



# CITY OF BELLAIRE TEXAS

MAYOR AND COUNCIL

AUGUST 18, 2014

Council Chamber

Public Hearing

6:00 PM

7008 S. RICE AVENUE  
BELLAIRE, TX 77401

## SPECIAL SESSION (BUDGET PUBLIC HEARING) - 6:00 P.M.

### A. Call to Order and Announcement of a Quorum - Dr. Philip L. Nauert, Mayor.

Dr. Philip L. Nauert, Mayor, called the City Council of the City of Bellaire, Texas, to order at 6:06 p.m. on Monday, August 18, 2014. He announced that a quorum of all members of City Council were present as set forth below.

Full Name	Title	Status	Arrived
Philip L. Nauert	Mayor	Present	
David B. Nathan	Mayor Pro Tem	Present	
John Reed	Councilman	Present	
Anthony Aviola Sr.	Councilman	Present	
James Appas	Councilman	Present	
Michael Laughlan	Councilman	Present	
David S. Friedberg	Councilman	Present	
Paul A. Hofmann	City Manager	Present	
Gregory Petrov	City Attorney	Present	
Tracy L. Dutton	City Clerk	Present	

### B. Reading of Notice of Public Hearing - Tracy L. Dutton, City Clerk.

Tracy L. Dutton, City Clerk, read the "Notice of Public Hearing" regarding the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2014, and ending September 30, 2015 (fiscal year 2015), into the record. City Clerk Dutton advised that the "Notice of Public Hearing" was posted on the City's official bulletin board and website on Monday, July 28, 2014, and in the legal notices section of the Southwest News on Tuesday, July 29, 2014, and on August 5, 2014.

### C. Summary of Public Hearing Procedures - Paul A. Hofmann, City Manager.

Paul A. Hofmann, City Manager, summarized the public hearing procedures for the evening.

### D. Budget Presentation - Paul A. Hofmann, City Manager:

Overview of the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2014, and ending September 30, 2015 (fiscal year 2015).

Paul A. Hofmann, City Manager, presented a broad picture overview of the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2014, and ending September 30, 2015 (fiscal year 2015). He noted that his presentation was largely intended to give the public some context for

their budget-related comments.

**General Fund:**

A chart of total resources anticipated in the General Fund for fiscal year 2015 was presented. It was noted that the City anticipated a 13% increase in property tax revenues and that other resources (such as sales tax, franchise fees, fines, building permit fees, etc.) were expected to remain the same as in previous years.

With respect to expenditures, a chart depicting expenditures for fiscal year 2015 was provided, showing the majority of City resources being directed to Police, Parks, and Fire.

In looking at expenditures by "category," the largest expense category in the General Fund was noted to be salaries and benefits, which represented 71% of the total General Fund.

**Enterprise Fund:**

A chart of total resources anticipated in the Enterprise Fund for fiscal year 2015 was presented. Reference was made to the beginning balance in the Enterprise Fund and the fact that it was decreasing as compared to prior years. City Manager Hofmann advised that the City was not recommending a change in water rates, wastewater rates, or solid waste rates at this time.

With respect to expenses in the Enterprise Fund, City Manager Hofmann indicated that the Enterprise Fund would transfer less to the Capital Improvement Program from current cash revenues for fiscal year 2015 than in prior years.

In looking at expenses by "category" in the Enterprise Fund, it was noted that 25% of the budget was tied up in salaries and benefits. The other large expense category was water purchases from the City of Houston representing 28% of the budget.

**Budget Highlights:**

City Manager Hofmann next presented budget highlights for the fiscal year 2015 budget. He indicated that the City was not recommending a tax rate increase or a utility rate increase; however, one of the focus areas in the next fiscal year would be on revenues. The General Fund had generally been held very flat from year to year. The proposed base budget represented an increase of less than one percent (1%) as compared to the prior year base budget.

With respect to staffing, the City recommended reducing one position overall.

City Manager Hofmann continued and advised that the City was focusing significantly on neighborhoods and safety and would be sharing more information with City Council during the second budget workshop session to be held on August 19, 2014.

A continuing focus on improvements to facilities, grounds, and park maintenance was an area of importance to City Staff.

Finally, with respect to tax rates, Bellaire's current tax rate was \$0.39999. The

current rate was proposed for fiscal year 2015. City Manager Hofmann referenced the statewide average tax rate for cities the size of Bellaire, which was \$0.54764.

Of the \$0.39999 tax rate for Bellaire, \$0.14 was apportioned to the Debt Service Fund, and \$0.25 was used for operations and maintenance.  
(Requested by Paul A. Hofmann, City Manager)

**E. Recognition of Citizens and/or Other Interested Parties - Dr. Philip L. Nauert, Mayor.**

Robert Riquelmy:

Mr. Riquelmy addressed City Council and indicated that the Police Department was the most important function that the City provided to its citizens, in his opinion.

In light of the importance of that function, Mr. Riquelmy urged City Council to substantially increase the budget for the Police Department and encouraged evaluations every two years of those authorized to carry guns and of the Police Department as a whole.

Lynn McBee:

Ms. McBee addressed City Council and shared that she was on a fixed income and was still facing increased home appraisals on an aging home (i.e., 5% increase this year and 10% last year for a total of 15% over two years).

Also of note by Ms. McBee were taxes passed on to residents to recoup expenses utility companies paid under franchise agreements to the City. Ms. McBee provided the following examples of franchise taxes passed on to her for utility services: Comcast Cable Television charged a franchise tax of \$5.03 per month; AT&T charged \$0.76 per month; and CenterPoint Energy charged \$0.62 per month. The total franchise taxes she paid per month were a little over \$6.00 per month or a total of \$84.00 per year. With respect to sales taxes, she provided the following examples: Comcast Cable Television charged \$7.25 per month; AT&T charged \$1.61 per month; CenterPoint Energy charged \$0.41; Reliant Energy charged \$3.50; T Mobile charged \$1.44; and the City's Solid Waste Division charged \$1.63. This represented another \$15.00 per month or \$190.00 annually. Her total annual payment for franchise and sales tax equaled \$266.00. Ms. McBee urged City Council to consider what residents paid in franchise and sales taxes in determining the real estate tax rate.

With reference to the proposed budget for fiscal year 2015, Ms. McBee indicated that the following budget items seemed excessive to her:

- \$80,000 for incentive pay in the General Fund;
- 14% increase in the fees charged by Harris County to collect Bellaire's property taxes;
- \$150,000 for education and training;
- Cost of uniforms;
- \$117,000 for new hardware and software for the City Manager's office;

- Professional services increase of 29% in the Communications Technology Services Department;
- Changing the name of the Community Development Department to Development Services and the cost associated with that change (stationery, website, etc.); and
- Planners and economic development in the amount of \$93,000 for the Community Development Department. As an aside, Ms. McBee noted that a proposed policy on economic development was rejected by City Council and yet it was funded in the proposed budget.

{Speaker's allotted time ended at this point in the meeting}

#### **F. Questions from the Mayor and City Council.**

Dr. Philip L. Nauert, Mayor, opened the floor for questions from the City Council regarding the proposed budget for fiscal year 2015.

Following questions of City Manager Paul A. Hofmann and Assistant City Manager Diane K. White regarding the proposed budget, Mayor Nauert closed the public hearing.

#### **G. Close of Public Hearing - Dr. Philip L. Nauert, Mayor.**

Dr. Philip L. Nauert, Mayor, closed the public hearing on the proposed fiscal year 2015 budget for the City of Bellaire, Texas, at 6:47 p.m. on Monday, August 18, 2014.

Mayor Nauert indicated that oral comments would not be received following the close of the public hearing. Written comments could be submitted to the City Council prior to final deliberation on the budget. It was anticipated that final deliberation would occur on Monday, September 8, 2014; therefore, written comments would need to be submitted to the City Council in care of the City Clerk by noon on Thursday, September 4, 2014, in order to be considered for the public record.

#### **H. Adjournment.**

A motion was made and seconded to adjourn the Public Hearing before the City Council of the City of Bellaire, Texas, at 6:49 p.m. on Monday, August 18, 2014.

**Motion:** Adjourn.

<b>RESULT:</b>	<b>ADOPTED [UNANIMOUS]</b>
<b>MOVER:</b>	Amanda B. Nathan, Mayor Pro Tem
<b>SECONDER:</b>	Gus E. Pappas, Councilman
<b>AYES:</b>	Nauert, Nathan, Reed, Avioli Sr., Pappas, McLaughlan, Friedberg