

STATE OF TEXAS
COUNTY OF CHAMBERS

City of Beach City Regular Called City Council Meeting Minutes

The City Council of the City of Beach City, Texas
met in a Regular Session on **April 25, 2017** at the
Beach City Community Building 12723 FM 2354 Beach City, TX. 77523

Members Present: Mayor Billy Combs (presiding), Mayor Pro Tem Jackey Lasater,
Alderman Paul Newman, Alderman Ray Smith, Alderman Dana Colquitt and Alderman
Doug Walker

Staff Present: City Secretary Evonne Donnelly and Assistant Secretary Marge Bercaw

Legal Counsel Present: City Attorney Daniel Jackson

1. Call to order and announcement of quorum

On Tuesday April 25, 2017 Mayor Combs announced enough members are present for a
quorum and called the meeting to order at 6:02 pm.

2. Invocation and Pledge of Allegiance

Mayor Combs offered prayer. Alderman Colquitt led the Pledge of Allegiance to the United
States and Texas flags.

3. Public Comments (Limited to five minutes per person)

None

4. Hear report and update from Chambers County Commissioner, Rusty Senac

Notes from Commissioner Senac:

Chambers County Youth Project Show Auction and Buyer Dinner will begin April 26 through
April 29, 2017 at 3:00 PM; Live Auction 5:00 P.M. Exhibit Hall art, wood working projects
like picnic tables, swings, coolers, etc.

Community Development Block Grant Funds for the Drainage Project at RWJ subdivision
appears to be moving forward. We received approval from the HOA Board and members.
Improvement to the south ditch between RWJ and the NRG Canal will be the primary
improvement and a secondary drainage will take some of the water from the main drainage
channel that parallels the concrete runway to the southern ditch. They will use a portion of
the grass taxiway/runway as open drainage. Hope to complete easements and
maintenance easements and other legal items. Hope to go out for construction bid before
August.

Don't forget to vote, BHISD \$120 Million Bond.

Due to our continued growth, we are dividing Voting Precincts 11 (aka Cedar Bayou) into

two voting Precincts. Voting Pct. 11 has a total of 4,369 registered voters. The maximum allowed is 5,000. We determined that the best dividing line will be Highway 146. There will be a good balance of voters using this as a dividing line.

Pct. 11 is known as Cedar Bayou. Pct. 15 has not been named yet but will probably be known as "Kilgore" or perhaps "Cedar Bayou West".

Two developments are planned east of Highway 146 along Kilgore Parkway. Southwinds (approx. 490 single family homes) and Sandy Aarons (approx. 240 apartments). For the curious, Beach City Voting Pct. 5 has 2,127 County Registered Voters, 185 Lee College voters, 185 GCCISD voters and 1,940 BHISD voters. Voter counts are from late 2016.

There is a new home development by LGI in Cove on FM 565 south called, Joseph's Cove. There have been concerns expressed by some County residents regarding the advertised financing of 'no money down'. There will be possibly 500 homes in this subdivision. This is located by the Mont Belvieu RV Park on FM 565 south.

5. Hear report and update from Beach City Volunteer Fire Department (BCVFD)

No report

6. Approval of Minutes for Regular Meeting of March 28th, 2017

Motion to approve

Motion: Newman

Second: Smith

Approved: 5-0

7. Financial Consent Agenda (All financial consent agenda items are considered routine by Council and will be enacted by one motion. A Councilmember may request an item to be removed and considered separately.)

(a) Review and approve the Financial Statements for previous month

(b) Review and approve Investment Update

(c) Review and approve Expenditures for the current month

Motion to approve the financials

Motion: Newman

Second: Walker

Approved: 5-0

Discussion: on the Investment Update, the days to maturity show two negative days from CD's that have matured. Mayor Combs asked Secretary Donnelly to delete these days so they do not interfere with the actual calculation(s).

8. Hear report and update from Samuel Vaughan with Financial Northeastern Companies (FNC) regarding CD investments

This is the first time the City has ever worked with a broker or advisor on CD investments. Mr. Vaughan operates the Texas branch of FNC and opened his office in Austin two years ago. Previously, he worked for the Texas Association of School Boards, administering their local government investment pool.

Alderman Newman asked what FNC's services would offer the City. Mr. Vaughan stated that the terminology is generally a Brokered CD. The idea is FNC serves as a direct underwriter with several thousand banks across the country. When those banks are in the

market place for deposits they are on FNC's platform and thus, available to municipalities they have a working relationship with. Alderman Colquitt asked if there is a minimum amount needed for a CD. Mr. Vaughan replied that there are two ways you can access a CD through a broker:

1. A DTC Eligible CD, trades in the market place and clears through a custodial firm. The minimum trading amount is in increments of \$1,000. Currently, the highest rate on a one year DTC CD is 1.55%.

2. A direct CD, which the amounts differ...some are \$250,000 minimum. The one the City opened in March has a minimum of \$100,000. The City has netted 1.30% on the CD purchased last month.

Alderman Colquitt asked what the City's advantage is to in using FNC/a broker vs. going through the bank itself. Mr. Vaughan replied, the higher interest rates.

Alderman Walker asked what the current CD market looks like in terms of returns. The response was, we have had two interest rate increases this year and the FED says there will be more to come. Mr. Vaughan feels there will be one more interest rate increase either in June or September.

9. Consider and approve Financial Northeastern Companies (FNC) Non-Corporate Resolution for signers to CD #867

The City needs to sign a Resolution authorizing the signatures on the FNC CD account. Mayor Combs noted that FNC has a cookie cutter type Non-Corporate Resolution for the signers. It is geared toward a corporation rather than a municipality. Secretary Donnelly drafted a Resolution for the CD account signers similar to the ones used with Capital Bank.

Motion to approve a non-corporate resolution authorizing the signatures of Billy Combs, Ray Smith, Dana Colquitt, Doug Walker and Jackey Lasater; subject to non-material changes that maybe required by the financial institution.

Motion: Walker

Second: Newman

Approved: 5-0

10. Hear report from Roy "Kim" Turner with Chambers County OEM

No report

11. Consider and approve a date to host the Emergency Preparedness Workshop in June

Mr. Turner's preference is to hold the workshop on Thursday, June 8th, the other option is June 1st. Council is in agreement for the June 8th date.

Aldermen Walker and Colquitt will act as the committee to work with Mr. Turner to ensure the content of the presentation coincides with the City's ideas.

12. Consider and approve Ordinance denying "Application of CenterPoint Energy Houston Electric, LLC for Approval to Amend its Distribution Cost Recovery Factor"

Motion to approve an ordinance to deny the application

Motion: Newman

Second: Colquitt

Approved: 5-0

Discussion: Alderman Walker asked if anyone has been attending any meetings regarding this. Mayor Combs asked Secretary Donnelly to forward the City of Houston's

organizational meeting (conference call) information to Alderman Walker, so he may sit in on the calls.

13. Consider adopting a Resolution to join a Coalition of Cities led by the City of Houston for the Distribution Cost Recovery Factor (DCRF) proceedings relating to CenterPoint Energy Houston Electric, LLC Application for Approval to Amend its Distribution Cost Recovery Factor (DCRF)

Last year Mayor Combs asked Council to switch from the City of Houston's Coalition of Cities and join with a different group. That did not work out so well; the Mayor is asking Council to consider joining with the City of Houston's Coalitions of Cities this year.

Motion to approve a Resolution

Motion: Newman

Second: Lasater

Approved: 5-0

14. Discuss and consider adding a community bulletin board to the City's website

For several years residents have asked Mayor Combs to send out email blasts to his City distribution list regarding lost animals, garage sales, etc. Someone asked the Mayor to consider adding a bulletin board to the website for this purpose.

Discussion from Council on how to manage these postings; who would oversee this; potential lawsuits; policies on what emails the Mayor can send out.

No action taken.

15. Discussion and possible action on revising the current office policy regarding keys to the office and minor verbiage changes

Since the City does not have a policy on the distribution of keys, some additions and/or revisions have been made to the City's Office Policies & Procedures. Currently, the Mayor, City Secretary and Assistant Secretary are the only ones to have an entry key to the office or building. The proposed changes are as follows:

- a). A loaner key(s) will be available, but will need to be signed out/in.
- b). Whenever there are changes to the Mayor or office staff, the locks will be changed and new keys distributed to above referenced individuals.
- c). The keys will have "Do Not Duplicate" on them.

Assistant Secretary Bercaw stated that this policy was not approved by Council. Mayor Combs asked Council to review this Office Policy as presented and it will be discussed at the next meeting.

16. Discuss and approve the sale of the Beach City Wilma Lane extension in Walker Parkview Subdivision to Warren and Opal Lisenbee, subject to i) buyer paying full appraised value of the property and all closing cost including the survey and appraisal, ii) buyer granting a 20' wide drainage easement (10' either side of the existing drainage culvert) to the City

Council reviewed the appraisal Mr. Lisenbee purchased for this property.

Alderman Walker asked for this item to be tabled until next month so that Council may take a looksee at this property, its elevation, etc.

No action taken.

17. Discuss and consider adding an additional streetlight to FM 2354 and Fisher Road

Mayor Combs discussed the issue of darkness at the FM 2354 and Fisher Road intersection (i.e. no moon situations, excessive fog, etc.) due to the streetlight we have sitting so far off of the road. The discussion was on whether Council should consider placing another light on FM 2354, on the CenterPoint pole at Fisher Road Baptist Church; to basically use as a beacon to mark the Fisher Road intersection. After a brief discussion, Council agreed to each drive out one night and look at this area.
No action taken.

18. Hear update on actions resulting from recommendations by the City Survey Committee

1. List of residents that may need special assistance during an emergency evacuation (develop plan to evacuate) = Secretary Donnelly sent a list of those individuals to Chambers County OEM.
2. Emergency Preparedness Workshop = has been scheduled.
3. Work / follow up with the HOA's to address a neighborhood watch = no forward progress yet.
4. Investigate ways to improve upon our TV/Internet availabilities = Commissioner Senac and Mayor Combs have not had time to meet on this.
5. Improve US mail delivery service = Mayor Combs and Alderman Walker will meet Wednesday at 1:30 p.m. with the Baytown USPS Postmaster to review the resident's complaints and concerns per the City Survey.
6. Continue to improve traffic on FM 3180 = Surveying underway now and Mayor Combs mailed out a thank you to Omar and his superior at TxDOT.
7. Streetlight improvements = being evaluated and moving forward with the placement of the three approved lights.
8. Annual City Celebration = Alderman Colquitt and Assistant Secretary Bercaw will meet soon.

19. Hear report and update from a member of the Beach City Water Control & Improvement District (WCID) Board of Directors

Sharon Smith updated Council on the WCID progression:

- a). first interim board of directors meeting held March 23rd
 - b). all assigned officers took the oath of office
 - c). agreed to go with Fidelity Bonds
 - d). adopted a district seal
 - e). motion made and approved to file application with TCEQ, both their water and sewer
 - f). hire SKLaw as attorney; hire Bill Blitch as Financial Advisor and hire Mark Adams as Engineer
 - g). officers agreed on which positions to accept
 - h). vote to hold meetings at the Beach City Community Building; post Agendas at each subdivision – Oaks at Houston Point & Bayridge
 - i). will proceed with negotiations to purchase the equipment/facility from Nerro Supply
- Secretary Donnelly will be available to assist the Board, if need be, guiding them toward getting on the November ballot for their election.

20. Update and discussion from the citizen's committee evaluating the need of a Sales & Use Tax for Beach City

No report

21. Discussion and possible action on an Ordinance regulating Billboards within Beach City

Mayor Combs and Alderman Walker worked on this last week. Mayor Combs noted that he deleted the information regarding temporary signs. Also, the Mayor noted there is no mention of permitting requirements.

Council discussed various segments of this ordinance and it was determined that Attorney Jackson will add verbiage about temporary signs and bring back to Council.

22. Update and discussion on non-compliance to City ordinances regarding On-Site Sewage Facilities (OSSF's)

No report

23. Report and update from Mayor Combs

Rotary Fish Fry is May 6th, tickets still available.

Thanks to Assistant Secretary Bercaw for the nice thank you card.

24. Council Comments

Alderman Newman asked what the cost will be if we have to install a new pole for a streetlight. Mayor Combs replied, \$3,000. The minimum cost would be \$2,500 according to CNP.

25. Adjourn

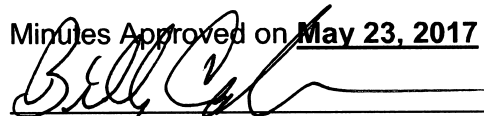
Motion to adjourn at 7:55 p.m.

Motion: Newman

Second: Walker

Approved: 5-0

Minutes Approved on May 23, 2017


Billy Combs, Mayor

Attest:


Evonne Donnelly, City Secretary