

**MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL OF THE
CITY OF BAYTOWN**

July 23, 2009

The City Council of the City of Baytown, Texas, met in a Regular Meeting on Thursday, July 23, 2009, at 6:30 P.M. in the Council Chamber of the Baytown City Hall, 2401 Market Street, Baytown, Texas, with the following in attendance:

Lena Yepez	Council Member
Lynn Caskey	Council Member
Terry Sain	Council Member
David McCartney	Council Member
Scott Sheley	Council Member
Stephen H. DonCarlos	Mayor
Garrison C. Brumback	City Manager
Bob Leiper	Deputy City Manager
Kevin Troller	Assistant City Manager
Ignacio Ramirez	City Attorney
Leticia Garza	Interim City Clerk

Council Member Brandon Capetillo was absent from the July 23, 2009, City Council Regular Meeting.

Mayor DonCarlos convened the July 23, 2009, Regular Meeting with a quorum present at 6:30 P.M.

Pledge of Allegiance, Texas Pledge and Invocation was led by Council Member Caskey.

1. MINUTES

a. Approve Minutes of the City Council Work Session and Regular Meeting held on July 09, 2009 – Interim City Clerk.

Motion was made by Council Member Sain, seconded by Council Member McCartney approving the minutes from the July 09, 2009, City Council Work Session and Regular Meeting. The vote was as follows:

Ayes: Council Members: Yepez, Caskey, Sain, McCartney,
Sheley and Mayor DonCarlos

Nays: None

The motion carried.

2. RECOGNITIONS AND CITIZENS COMMUNICATIONS

a. Years of Service Awards - Mayor.

City Manager, Garry Brumback recognized employees for their years of service to the City of Baytown (5, 10, 15, 20 plus years).

5 YEARS:

Tracey Prothro, Parks & Recreation Superintendent of Natural Resource Programs, June 01, 2004;

James Giles, Fire Firefighter, June 01, 2004;

Michael Flinn, Parks & Recreation Services Manager, June 10, 2004; and

Nathan Gallop, Police Patrol Officer, June 16, 2004.

10 YEARS:

Alonzo Craft, Jr., Police Sergeant, June 01, 1999.

15 YEARS:

Dana Dalbey, EMS Coordinator, June 12, 1994.

b. June Employee and Team of the Month - Mayor.

City Manager, Garry Brumback recognized the June Employee and Team of the Month.

Martin Shupla was awarded the Baytown Employee of the Month for the month of June for demonstrating all of the City of Baytown core values, especially excelling in leadership, competence, and service.

Martin obtained a Master's degree in Library Science, while working full time. He was hired as the Children's Librarian for the Sterling Municipal Library. Since Martin's arrival he has "kicked it up a notch" by incorporating many new and exciting programs; such as, evening programs to accommodate working parents. He serves on many committees, and demonstrates exceptional leadership skills as his area continues to grow. His most recent and notable volunteer effort was stepping up to fill the role of the "picnic bear". Dressed in a costume, he led this year's parade during the heat of summer. He is a true team player in allowing this great event to continue its tradition for Baytown's children and their parents.

Martin will receive \$100.00, a day off with pay and his name will be added to a plaque in City Hall.

The Baytown Police Property Room Team, June's Team of the Month is made up of Liliana Gonzalez, Maria Alcantar, Rodney Sellers, Bernadette Avinger, and Lenora Adkins. This team was nominated for demonstrating all of the City of Baytown core values, especially excelling in leadership, competence, and teamwork. When the possibility to expand the property room into the old men's jail cells finally became a

reality, this group stepped up and went way off the charts of their job descriptions and cleared out areas, painted, built shelves, and moved property. Incredibly, all of this was accomplished while still operating as if it was business as usual. The Baytown Police Department's property room staff and facilities coordinator have proved once again just how invaluable they really are. Great job!!!

Team members will share \$250.00, each will receive a day off with pay and their names will be added to a plaque in the lobby of City Hall.

c. Citizen Communication: Antoinette Lemon Russell.

Ms. Antoinette Lemon Russell submitted a request to appear before City Council regarding gang taggings in neighborhoods located in Districts 2 and 6 and possible solutions.

Ms. Lemon Russell discussed concerns with the tagging of various businesses along the Texas Avenue and North Alexander area; the destruction of private property, the insecurity felt by those targeted by taggings and the need for a more aggressive approach at reducing these crimes through programs, education and police surveillance.

Police Chief, Keith Dougherty stated that the police department is aggressively seeking the arrest and prosecution of these types of vandals, which tend to be predominantly juveniles and outlined the number of programs currently in place and being considered to deter the offenders from tagging.

d. Citizen Communication: Mr. Byron Schirmbeck.

Mr. Byron Schirmbeck submitted a request to appear before City Council in regards to the Baytown Red Light Camera Program.

Mr. Schirmbeck's gave an overview of his perspectives regarding the Baytown Red Light Camera Program and its impact on citizens. Mr. Schirmbeck requested that the Council disband the program as he believes that the program has not been successful of reducing accidents and fatalities at the intersections where red light cameras are located.

Allan Stokes registered to address City Council in regards to item 2.d.

Curt Ball registered to address City Council in regards to item 2.d. and stated that he favored the Red Light Camera Program not because of the revenue aspect of the program, but because it focused on safety and saving lives.

Karen Crumley registered to address City Council in regards to item 2.d. and deferred her minutes to Roger Schirmbeck.

Roger Schirmbeck registered to address the City Council in regards to item 2.d, but stated that during Mr. Byron Schirmbeck's presentation, his concerns had been addressed.

Mayor DonCarlos presented information regarding the Baytown Red Light Camera Program, in order to clarify misinformation related to the program. Mayor DonCarlos stated that the 3.1 second light setting at the intersections located on the Garth Road corridor were set according to a synchronization study completed by an engineering firm prior to the red light camera program; and therefore the lights were not intentionally shortened by the City in order to generate more red light camera violations and consequently more revenue.

Additionally, the process by which the tickets are issued are that if there is one flash a picture was taken but a ticket is not issued, but if there are two flashes, a picture has been taken and a ticket will be issued. The red light camera contractor is located in Arizona where videos of the images are first reviewed. All video images in suspect of violation are then sent to the Baytown Police Department for a second review by a Baytown police officer where questionable images are disregarded.

American Traffic Solutions (ATS) is the firm that financed the installation of the Red Light Program at no cost to the City. The funds received from the violations are disbursed at 55% to ATS and 45% to the City of which a portion goes towards the cost of the police department's maintenance, operations and the salary of one officer for the program. The remaining funds are then split between the City and State at 50% each; of the City's remaining monies can only be utilized for traffic and safety; such as, stop lights, signs, and such.

The first expenditure of the funds recovered through the Baytown Red Light Camera Program will be the installation of two red lights in Chambers County to help alleviate the serious issues faced by residents from the subdivisions along Highway 146 when trying to exit their subdivisions and turn onto Highway 146. The agreement between the City of Baytown, Chambers County, and the Texas Department of Transportation (TxDOT) indicates that each entity will pay 1/3 of the cost of putting in a synchronized red light system to control traffic flow in that area and ultimately make roads safer.

e. Receive GFOA's Distinguished Budget Presentation Award for FY 2008-09 Budget - Finance.

City Manager, Garry Brumback presented Mr. Roger Reocker, the State Representative of the GFOA, to present the Baytown Finance Department with the Award for the Fiscal Year 2008-09 Budget Document.

Mr. Roger Reocker stated that the City of Baytown received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the Fiscal Year 2008-09 Budget Document for the 15th consecutive year. Mr. Reocker congratulated the City Administration and Finance Department for their exceptional work and consistent performance.

3. PROPOSED ORDINANCES

a. Repeal Ordinance No. 11,123 Regarding Wind Speed and Hurricane Protection Measures - Planning and Development Services.

City Manager, Garry Brumback stated that Ordinance No. 11,151 repeals Ordinance No. 11,123 adopted by Council on May 28, 2009, which set design/construction standards for wind speed and provided for other hurricane protection measures. The City Council established the effective date of Ordinance No. 11,123 as July 28, 2009, in order to allow time for continued discussion and research. During the Council Meeting of May 28, 2009, members of the staff of the Greater Houston Homebuilders Association addressed the Council with concerns about cost to the builders and ultimately to consumers. These members offered to pay for a study of the potential economic impact to the City and to the homebuilding industry. However, the study was never commissioned nor payment offered.

If Ordinance No. 11,123 is repealed, the City staff will return to the City Council in August with an alternative proposal on wind speed and other protection standards.

Motion was made by Council Member Sheley, seconded by Council Member McCartney to not approve the repeal to Ordinance No. 11,123. The vote was as follows:

Ayes: Council Members: Yopez, Capetillo, Caskey, Sain, McCartney, Sheley and Mayor DonCarlos

Nays: None

The motion carried is not to repeal Ordinance No. 11,123.

ORDINANCE 11,123

AN ORDINANCE OF THE CITY OF BAYTOWN, TEXAS AMENDING CHAPTER 18 "BUILDINGS AND BUILDING REGULATIONS," ARTICLE II "BUILDING CONSTRUCTION STANDARDS," OF THE CODE OF ORDINANCES OF THE CITY OF BAYTOWN, TEXAS, TO ADD A NEW DIVISION TO BE NUMBERED AND ENTITLED DIVISION 1 "WINDSTORM STANDARDS; AMENDING CHAPTER 18 "BUILDINGS AND BUILDING REGULATIONS," ARTICLE II "BUILDING CONSTRUCTION STANDARDS," DIVISION 3 "BUILDING CODE," SECTION 18-92 "AMENDMENTS" OF THE CODE OF ORDINANCES OF THE CITY OF BAYTOWN, TEXAS, TO ADD AMENDMENTS TO SECTIONS 1603.1 "GENERAL," 1609.1.4 "WIND DESIGN DATA," SECTION 1609.1 "APPLICATIONS," (EXCLUDING SECTION 1609.1.2.1 "LOUVERS") 1609.3 "BASIC WIND SPEED," AND ARTICLE IX "MINIMUM PROPERTY STANDARDS," DIVISION 2

“ONE- AND TWO-FAMILY DWELLINGS AND TOWNHOUSES,” SECTION 18-652 “AMENDMENTS TO THE RESIDENTIAL CODE” OF THE CODE OF ORDINANCES OF THE CITY OF BAYTOWN, TEXAS, TO ADD (I) NEW SUBSECTION R301.2.1 “CLIMATIC AND GEOGRAPHIC DESIGN CRITERIA”; (II) AN AMENDMENT TO SECTION R301.2.1.1 “DESIGN CRITERIA”; AND (III) AN AMENDMENT TO SECTION R301.2.1.2 “PROTECTIVE OPENING” TO MEET THE 130 MPH SEAWARD STANDARDS; PROVIDING FOR A PENALTY NOT EXCEEDING FIVE HUNDRED AND NO/100 DOLLARS (\$500.00); PROVIDING A REPEALING CLAUSE; CONTAINING A SAVINGS CLAUSE; AND PROVIDING FOR THE PUBLICATION AND EFFECTIVE DATE THEREOF.

b. Amendment to Ordinance No. 11,123 Regarding Effective Date – Planning and Development Services.

City Manager, Garry Brumback stated that Ordinance No. 11,151 amends Ordinance No. 11,123, which set standards for wind speed and provided for other hurricane protection measures.

On May 28, 2009 the Council adopted Ordinance No. 11,123 amending the Chapter 18 of the Baytown Code of Ordinances increasing the design/construction requirements for wind speed and adding other hurricane protection requirements. The effective date of that ordinance is July 28, 2009, to allow time for continued discussion and research. During the Council Meeting of May 28, 2009, members of staff of the Greater Houston Homebuilders Association addressed the Council with concerns about cost to the builders and ultimately to consumers. These members offered to pay for a study of the potential economic impact to the City and to the homebuilding industry. However, the study was never commissioned nor payment offered.

Planning and Development Services Director, Kelly Carpenter stated that if Council decided to proceed with the ordinance as adopted on May 28, 2009, staff recommended delaying the effective date and implementation phase for 60 days (until September 28) to allow for staff training and the education of the building community. This training and education did not take place between May 28, 2009, and now due to a) the time it takes to line up training, b) uncertainty as to whether the impact study would be done and c) discussions between industry and the City on potential changes to the wind speed standard.

The Council discussed and agreed to an amendment to the requests to approve the implementation date of September 28, 2009 with the request that the economic impact study from the Homebuilders Association be completed and submitted to the Council.

Motion was made by Council Member Caskey, seconded by Council Member Sain approving Ordinance No. 11,151. The vote was as follows:

Ayes: Council Members: Yepez, Caskey, Sain, McCartney,
Sheley and Mayor DonCarlos

Nays: None

The motion carried.

ORDINANCE 11,151

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AMENDING SECTION 12 OF ORDINANCE NO. 11,123, PASSED ON MAY 28, 2009, WHICH SET STANDARDS FOR WINDSPEED AND PROVIDED FOR OTHER HURRICANE PROTECTION MEASURES TO EXTEND THE EFFECTIVE DATE THEREOF; PROVIDING A REPEALING CLAUSE; CONTAINING A SAVINGS CLAUSE; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

c. BAWA Final Payment and Settlement on the 30" Water Transmission Line Project - Engineering.

City Manager, Garry Brumback stated that Ordinance No. 11,152 approves the Baytown Area Water Authority's final payment to and settlement with Reytec Construction Resources, Inc., for the BAWA 30" Water Transmission Line Project.

Mr. Brumback noted that the BAWA's enabling legislation requires the City Council to approve BAWA's agreements. Council approved this project on March 22, 2007, via Ordinance No. 10,575. The scope of work included the materials and installation of a 30" water line from the BAWA plant on Thompson Road to the intersection of North Main and Wallisville, and a 16" inch line was then extended from the intersection of North Main and Wallisville south along North Main to the existing water system at I-10. There were four change orders for adjustments to the 30" line on Thompson Road, modifications to the connection at the BAWA plant and the addition of a 12" line on Garth Road to provide an additional connection to the existing water system.

The contractor has been paid for all work and has requested the release of retainage, which totals \$473,681.35. The contractor also has a claim against BAWA for compensation for the problems encountered when crossing the CWA canal. BAWA has a liquidated damages claim against the contractor and a claim against the engineer on the project. Nonetheless, mindful of the cost and expense associated with litigation, the contractor and BAWA have agreed to compromise, settle, and waive certain claims without admitting or conceding any matter. Therefore, Ordinance 11,152 authorized final payment of \$698,681.35, which includes \$473,681.35 in retainage and \$225,000.00 for

contractor's claims, of which \$142,500.00 will be paid from BAWA's coffers and \$82,500.00 will be paid from the Project Engineer's coffers.

Motion was made by Council Member Sain, seconded by Council Member McCartney approving Ordinance 11,152. The vote was as follows:

Ayes: Council Members: Yepez, Caskey, Sain, McCartney,
Sheley and Mayor DonCarlos

Nays: None

The motion carried.

ORDINANCE 11,152

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, APPROVING THE BAYTOWN AREA WATER AUTHORITY'S FINAL PAYMENT TO AND SETTLEMENT WITH REYTEC CONSTRUCTION RESOURCES, INC., IN THE AMOUNT OF SIX HUNDRED NINETY-EIGHT THOUSAND SIX HUNDRED EIGHTY-ONE AND 35/100 DOLLARS (\$698,681.35) FOR THE BAWA 30" WATER TRANSMISSION LINE PROJECT; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

d. Interlocal Agreement with Harris County for Transit Shelter Construction – Legal.

City Manager, Garry Brumback stated that Ordinance No. 11,153 authorizes an Interlocal Agreement with Harris County for the Construction of transit shelters. Currently, the City has contracted with Harris County for the County to provide circulator bus service in Baytown. Such agreement was extended for another year pursuant to the First Amendment that the City Council approved on June 11, 2009. Specifically under the proposed agreement, the City will:

Comply with regulatory requirements of the Federal Transit Administration, including the 15% DBE participation goal;

1. Construct transit shelters at the following locations in accordance with the plans and specifications attached to the agreement:
2. Northwest Corner of Garth Road @ Rollingbrook on Rollingbrook in front of Amegy Bank;
 - a. Southeast Corner of Garth Road @ Rollingbrook on the south side of Rollingbrook;
 - b. Southwest Corner of Park Street @ Main Street on the west side of Main Street;

- c. West of Side of Garth Road at the Kroger Shopping Center; and Southwest Corner of Main Street @ James Street on the west side of James; and
3. Submit invoices to the County for the exact cost of the structures and installation.
4. The County will remit payment up to a maximum amount of \$26,000 to the City after receipt of an invoice for the shelters.

Motion was made by Council Member Yopez, seconded by Council Member McCartney approving Ordinance No. 11,153. The vote was as follows:

Ayes: Council Members: Yopez, Caskey, Sain, McCartney, Sheley and Mayor DonCarlos

Nays: None

The motion carried.

ORDINANCE 11,153

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING AN INTERLOCAL AGREEMENT WITH HARRIS COUNTY FOR THE CONSTRUCTION OF TRANSIT SHELTERS; AUTHORIZING AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

e. Award the Annual Mosquito Control Chemicals Contract #029-09 – Health and EMS.

City Manager, Garry Brumback stated that Ordinance No. 11,154 awards the Annual Mosquito Control Chemicals Contract for the Health Department in the amount of \$100,000.00 as follows:

- ADAPCO, INC., awarded Item 10 & 13.
- B & G CHEMICALS & EQUIPMENT CO., INC., awarded Items 3, 4, & 12.
- PUBLIC HEALTH EQUIPMENT & SUPPLY COMPANY, INC., awarded Item 5.
- UNIVAR USA, INC., awarded Items 1, 7, 8, & 9.
- CLARKE MOSQUITO CONTROL PRODUCTS, INC., awarded Items 2, 6a, 6b, 11, & 14.

Invitations to bid were sent to ten (10) suppliers and five (5) responses were received along with one-no-bid. Another packet was received after the bid opening and remained unopened.

Motion was made by Council Member Caskey, seconded by Council Member McCartney approving Ordinance 11,154. The vote was as follows:

Ayes: Council Members: Yopez, Caskey, Sain, McCartney,
Sheley and Mayor DonCarlos

Nays: None

The motion carried.

ORDINANCE 11,154

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, ACCEPTING BIDS FOR THE ANNUAL MOSQUITO CONTROL CONTRACT FROM ADAPCO, INC., FOR ITEM NOS. 10 AND 13; B & G CHEMICALS & EQUIPMENT CO., INC., FOR ITEM NOS. 3, 4, AND 12; PUBLIC HEALTH EQUIPMENT & SUPPLY COMPANY, INC., FOR ITEM NO. 5; UNIVAR USA, INC., FOR ITEMS NOS. 1, 7, 8 AND 9; CLARKE MOSQUITO CONTROL PRODUCTS, INC., FOR ITEM NOS. 2, 6A, 6B, 11 AND 14; AUTHORIZING PAYMENT BY THE CITY OF BAYTOWN IN AN AMOUNT NOT TO EXCEED ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00); MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

f. Set a Public Hearing for 2009-10 Budget – City Management.

City Manager, Garry Brumback stated that Ordinance No. 11,155 schedules the date, time and place for a Public Hearing for the City of Baytown 2009-10 Proposed Budget.

Section 43 of the City Charter requires that City Council, at the meeting at which they receive the proposed budget from the City Manager set a date, time and place for a public hearing on the proposed budget. Mr. Brumback proposed that the public hearing be held on Thursday, September 10, 2009, at 6:45 p.m. in the City Council Chamber of Baytown City Hall.

Motion was made by Council Member Sain, seconded by Council Member Caskey approving Ordinance No. 11,155. The vote was as follows:

Ayes: Council Members: Yopez, Caskey, Sain, McCartney,
Sheley and Mayor DonCarlos

Nays: None

The motion carried.

ORDINANCE 11,155

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, SETTING A DATE, TIME AND PLACE FOR A PUBLIC HEARING ON THE PROPOSED FISCAL YEAR 2009-2010 MUNICIPAL BUDGET; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

4. PROPOSED RESOLUTIONS**a. Suspend Rates of CenterPoint Energy Entex and Authorize Participation in TCUC - Legal.**

City Manager, Garry Brumback stated that Resolution No. 2000 authorizes the suspension of the effective date of the rates, schedules and tariffs filed by CenterPoint Energy Entex ("CenterPoint Gas") on May 01, 2009, for ninety days and authorized the City to participate in a coalition of cities known as the Texas Coast Utilities Coalition ("TCUC") and the hiring of counsel and experts through TCUC to act on the City's behalf; and the reimbursement of reasonable rate case expenses.

CenterPoint Gas filed a request with the City on May 01, 2009 to increase rates by approximately \$2 million for the Texas Coast Division service territory. This would amount to a 68 cents increase per month for a typical residential customer. The City is a regulatory authority charged with reviewing the rate increase requests for reasonableness, necessity and prudence. The City has been participating with a coalition of cities known as the Texas Coast Utilities Coalition ("TCUC"). The Cities who have participated with the coalition are: Angleton, Baytown, Clute, Freeport, League City, Pearland, Shoreacres, West Columbia and Wharton. Due to their specialized expertise, the coalition of cities have hired Diversified Utilities Consultants, Inc., and Herrera & Boyle, PLLC, to act as rate experts and special counsel, respectively. Baytown's City Attorney Ignacio Ramirez is the Chair for the coalition.

The current effective date for changing the rate schedules is August 01, 2009. The resolution suspends the effective date for ninety days or until October 30, 2009. Under Texas law a local regulatory authority may suspend the effective date for ninety days. The rate experts have indicated that their rate review will not be completed until after August 1st. Cities, by statute, are entitled to recover their reasonable rate case expenses from the utility. Legal counsel and consultants approved by the coalition will submit monthly invoices to the Chair of TCUC. The invoices will be forwarded on to CenterPoint Gas for reimbursement.

Motion was made by Council Member McCartney, seconded by Council Member Yopez approving Resolution 2000. The vote was as follows:

Ayes: Council Members: Yopez, Caskey, Sain, McCartney,
and Mayor DonCarlos

Nays: None

No Vote: Council Member Sheley stepped away from dais

The motion carried.

RESOLUTION 2000

A RESOLUTION OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING THE SUSPENSION OF THE EFFECTIVE DATE OF THE RATES, SCHEDULES AND TARIFFS OF CENTERPOINT ENERGY ENTEX FOR NINETY (90) DAYS WITH REGARD TO THE FILING BY CENTERPOINT GAS WITH THE CITY ON MAY 1, 2009; REQUIRING CENTERPOINT TO REIMBURSE REASONABLE RATE CASE EXPENSES; AUTHORIZING A CITY REPRESENTATIVE TO JOIN A COALITION OF CITIES TO DIRECT EXPERTS AND SPECIAL COUNSEL TO ACT ON THE CITY'S BEHALF; AUTHORIZING THE RETENTION OF SPECIAL COUNSEL AND RATE CONSULTANT FIRMS; MAKING SUCH OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

b. Grant Application for U.S. Department of HUD 2009-10 Community Development Block Grant Funds – Planning and Development Services.

City Manager, Garry Brumback stated that Resolution No. 2001 authorizes the City of Baytown to submit an application to the United States Department of Housing and Urban Development (HUD) for the 2009-10 Community Development Block Grant (CDBG) Funds with the budget as recommended by the Community Development Advisory Committee (CDAC). The resolution also designates the City Manager as the authorized representative to accept and affirm any grant awarded as a result of the application.

The Community Development Advisory Committee ("CDAC") is appointed by City Council and charged with preparing a CDBG budget recommendation for City Council's consideration. Local agencies submitted over \$2 million of requests for funding under this program. On May 19, 2009, after a series of public hearings, the CDAC finalized their budget recommendation, which included 13 programs totaling \$1,060,097. On June 09, 2009, HUD notified the City that the 2009 entitlement would be decreased by \$50. As a result, staff recommends decreasing the total budget to \$1,060,047. Staff presented the proposed budget to City Council on June 11, 2009. On

June 15, 2009, a public notice was posted in the Baytown Sun and on the City's website to solicit public comment on the proposed budget. Once approved by City Council, the City will submit the application and budget to HUD along with the required 2009-10 CDBG Action Plan.

Amount Budgeted & Source of Funding:

FY09 CDBG Annual Entitlement	830,917
Anticipated FY08 Unexpended Funds	163,812
Anticipated FY09 Program Income	<u>65,318</u>
Total Available	1,060,047

Motion was made by Council Member Caskey, seconded by Council Member Sain approving Resolution 2001. The vote was as follows:

Ayes: Council Members: Yepez, Caskey, Sain, McCartney, Sheley and Mayor DonCarlos

Nays: None

Abstention: Council Member Yepez.

The motion carried.

RESOLUTION 2001

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING THE CITY MANAGER TO MAKE APPLICATION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE 2009-2010 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS; DESIGNATING AN AUTHORIZED REPRESENTATIVE; AUTHORIZING THE REPRESENTATIVE TO ACCEPT OR AFFIRM ANY GRANT AWARD THAT MAY RESULT THEREFROM; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

5. REPORTS

a. 2008 City of Baytown Consumer Confidence Report (CCR) – Public Works.

City Manager, Garry Brumback reported that the rating of the City of Baytown's water quality as being superior and included in the report is risks of contamination, which is in any water.

b. Receive City of Baytown Quarterly Investment Report and Financial Report – Finance.

Director of Finance, Cynthia Pearson reported the City of Baytown's Investment Report and Financial Report for the quarter ending June 30, 2009. The reports were reviewed by the Council Finance Subcommittee on July 21, 2009. The brief overview is as follows:

Investments Reports:

- Texpool's book value ending balance of \$57,191,000 with an average monthly interest rate of 0.39%;
- Texstar's book value ending balance of \$56,993,000 with an average monthly interest rate of 0.37%;
- Other Investments with a book value ending balance of \$31,511,000 with a weighted average maturity of 492;
- Total Portfolio book value ending balance of \$145,696,000 with a weighted average maturity of 107.
- The current YTD interest earnings are \$1.5 million. Of the total portfolio investments Texpool and Texstar are each at 39% and a variety of other investors make up the remaining percentages.

Financial ReportsTaxes

- Property Tax - \$2.6 billion with 92% already collected for this year and 103% of the adopted budget.
- Sales taxes - up collecting a little over \$7 million (over 77%)
- Increase of \$980,000 compared to last year.
- Franchise tax - \$3.3 million (84%) being $\frac{3}{4}$ of the way through the budget.
- Industrial district - 100% collected (This is normal since taxes are due at the end of January)
- Interest Income - \$347,000 (35%) of the budgeted amount.

General Fund

- Revenues - 91% last year 93%
- Budgeted \$54 million and have YTD collected \$49 million
- Expenditures budgeted \$59 million YTD spent \$37 million (63%) of budgeted amount same as last year

Debt Services Funds

- Payments are made twice a year
- February 1 (interest and principal)
- August (interest only)

Hotel/Motel Fund

- Revenues - 61% last year 68%
- Expenditures - \$320,000 (16%) last year 31%

Water/Sewer Fund 520

- Revenues - 75% last year 73%
- Expenditures - 69% last year 64%

Sanitation Fund 500

- Revenues - 78% last year 71%
- Expenditures - 65% last year 66%

Storm Water Fund 505

- Revenue 73% last year 77%
- Expenditures - 29% last year's 43%

Garage Fund 550

- Revenue - 67% last year 96%
- Expenditures - 56% last year 87%

Warehouse Fund 552

- Revenue - 77% last year 85%
- Expenditures - 66% last year 75%

Street Maintenance Fund 211

- Revenues \$1.7 million 78%
- Expenditures \$4.6 million allocated, used \$1.2 million having \$3.3 million available

CCPD Fund 206

- Revenues - \$723,000 (72%) last year 68%
- Expenditures - \$855,000 (80%) last year 66%
- Increase in sales tax collections of 16.7%

FCPEMSD Fund 207

- Revenues - \$722,000 (73%) last year 66%
- Expenditures - \$606,000 (58%) last year 59%
- Increase of sales tax collections of 19.29%

At the conclusion of report, a Council Member inquired about the sales tax difference from the CCPD and the FCPEMSD. Mrs. Pearson will make information available to Council.

6. DISCUSSIONS

a. Receive Crime Control and Prevention District 2009-10 Proposed Budget – City Management.

City Manager, Garry Brumback stated that the Board of Directors ("Board") of the Baytown Crime Control and Prevention District ("CCPD") met on July, 14, 2009 and approved its 2009-10 Fiscal Year budget. In accordance with the alternative budget procedures adopted by the CCPD, the Board is required to submit the budget to the City Council within 10 days after the budget is adopted. As such, this agenda item acknowledges that the Board has submitted its budget and that the City Council has received it.

Furthermore, after the budget has been received by the City Council, the following will occur:

- The City Clerk will publish notice of the City Council's Public Hearing for the proposed budget no later than 10 days before the Public Hearing;
- The City Council will hold a Public Hearing on the proposed budget no later than 45 days before October 01, 2009; and
- The City Council must approve or reject the proposed budget no later than 30 days before October 01, 2009.
- The City Council may not amend the proposed budget, only approve or reject it; if it is rejected the City Council and the Board shall meet and together amend and approve the budget before October 01, 2009.

The Public Hearing for this budget is scheduled for August 13, 2009, and consideration for the approval of the budget is scheduled for August 27, 2009.

b. Receive the Baytown Fire Control, Prevention and Emergency Medical Services District Budget – City Management.

City Manager, Garry Brumback stated that the Board of Directors ("Board") of the Baytown Fire Control, Prevention and Emergency Medical Services District (FCPEMSD) met on July 21, 2009, and approved its 2009-10 Fiscal Year budget.

In accordance with the alternative budget procedures adopted by the FCPEMSD, the Board is required to submit the budget to the City Council within 10 days after the budget is adopted. As such, this agenda item acknowledges that the Board has submitted its budget and that the City Council has received it.

Furthermore, after the budget has been received by the City Council, the following will occur:

- The City Clerk will publish notice of the City Council's Public Hearing for the proposed budget no later than 10 days before the Public Hearing;

- The City Council will hold a Public Hearing on the proposed budget no later than 45 days before October 01, 2009; and
- The City Council must approve or reject the proposed budget no later than 30 days before October 01, 2009.
- The City Council may not amend the proposed budget, only approve or reject it; if it is rejected the City Council and the Board shall meet and together amend and approve the budget before October 01, 2009.

The Public Hearing for this budget is scheduled for August 13, 2009, and consideration for the approval of the budget is scheduled for August 27, 2009.

c. City Manager's Proposed Budget for Fiscal Year 2009-10 – City Management.

City Manager, Garry Brumback stated that the City Charter provides in Article V, Sec. 41 that "The City Manager, at least sixty days prior to the beginning of each budget year, shall submit to the Council a proposed budget and an explanatory budget message in the form and with the contents provided by sections 50 and 52."

Additionally, the Council may accept or modify the proposed budget prior to adoption. Article V, Sec. 46 of the Charter requires the City Council to adopt an annual budget no later than September 27 of each year or the City Manager's proposed budget shall be adopted as originally submitted to Council.

Work Sessions on the proposed budgets are as follows:

- August 05, 2009 at 2:00 p.m.
- August 06, 2009 at 2:00 p.m.
- August 07, 2009 at 2:00 p.m.

Budget Summaries has an overall increase of only 1.34%.

7. CONSENT

Motion was made by Council Member Sheley, seconded by Council Member McCartney approving Consent Items: 7.a. and 7.b. The vote was as follows:

Ayes: Council Members: Yopez, Caskey, Sain, McCartney,
Sheley and Mayor DonCarlos

Nays: None

The motion carried.

a. Ordinance 11,156: H-GAC purchase of (1) Chevrolet Silverado Vehicle for Water Distribution – Purchasing.

Ordinance No. 11,156 authorizes the purchase of (1) 2009 Chevrolet Silverado extended cab pickup for Water Distribution from Caldwell Country Chevrolet through the Houston-Galveston Area Council (H-GAC) for a total amount of \$23,341.00; the H-GAC fee of \$600.00 is assessed per purchase order and included in the total amount.

This new vehicle replaces Unit #59831, a 1998 Chevrolet ½ ton pickup with a mileage of 196,521 and a blown engine. This item was budgeted as a replacement vehicle in the capital replacement list of 2010 (Priority #19 on the list). The used vehicle was utilized by the standby crew and requires replacement in this budget year and shall be removed from the 2010 list. The Equipment Services Shop does not recommend a motor replacement since the truck has other issues, including the transmission.

ORDINANCE 11,156

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING THE PAYMENT OF TWENTY-THREE THOUSAND THREE HUNDRED FORTY-ONE AND NO/100 DOLLARS (\$23,341.00) TO CALDWELL COUNTRY CHEVROLET THROUGH THE HOUSTON-GALVESTON AREA COUNCIL FOR THE PURCHASE OF ONE (1) 2009 CHEVROLET SILVERADO EXTENDED CAB PICKUP TRUCK FOR THE WATER DISTRIBUTION DIVISION; MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

b. Ordinance 11,157: Interlocal Agreement with Texas City for Cooperative Purchasing – Legal.

Ordinance No. 11,157 authorizes an interlocal agreement with the City of Texas City for cooperative purchasing for the demolition of residential structures. The City entered into its Annual Demolition of Residential Structures Contract with JTB Services, Inc., on September 02, 2008, in accordance with Chapter 252 of the Texas Local Government Code. The proposed agreement allows the City of Texas City to utilize the Baytown's Agreement for residential demolitions without having to competitively bid such services. Under the interlocal agreement, the City of Texas City agrees to be responsible for all services performed for its benefit under the agreement.

ORDINANCE 11,157

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AND THE INTERIM CITY CLERK TO ATTEST TO AN INTERLOCAL AGREEMENT WITH THE CITY OF TEXAS CITY FOR COOPERATIVE PURCHASING FOR THE CITY OF TEXAS

CITY TO USE THE CITY OF BAYTOWN'S DEMOLITION OF RESIDENTIAL STRUCTURES CONTRACT; MAKING OTHER PROVISIONS RELATED THERETO; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

8. APPOINTMENTS

a. Parks and Recreation Advisory Committee - Interim City Clerk.

City Manager, Garry Brumback stated that the Board has (3) members (1) Mr. Billy Barnett, (2) Mr. Anthony Fama and (3) Ms. Carmen Torres who desire reappointment. If appointed, their terms would begin on September 01, 2009 and end on August 31, 2012.

Motion was made by Council Member Caskey, seconded by Council Member Sain to reappoint Mr. Billy Barnett, Mr. Anthony Fama and Ms. Carmen Torres to the Parks and Recreation Advisory Committee. The vote was as follows:

Ayes: Council Members: Yopez, Caskey, Sain, McCartney,
Sheley and Mayor DonCarlos

Nays: None

The motion carried.

b. Baytown Crime Control and Prevention District - Interim City Clerk.

City Manager, Garry Brumback that that there was one reappointment to the Baytown Crime Control and Prevention District for a term beginning September 01, 2009 and ending on August 31, 2011.

Mr. Joseph Whitehead was appointed by Council Member Terry Sain has requested reappointment. If appointed, he would serve a term beginning September 01, 2009 and ending on August 31, 2011.

As a reminder, Mr. Gary Cochran, a District 6 appointment and Ms. Deborah Kaye Gutierrez, an appointment by Mayor DonCarlos are not seeking reappointment; this leaves (2) vacancies on this Board.

Motion was made by Council Member Sain, seconded by Council Member McCartney reappointing Mr. Whitehead to the CCPD. The vote was as follows:

Ayes: Council Members: Yopez, Caskey, Sain, McCartney,
Sheley and Mayor DonCarlos

Nays: None

The motion carried.

c. Baytown Fire Control, Prevention, and EMS District - Interim City Clerk.

City Manager, Garry Brumback that that Mr. Gerald Baldwin and Mr. Maurice Watts have requested reappointment to the Baytown Fire Control, Prevention, and EMS District. If appointed, their terms would begin on September 01, 2009 and end on August 31, 2011.

As a reminder, Mr. Frank F. McKay, III appointed by Council Member Brandon Capetillo, District 3 is not seeking reappointment, leaving (1) vacancy on this board.

Motion was made by Council Member Sain, seconded by Council Member Yopez reappointing Gerald Baldwin and Maurice Watts to the Baytown Fire Control, Prevention, and EMS District. The vote was as follows:

Ayes: Council Members: Yopez, Caskey, Sain, McCartney,
Sheley and Mayor DonCarlos

Nays: None

The motion carried.

d. Baytown Tax Increment Reinvestment Zone No. One and Baytown Redevelopment Authority - Interim City Clerk.

City Manager, Garry Brumback stated that there were three reappointments to the Baytown Tax Increment Reinvestment Zone No. 1 and the Baytown Redevelopment Authority for consideration 1.) Mr. Reggie Brewer, 2) Mr. Mike Wilson, and 3) Council Member Terry Sain. If appointed, their terms would begin on September 01, 2009 and end on August 31, 2011.

Motion was made by Council Member McCartney, seconded by Council Member Caskey reappointing Reggie Brewer, Mike Wilson and Council Member Terry Sain to the TIRZ No. One and Baytown Redevelopment Authority. The vote was as follows:

Ayes: Council Members: Yopez, Caskey, Sain, McCartney,
Sheley and Mayor DonCarlos

Nays: None

The motion carried.

9. ADJOURN

Motion was made by Council Member Caskey, seconded by Council Member Yopez adjourning the July 23, 2009, Regular Meeting. The vote was as follows:

Ayes: Council Members: Yopez, Caskey, Sain, McCartney,
Sheley and Mayor DonCarlos

Nays: None

The motion carried.

Mayor DonCarlos adjourned the Regular City Council Meeting on July 23, 2009 at 8:18 P.M.

Leticia Garza, Interim City Clerk
City of Baytown