CITY COUNCIL MEETING MINUTES
MONDAY, MARCH 4, 2013

The City Council of the City of Bellaire, Texas, met in Regular Session on Monday, March 4, 2013, 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 – Mayor Philip L. Nauert.

Mayor Philip L. Nauert called the City Council of the City of Bellaire, Texas, to order at 7:01 p.m. on Monday, March 4, 2013.

B. ANNOUNCEMENT OF A QUORUM – Mayor Philip L. Nauert.

Mayor Philip L. Nauert announced that a quorum was present consisting of himself and all members of City Council as follows: Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, Pat B. McLaughlan and Andrew S. Friedberg. Also present were City Manager Bernard M. Satterwhite, Jr., Assistant City Attorney Shelly Eversole, and City Clerk Tracy L. Dutton.

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

Councilman James P. Avioli, Sr., provided the inspirational reading for the evening.

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

1. U.S. PLEDGE OF ALLEGIANCE.

2. PLEDGE TO THE TEXAS FLAG.

Councilman James P. Avioli, Sr., led the audience and members of City Council in the U.S. Pledge of Allegiance and the Pledge to the Texas Flag.

E. APPROVAL OR CORRECTION OF MINUTES:

1. CONSIDERATION of and possible action on the approval and adoption of the minutes of the Regular Session (Town Meeting) of the City Council of the City of Bellaire, Texas, held on Monday, February 4, 2013 – Item submitted by City Clerk Tracy L. Dutton.
CITY COUNCIL MOTION TO APPROVE MINUTES/ACTION:

Councilman Roman F. Reed moved to approve and adopt the minutes of the Regular Session of the City Council of the City of Bellaire, Texas, held on Monday, February 4, 2013. Mayor Pro Tem Amanda B. Nathan seconded the motion.

The motion to approve and adopt the Regular Session minutes dated February 4, 2013, carried on a majority vote of 6-0-1 as follows:

FOR: Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F. Reed, Corbett Daniel Parker, Pat B. McLaughlan and Andrew S. Friedberg

OPPOSED: None

ABSENT: None

ABSTAIN: Councilman James P. Avioli, Sr.*

*Councilman Avioli abstained from voting to approve and adopt the minutes of the Regular Session of the Bellaire City Council held on Monday, February 4, 2013, due to his absence from that meeting.

2. CONSIDERATION of and possible action on the approval and adoption of the minutes of the Special Session (Public Hearing – Bellaire Child Care LLC d/b/a Let Us Play) of the City Council of the City of Bellaire, Texas, held on Monday, February 11, 2013 – Item submitted by City Clerk Tracy L. Dutton.

CITY COUNCIL MOTION TO APPROVE MINUTES/ACTION:

Councilman Corbett Daniel Parker moved to approve and adopt the minutes of the Special Session (Public Hearing – Bellaire Child Care LLC d/b/a Let Us Play) of the City Council of the City of Bellaire, Texas, held on Monday, February 11, 2013. Councilman James P. Avioli, Sr., seconded the motion.

The motion to approve and adopt Special Session (Public Hearing) minutes dated February 11, 2013, carried unanimously on a 7-0 vote as follows:

FOR: Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel
FOR (CONT.): Parker, Pat B. McLaughlan and Andrew S. Friedberg

OPPOSED: None

ABSENT: None

3. CONSIDERATION of and possible action on the approval and adoption of the minutes of the Special Session (Public Hearing – Veritas Christian Academy of Houston) of the City Council of the City of Bellaire, Texas, held on Monday, February 11, 2013 – Item submitted by City Clerk Tracy L. Dutton.

CITY COUNCIL MOTION TO APPROVE MINUTES/ACTION:

Councilman Andrew S. Friedberg moved to approve and adopt the minutes of the Special Session (Public Hearing – Veritas Christian Academy of Houston) of the City Council of the City of Bellaire, Texas, held on Monday, February 11, 2013. Councilman Corbett Daniel Parker seconded the motion.

The motion to approve and adopt the Special Session (Public Hearing) minutes dated February 11, 2013, carried unanimously on a 7-0 vote as follows:

FOR: Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, Pat B. McLaughlan and Andrew S. Friedberg

OPPOSED: None

ABSENT: None

4. CONSIDERATION of and possible action on the approval and adoption of the minutes of the Special Session (Executive Session) of the City Council of the City of Bellaire, Texas, held on Monday, February 11, 2013 – Item submitted by City Clerk Tracy L. Dutton.

CITY COUNCIL MOTION TO APPROVE MINUTES/ACTION:

Councilman Corbett Daniel Parker moved to approve and adopt the minutes of the Special Session (Executive Session) of the City Council of the City of Bellaire, Texas, held on Monday, February 11, 2013. Councilman Pat B. McLaughlan seconded the motion.
The motion to approve and adopt the Special Session (Executive Session) minutes dated February 11, 2013, carried unanimously on a 7-0 vote as follows:

FOR: Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, Pat B. McLaughlan and Andrew S. Friedberg

OPPOSED: None

ABSENT: None

F. PERSONAL/AUDIENCE COMMENTS.

Richard Franke, 1104 Howard Lane, Bellaire, Texas, addressed City Council and expressed concern that the request from The Post Oak School for a specific use permit had dragged on for so long. He suggested that it was because the City had an obsolete set of ordinances related to specific use permits and regular developments with respect to parking and traffic. He advised that City Council needed to put an item on the agenda for the development of new standards for parking and traffic flow. He stated that he was shocked to learn from a staff member in the Community Development Department that a traffic study was not required. Mr. Franke referenced the narrowness of Fournace Place, which he believed contributed to the back up of the student drop off and pick up lines for The Post Oak School. Mr. Franke stated that he believed a decision as to whether or not to require traffic studies and standard parking needed to be reassessed. He advised that The Post Oak School itself was not at issue.

Mr. Franke next referred to changes proposed for Chapter 24, Planning and Zoning, of the Code of Ordinances of the City of Bellaire, Texas, that legalized and encouraged overflow parking in residential areas in the Bissonnet Corridor and the City Center Districts. He urged City Council to take a serious look at those proposed changes.

In closing, Mr. Franke advised that, according to minutes, the Head of School of The Post Oak School had objected to being legally committed to providing enrollment figures.

[Mayor Nauert stopped Mr. Franke and indicated that his comments had crossed the line with topics discussed as part of a public hearing on a request for a specific use permit by The Post Oak School. The public hearing was closed and, in accordance with rules and procedures adopted by City Council, oral comment could no longer be received.]
Donna Rickenbacker, 912 Wildwood Lane, Bellaire, Texas, addressed City Council and indicated that she was in support of the comments made by Mr. Franke. Ms. Rickenbacker stated that the last thing that neighbors wanted to do was to come before City Council opposing good, quality schools. She agreed that the City needed to look at its ordinances, such as the ones that addressed parking and traffic flow patterns—especially with neighborhoods that were adjacent to institutional uses, including schools, which had a high degree of parking needs and impact to the neighborhoods.

Ms. Rickenbacker advised that she was present in the hope that City Council would approve the permit parking proposal before them this evening, with some modifications to be presented by members of City Council. The proposal would amend an existing ordinance to add an additional section to cover permit parking along the 4500 block of Wedgewood Drive and the 900 block of Wildwood Lane. She indicated that she had been working extensively with her neighbors on a petition for permit parking and that 77.7% of the property owners were in support of permit parking. Ms. Rickenbacker also submitted to the City Clerk an additional signature from The Episcopal High School, who owned a home on Wildwood Lane, in support of permit parking.

In closing, Ms. Rickenbacker urged City Council to approve the permit parking agenda item before them with the referenced modifications to be made by members of City Council.

Lynn McBee, 5314 Evergreen Street, Bellaire, Texas, addressed City Council regarding a discovery that she had recently made while conducting some research on City activities back in the late 1970s. During that time, the City was preparing to replace the old City Hall with the one everyone was currently in. She indicated that she was preparing a lengthy piece for City Council that would be distributed after it was completed.

One highlight from April of 1979 was a discussion as to what the City Hall should look like, what it should cost, and whether there should be split buildings or one complex. The most interesting discussion amongst the City Council, the Financial Advisor, and the City Attorney was the method of financing and whether a bond issuance should be put to the voters that fall. The interest rate at that time for bonds was 17%. The City decided to shuffle things around and pay for the facility with cash. Ms. McBee advised that she shared that highlight so that City Council could put things into perspective by realizing that previous City Councils had problems as well.

Patrick Phelps, 4534 Pine Street, Bellaire, Texas, addressed City Council and stated that he believed The Post Oak School was an organization willing to change the behavior of their participants. He stated that emails were sent to parents on how they were supposed to access the school, how they were supposed to work with the neighborhood, etc. He advised that other organizations might not be as willing to work with the community.
[Mayor Nauert stopped Mr. Phelps and indicated that his comments had crossed the line with topics discussed as part of a public hearing on a request for a specific use permit by The Post Oak School. The public hearing was closed and, in accordance with rules and procedures adopted by City Council, oral comment could no longer be received.]

Mr. Phelps asked City Council to consider expanding messages addressed to the community regarding City Council’s agenda to include the substance of the agenda as well.

**Mayor Philip L. Nauert**, upon a request by the City Manager and Councilman Corbett Daniel Parker, moved agenda items H.2. and H.3. forward to this point in the meeting. There were no objections from members of City Council.

H.  NEW BUSINESS:

ADOPPTION OF ORDINANCES:

**Permit Parking**

2. CONSIDERATION of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, amending Chapter 30, Traffic and Vehicles, Article II, Traffic-Control Regulations, Division 5, Parking, of the Code of Ordinances of the City of Bellaire, Texas, by renumbering existing Section 30-116, Parking space(s) or area for persons with disabilities, as Section 30-120, adding a new Section 30-116, to be entitled “Restricted parking—8:00 a.m. to 4:00 p.m.—school days,” for the purpose of allowing restricted parking on residential streets during school days, and reserving Sections 30-117-119 – Item submitted by City Clerk Tracy L. Dutton and Director of Community Development John McDonald on behalf of Mayor Pro Tem Amanda B. Nathan and Councilman Andrew S. Friedberg.

**Introduction**

**Mayor Pro Tem Amanda B. Nathan** noted that Ms. Rickenbacker attended the City Council public hearing on The Post Oak School’s request for a specific use permit and had stated at that time that she was working on a petition for permit parking. Shortly after the referenced public hearing, Ms. Rickenbacker was able to get the petition finalized and submitted to the City. The petition requested permit parking on the two blocks of Wildwood Lane and Wedgewood Drive adjacent to The Post Oak School and the Episcopal High School campuses.
Mayor Pro Tem Nathan indicated that she brought the agenda item forward as the City obviously had multiple issues going on in the neighborhood—one was the specific use permit request, another was the traffic, and a third related to parking on the referenced two blocks.

At the conclusion of her introduction, Mayor Pro Tem Nathan offered a motion for City Council consideration.

**CITY COUNCIL MAIN MOTION:**

Mayor Pro Tem Amanda B. Nathan moved to adopt an ordinance of the City Council of the City of Bellaire, Texas, amending Chapter 30, Traffic and Vehciles, Article II, Traffic-Control Regulations, Division 5, Parking, of the Code of Ordinances of the City of Bellaire, Texas, by renumbering existing Section 30-116, Parking space(s) or area for persons with disabilities, as Section 30-120, adding a new Section 30-116, to be entitled "Restricted parking—8:00 a.m. to 4:00 p.m.—school days," for the purpose of allowing restricted parking on residential streets during school days, and reserving Sections 30-117-119. Councilman Andrew S. Friedberg seconded the motion.

Councilman Andrew S. Friedberg proposed some further revisions to the proposed ordinance as mentioned earlier by Ms. Rickenbacker. By way of explanation, he referred to the hours of 8:00 a.m. to 4:00 p.m. on school days and noted that, at this time, it was a little unclear to the neighbors if those hours were precisely what they needed. In order for any tweaking to be done to the proposed ordinance as it was presented to Council this evening, it appeared to Councilman Friedberg that the ordinance would have to come back to City Council. He suggested delegating some authority to the City Manager to further tweak those hours and suggested language to do so.

**CITY COUNCIL AMENDMENT TO MAIN MOTION (NO. 1) AND ACTION:**

Councilman Andrew S. Friedberg moved to amend Appendix A, Subsection (e), by renumbering Subsection (e) as (f) and adding a new Subsection (e) as follows: The city manager is further authorized to enlarge the time of the parking restriction beyond the hours specified in subsection (a) of this section; and to amend Subsection (a) by adding the following phrase after the word "days": , or at such other times as the city manager may declare pursuant to subsection (e) of this section. Mayor Pro Tem Amanda B. Nathan seconded the amendment.
The amendment (no. 1) to the main motion carried unanimously on a 7-0 vote as follows:

FOR: Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, Pat B. McLaughlan and Andrew S. Friedberg

OPPOSED: None

ABSENT: None

CITY COUNCIL AMENDMENT TO MAIN MOTION (NO. 2) AND ACTION:

Councilman Andrew S. Friedberg moved to amend Appendix A, Subsection (c)(1)(c), to read as follows: Permits issued pursuant to this subsection shall be for the sole use and benefit of the occupants of each residence to which such permits have been issued and their invitees, and may not be transferred or sold. Councilman Roman F. Reed seconded the motion.

The amendment (no. 2) to the main motion carried unanimously on a 7-0 vote as follows:

FOR: Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, Pat B. McLaughlan and Andrew S. Friedberg

OPPOSED: None

ABSENT: None

Discussion regarding the main motion, as amended, ensued among members of City Council. Following discussion, Mayor Nauert called for a vote on the motion, as amended.

CITY COUNCIL ACTION ON MAIN MOTION, AS AMENDED:

The main motion, as amended, carried on a majority vote of 6-1 as follows:

FOR: Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F.
FOR (CONT.): Reed, James P. Avioli, Sr., Corbett Daniel Parker, and Andrew S. Friedberg

OPPOSED: Councilman Pat B. McLaughlan*

ABSENT: None

*Councilman McLaughlan indicated that he wished to defer this agenda item in light of The Post Oak School's advisement that they could take care of their parking needs without burdening the neighborhood. Additionally, he understood that the City planned to perform a traffic study. Councilman McLaughlan felt that City Council should wait for those results before moving forward with permit parking.

{Ordinance was subsequently numbered: 13-011}

Specific Use Permit

3. CONSIDERATION of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, amending Ordinance No. 99-034, previously approved and adopted by the City Council of the City of Bellaire, Texas, on June 21, 1999, for the purpose of granting Specific Use Permit S-55 to The Post Oak School for the expansion and renovation of an existing building and construction of 12,000 square feet of new space at 4600 Bissonnet Street, Bellaire, Harris County, Texas, in the Loop 610 Zoning District (L-610), said amendment of which would allow The Post Oak School to renovate an existing building and construct approximately 13,000 square feet of new space – Item submitted by City Clerk Tracy L. Dutton and Director of Community Development John McDonald at the direction of City Council.

CITY COUNCIL MAIN MOTION:

Councilman Corbett Daniel Parker moved to adopt an ordinance of the City Council of the City of Bellaire, Texas, amending Ordinance No. 99-034, previously approved and adopted by the City Council of the City of Bellaire, Texas, on June 21, 1999, for the purpose of granting Specific Use Permit S-55 to The Post Oak School for the expansion and renovation of an existing building and construction of 12,000 square feet of new space at 4600 Bissonnet Street, Bellaire, Harris County, Texas, in the Loop 610 Zoning District (L-610), said amendment of which would allow The Post Oak School to renovate an existing building and construct approximately 13,000 square feet of new space. Councilman James P. Avioli, Sr., seconded the main motion.
Following discussion among members of City Council regarding the main motion, an amendment was offered by Mayor Pro Tem Amanda B. Nathan for consideration by members of City Council.

CITY COUNCIL AMENDMENT (NO. 1) TO MAIN MOTION:

Mayor Pro Tem Amanda B. Nathan moved to amend the main motion to include a condition to the specific use permit that “The school shall maintain a number of off-street parking spaces at least equal to the number of daytime staff members.” Councilman Corbett Daniel Parker seconded the amendment.

Following discussion among members of City Council regarding the amendment related to off-street parking spaces, Mayor Philip L. Nauert called for a vote on the amendment.

CITY COUNCIL ACTION ON AMENDMENT (NO. 1) TO MAIN MOTION:

The amendment (no. 1) to the main motion carried on a 4-3 vote as follows:

FOR: Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Corbett Daniel Parker, and Andrew S. Friedberg

OPPOSED: Councilmen Roman F. Reed*, James P. Avioli, Sr.*, and Pat B. McLaughlan*

ABSENT: None

*Councilmen Roman F. Reed and Pat B. McLaughlan were opposed to the parking restriction placed as a condition on the specific use permit based on their belief that such a condition reflected over-regulation by the governing body. Councilman James P. Avioli, Sr., indicated that he was opposed to the parking restriction because the Post Oak School met the City’s current parking requirement.

With respect to enrollment, it was noted by Councilman Andrew S. Friedberg that Head of School John Long indicated in a letter to City Council that the range of 381-441 was representative of the school’s enrollment. Councilman Friedberg offered an amendment to include an enrollment cap of 450 students as a condition to the specific use permit, which he noted was more generous than the range provided by the Head of School.
CITY COUNCIL ACTION ON AMENDMENT (NO. 2) TO MAIN MOTION:

Councilman Andrew S. Friedberg moved to include an enrollment cap of 450 students as a condition to the specific use permit requested by The Post Oak School. Mayor Pro Tem Amanda B. Nathan seconded the amendment.

Following discussion among members of City Council regarding the amendment related to an enrollment cap, Mayor Philip L. Nauert called for a vote on the amendment.

CITY COUNCIL ACTION ON AMENDMENT (NO. 2) TO MAIN MOTION:

The amendment (no. 2) to the main motion failed on a 3-4 vote as follows:

FOR: Mayor Pro Tem Amanda B. Nathan* and Councilmen Corbett Daniel Parker and Andrew S. Friedberg*

OPPOSED: Mayor Philip L. Nauert**, Councilmen Roman F. Reed**, James P. Avioli, Sr., and Pat B. McLaughlan

ABSENT: None

*Mayor Pro Tem Nathan and Councilman Friedberg argued that The Post Oak School could return to City Council for an amendment if the need arose to increase enrollment beyond the recommended 450 cap. Mayor Pro Tem Nathan referred to traffic problems on Bissonnet Street which were the result of existing school traffic, and Councilman Friedberg indicated that he was in support of reasonable restrictions, such as the cap.

**Mayor Nauert and Councilman Reed indicated concerns with over-regulation. Mayor Nauert noted that the condition requiring adequate parking for daytime staff members was a limiting mechanism in and of itself. Councilman Reed argued that the City was not in the business of running a business.

CITY COUNCIL AMENDMENT (NO. 3) TO MAIN MOTION:

Councilman Andrew S. Friedberg moved to include a statement in the ordinance, following the condition for off-street parking, as follows: Furthermore, The Post Oak School shall submit an annual report, substantially in the form attached hereto and
marked as Exhibit "B," certifying compliance with the foregoing condition as of September 1 of each year. A form of report, which the applicant would be required to file with the City, was provided by Councilman Friedberg as follows:

EXHIBIT B
FORM OF ANNUAL REPORT

This Annual Report is made as of September 1, [YEAR], pursuant to Ordinance No. 13-012 of the City of Bellaire, Texas, and Specific Use Permit S-55, as amended by said Ordinance (such Ordinance and Specific Use Permit, collectively, the "SUP").

The undersigned, [NAME], [TITLE], of The Post Oak School (the "School"), does hereby certify, in such capacity on behalf of the School and not individually, that the School is in compliance with the condition set forth in the SUP, as follows:

- The School currently provides _______ off-street parking spaces.
- The School currently employs _______ daytime staff members.
- Therefore, the School currently maintains a number of off-street parking spaces at least equal to the number of daytime staff members.

The foregoing Annual Report is made as of the date set forth above, and shall be deemed current throughout the school year, provided that if at any time the School should no longer be in compliance with the condition set forth in the SUP, the School will promptly update this Annual Report.

Dated this ______ day of __________________, 20_____.

__________________________________
[SIGNATURE]

Printed Name: ______________

Title: ________________________

Mayor Philip L. Nauert seconded the amendment.
Following discussion among members of City Council regarding the amendment related to enforcement, Mayor Philip L. Nauert called for a vote on the amendment.

The amendment (no. 3) to the main motion carried on a 4-3 vote as follows:

FOR: Mayor Philip L. Nauert*, Mayor Pro Tem Amanda B. Nathan and Councilmen Corbett Daniel Parker*, and Andrew S. Friedberg*

OPPOSED: Councilmen Roman F. Reed**, James P. Avioli, Sr.**, and Pat B. McLaughlan

ABSENT: None

*Mayor Nauert argued in support of the amendment as a good management practice. Councilmen Friedberg and Parker referred to the lack of enforcement of conditions in the past and noted that such a report might help to ensure future enforcement of this particular permit.

**Councilman Reed argued that the addition of a report ensuring compliance with any conditions set by City Council added another layer of regulation, which he did not support. Councilman Avioli felt that such a report was unnecessary as neighbors would let City Council know if there was a problem.

CITY COUNCIL ACTION ON MAIN MOTION, AS AMENDED:

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

FOR: Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, Pat B. McLaughlan and Andrew S. Friedberg

OPPOSED: None

ABSENT: None

{Ordinance was subsequently numbered: 13-012}
Mayor Philip L. Nauert returned to agenda item G.1. at this point in the meeting. The remainder of the agenda was considered in the order in which it was written.

G. REPORT(S):

1. CITY MANAGER’S REPORT regarding residential safety (Police Activity Report), public infrastructure/utilities (Major Projects Report, 5119 Jessamine house recycling project update, and Evergreen Pool update), communications/technology (report on steps taken to prevent downtime caused by server crashes), quarterly indicators (Crime Report and Building Permit Report), and upcoming City Council meetings/events – Item submitted and presented by City Manager Bernard M. Satterwhite, Jr.

City Manager Bernard M. Satterwhite, Jr., presented the City Manager’s Report dated March 4, 2013, to members of City Council. Following questions of City Manager Satterwhite regarding his report, a motion was made and seconded to accept the City Manager’s Report into the record.

CITY COUNCIL MOTION TO ACCEPT REPORT/ACTION:

Councilman Roman F. Reed moved to accept the City Manager’s Report dated March 4, 2013, as submitted and presented by City Manager Bernard M. Satterwhite, Jr., into the record. Councilman Pat B. McLaughlan seconded the motion.

The motion to accept the City Manager’s Report into the record carried unanimously on a 7-0 vote as follows:

FOR: Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, Pat B. McLaughlan and Andrew S. Friedberg

OPPOSED: None

ABSENT: None

2. 2012 ANNUAL AUDIT AND COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) of the City of Bellaire, Texas, for the fiscal year ended September 30, 2012, by Belt Harris & Associates, LLP, Certified Public Accountants – Item submitted by Chief Financial Officer Linda Symank; Presentation by representative(s) of Belt Harris Pechacek, LLP, Certified Public Accountants.
Robert Belt, Managing Partner, Belt Harris Pechacek, LLP, Certified Public Accountants, presented the "2012 Annual Audit and Comprehensive Annual Financial Report (CAFR) for the City of Bellaire, Texas, for the fiscal year ended September 30, 2012, to members of City Council.

Mr. Belt began his report by advising City Council that the City received a clean unqualified opinion, which was the highest level of assurance that an auditor could give that all of the disclosures required by generally accepted accounting principles had been included and that the financial statements were materially correct.

Financial highlights were pointed out to City Council beginning with pages 32-33, Statement of Revenues, Expenditures and Changes in Fund Balance. Mr. Belt referred to the General Fund revenues and advised that the net change in fund balance for the year was a net reduction of $636,000. The City began the year with a fund balance of $4,462,000 and ended the year with a fund balance of $3,825,000. He stated that financial advisors usually offered a general rule of thumb of maintaining approximately 90 days of expenditures on hand. In comparison to total expenditures for the year in the General Fund of approximately $15 million, the ending fund balance of $3.8 million, which was a very good fund balance.

Page 37 was addressed next by Mr. Belt, which was a statement of Revenues, Expenses and Changes in Fund Assets for the Water and Sewer Fund operations (Enterprise Fund). There was a net change in assets within that fund of $1.9 million. The fund began the year with net assets of $50 million and ended the year with net assets of $52 million.

One other financial highlight on pages 62-63 was the budget to actual presentation for the General Fund. It was noted that revenues totaled $503,000 more than anticipated, and expenditures were $354,000 less than anticipated. In total, there was a positive budget variance of $856,000. If the City accomplished all of its goals and projects for the year, then the positive budget variance was an excellent one to have. In addition, the City had planned on a reduction in fund balance of $1.4 million. The actual reduction was $636,000.

Mayor Philip L. Nauert advised that the 2012 Annual Report and CAFR were presented to the Audit Finance Board by Partner Nathan Krupke of Belt Harris Pechacek, LLP, with a little more detailed analysis and a similar conclusion. The Board was offered the opportunity to ask questions of Mr. Krupke at length. The impression the Board had was that the City's house was in good order and that
the firm saw no disturbing trends or practices to bring to the attention of City Council.

Following questions of Mr. Belt by members of City Council, a motion was made and seconded to accept the 2012 Annual Audit and CAFR into the record.

Councilman Andrew S. Friedberg, prior to his motion, took an opportunity to introduce Pat Lunn, the City’s citizen appointee to the Audit Finance Board, who was sitting in the back of the Council Chamber. He thanked Pat for filling an important and beneficial role on the Board. Mayor Nauert echoed Councilman Friedberg’s comments.

**CITY COUNCIL MOTION TO ACCEPT REPORT/ACTION:**

Councilman Andrew S. Friedberg moved to accept the 2012 Annual Audit and Comprehensive Annual Financial Report (CAFR), as submitted and presented by Robert Belt, Managing Partner, Belt Harris Pechacek, LLP, Certified Public Accountants, into the record. Councilman James P. Avioli, Sr., seconded the motion.

The motion to accept the 2012 Annual Audit and Comprehensive Annual Financial Report (CAFR) into the record carried unanimously on a 7-0 vote as follows:

**FOR:** Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, Pat B. McLaughlan and Andrew S. Friedberg

**OPPOSED:** None

**ABSENT:** None

**H. NEW BUSINESS:**

**ADOPTION OF ORDINANCES:**

**Annual Review of Investment Policy and Investment Strategies**

1. CONSIDERATION of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, verifying and acknowledging that the City Council of the City of Bellaire, Texas, has performed its annual review of the City of

Introduction:

Chief Financial Officer Linda Symank advised that there was an annual requirement for the City Council was required to review, on an annual basis, the City's Investment Policy and Investment Strategies, broker dealers, and become aware of any proposed changes to the investment policy. She advised that the City had no changes to propose this year.

Chief Financial Officer Symank indicated further that the City submitted its investment policy to the Government Treasurers Organization of Texas (GTOT) for review and certification. The policy was reviewed by the GTOT to ensure compliance with state law and to ensure that it was a good policy. The City's policy was recertified by the GTOT.

Chief Financial Officer Symank indicated that changes might be forthcoming in the next calendar year based on possible changes made to state law by the State Legislature.

CITY COUNCIL MAIN MOTION/ACTION:

Councilman Andrew S. Friedberg moved to adopt an ordinance of the City Council of the City of Bellaire, Texas, verifying and acknowledging that the City Council of the City of Bellaire, Texas, has performed its annual review of the City of Bellaire Investment Policy and Investment Strategies. Councilman Pat B. McLaughlan seconded the motion.

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

FOR: Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, Pat B. McLaughlan and Andrew S. Friedberg

OPPOSED: None

ABSENT: None

{Ordinance was subsequently numbered: 13-010}
Permit Parking

2. CONSIDERATION of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, amending Chapter 30, Traffic and Vehicles, Article II, Traffic-Control Regulations, Division 5, Parking, of the Code of Ordinances of the City of Bellaire, Texas, by renumbering existing Section 30-116, Parking space(s) or area for persons with disabilities, as Section 30-120, adding a new Section 30-116, to be entitled “Restricted parking—8:00 a.m. to 4:00 p.m.—school days,” for the purpose of allowing restricted parking on residential streets during school days, and reserving Sections 30-117-119 – Item submitted by City Clerk Tracy L. Dutton and Director of Community Development John McDonald on behalf of Mayor Pro Tem Amanda B. Nathan and Councilman Andrew S. Friedberg.

Note: This agenda item was considered and acted on earlier in the meeting. See pages 6-9 of these minutes for detail related to this agenda item.

Specific Use Permit

3. CONSIDERATION of and possible action on the adoption of an ordinance of the City Council of the City of Bellaire, Texas, amending Ordinance No. 99-034, previously approved and adopted by the City Council of the City of Bellaire, Texas, on June 21, 1999, for the purpose of granting Specific Use Permit S-55 to The Post Oak School for the expansion and renovation of an existing building and construction of 12,000 square feet of new space at 4600 Bissonnet Street, Bellaire, Harris County, Texas, in the Loop 610 Zoning District (L-610), said amendment of which would allow The Post Oak School to renovate an existing building and construct approximately 13,000 square feet of new space – Item submitted by City Clerk Tracy L. Dutton and Director of Community Development John McDonald at the direction of City Council.

Note: This agenda item was considered and acted on earlier in the meeting. See pages 9-14 of these minutes for detail related to this agenda item.

I. ITEMS FOR FUTURE AGENDAS; COMMUNITY INTEREST ITEMS FROM THE MAYOR AND CITY COUNCIL.

Community interest items from the Mayor and City Council included recognition of and congratulations to the Bellaire Little League on their 60th Anniversary and opening ceremonies held the previous weekend.
Mayor Philip L. Nauert requested an executive session on a future agenda for City Council to get together with the City Attorney to formulate a consensus as to process and timeline for hiring a replacement for the City Manager.

J. ADJOURNMENT.

CITY COUNCIL MOTION TO ADJOURN/ACTION:

Councilman Pat B. McLaughlan moved to adjourn the Regular Session of the City Council of the City of Bellaire, Texas, at 8:59 p.m. on Monday, March 4, 2013. Councilman James P. Avioli, Sr., seconded the motion.

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

FOR: Mayor Philip L. Nauert, Mayor Pro Tem Amanda B. Nathan and Councilmen Roman F. Reed, James P. Avioli, Sr., Corbett Daniel Parker, Pat B. McLaughlan and Andrew S. Friedberg

OPPOSED: None

ABSENT: None

Respectfully submitted,

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

Approved:

Philip L. Nauert, Mayor
City of Bellaire, Texas