The City Council of the City of Bellaire, Texas, met in Regular Session on Monday, September 12, 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 Cindy Siegel called the City Council of the City of Bellaire, Texas, to order at 7:02 p.m. on Monday, September 12, 2011.

Also present were Mayor Pro Tem Phil Nauert, Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, 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 Corbett Daniel Parker.

Councilman Corbett Daniel Parker provided the inspirational reading for the evening.

C. PLEDGES TO THE FLAGS – Councilman Corbett Daniel Parker.

1. U.S. PLEDGE OF ALLEGIANCE.

2. PLEDGE TO THE TEXAS FLAG.

Councilman Corbett Daniel Parker led the audience and members of City Council in the U.S. Pledge of Allegiance and the Pledge to the Texas Flag.

D. PERSONAL/AUDIENCE COMMENTS:

Robert Riquelmy, 506 Winslow Lane, Bellaire, Texas, addressed City Council and referred to the passengers on Flight 93 who recognized their duty and paid the ultimate cost on September 11, 2011. He next referred to City Council and advised that City Council could not do the most fundamental things—such as, fixing the doors to City Hall. Mr. Riquelmy indicated that things needed to change, and he hoped that things would change in November.
Joan Oshman, 4928 Holly Street, Bellaire, Texas, addressed City Council regarding garage sales. Ms. Oshman indicated that she had received an email advising that garage sales would be discussed by City Council this evening and apologized if that were not the case.

Ms. Oshman advised that she had followed the rules for 26 years—she had obtained permits and put up signs to advertise her garage sales. The last garage sale she had started at 8:30 a.m. By 9:00 a.m., no one had come by because the signs advertising her sale had been taken down.

Ms. Oshman suggested that if City Council wanted to raise the permit fee to $5.00 or $15.00, then they should. If City Council wanted to limit the hours for garage sales to 12:00 p.m. or 1:00 p.m., that would also be fine. If, however, City Council wanted to limit residents to one garage sale sign to be placed in their own yard, then no one would see residents’ signs and come to their garage sales. She suggested further that a fine or fee should be charged to those permit holders who failed to remove their signs at the conclusion of their garage sales.

In closing, Ms. Oshman indicated that she and most other residents she knew held garage sales only once or twice per year. She urged City Council not to make “a big deal” out of something that did not need to be made a big deal out of.

Mayor Siegel asked for confirmation from City Manager Satterwhite as to the date on which City Council would consider changes to the garage sale ordinance.

City Manager Bernard M. Satterwhite, Jr., advised that proposed changes to the City’s garage sale ordinance would be presented to City Council for consideration on Monday, September 19, 2011.

Lynn McBee, 5314 Evergreen Street, Bellaire, Texas, addressed City Council, noting that she, as had many others, spent the weekend remembering September 11th.

Two positive things Ms. McBee wished to mention were additions to the City’s website consisting of links to the 2010 Texas Conflict of Interest Laws Made Easy and the Texas Ethics Gift and Honorarium Laws Made Easy, both of which were produced by the Texas Attorney General’s Office. Ms. McBee personally thanked Assistant City Manager Diane K. White for providing those links on the City’s website.

As an election official, Ms. McBee referred to the following upcoming elections:

- November 8, 2011 – City of Bellaire General Election and State Constitutional Amendment Election (10 amendments on the ballot);
March 6, 2011 – Primary Election; and

Ms. McBee noted that there were four posts or positions on the City of Bellaire’s General Election ballot, with six candidates vying for the positions. Ms. McBee indicated that a “Meet and Greet” Candidate Forum would be held in the City Civic Center on Thursday, October 6, 2011, from 6:30 p.m. until 8:30 p.m. The exact format for the forum had not yet been set, but Ms. McBee indicated that the group hosting the forum wanted to ensure that residents were made aware of and invited to the forum as soon as possible.

Laura Zito, 4400 Mildred Street, Bellaire, Texas, addressed City Council regarding the sidewalks to be constructed along Baldwin Avenue.

Ms. Zito referred to a public meeting held July 12, 2011, at which time plans were unveiled about the sidewalks on Baldwin Avenue. Prior to that time, Ms. Zito had been unable to obtain information as to whether sidewalks would be constructed on Baldwin Avenue and where the sidewalks would be located. During the public meeting, residents were told what the plan was and that sidewalks would be installed on Baldwin Avenue. Public input was not taken at that time.

Later, in response to comments that Ms. Zito and her husband left at the public meeting, they received a note postmarked August 15, inviting them to come and address City Council with their specific concerns. The meeting in which she and her husband were invited to speak was also that same evening.

Ms. Zito indicated that she was in attendance because she had read in the newspaper that City Council might consider those sidewalks this evening. Before going any further with her comments, Ms. Zito asked if City Council was taking up that issue this evening.

Mayor Siegel indicated that City Council would not consider the sidewalks this evening and asked for confirmation from City Manager Satterwhite regarding a possible date on which the sidewalks might be considered.

City Manager Satterwhite advised that City Council directed City Staff to bid the Baldwin Avenue Extreme Event Storm Sewer Project with the sidewalks as an add alternate. City Council would have an opportunity to decide whether or not to construct the sidewalks during the bid consideration. He estimated that City Council might see this item on their agenda during November.

Councilman Andrew Friedberg asked for confirmation from the City Manager that the City was requesting input from residents.
City Manager Satterwhite advised that Councilman Friedberg was correct. He had hoped to provide that input to City Council a little closer to the time the bid for sidewalks was considered.

Councilman Friedberg asked for confirmation that residents would have an opportunity to provide input to City Council.

City Manager Satterwhite stated that Councilman Friedberg was correct. He noted further that City Staff would send a letter to all residents inviting them to provide input on sidewalks along Baldwin Avenue prior to the meeting in which the bid would be considered.

Mayor Siegel inquired as to the timeframe in which letters would be sent to residents.

City Manager Satterwhite indicated that letters would probably be sent during the month of October.

Ms. Zito inquired as to the timeframe when City Council would vote on the issue of sidewalks.

Mayor Siegel advised that a vote would be taken when City Council considered the bids received for the project. At that point, City Council would decide whether or not to include a sidewalk as part of the overall project. The vote or consideration by City Council was a function of when the bids were received.

Ms. Zito stated that she had been taking an informal poll, and that very few people she had talked with who used the street on a regular basis to walk or jog were aware that sidewalks might be constructed along the street. When asked if they would use sidewalks, those people had indicated that they would not.

Ms. Zito expressed her concern that people did not realize the unusual nature of Southdale and Baldwin Avenue. The street served as a “promenade” more so than for traffic. To destroy that because sidewalks had been constructed along other streets in Bellaire was a concern to her.

Ms. Zito advised that she read in the newspaper that a survey was going to be done, but she had not yet seen a survey. She indicated that she very much wanted to participate in the survey and asked if City Council would let residents suggest what questions needed to be asked on the survey.

Mayor Siegel advised that she did not recall City Council voting to conduct a survey. Residents would receive notification as to when sidewalks would be considered by City Council and would be asked to submit written comments or to attend the City Council meeting.
Ms. Zito asked for confirmation that written comments would be considered.

Mayor Siegel indicated that if written comments were submitted to the City Clerk prior to the meeting, she would read those comments into the record during the meeting.

Councilwoman Mandy Nathan advised that she believed City Council had voted to mail a survey to residents.

Councilman Friedberg stated that he understood that City Manager Satterwhite would be mailing the survey to residents in October.

Mayor Siegel advised that whatever City Council voted on would be done.

Councilman Corbett Daniel Parker indicated that City Council would be interested in reviewing the informal survey that Ms. Zito had conducted and asked if she could provide a copy.

Mayor Siegel stated that she had allowed a great deal more dialog than she should have as this item was not on tonight’s agenda.

Ms. Zito advised that she would be much more prepared than she was today, and indicated that she had three-four signatures opposing the sidewalks and was certain that she could get more before City Council took action on the project.

E. REPORTS:

1. CITY MANAGER’S REPORT regarding public infrastructure/utilities (projects update and water main leaks), current issues/information (progress of demolition of home at 4529 Park Court), and upcoming City Council meetings/events – Presented by City Manager Bernard M. Satterwhite, Jr.

City Manager Bernard M. Satterwhite, Jr., presented the City Manager’s Report dated September 12, 2011, to members of City Council.

Public Infrastructure/Utilities

Rebuild Bellaire Program, Phase Three Project

With respect to ongoing public infrastructure/utilities projects, specifically the Rebuild Bellaire Program, Phase Three Project, it was noted that Second Street from Jessamine Street to Evergreen Street was 50% completed with respect to storm sewer installation and 25% completed with respect to pavement reconstruction. The CenterPoint Energy underground gas line relocation project along Second Street
was completed. Reconstruction of the portion of Second Street from Evergreen Street to Braeburn Drive was slated to begin during the next week.

**Rice Lift Station Project**

The City was still having problems with pumps continuing to clog at the Rice Lift Station. City Manager Satterwhite met with the engineers a few weeks ago on the project and was advised that the engineers were currently working with the contractor and the vendor on the problem. The old lift station would continue to be operational until the problem with the pumps at the new lift station was resolved. The new lift station was operational and in use; however, once the pumps clogged, operations were automatically switched over to the old lift station.

**Feld Park Water Plant Rehabilitation**

With respect to the Feld Park Water Plant Rehabilitation Project, it was noted that the project 75% completed. Once the rehabilitation was completed, the entire Feld Park Water Plant would be “new.” The City had rehabilitated the well; new electrical work had been completed; and the plant had new pumps. Service would be transferred from the “old plant” to the “new plant” in the near future. City Manager Satterwhite advised that residents would not notice the transfer of service.

**South Rice Avenue Crosswalk Project**

The South Rice Avenue Crosswalk Project was on hold because the contractor was awaiting the receipt of some project materials. Items remaining to be completed were signal heads, street markings, and cabling. The project was scheduled to be completed on October 26, 2011.

**Generator Project**

City Council would be asked to award a bid for the backup generators at the Wastewater Treatment Plant and the Central Water Plant during the next Regular Session. City Manager Satterwhite advised that the City had received a $2 million grant from the federal government for the project. Upon approval of a bid award, City Staff anticipated installation of the generators during the fall of 2011. Upon completion of the installation, the City of Bellaire would be in compliance with Senate Bill 361 (S.B. 361) which required the City to have the ability to provide wastewater and water service to its residents in the event of an emergency.
Baldwin Avenue Extreme Event Storm Sewer Project

The Baldwin Avenue Extreme Event Storm Sewer Project was on hold because Bellaire had not received approval from the City of Houston to purchase detention in the Meyer Tract. The City’s request needed to go through the City of Houston City Council. Bellaire had decided to work around that process by requesting bids within the next few weeks with detention included as an add alternate. City Staff anticipated opening bids for the project during the latter part of October. The project would likely be presented to City Council for approval in November.

Odor Control Study

City Manager Satterwhite advised that the Odor Control Study that the City commissioned some months ago was completed, and a report would be presented to City Council at the next Regular Session (i.e., September 19, 2011).

On-Street Pavement Markings Project

Installation related to the “On-Street Pavement Markings” contract approved by City Council on August 15, 2011, would begin this week. Bellaire Boulevard would be striped first, followed by the striping of Bissonnet Street two weeks later.

Weather-Related Repairs

City Manager Satterwhite referred to weather-related issues around Bellaire that had resulted in the need for repairs. For example, the pavement on a number of streets had buckled due to heat. The City was removing and replacing a 121’ X 13’ section of concrete pavement in the right lane of Bellaire Boulevard. Other areas of pavement had sunk, but not within main driving lanes. Areas within main driving lanes would be repaired.

Work had been done at the intersection of Linden Street and South Rice Avenue on water lines. City Manager Satterwhite advised that the City had three water lines in that area—a 12” line, an 8” line, and a 6” line. All three lines broke at the same time and, at one point in time, the City was losing 10,000 gallons per minute.

Minor water leaks had been reported in the following areas: 4405 Acacia Street (6” water line), 4526 Holt Street (6” water line), the intersection of Glenmont Street and Newcastle Drive (6” water line), and 4645 Spruce Street (1” service water line). Repairs related to the minor leaks were scheduled during the upcoming week.
Current Issues/Information

4529 Park Court Demolition

City Manager Satterwhite advised that the demolition of the residential structure at 4529 Park Court was in progress. The water, sewer, electrical, and gas lines had been capped. One item remaining was tree fencing, which should occur during the week. The City had been in contact with the demolition contractor and as soon as the tree fencing was in place, the structure would be demolished.

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>September 19, 2011</td>
<td>7:00 p.m.</td>
<td>Regular Session</td>
</tr>
<tr>
<td>September 26, 2011</td>
<td>6:00 p.m.</td>
<td>Joint Workshop Session with the Planning and Zoning Commission (Changes to the UV-T Zoning District)</td>
</tr>
<tr>
<td>October 3, 2011</td>
<td>7:00 p.m.</td>
<td>Regular Session</td>
</tr>
<tr>
<td>October 10, 2011</td>
<td>6:00 p.m.</td>
<td>Workshop Session (Economic Development)</td>
</tr>
<tr>
<td>October 17, 2011</td>
<td>7:00 p.m.</td>
<td>Regular Session</td>
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Following questions of City Manager Satterwhite regarding the City Manager’s Report, action was taken to accept the report into the record.

COUNCIL MOTION/ACTION (FINAL):

Councilman Andrew Friedberg moved to accept the City Manager’s Report dated September 12, 2011, as presented by City Manager Bernard M. Satterwhite, Jr., into the record. Councilwoman Mandy Nathan seconded the motion. The motion carried unanimously on a 7-0 vote as follows:

FOR: Mayor Cindy Siegel, Mayor Pro Tem Phil Nauert, Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker and Andrew Friedberg and Councilwoman Mandy Nathan

OPPOSED: None

ABSENT: None
F. CONSENT AGENDA:

APPROVAL/CORRECTION OF MINUTES:

1. CONSIDERATION of and possible action on the adoption of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, August 1, 2011 – Item submitted by City Clerk Tracy L. Dutton.

   *Note: This item was postponed on August 15, 2011, to allow members of City Council an opportunity to review changes requested by Councilman Friedberg.

2. CONSIDERATION of and possible action on the adoption of the minutes of the Special Session (Budget Public Hearing) of the City Council of the City of Bellaire, Texas, held on Monday, August 15, 2011 – Item submitted by City Clerk Tracy L. Dutton.

3. CONSIDERATION of and possible action on the adoption of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, August 15, 2011 – Item submitted by City Clerk Tracy L. Dutton.

4. CONSIDERATION of and possible action on the adoption of the minutes of the Special Session (Executive Session) of the City Council of the City of Bellaire, Texas, held on Tuesday, August 16, 2011 – Item submitted by City Clerk Tracy L. Dutton.

5. CONSIDERATION of and possible action on the adoption of the minutes of the Special Session (Budget) of the City Council of the City of Bellaire, Texas, held on Tuesday, August 16, 2011 – Item submitted by City Clerk Tracy L. Dutton.

Members of City Council requested separate consideration of several items on the Consent Agenda as follows:

- Mayor Cindy Siegel – Minutes of the Regular Session held August 1, 2011 (F1);
- Councilman Andrew Friedberg – Minutes of the Regular Session held August 15, 2011 (F3); and
- Councilman James P. Avioli, Sr. – Minutes of the Special Session (Executive Session) held August 16, 2011 (F4).
Mayor Cindy Siegel called for a vote on the remainder of the Consent Agenda dated September 12, 2011, consisting of items F2 and F5.

COUNCIL MOTION/ACTION (FINAL):

Mayor Pro Tem Phil Nauert moved to approve the portion of the Consent Agenda dated September 12, 2011, consisting of the following:

- Minutes of the Special Session (Budget Public Hearing) of the City Council of the City of Bellaire, Texas, held on Monday, August 15, 2011; and

- Minutes of the Special Session (Budget) of the City Council of the City of Bellaire, Texas, held on Tuesday, August 16, 2011.

Councilman Andrew Friedberg seconded the motion. The motion carried unanimously on a 7-0 vote as follows:

FOR: Mayor Cindy Siegel, Mayor Pro Tem Phil Nauert, Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker and Andrew Friedberg and Councilwoman Mandy Nathan

OPPOSED: None

ABSENT: None

Separate Consideration of Consent Agenda Item F1:

CONSIDERATION of and possible action on the adoption of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, August 1, 2011 – Item submitted by City Clerk Tracy L. Dutton.

*Note: This item was postponed on August 15, 2011, to allow members of City Council an opportunity to review changes requested by Councilman Friedberg.

COUNCIL MOTION:

Mayor Pro Tem Phil Nauert moved to approve the adoption of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, August 1, 2011. Councilman Roman F. Reed seconded the motion.
DISCUSSION:

Councilman Andrew Friedberg thanked the City Clerk for preparing a blacklined version of the minutes with his proposed revisions. He advised that after looking at the blacklined version as compared to what he had offered, he believed a few tweaks were needed.

Councilman Friedberg referred to the period at the end of line 64, page 2, and indicated that the period did not need to be struck through. More substantively, on page 6, line 284, changes in the blacklined version that were not in the version he submitted, so he did not believe those changes needed to be made. The strikeouts on lines 286 to 288 were correct.

On page 9, there were six lines of verbiage that reflected the amendment that was adopted by City Council. His original request was to ensure that the verbiage within those six lines was correct so that City Council knew what they had voted on.

The City Clerk had taken the time to add some verbatim conversation starting on page 7, line 313, and carried that through to page 9, line 390. He was not actually looking for the verbatim conversation, but rather wanted to ensure that the language in the amendment was correct. So, going back to line 309, there was no need to strike any of that language. Lines 313 through 393 could be removed. The City Clerk had confirmed that the text at line 395 was correct. In summary, no changes were needed to that portion of the minutes.

On page 13, the phrase “of the process” on line 592 should be struck through.

COUNCIL AMENDMENT:

Councilman Andrew Friedberg moved to amend the blacklined version of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, August 1, 2011, as follows:

- Remove the strike through of a period at the end of line 64, page 2. Line 64 would read as follows:

  demolished. Because of that ruling, the City Attorney had advised Staff told

- Remove the blacklined changes made on line 284, page 6 (as those changes were not requested). Line 284 would read as follows:
*Councilman Friedberg indicated (at a later point in the meeting)*

- The language struck through on page 7, lines 309-311, should remain in the minutes. Lines 309-311 would read as follows:

  Following further discussion related to the amendment, the following language was crafted by Councilman Friedberg and Councilwoman Nathan and agreed to by Councilmen Reed and Parker:

- Remove the verbatim conversation included on pages 7-9, lines 313-393. The language to be removed included the following:

  [Councilman Friedberg requested a verbatim transcription of the discussion set forth below]

  **Councilwoman Nathan:** Can I make a suggestion that... I still think it is a little confusing having that be the end. Does it not make sense to have that be at the beginning and say you don't have to have a permit for the first ten days and just say after that that a permit can be obtained for 14 days?

  **Councilman Reed:** Why do all that—you don't need a permit for the first 10 days.

  **Mayor Siegel:** Can we get some language though, written, for Tracy?

  **Councilman Friedberg:** I will work on that.

  **Mayor Siegel:** Okay. Can we vote on it? So, we'll basically, and we'll get language on it, but it would state like Mandy said. At the beginning, a permit is not required to display a temporary banner/pennant for a period not to exceed 10 days, uh, upon declaration of a disaster or significant event as designated by the City Manager or Mayor of Bellaire and then going on to exemptions, may be granted 14, and that part becomes permits must be issued to grant a 14-day extension.

  So, Andrew you're going to draft some language? Is that correct? Or, Mandy?

  **Councilman Friedberg:** Well, I guess I don't think it works as well to put it up at the front. Because, after you've just said "a permit is not required for 10 days," and then say "a permit may be issued for a period not to exceed 14 days," etc. The way I would do it is at the very end... well, for the initial permit, I
would—at the very end say, if you want to lead in with “Notwithstanding the foregoing, a permit shall not be required for 10 days.” I just, uh, I don’t think it logically reads to say no permit required for 10 days, and oh, by the way, if you want a permit, here is how you do it. It doesn’t flow.

**Councilwoman Nathan:** Uh, I’m fine with that. My idea was not to even include a reference to a permit in the first sentence. The idea in the first sentence would just be “a temporary banner may be placed for 10 days following the declaration of a disaster . . .”

**Mayor Siegel:** I just need language. We need to vote on something and Tracy needs language. So, could someone come up with language? Alan? Roman?

**Councilman Parker:** I have one question for Alan on the language. Do we need to state the date of disaster declaration, not just date of disaster?

**Mayor Siegel:** I think you say “as designated by the . . .”

**Councilman Parker:** Yeah, I mean, because I think we need to, I mean that’s an absolute date—the date you or Bernie declare a disaster or a special . . .

**Councilman Friedberg:** I mean, uh, for purposes of recapping what we are about to vote on, I will orally say what I am about to write down. Forgive me if I don’t say what I write, but at the very end of 465 after everything else, we just say “Notwithstanding the foregoing, no permit shall be required to display a temporary banner/pennant, uh, for, uh, a period of 10 days immediately following a disaster or significant event as designated by the City Manager or the Mayor of Bellaire.”

**Mayor Siegel:** But, I want to see the whole thing read so people can vote. Can we get something in writing?

**Councilman Friedberg:** If you could pass me a computer, I could do it faster.

**Mayor Siegel:** Let’s take a five-minute break and then we’ll have it in writing.

[City Council took a five minute break at this point in the meeting]

[End of verbatim transcription]
The following language was presented to City Council for consideration after the break:

- The phrase “of the process” on page 13, line 592, should be struck through. Line 592 would read as follows:

  Following further discussion of the process that would be required to

Councilman Corbett Daniel Parker seconded the amendments as set forth above.

DISCUSSION ON THE COUNCIL AMENDMENT:

Mayor Pro Tem Phil Nauert advised that he would be abstaining from a vote on the minutes of the Regular Session held on August 1, 2011, because he was absent from that meeting.

Councilman Friedberg asked for confirmation that the motion included the adoption or approval of the blacklined version of the minutes, with the changes he had just noted.

Mayor Siegel advised that she assumed that was the motion.

Councilwoman Mandy Nathan indicated that, while she appreciated Councilman Friedberg’s eagle eye and would admit that she had used it in becoming lax in reviewing minutes herself, she thought City Council had gone with action minutes to make things easier for the City Clerk. She, for one, would only like to vote for changes that were substantive and that were necessary to correct the accuracy of the minutes.

Councilwoman Nathan referred to the proposed revisions to the comments made by visitor Laura Thurmond (page one of the minutes). Councilwoman Nathan indicated that she had reviewed the video of the City Council meeting and the City Clerk had included what had been said by Ms. Thurmond. She did not think it was City Council’s job to go through and make Ms. Thurmond’s comments more technically correct. Ms. Thurmond’s comments were her comments—correct or not correct.

Councilman Friedberg indicated that he agreed with Councilwoman Nathan.

Councilwoman Nathan stated that she would like to leave Ms. Thurmond’s comments as originally written in the minutes.
At this point in the meeting, Councilwoman Nathan, Councilman Friedberg, and Mayor Siegel discussed the best way in which City Council could vote on the various amendments. Mayor Siegel suggested going through the minutes on a page by page basis and voting on each page.

**Councilman Parker** suggested that City Council first vote on whether the minutes should be action minutes as voted on previously.

**Mayor Siegel** advised that an amendment was already on the floor and suggested that City Council consider either voting on the individual portions of the amendment or the amendment as a whole.

**Councilman Parker** asked if he could make an amendment to the amendment that the City revert back to action minutes. He referred to the fact that the City had a video that could be reviewed if someone wanted to hear exactly what someone said during the meeting.

**Mayor Siegel** noted that Councilman Parker had seconded the amendment made by Councilman Friedberg.

**Councilman Parker** suggested a friendly amendment that the record or video could speak for itself and City Council could go back to being City Council members.

**Councilwoman Nathan** was not certain that Councilman Parker’s motion could be considered by City Council since it was not part of the evening’s agenda.

**City Attorney Alan P. Petrov** advised that the item before City Council this evening was whether or not the minutes should be approved.

**Mayor Siegel** referred to the amendment on the floor, which included the blacklined version of the minutes and some additional points requested by Councilman Friedberg.

**Councilman Friedberg** stated that the only reason he made the additional points was because those points were not reflected in the blacklined version before City Council.

**Councilwoman Nathan** noted that Councilman Parker seconded the motion to amend the minutes and asked him if he wished to withdraw his second on the motion.

**Mayor Siegel** stated that she believed what the City Clerk had done in the original version of the minutes was her attempt at what City Council had instructed her to do. The minutes needed to either be
accepted or amended. She suggested separating the amendments and voting on them individually.

Councilman Parker indicated that his concern was not to deprive Councilman Friedberg of his opportunity to set the record straight. He agreed that the minutes needed to be accurate. In offering his amendment, he was trying to save City Council time and to get the City back to minimum, actionable minutes since the meeting was available online. He believed that the tape was the best record.

Councilwoman Nathan stated that the changes were a non-issue for audience comments and Councilman Friedberg was in agreement that people said what they said. She did not believe that Councilman Friedberg disagreed with action minutes. He wanted to make corrections which might or might not be substantive in the opinions of the remaining members of City Council.

Councilman Friedberg advised that this was the first time he could think of that he had come forward with suggested changes since City Council had adopted its policy for action minutes. The changes he had requested were reflective of what he had considered to be an important, substantive meeting. He felt that the system did work. He felt compelled to come forward and suggest that the August 1 meeting be done a little differently based on what was discussed.

He agreed on the audience comment part. Much of his concern was rendered moot anyway by the decision City Council made after their Executive Session.

He did not know how long Councilwoman Nathan’s list was or how controversial some of the suggested amendments were. Councilman Friedberg advised that he was willing to tell City Council what his thoughts were on each of the requested amendments. The requested amendments to Ms. Thurmond’s comments could be removed from consideration as Councilman Friedberg agreed with Councilwoman Nathan.

Mayor Siegel stated that she would vote against the amendment. She felt that the City Clerk did a great job. She understood that Councilman Friedberg prefaced his comments by stating that he was not questioning that job, but when she looked at the requested changes, those changes were not substantive. If there were something wrong in the minutes, then a correction should be made.

Mayor Pro Tem Nauert indicated that he had already stated that he would abstain from voting on the minutes; however, he was abstaining for a technical reason. He felt that City Council should not spend so much time reviewing the minutes if the minutes were technically
correct. If there were substantive changes, then those should be made. Whether a comma should or should not be included defeated City Council’s purpose and, at the end of year, the City would end up in a budgetary quandary because too much time and too money would have been spent having the City Clerk do what she had been told not to do.

**Mayor Siegel** asked if there were an easier way to address this.

**Councilman Friedberg** advised that, for starters, the handout given was color-coded, pretty easy to follow, and only consisted of two pages. The only thing that got confusing tonight was when he came forward and noted six instances in which the blacklined version in the packet differed from the two pages handed out. He submitted that there were substantive changes.

For example, on line 161, the word “with” was the exact opposite of “without.” He suggested that City Council needed to change that as the minutes would contain text that was the opposite of what was voted on.

[Line 161 would then read as follows: *No sign shall be displayed without a permit obtained from the City of*]

As noted in the minutes dated August 1, 2011, Councilman Friedberg had made an error on one of his motions. He subsequently came back and advised City Council that he had made an error in that he had not meant to put text after a subsection, but rather within a subsection. Otherwise, as City Attorney Petrov confirmed, the motion would not have achieved what City Council thought they were voting on.

Beginning on line 312, the City Clerk already confirmed that the motion was as voted on by City Council.

Members of City Council might disagree with the substantive nature of the change to line 383, but the minutes did not flow well when one amendment followed another without noting there had been discussion in-between so the reader could understand why two amendments were made back to back and one was never resolved.

At line 486, Councilman Friedberg had proposed an asterisk, as it was his understanding that any member of City Council had the right to request additional text in the minutes.

Line 500 was similar to a comment made earlier. When the record was confusing where motions were made and withdrawn and amendments added and seconds withdrawn, Councilman Friedberg had merely tried to help the record by providing lead-ins.
Councilman Friedberg advised that the foregoing was the extent of his changes and that the minutes were easier to follow on the two-page, color-coded version he provided than in the entire packet of 15 pages. He stated that he hoped he had convinced City Council that many of the requested changes were indeed substantive.

**Councilwoman Nathan** advised that the two amendments that she felt were substantive were changing the word “with” to “without” and allowing Councilman Friedberg to include his asterisk as to the purpose for his amendment. She did not believe the remaining requested changes were substantive.

**Mayor Siegel** asked if Councilwoman Nathan wished to make an amendment to the amendment.

**Councilwoman Nathan** asked if anyone else on City Council wanted to participate in the discussion.

**Councilman James P. Avioli, Sr.,** advised that he would like to make an amendment to accept all of the changes suggested and move on.

**Mayor Siegel** advised that the amendment suggested by Councilman Avioli was already on the floor for consideration.

**Councilman Avioli** suggested that City Council vote on that amendment.

**Councilman Roman Reed** suggested that City Council vote. He indicated that City Council could always go back to the video.

**Councilman Parker** suggested voting on the two substantive changes mentioned by Councilwoman Nathan.

**Mayor Siegel** asked that the amendments be separated and voted on individually.

**Councilman Friedberg** advised that what Councilwoman Nathan was proposing, which he was fine with, was to change the word “with” to “without” on line 161 and to add the asterisk and explanation provided by Councilman Friedberg to line 486. He agreed that those two changes were the most substantive. Councilman Friedberg advised that he would change his amendment to those two changes.

**Councilman Parker** accepted the change. [Councilman Parker had provided the second to the amendment].
COUNCIL AMENDMENT (RESTATED):

Following the discussion set forth above related to the blacklined version of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on August 1, 2011, Councilman Friedberg restated his amendment as follows:

- Change the word “with” to without” on line 161. Line 161 would read as follows:
  
  No sign shall be displayed without a permit obtained from the City of . . . .

- Add an asterisk at the end of line 486 and include the following language provided by Councilman Friedberg:

  *Councilman Friedberg stated that he offered this amendment in response to an argument that the City already regulates signs in the Sign Ordinance, which had just been extensively discussed in the preceding agenda item. He stated that this argument proved his point: Garage sale signs have historically not been part of the Sign Ordinance in recognition of the fact that they are different. If Council now feels they should be regulated to the same extent as other signs, then Council should move them into the Sign Ordinance.

Councilman Parker accepted the amendment as restated.

Mayor Siegel advised that her understanding of the motion and amendment, as restated, was a vote for the version of the minutes originally prepared by the City Clerk with the addition of the two amendments restated by Councilman Friedberg.

After noting no further discussion or comments, Mayor Siegel called for a vote on the two amendments restated by Councilman Friedberg.

COUNCIL ACTION ON AMENDMENTS:

The amendments to the minutes proposed by Councilman Friedberg carried on a 6-0-1 vote as follows:

FOR: Mayor Cindy Siegel, Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, and Andrew Friedberg, and Councilwoman Mandy Nathan

OPPOSED: None
ABSENT: None
ABSTAIN: Mayor Pro Tem Phil Nauert*

*Mayor Pro Tem Nauert abstained from voting on the amendment to the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, August 1, 2011, due to his absence from that meeting.

COUNCIL ACTION ON MOTION, AS AMENDED (FINAL):

The motion to approve the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, August 1, 2011, as amended, carried on a 6-0-1 vote as follows:

FOR: Mayor Cindy Siegel, Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, and Andrew Friedberg, and Councilwoman Mandy Nathan

OPPOSED: None
ABSENT: None
ABSTAIN: Mayor Pro Tem Phil Nauert*

*Mayor Pro Tem Nauert abstained from voting on the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, August 1, 2011, due to his absence from that meeting.

Separate Consideration of Consent Agenda Item F3:

CONSIDERATION of and possible action on the adoption of the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, August 15, 2011 – Item submitted by City Clerk Tracy L. Dutton.

Councilman Andrew Friedberg referred to page 13, line 602 and line 618, and noted that there was a reference to a Neighborhood Meeting held on the Baldwin Avenue Extreme Event Storm Sewer Project on July 20, 2011. That meeting was actually held on July 12, 2011. Page 27, line 1247, referred to an underutilized “street.” The word “street” should be replaced with the word “sidewalk,” as it was the sidewalk that was underutilized rather than the street.
COUNCIL MOTION/ACTION (FINAL):

Councilman Friedberg moved to approve the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, August 15, 2011, with the following two amendments:

- Change the date on page 13, lines 602 and 618, from July 20, 2011, to July 12, 2011, said lines to be revised as follows:
  - UPDATE regarding a Neighborhood Meeting held on July 12, 2011, to . . . .
  - Neighborhood Meeting held on July 12, 2011, on the Baldwin Avenue Extreme . . . .

- Change the word “street” to “sidewalk” on page 27, line 1247, said line to be revised as follows:

  simply being extra concrete poured for a sidewalk that was underutilized, . . . .

Councilman Corbett Daniel Parker seconded the motion and amendments.

Mayor Siegel, after noting no discussion on the motion or amendments, called for a vote, which carried unanimously (7-0) as follows:

FOR: Mayor Cindy Siegel, Mayor Pro Tem Phil Nauert, Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, and Andrew Friedberg, and Councilwoman Mandy Nathan

OPPOSED: None

ABSENT: None

Separate Consideration of Consent Agenda Item F4:

CONSIDERATION of and possible action on the adoption of the minutes of the Special Session (Executive Session) of the City Council of the City of Bellaire, Texas, held on Tuesday, August 16, 2011 – Item submitted by City Clerk Tracy L. Dutton.
Councilman James P. Avioli, Sr., advised that he had requested that this item be removed from the Consent Agenda in order to correct a typographical error in items F4 and F5. His comment was really in F5 and since those minutes had already been approved, he wished to withdraw his comment.

COUNCIL MOTION/ACTION (FINAL):

Councilman James P. Avioli, Sr., moved to approve the minutes of the Special Session (Executive Session) of the City Council of the City of Bellaire, Texas, held on Tuesday, August 16, 2011. Councilman Roman F. Reed seconded the motion.

Councilman Andrew Friedberg advised that he wished to propose an amendment to the legal opinion expressed by City Attorney Alan P. Petrov, which appeared in the minutes on line 104. That opinion ended with the phrase “by a court rather than by an appointed board of a city.” Councilman Friedberg advised that his understanding of City Attorney Petrov’s legal advice should include the phrase “, in order for the City to proceed with an involuntary demolition.” In other words, lines 102 through 105 should read as follows:

City Attorney Alan P. Petrov indicated that a recent Texas Supreme Court decision held that the determination as to whether or not property was a nuisance that should be demolished needed to be made by a court rather than an appointed board of a city, in order for the City to proceed with an involuntary demolition.

Councilman Friedberg turned the floor over to City Attorney Petrov so that he could advise City Council as to whether that was his legal advice. If City Council was going to bother putting it in the minutes, he felt it should be accurate.

City Attorney Petrov advised that Councilman Friedberg was correct as to City Attorney Petrov’s advice. He was not sure that adding the extra line was necessary.

Councilman Friedberg stated that if City Attorney Petrov was not worried about it, then neither was he. He advised that he would not make the amendment.

Mayor Siegel, after determining no further discussion, called for a vote on the motion to approve the minutes of the Special Session (Executive Session) of the City Council of the City of Bellaire, Texas, held on Tuesday, August 16, 2011. The motion
carried on a 6-0-1 vote as follows:

FOR: Mayor Cindy Siegel, Mayor Pro Tem Phil Nauert, Councilmen Roman F. Reed, James P. Avioli, Sr., and Andrew Friedberg, and Councilwoman Mandy Nathan

OPPOSED: None

ABSENT: None

ABSTAIN: Councilman Corbett Daniel Parker*

*Councilman Corbett Daniel Parker abstained from voting on the minutes of the Special Session (Executive Session) of the City Council of the City of Bellaire, Texas, held on Tuesday, August 16, 2011, due to his absence from that meeting.

G. ADOPTION OF ORDINANCES:

1. BUDGET – FY 2012:

CONSIDERATION of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, adopting the budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2011, and ending September 30, 2012; and appropriating the several sums set up therein to the objects and purposes therein named – Item submitted by City Manager Bernard M. Satterwhite, Jr.

COUNCIL MOTION:

Councilman Corbett Daniel Parker moved to adopt an ordinance of the City Council of the City of Bellaire, Texas, adopting the budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2011, and ending September 30, 2012; and appropriating the several sums set up therein to the objects and purposes therein named. Councilman Roman F. Reed seconded the motion.

COUNCIL QUESTIONS/DISCUSSION:

Councilman Parker referred to page 2 of 3 of the actual ordinance and asked for confirmation that the language in enumerated item 2, “levied taxes for such current fiscal year (2012),” was correct.

City Manager Bernard M. Satterwhite, Jr., advised that the language was correct.
Councilman Parker referred to statements by a few residents that the City needed to have merit-based pay for employees who went above and beyond or saved money for the City. He knew the private sector could provide such a system and asked City Attorney Petrov if and how the public sector could provide such a system.

City Attorney Alan P. Petrov indicated that there were ways to build raises into the budget. He asked if Councilman Parker was referring to bonuses.

Councilman Parker indicated that he was interested in a system that could provide merit pay on an individual basis. For example, if two individuals performed the same job, but one of the individuals developed a process to save the city money, could that individual be paid more money?

City Attorney Petrov advised that the individual referenced by Councilman Parker could be paid more only if the City had adopted a bonus system as part of its personnel/compensation policy. The Texas Constitution prohibited “after the fact” bonuses for work that a government employee did on the presumption that the employee had been paid a wage to do their work.

A city could adopt a system that allowed or provided for bonuses as long as such bonuses were part of a city’s compensation plan. For example, in a city’s compensation scheme, if that city had given its City Manager or Department Head(s) discretion to award bonuses based on exceptional performance, then such bonuses would be allowed.

Councilman Parker inquired as to whether the compensation scheme would have to have objective measures or, for example, if subjective measures could be used.

City Attorney Petrov stated that the measures could be subjective and at the discretion of a City Manager or Department Head(s). The employee and public needed to know about the system ahead of time—people could not be given government property retroactively.

Councilman Parker referred to comments that the City was unable to purchase toner and paper. He inquired of City Manager Satterwhite as to whether there were any expenditures of the City not being met with the proposed budget.

City Manager Satterwhite stated that the City was buying toner and paper.
Councilman Parker asked for confirmation that the proposed budget met the necessary expenditures for each department.

City Manager Satterwhite advised that the budget met the necessary expenditures for each department.

Councilman Parker advised that City Council had also been told that they were “gutting the City” and that maintenance had been reduced to the point that the value of the City’s investments would be impacted. He asked City Manager Satterwhite if that were the case and referred to one of City Manager Satterwhite’s stated objectives, which was maintenance of asset values.

City Manager Satterwhite advised that he did not believe that maintenance had been reduced to a point of significantly impacting asset values. The City had deferred some things and was behind on the water and wastewater plan. This was not necessarily a function of the budget, but a function of how much could be done in a given period of time.

Councilman Parker asked if City Manager Satterwhite agreed with the statement that City Council was so stingy so as to save a dollar today to spend ten dollars down the road on an asset.

City Manager Satterwhite did not agree that the statement was necessarily factual, although some could look at it that way in a few areas. The City was in a tight budget and a tight economic environment. If the City were not in a tight economic environment, he felt that the spending would be a little different. He could not state that universally the City was doing everything that it would like to do on a day-to-day basis. On the other hand, he did not believe that any future problems would be created for the City as a result of the tight budget.

Councilman Parker noted that preparations for the proposed budget had begun four months ago. He asked if City Manager Satterwhite had a better idea now as to health care costs and ending fund balances.

City Manager Satterwhite noted that preparing the budget was a “guessing game” throughout the process. Once the current fiscal year ended, City Manager Satterwhite advised that he felt that City Council would see that City Staff did a good job in estimating costs. He believed the same would be said about the coming year.

When the City received its certified tax rolls, those rolls were a little more favorable than the amount the budget had been planned on.
However, the certified tax rolls were still not “in stone.” There were uncertified numbers and amounts under protest.

Councilman Parker referred to economic development and noted that City Staff would come back to City Council with a plan during a Workshop Session (tentatively scheduled for September 26, 2011). He believed that the Mayor had stated that the $15,000 included for economic development was placed in the budget because Director of Community Development John McDonald had a specific plan as to working with existing businesses. He asked if that were correct.

Mayor Cindy Siegel advised that she had not made that statement, but believed that City Manager Satterwhite had made that statement during his budget presentation.

City Manager Satterwhite apologized if members of City Council understood that the $15,000 economic development line item would address existing businesses only. The funds would actually be used to find out what the economic environment currently was for existing businesses, as well as the possibilities of attracting new businesses. The $15,000 expenditure would not bring the City the final answer. City Staff wished to do some outreach and relationship building with existing businesses.

Mayor Siegel advised that she had asked for the economic development line item to be tagged.

City Manager Satterwhite indicated that City Staff had not caught that.

Mayor Pro Tem Phil Nauert stated that he was glad Mayor Siegel mentioned that she had wanted the economic development line item to be tagged, not because he necessarily wanted it to be tagged, but because he wished to review the concept of “tag.” An item that was tagged was not deleted from the budget. He asked City Manager Satterwhite to describe what “tagging” meant and what it would take should City Manager Satterwhite to decide, for example, that the City absolutely needed a new fire gear dryer for $10,000.

City Manager Satterwhite indicated that City Staff would be required to come back to City Council if a “tagged” item needed to be purchased. Even if an item was within City Manager Satterwhite’s purchasing authority, he could not purchase a “tagged” item until he received approval from City Council.

Mayor Pro Tem Nauert noted that even if an item were in the budget (and “untagged”), City Manager Satterwhite would more than likely bring the item back to City Council, especially items of significant cost.
City Manager Satterwhite agreed, but stated that an item, such as police vehicles, might not come back to City Council because the cost for each unit was approximately $26,000 and the units were obtained through a cooperative purchasing program and agreement.

Mayor Pro Tem Nauert asked if City Council prevented City Manager Satterwhite from certain timeliness by tagging an item. In other words, could the City still work within the constraints of a cooperative purchasing agreement if an item were tagged?

City Manager Satterwhite stated that a tagged item would not constrain the City from working within its cooperative purchasing agreements.

Mayor Siegel indicated that “tagging” had come about as a request from City Council to City Staff and worked as a “gentleman’s agreement” rather than an “official, adopted policy.”

Councilwoman Mandy Nathan referred to the Vehicle, Equipment, and Technology (VET) Fund detail on pages 84 and 85 of the budget document. She noted that the copies provided to City Council were not in color and she was not certain if the items on those pages were tagged. She indicated that she assumed that the numbers were actually “red” on the original budget document. She also inquired as to whether the document on the City’s website would be in color.

Assistant City Manager Diane K. White, by a nod of her head, indicated that the items Councilman Nathan referred to had been tagged and the numbers were “red” in color on the original copy of the budget document and that the online version was also in color.

Councilman James P. Avioli, Sr., noted that the fiscal year 2012 proposed General Fund was based on the fiscal year 2011 projected, less $1,100. He inquired of City Manager Satterwhite, Chief Financial Officer Linda Symank, or Assistant City Manager White if any of them saw any changes in the projected spending for fiscal year 2011.

City Manager Satterwhite responded and indicated that he did not see any substantive changes related to fiscal year 2011.

Councilman Andrew Friedberg stated that he would vote for the budget this evening and thanked City Staff for putting the document together and staying within the parameters set by City Council. He commented only to renew his objection to what he saw was an irrational position for City Council to take, which was after red tagging economic development and after finding cost savings somewhere else, that City Council could not add to the economic development “red
tagged” item. Doing so would not only to set the bar higher for City Staff to signal that City Council expected them to come back with more than they started with originally, but would communicate that to the public as well. He also felt it was better to put money in the budget early that was planned to be spent rather than amending the budget and putting money in later. Unless anyone had a change of heart with respect to that item, the funding for economic development was his only objection to the budget.

Councilman Parker advised that his comments were the same as Councilman Friedberg’s comments. He thanked City Staff and indicated that he did not see why City Council could not send a resounding message to let existing businesses know that City Council had heard them and would focus on economic development going forward.

Councilman Roman F. Reed agreed with the comments made by Councilmen Friedberg and Parker. He felt that City Council needed to send a bold message to the community with respect to economic development.

Mayor Siegel asked if City Council wanted to offer an amendment related to the funding for economic development.

Councilman Parker indicated that he was not certain that City Council could do so since such an amendment was considered and voted down during a previous City Council Special Session.

COUNCIL AMENDMENT:

Councilman Andrew Friedberg moved to amend the budget for fiscal year 2012 by increasing the economic development line item from $15,000 to $30,001.* Councilman Parker seconded the amendment.

*Councilman Friedberg referred to minutes approved earlier by City Council that indicated that the funding for economic development had been derived as follows: $15,000 (existing budgeted funds) + $13,500 (savings from the removal of the AT&T U-Verse Project from the budget) + $1,100 (Council meals removed from the budget) + $400 (from the remaining fund balance of the General Fund). Councilman Friedberg added $1 to be taken from the remaining fund balance of the General Fund to ensure that the amendment was not exactly the same as the one voted down during a previous City Council Special Session.
Councilman Parker stated that it was important to let the business community know that City Council intended to make every effort to take away the disincentives for existing businesses.

Councilman Reed inquired as to whether $30,000 was really enough. When he made the statement that City Council needed to send a bold message, he had intended for the funding to be much greater than $30,000.

Councilman Friedberg advised that he agreed with Councilman Reed.

Councilman Avioli agreed conceptually with the idea of economic development. He indicated that in City Council’s last discussion on this topic, there were many concerns about the “plan” or “lack of a plan.” He wanted to see a plan before he threw money at it. He realized that City Council was red tagging the item, however, City Council had no idea how much money needed to be funded—whether the amount was $30,000 or $100,000.

Councilman Friedberg stated again that he agreed with Councilman Reed and reiterated two points in favor of increasing the funding for the economic development line item. First, the City did not have a plan and, as it stood now, City Staff had been told that the funding was red tagged and to come back to City Council with a $15,000 plan (i.e., it could be interpreted that way). By having achieved a nearly $15,000 cost savings elsewhere, his intention was to take what the City knew it had available while keeping the bottom line the same. This would communicate to the staff, and hence the public, that City Council was taking what savings it could find elsewhere to ensure that it was understood that economic development was a priority.

Secondly, Councilman Friedberg did not know what the future held, but tended to think it was easier to have budgeted something in advance rather than trying to find the money at a later point in time.

Councilwoman Nathan understood Councilman Parker’s enthusiasm for the issue and wanting to make a statement, but she did not believe that all seven members of City Council could be any clearer that economic development was a priority for all seven members and that all seven members were willing to spend money to get it going. As Mayor Pro Tem Nauert stated at a previous meeting, there was not much more that the City could do for $30,000 that it could not do for $15,000. If City Council was considering the hiring of a person, the cost would be much greater than $30,000. Although Councilwoman Nathan was in favor of doing something about economic development, she felt that City Council needed to hear from the City Manager and
Director of Community Development regarding the plan before deciding how much funding was needed.

**Mayor Siegel** agreed with Councilman Avioli 100%. She was not opposed to economic development; however, the City was in economic hard times. City Council was asking its employees not to expect salary increases and the City had a salary freeze. She did not wish to see the City spend good money down a hole.

City Council needed to do their due diligence, a part of which was participating in the Workshop Session, which had been mentioned and scheduled by City Manager Satterwhite and Director of Community Development McDonald. At this point in time, City Council did not know if $15,000 or $30,000 was enough funding for an economic development plan. If a person were hired to handle economic development, that person would have to be provided with an office, computer, and benefits (health insurance and retirement plan). She noted that it was much more difficult to lay off a City employee than a contract employee.

Mayor Siegel indicated further that she asked for the item to be red tagged because even though she felt the issue was important, City Council needed more information. She noted that after City Council’s last discussion on the topic, 5-6 different opinions were expressed as to the meaning of "economic development."

Mayor Siegel advised that she would vote against the amendment because she did not feel that City Council had the necessary answers at this point in time to determine the appropriate amount of funding. City Staff had recommended $15,000.

**Councilman Parker** advised that he felt there was a big difference in working with existing businesses (which took more time than money) and in implementing the City’s Comprehensive Plan and drawing new business to Bellaire (which could possibly take a significant amount of money). He believed that $30,000 was more helpful than $15,000.

**Mayor Pro Tem Nauert** noted, for example, that when City Council built a road or installed a storm sewer line, they did not start with a number. City Council started with a consultant’s or engineer’s idea of what a road or storm sewer line installation would cost and an amount was budgeted (the amount of which was sometimes fuzzy) and an engineer engaged. Following a review of the project and further number crunching, the engineer would return to City Council with a “real” cost. In other words, City Council started with some knowledge as to what things cost. Regardless of the amount City Council started with—$15,000, $30,000, $75,000—there was no wrong answer. It started with a commitment to the concept, which Mayor Pro Tem
Nauert believed City Council had. The second step was information gathering and obtaining knowledge, which would be accomplished in the upcoming, planned Workshop Session on economic development. After the Workshop Session, Mayor Pro Tem Nauert felt that City Council would have a better knowledge as to the possible amount of funding.

Mayor Pro Tem Nauert suggested taking a vote with the knowledge that the number would change. He noted, for the record, that City Council was committed to economic development.

Councilman Avioli advised that in all of City Council’s discussions thus far on economic development, the focus was on “business.” He indicated that City Council had also been elected to represent the residents of Bellaire, and reiterated that he wanted to hear a plan before committing funds.

COUNCIL ACTION ON AMENDMENT:

The amendment failed on a 3-4 vote as follows:

FOR: Councilmen Roman F. Reed, Corbett Daniel Parker, and Andrew Friedberg

OPPOSED: Mayor Cindy Siegel, Mayor Pro Tem Phil Nauert, Councilman James P. Avioli, Sr., and Councilwoman Mandy Nathan

ABSENT: None

Mayor Siegel, after noting no further discussion on the motion to adopt the budget for fiscal year 2012, called for a vote on the motion.

COUNCIL ACTION ON MOTION (FINAL):

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

FOR: Mayor Cindy Siegel, Mayor Pro Tem Phil Nauert, Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, and Andrew Friedberg, and Councilwoman Mandy Nathan

OPPOSED: None

ABSENT: None

{Ordinance was subsequently numbered: 11-067}
2. PROPERTY TAXES:

   a. PRESENTATION, CONSIDERATION, and possible action on the submittal of the Certified 2011 Tax Roll and the 2011 Property Tax Rates in the City of Bellaire, Texas – Item submitted by Chief Financial Officer Linda Symank.

Chief Financial Officer Linda Symank presented the Certified 2011 Tax Roll and the 2011 Property Tax Rates in the City of Bellaire, Texas, to City Council. She advised that truth-in-taxation legislation dictated the steps the City took each year to adopt its property tax rate. The process began when the City received its certified tax roll and calculated and published its effective and rollback tax rates.

The 2011 certified tax roll for the City of Bellaire, Texas, was received on August 26, 2011. The roll included total appraised value of over $4,079,000,000. After exemptions of $955,000,000, the City had a certified taxable value of $3,124,000,000. The City had additional property at an estimated value of $96,337,000 that was still under protest or had not been certified at this point; therefore, the City’s taxable value at this point was $3,220,000,000.

Information from the tax roll was used to calculate the City’s effective and rollback tax rates. The results of those calculations then determined the additional steps that the City had to follow to adopt a tax rate. The calculations were published in the Southwest News on September 6, 2011.

The City’s effective tax rate this year was $0.402978. The effective tax rate was that rate that would give the City approximately the same revenue that the City had last year. The rate was arrived at by looking at the City’s 2010 tax roll and the 2011 tax roll. Adjustments were made to those rolls so that the City ended up with a 2010 tax roll that had the same identical properties on it that the adjusted 2011 roll had. The adjusted 2010 roll was then used to calculate the revenue that was generated off of the roll for 2010. This was the revenue limit the City looked at in calculating its effective tax rate. That revenue and the adjusted 2011 roll were used to back into the effective rate that would give the City the exact or approximately the same amount of revenue this year as the previous year.

The City’s rollback rate for this year was $0.440754. The rollback rate was the highest rate that a City could adopt without being subject to a rollback election. The rate was
calculated by looking at the individual components of the City’s tax rate. The debt service rate was the rate required to meet the City’s debt service obligations for the next year, and there was no restriction on that rate. The maintenance and operations rate for the rollback rate was that rate that gave the City the same maintenance and operations revenue from the previous year plus an additional 8%. Those two rates were added back together and became the rollback rate.

Since the City’s proposed tax rate of $0.3999 was below the City’s effective and rollback rates, there were no additional truth-in-taxation requirements for the City to follow before adopting its tax rate.

Chief Financial Officer Symank noted that in the previous year the City was in the opposite situation and was required to have a record vote, hold public hearings, prepare specific notices, and use specific language to adopt the tax rate. The City was not subject to those requirements this year.

The City was subject to some more Government Code requirements to adopt a tax rate. One being that the City could adopt the tax rate at the same meeting that the City adopted its budget as long as the budget was approved prior to the adoption of the tax rate. The City was also required to adopt its tax rate by ordinance and to specify the two components in that ordinance—the debt service component of $0.1524 and the maintenance and operations component of $0.2475.

The average base residential unit this year increased a little over $4,000 to $436,727.00. The tax liability on that average unit increased $16.39.

Following questions of Chief Financial Officer Symank regarding her presentation, action was taken to accept the Certified 2011 Tax Roll and the 2011 Property Tax Rates in the City of Bellaire, Texas, as presented.

COUNCIL MOTION/ACTION (FINAL):

Councilwoman Mandy Nathan moved to accept the Certified 2011 Tax Roll and the 2011 Property Tax Rates in the City of Bellaire, Texas, as presented by Chief Financial Officer Linda Symank. Mayor Pro Tem Phil Nauert seconded the motion. The motion carried.
b. CONSIDERATION of and possible action regarding 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 tax year 2011 (fiscal year 2012) upon all taxable property in said City – Item submitted by Chief Financial Officer Linda Symank.

Note: The rate recommended by City Staff is $0.3999 per $100 valuation, with $0.2475 apportioned to the General Fund and $0.1524 apportioned to the Debt Service Fund.

COUNCIL MOTION/ACTION (FINAL):

Councilman Roman F. Reed moved to adopt 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 tax year 2011 (fiscal year 2012) upon all taxable property in said City, at $0.3999 per $100 valuation, apportioned as follows: $0.2475 to the General Fund (for maintenance and operations) and $0.1524 to the Debt Service Fund (to pay the bonded indebtedness of the City). Councilwoman Mandy Nathan seconded the motion.

Mayor Siegel, after noting no discussion regarding the motion, called for a vote on the motion.

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

FOR: Mayor Cindy Siegel, Mayor Pro Tem Phil Nauert, Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, and Andrew Friedberg, and Councilwoman Mandy Nathan

OPPOSED: None
ABSENT: None

{Ordinance was subsequently numbered: 11-068}

H. ITEMS FOR INDIVIDUAL CONSIDERATION:

1. PRESENTATION, DISCUSSION, and possible direction to City Staff and City Consultants to continue the process for the issuance of General Obligation Refunding Bonds – Item submitted by City Manager Bernard M. Satterwhite, Jr.; Presentation by James Gilley, Partner, Coastal Securities, Inc.

PRESENTATION:

City Manager Bernard M. Satterwhite, Jr., advised that James (Jim) Gilley, Partner with Coastal Securities, Inc., would present an opportunity to City Council for the refinancing of a few issues of the City’s general obligation bonds. Upon completion of the presentation and discussion by members of City Council, it was hoped that direction would be given to City Staff and City Consultants to continue with the process necessary for a refinancing. Additionally, if so directed, City Consultants would bring forward an ordinance at the September 19, 2011, meeting setting out parameters for the refinancing.

James Gilley, Partner, Coastal Securities, Inc., referred to the bids that the City received in the previous month for the Baldwin Avenue Extreme Event Storm Sewer Project and noted that the bonds would be delivered this Thursday. Mr. Gilley indicated that those bonds were sold as “bank qualified” bonds.

The City had a refunding opportunity for its 2004 and 2005 general obligation bonds that were issued in each of those years. The two issues, when blended together, had a weighted average interest rate of 4.25%. The refunding bonds could not be sold this year in one block of approximately $15 million because the Baldwin Avenue bond issue was sold as bank qualified.

There was a way to sell both as bank qualified under the tax law. If those refunding issues could be sold as bank qualified issues, the City could save from 35 to 50 basis points in interest rate over non-qualified bank issues.

The City had two options--the first of which Mr. Gilley believed was not the best option. Option I would be to refund $15.615 million (callable series 2004 and 2005 bonds) in December 2011 and deliver them in January 2012. The reason that this option was not a good idea was
because any new bonds sold in 2012 could not be sold as bank qualified, resulting in interest rate penalties.

Mr. Gilley advised that the callable series 2004 and 2005 bond would be eligible for refunding as bank qualified bonds under separate issuances. The tax law would allow the City to sell two issues, provided that each issue was under $10 million and provided that the two issues were separated by 15 days. The issues could be delivered on the same day. Both issues (2004 and 2005) were callable on February 12, 2012. The bonds, therefore, needed to be delivered within 90 days of the call date (i.e., after November 17, 2011).

Under Option II, the City would benefit by taking advantage of the refinancing by issuing bank qualified bonds without affecting the Baldwin Avenue Project bonds, which were also sold as bank qualified, by selling two issues 15 days apart, and then delivering them subsequently.

Mr. Gilley suggested that City Council consider adopting a parameter sale ordinance establishing certain parameters for the sale of the refunding bonds, such as a minimum level of savings, maximum par amount, etc. The ordinance would further delegate to a pricing officer (determined by the City Council) the authorization to execute a bond purchase agreement once the underwriters had made a commitment to buy a refunding issue. Such an ordinance would provide the flexibility for the City to enter the market at an opportune time. If the sale were scheduled around a City Council meeting date, the City would be locked into what the market happened to be at that time.

In closing, Mr. Gilley advised that the savings from the referenced refunding were substantial—a present value basis of $1.6 million in today's dollars; over 10% present value savings as a percent of the bonds being refunded; over $2 million in actual savings at today's rates; and ± $110,000 in annual savings.

Following questions of James Gilley, Partner, Coastal Securities, Inc., regarding his presentation, Mayor Siegel called for a motion authorizing City Staff to move forward with the process for issuing general obligation refunding bonds.

COUNCIL MOTION/ACTION (FINAL):

Councilman Andrew Friedberg moved to authorize/direct City Staff to proceed with the process necessary to place an item on City Council’s agenda for September 19, 2011, related to the issuance of general obligation refunding bonds. Councilman Roman F. Reed seconded the motion.
Mayor Siegel, after noting no discussion regarding the motion, called for a vote on the motion, which carried unanimously (7-0) as follows:

FOR: Mayor Cindy Siegel, Mayor Pro Tem Phil Nauert, Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, and Andrew Friedberg, and Councilwoman Mandy Nathan

OPPOSED: None

ABSENT: None

2. DISCUSSION and possible direction to City Staff regarding the selection of a Board Member to serve on the Harris County Appraisal District (representing cities other than Houston) for a two-year term of office commencing on January 1, 2012, and extending through December 31, 2013 – Item submitted by City Clerk Tracy L. Dutton on behalf of Chief Appraiser Jim Robinson of the Harris County Appraisal District.

SUMMARY:

City Clerk Tracy L. Dutton advised that in past years City Staff presented a resolution to City Council for the purpose of nominating someone to serve a two-year term on the Board of Directors of the Harris County Appraisal District (HCAD) to represent cities in Harris County, with the exception of Houston. HCAD would ultimately gather all of the various nominations and prepare a ballot listing all nominees. The ballot would be forwarded back to all cities for a vote. This year, City Staff had opted to place an item on the agenda for discussion prior to presenting a resolution.

City Clerk Dutton advised that the City’s current representative on the Board of Directors for HCAD was Ed Heathcott, a current member of the City of West University Place City Council. It was the understanding of City Clerk Dutton that Mr. Heathcott could serve in both capacities. Mr. Heathcott had requested the support and nomination of the Bellaire City Council. City Clerk Dutton advised that she understood that the City of West University Place was going to nominate him.

City Clerk Dutton noted that Bellaire could suggest its own nominee, but would ultimately need the support of the other cities in Harris County to get the nominee appointed to the HCAD Board.
Mayor Cindy Siegel and Mayor Pro Tem Phil Nauert noted that the City could also elect not to nominate anyone.

COUNCIL MOTION:

Councilman Corbett Daniel Parker moved to take no action with respect to this agenda item. The motion failed due to the lack of a second.

DISCUSSION:

Mayor Siegel suggested that City Council invite Mr. Heathcott to a City Council Meeting for a brief question and answer session. City Council could invite other nominees as well. Following the question and answer session, City Council could decide to make a nomination by resolution or to take no action.

COUNCIL MOTION:

Mayor Pro Tem Phil Nauert moved to postpone action on the agenda item until after such time as Mr. Heathcott was invited to speak with City Council. Councilman Corbett Daniel Parker seconded the motion.

City Attorney Alan P. Petrov noted that there was a deadline for this process and inquired as to that deadline.

Councilwoman Mandy Nathan referred to information included in the packet from HCAD and indicated that the deadline for nominations was October 14, 2011.

Mayor Siegel suggested inviting Mr. Heathcott to speak with City Council during the first meeting in October (October 3, 2011).

Councilman James P. Avioli, Sr., encouraged members of City Council to search to see if there was anyone else Bellaire might like to nominate. Mr. Heathcott was a fine gentleman, but Bellaire also had many qualified people that might represent Bellaire well.

Councilman Corbett Daniel Parker stated that Mayor Siegel would do a fine job for Bellaire in that capacity.
COUNCIL ACTION (FINAL):

Mayor Siegel, after noting no further discussion, called for a vote on the motion, which carried unanimously (7-0) as follows:

FOR: Mayor Cindy Siegel, Mayor Pro Tem Phil Nauert, Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, and Andrew Friedberg, and Councilwoman Mandy Nathan

OPPOSED: None

ABSENT: None

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

Community interest items presented by the Mayor and City Council included a reminder to attend the Wine & Tapas Event hosted by the Patrons for Bellaire Parks on September 30, 2011; a reminder to attend the Nature Discovery Center’s Annual Gala in November of 2011; a reminder to attend the Bellaire Candidate Forum on October 6, 2011; an expression of thankfulness for the country’s military who put their lives on the line, as well as firefighters and emergency management personnel assisting with wildfires; an expression of thanks to the Bellaire Rotary Club for their flag program; a reminder that the Bellaire Police Department was collecting items to distribute to those in need due to tragic losses from wildfires; and an expression of thanks to City Manager Bernard M. Satterwhite, Jr., the City’s own war hero, for his service during Desert Storm.

J. ADJOURNMENT.

COUNCIL MOTION/ACTION (FINAL):

Councilman Corbett Daniel Parker moved to adjourn the Regular Session of the City Council of the City of Bellaire, Texas, at 9:06 p.m. on Monday, September 12, 2011. Councilmen Roman F. Reed and James P. Avioli, Sr., jointly seconded the motion. The motion carried unanimously on a 7-0 vote as follows:

FOR: Mayor Cindy Siegel, Mayor Pro Tem Phil Nauert, Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, and Andrew Friedberg, and Councilwoman Mandy Nathan

OPPOSED: None
ABSENT: None

Respectfully submitted,

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

Approved:

_________________________
Cynthia Siegel, Mayor
City of Bellaire, Texas