDMENT (NO. 3):

The amendment carried unanimously on a 7-0 vote as follows:

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

OPPOSED: None

ABSENT: None

Councilman Reed asked if a vote were necessary on the budget items Councilwoman Nathan suggested red tagging.

Mayor Siegel indicated that a vote was not necessary. She advised that if there were any other items that any one member of City Council wanted to tag, those items could still be mentioned on the evening that City Council considered a final vote on the budget. By red tagging an item, City Council was simply telling City Staff that they wished to review the item or service before City Staff purchased or contracted for it.

Mayor Siegel advised that City Council would consider a final vote on the budget on September 12, 2011. She suggested setting up a Workshop Session at some point in September on economic development.

City Manager Satterwhite asked for confirmation that City Council wanted to hold a Workshop Session in lieu of having a few members of City Council meet with him.

Mayor Siegel advised her thought was to have a Workshop Session on economic development. At that point, if City Council wanted to develop a subcommittee to follow up on the issue, a subcommittee could be formed.

Councilman Parker indicated that he was sorry to disagree with the Mayor, but he felt that a Workshop Session was needed when all members of City Council needed to be educated on an issue and/or needed to hear from the community on something that all members of City Council had a focus on. He was not convinced that all members of City Council had the same intensity for
wanting to move forward with economic development. He felt City Council was better off following the suggestion of Councilwoman Nathan and City Manager Satterwhite to have those members of City Council who were really “on fire” as to moving forward with economic development get together with City Staff and the Planning and Zoning Commission. A Workshop Session could be held after that group had an opportunity to meet.

He noted that it was clear that all members of City Council cared about economic development, but members seemed to have different focuses . . .

**Mayor Siegel** advised that the reason she suggested a Workshop Session was because she felt it was important for City Council to discuss their views as to what “economic development” meant to them and how the City could get there before City Staff, as well as a group of Council Members, spent a great deal of time on the issue without having that knowledge.

For example, Councilman Reed might have different thoughts than Councilwoman Nathan or Mayor Pro Tem Nauert as to how the City could reach its economic development goals. It was important to clarify the vision for City Staff. Following a Workshop Session, a subcommittee of Council Members and/or some of the Planning and Zoning Commissioners could be appointed to work with City Staff.

She agreed that each member of City Council probably had a different vision as to economic development.

**Councilman Parker** advised that he believed that some members of City Council would rather work on other focuses than economic development. There were a number of items that City Council wanted to move forward on . . .

**Councilwoman Nathan** asked if Mayor Siegel were suggesting that City Council hold a Workshop Session on economic development during the month of September.

**Mayor Siegel** suggested that City Council hold a Workshop Session on economic development and have further deliberations or discussion on it. Workshop Sessions were not just held for the purpose of educating City Council. There were informational, educational workshops and there were workshops where City Council rolled up their sleeves and crafted policies or performed other work. Under City Council’s Rules of Procedure, public input was not received during Workshop Sessions.

Her guess would be that almost every member of City Council would state that economic development was important enough to them that they would want to be a part of developing that vision. Her suggestion was merely to let all members of City Council have an opportunity at the beginning. At that
point, a subcommittee might be split off to work further on economic development.

Councilwoman Nathan suggested having a one hour Workshop Session before City Council’s second meeting in September. This would be very quick and would not delay thing, as well as allow members of City Council an opportunity to get their views on the table and give those with a burning desire the opportunity to state that they wished to work on the issue further.

Mayor Siegel asked City Manager Satterwhite if he had any thoughts.

Before City Council Satterwhite had an opportunity to respond, Councilman Friedberg advised that he thought this was much ado about nothing and did not see those as being mutually exclusive. City Council could go ahead and say they would hold and attend a Workshop Session, but as individuals, members of City Council were not prohibited from starting to do the things each were “on fire” to do. Indeed, three members could do so at the same time without having a quorum.

Councilman Avioli stated that he felt that City Manager Satterwhite and Director of Community Development McDonald needed to be asked if they could supply City Council with their thoughts and help City Council develop a plan. In other words, would the second meeting in September give them enough time to provide thoughts to City Council? He agreed—economic development was high on his agenda, but City Staff and City Council needed time to put a plan together before doing anything.

City Manager Satterwhite indicated that he and Director McDonald could be prepared to provide thoughts and support a one hour Workshop Session.

Councilman Avioli stated that he wanted to make the point that input from City Manager Satterwhite and Director McDonald would be very necessary . . .

City Manager Satterwhite advised that he did not believe that City Council would get much done in one hour, but could certainly get started.

Mayor Pro Tem Nauert agreed that he did not think City Council would get much done in an hour and would prefer more time, but certainly an hour was a place to start and then come back with some more time. He suggested having a briefing by the City Manager and Director of Community Development and felt that the more informal the session was, the better it would be. He felt the public should be invited, but not necessarily part of the process. He suggested following the format City Council followed during their goal-setting Workshop Sessions, such as throwing out ideas and someone marking those ideas down on a board. A list could then be developed, with City Council having an opportunity to pare the list down.
Mayor Siegel agreed with Mayor Pro Tem Nauert and stated that she felt City Council needed more than one hour to discuss the issue.

Mayor Pro Tem Nauert advised that he realistically thought more than an hour was needed as well—to really get the juices flowing.

Mayor Siegel suggested and thought that everyone needed to refresh their memories by rereading the Comprehensive Plan, as it was the driving document for the City. She asked if City Council wanted a dedicated Workshop Session for economic development and indicated that it did not have to be scheduled on a Monday evening.

Mayor Pro Tem Nauert suggested the Tuesday evening after the second City Council Regular Session (i.e., September 20, 2011).

After several members of City Council indicated that they were not available that Tuesday, Councilwoman Nathan suggested sticking with another Monday.

Mayor Pro Tem Nauert suggested having a Workshop Session on Monday, September 26, 2011.

Mayor Siegel asked City Manager Satterwhite to send an email to City Council listing several dates. The date on which the most members of City Council could attend would be selected for the Workshop Session. It was possible that a date might have to be selected that was not on a Monday, but City Staff would try for a Monday.

Councilman Parker asked for confirmation that the discussion during the Workshop Session on economic development would just be between members of City Council.

Mayor Siegel advised that she believed the Workshop Session would be considered a preliminary discussion.

Councilman Parker indicated that he thought the discussion this evening was a preliminary discussion.

Mayor Siegel advised that the discussions this evening were related to the budget. Based on the preliminary discussions this evening, there were many different ideas as to what economic development entailed—from a full-time person to a part-time person to whatever. The Workshop Session would help City Council develop a scope for an economic development plan.

Councilman Reed indicated that he wanted to send a message out that Bellaire was open for business—Bellaire just needed to be very proactive in attracting the right kind of businesses and expanding its tax base.
Councilman Parker indicated that Bellaire also needed to be proactive in eliminating the disincentives that were already out there—like the sign ordinance.

Mayor Siegel advised that she agreed and suggested continuing the discussion on a night when City Council was fresh and could come prepared to talk about that one subject. A Workshop Session would give City Council a pretty wide range.

C. ADJOURNMENT.

Mayor Pro Tem Nauert moved to adjourn the Special Session (Budget) of the City Council of the City of Bellaire, Texas, at 9:23 p.m. on Tuesday, August 16, 2011. Councilman Reed seconded the motion. The motion carried unanimously on a 7-0 vote as follows:

FOR: Mayor Siegel, Mayor Pro Tem Nauert, Councilmen Reed, 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