

**BEACH CITY COUNCIL**  
**REGULAR MEETING MINUTES**

The Beach City Council met for a Regular Meeting August 24<sup>th</sup>, 2010, at the Beach City Community Building. Those present were:

MAYOR: Billy Combs

MAYOR PRO TEM: Jackey Lasater

ALDERMAN: Rita Standridge

Douglas Walker

Ray Smith

Vaughn Bercaw – Absent

CITY ATTORNEY: Daniel Jackson

CITY SECRETARY: Margaret Gainer

Mayor Combs called the meeting to order at 7:00 P.M. Tuesday August 24<sup>th</sup>, 2010. He offered prayer and led the Pledge of Allegiance to the U.S. Flag and then the Texas Flag.

**I. Citizen Comments.**

No Comments.

**II. Review and consider approval of the Regular Meeting minutes of July 29th, 2010.**

Minutes reviewed by Council prior to the meeting.

Alderman Smith corrected several clerical errors.

MOTION made to accept minutes as corrected.

MOTION: Walker

SECONDED: Lasater

APPROVED 4 - 0

**III. Review and consider approval of the Financial Statements for month ending July 31, 2010.**

The Financial Statements for July, 2010 were reviewed by Council prior to the meeting. In their package were a Profit & Loss statement and a Balance Sheet for July 31, 2010. Balance Sheet Previous Year Comparison and Profit & Loss Prev. Year Comparison were handed out for the meeting. Mayor Combs said he likes to look at this.

MOTION made to approve the Financial Statement for the month ending July 31<sup>st</sup>, 2010 as stated.

MOTION: Standridge

SECONDED: Walker

APPROVED: 4 - 0

**A. Investment rate/security review and update**

Mayor Combs reported that we have a CD at Bank of America that matured August 19<sup>th</sup>, 2010. He presented a spread-sheet that he put together listing CD rates from several banks including a quote from Ms. Barrow at Capital Bank which he recommends we use. He went on to say looking at the dates these CD's are maturing and the low interest rates he recommends that we renew these CD's for 24 months. Interest

on a 24 month CD at Capital Bank is 2.00% but they will not give 2.00% for a CD over \$90,000.00 so we would have to split the CD into 2 smaller CDs. The Mayor suggested that if we go back and look at the Balance Sheet, we've got and keep around \$90,000.00 in the TexPool Account. He recommends that we buy two (2) \$75,000.00 CDs, take \$50,000.00 out of TexPool. He reminded council "We've a lot of short term CDs coming up". Alderman Walker reminded Council that our Investment Plan calls for 15% of total funds kept in TexPool, Alderman walker said we can review the Investment Plan again and make a different decision should we want to? He feels we should do that step first.

**B. CD transfer approval.**

MOTION made to take the Bank of America CD in the amount of \$97,917.00 and invest it in two (2) equal amount CDs at Capital Bank at a rate of 2.00% for 24 months.

MOTION: Walker

SECONDED: Standridge

Discussion: Alderman Smith asked if it is Councils feeling that we aren't going to see any better than that in 24 months? Alderman Walker said the way the economy runs, he would guess it's not going up much for the next 18 months; at least it is spread out some. Alderman Smith said if it was his money, he would not lock it in for 24 months at that rate, he would make it more accessible in case the rate goes up.

QUESTION CALLED.

APPROVED: 4 - 0

**IV. Review and consider approval of Revenues and Expenditures for current Month.**

Council reviewed the proposed Revenues and Expenditures prior to the meeting.

Alderman Standridge asked if this is the last time we will see the AT&T Mobility Bill. Ms. Gainer said there will be one more for final charges. Alderman Standridge also commented on the \$327.84 Reliant Energy Street/Sentry Lights. Mayor Combs said he wanted to make a foot note so everyone would know. BCVFD has never cashed their \$3,900.00 January Check. They have lost it. The Mayor is going to issue a new check for that and then after we hand it to them, he is going to immediately void it from the computer and when they cash it he is going to check off the one that is outstanding. The reason for doing it that way is because it is in two different Fiscal Years.

MOTION made to approve the expenditures for the current month.

MOTION: Standridge

SECONDED: Lasater

APPROVED: 4 - 0

**V. Hear concerns of citizens living on McCollum Park Road; and possible action.**

Ms. Jennifer Cuvelier came before Council to petition for Improvements to McCollum Park Road. The improvements included speed limit reduction, "Children at Play" signs, more lighting on street and entrances to Barrow Ranch Subdivision. She suggested more law enforcement patrols for the safety of homeowners and properties and support from the City Council to have the

matter looked at by Chambers County Officials. She and several other residents explained some of the things that were going on such as drunk driving, very high speed driving, racing on this narrow road and construction trucks. They fear it will get worse when McCollum Park re-opens after the repairs are made. She has collected approximately 38 petitions. After a short discussion between Council and the residents, Mayor Combs told them they really need to get to know our Sheriff, Joe LaRive. If you can get a license number or something the Mayor feels confident that he will definitely look into it. Alderman Smith said it's probably best for us to request help from the County. Ms. Cuvelier asked if there is any way they could get them to talk right now to get speed signs, children at play signs, striping and things like that. Mayor Combs said he would call Don Brandon and Judge Sylvia tomorrow and ask him what they would recommend to proceed with this.

**VI. Hear and act on rate request from The Natural Gas Company.**

Mr. Michael Lannou was present to talk about the rate increase he is asking for The Natural Gas Company, LLC. He explained the handout that he had sent for Councils' review prior to the meeting. He stated that it shows the actual gas cost of the gas per CCF billed each customer for their share of the gas consumed during each month, for 4 months. Mayor Combs said Mr. Lannou has a base rate that Council has approved previously. In addition to his base rate he is allowed to add flow through too. What he has chosen to do is adjust his rates monthly. What he is asking is every month we need to approve it. He went on to say that typically a flow through does not need our approval; it is a flow through rate that is regulated. Mr. Lannou said he has to pay the City quarterly, so he will send the monthly information at that time. Mayor Combs said that was alright, we will stamp the date received and send it back.

**VII. Update on CenterPoint Energy Rate Case.**

Mayor Combs stated that CenterPoint is asking if anyone wanted to submit anything related to our Street light cost or service issues. The current rate is \$327.84. Alderman Standridge said it sure has gone up since we got in the street light business. Mayor Combs said he would check on this.

**VIII. Discussion and possible action on audit for CenterPoint franchise payment calculation.**

Mayor Pro Tem Lasater reported that they had checked all of the street addresses and came up with about 15 missing. Alderman Walker said, "maybe a few more than that, but there was nothing significant". Mayor Pro Tem Lasater said they were kind of disappointed because they did not find any more missing. It doesn't answer their question why there is a decrease of 20% or 30% in homes. He went on to say that he has developed a spread sheet and now they can transfer the information so they can look at each address and see what their usage has been for 5 years running. Mayor Combs and Council commended Alderman Walker and Mayor Pro Tem Lasater for the work they have done on this.

**IX. Discussion and possible action on audit for all Beach City franchise accounts.**

Mayor Combs said since they are doing such a good job on this; he realized that we've never audited, to his knowledge, any of the other accounts on which the City receives a municipal franchise fee. He thinks we need to look into doing that. After discussing some of the current accounts Mayor Combs asked Alderman Smith and Alderman Standridge if they would take on looking at some of the other franchises. They answered that they would do it.

**X. Update on TX-DOT plans for Hwy 99 from US Hwy 146 to Fisher Rd.**

Mayor Combs said he talked to Cory Taylor at TX-DOT in Liberty. Mr. Taylor said he is working with Don Brandon and they are working on taking the portion of Fisher Road, that was abandoned and would go right straight in, connecting it to an off ramp so that there would be an off ramp. The Mayor feels there's not that big of a problem in getting on Hwy. 99. A small problem with cars coming and turning right, blocking the view of the cars in the left lane. Alderman Smith said we have discussed this before where we said the TxDot plan could change 20 or 30 times before construction. We aren't going to see actual construction begin in the next couple of years. The exit ramp change we're talking about is something we want right now since there is imminent danger and it is something we want action on it now.

**XI. Discussion and possible action on funding of Burn Ban signs.**

Mayor Combs said Jay Hammes could not attend the meeting but she did e-mail him the information she has on the Burn Ban Signs. The e-mail was handed out to Council. The \$500.00 showing is what is budgeted for FY 2010/2011 He went on to say that after looking at the Budget he thinks he misspoke. He doesn't want to go into that right now but he thinks we have a little bit more than that. Alderman Smith said the reason this has not been implemented today was when originally proposed there was a bottom line cost presented to us, then there was supporting documentation on line items that added up to more money. Mayor Combs said he will just wait until Ms. Hammes is ready to bring it to Council.

**XII. Update and possible action on application of T&I Taylor's Rate Increase Request.**

Mayor Combs stated that Alderman Lasater and Alderman Walker are working on this also. This is the information we requested from T&I Taylor to present to us so we could look at it. He did call their Engineer and he verified that they had received it.

**XIII. Set date for Council to rule on T&I Taylor Rate/Tariff Change Application.**

Mayor Combs proposed that we set a special called meeting for a hearing on Tuesday September 7<sup>th</sup>, at 7:00 P.M. At the September 7<sup>th</sup> meeting a date will be set to have a special called meeting to make our determination. After the hearing the committee would meet, draft up a recommendation and take it to

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the Council and then the Council could act upon the recommendations – change it or whatever at the meeting.

**XIV. Review and act upon request for final acceptance of roads and ditches in Barrow Ranch, Section Three.**

Tabled for later.

**XV. Discuss and act on SECO Grant Agreement.**

Mayor said he had e-mailed out to everyone the Contract Agreement that we need to sign and get back to those handling the SECO Grant.

MOTION made to drop it.

MOTION: Smith                      SECONDED: Standridge

Discussion: Alderman Walker wanted to know what the money was going to be used for. Alderman Standridge said to change out the lights in the building, a new air condition unit in the City Office, and a display of Solar Panels outside the building somewhere. Mayor Combs explained how the Solar Panels would be used saying that they would go to whatever needs electric power in the building. The meter that CenterPoint Energy has out here would only meter the amount of power that is used in addition to what the Solar Panels generate. If the Solar Panels are generating more electricity than is being used in this building that meter turns backwards. For economic reasons the Mayor spoke to Judge Silvia. He sent an e-mail out to Commissioner Wallace and Judge Silvia asking for a written response that it was OK for us to put those improvements on this facility and to accept maintenance of those items once they were installed. He did get a response back from Commissioner Wallace that was to the effect that he thought it was a great idea. Judge Silvia has not responded as yet. The Mayor thinks the County would be very supportive of doing it because it would benefit them. It does not benefit the City other than returning something back to the County for what they are giving. The Contract has written in that if the grant is not funded; the City is under no obligation. Alderman Lasater asked if it would be fully funded if we sign the paper work. Alderman Standridge said yes. Alderman Lasater then asked if it is not funded because of action on our part would they have recourse. Attorney Jackson said if Council recalls, we discussed this very point before we voted last month. He went on to say we don't want to be backing up and putting ourselves in a tactical error. He thinks Council is committed in that direction, he's not making comment about at the project at all it is the position, a position of what you agreed to with the contractor puts you in a tactical relation. Alderman Lasater asked if there was a way we could get out of that contract. Attorney Jackson said, "we agreed to it, signed it and we're bound by it". Alderman Smith rescinded his Motion, Alderman Standridge rescinded her Second.

MOTION made to proceed with the Grant Application authorizing the Mayor to sign the Contract contingent upon approval from the County in writing.

MOTION: Walker                      SECONDED: Lasater

Question: Alderman Smith asked what if we have to come up with additional funding. Mayor Combs said within the Grant is language that talks about increasing funding. Alderman Standridge said she feels we have a little liability,

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in that the County has not signed off on it.

Question Called:           APPROVED: Walker, Lasater     Against: Standridge  
Mayor Combs said he didn't have to make a decision; it can fail for lack of  
support. Alderman Smith said is intentional, in fact if we don't pass it we're  
setting ourselves up for a lawsuit. Attorney Jackson said you have indicated to  
the contractors that if you get this grant, you will follow through and you will be  
liable for that amount. Mayor Combs said he was not here when the signing  
was done and he's not going to make the decision. Alderman Standridge said  
she requests another recount on that motion. APPROVED BY SHOWHANDS:  
APPROVED: Standridge, Walker, Lasater  
ABSTAINED: Smith

**XVI. Council Member Comments.**

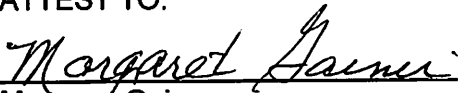
None

**XVII. Adjourn**

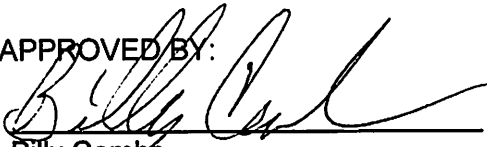
MOTION made to adjourn the meeting Tuesday, August 24<sup>th</sup>, 2010 at 9:20 P.M.

MOTION: Lasater                    SECONDED: Walker                    APPROVED: 4 - 0

ATTEST TO:

  
Margaret Gainer  
City Secretary

APPROVED BY:

  
Billy Combs  
Mayor