

# City of Beach City Council Regular Meeting Minutes

The Beach City Council met for a Regular Meeting on  
**May 31, 2016** beginning at approximately 6:00 P.M. 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 Doug Walker, Alderman Ray Smith, Alderman Paul Newman and Alderman Dana Colquitt

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

**Legal Counsel Present:** City Attorney Daniel Jackson

**NOTE:** Alderman Walker left at 7:35 PM, prior to Executive Session

## 1. Call to order

On Tuesday, May 31, 2016 Mayor Combs 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

Construction should begin in May for the 450 foot Communications Tower. A construction road will be installed first.

The Cedar Bayou annex will begin a remodeling project.

Preliminary numbers of the tax base will go down from approximately \$8.1 billion to \$7.7 billion. Local property taxes are up but the industrial taxes are down due to the abatements the County gives to attract more businesses.

FM 3180 has a turn lane added at FM 2354 cutoff heading North toward FM 565 south.

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

Chief Patrick McDonald stated that the BCVFD will purchase a new engine that will cost approximately \$500,000 and they intend to put a down payment of \$100,000 on this



purchase. The BCFD will not ask for additional funds from the City to assist with this purchase. The Cove Volunteer Fire Department (CVFD) cancelled the automatic aid agreement with the BCFD. Whenever CVFD received a call then BCFD was paged at the same time. Now, the BCFD will only be paged as a mutual aid request.

**6. Approval of Minutes for Regular Meeting of April 26<sup>th</sup> 2016**

**Motion** to approve the minutes of April 26, 2016

**Motion:** Newman

**Second:** Walker

**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

Updated Profit & Loss statements are on the table for Council. The report was recalculated after the agenda packet was sent to Council.

**Motion** to approve the Financials

**Motion:** Newman

**Second:** Colquitt

**Approved:** 5-0

Discussion: Mayor Combs noted that the percentages on the Year To Date (YTD) are a bit skewed. There is \$12,668 showing as YTD income, which stems from the money the City received from Chambers County for the Child Safety Fee; the money collected for the BCFD from the City's 50<sup>th</sup> celebration is also included in this number. The City is still on schedule for the projected income. The expense side also has some skewed numbers due to the offsetting of the Child Safety Fee and the 50<sup>th</sup> celebration monies.

Update with no discussion: The recently matured CD was to remain with BBVA Compass Bank however, BBVA notified the City this afternoon that they will not be able to give us the rate of 1.25% quoted this month. The new rate will be .70%, for a municipality. Mayor Combs stated that Capital Bank will give the City a rate of 1.50% for eighteen months.

**8. Executive Session Authorized by Chapter 551 of the Texas Government code:**

(a) Section 551.074, Texas Government Code concerning employee matters

**ADJOURN** REGULAR SESSION AT 7:35 PM FOR EXECUTIVE SESSION

**RECONVENE** AT 8:10 PM FROM EXECUTIVE SESSION

**9. Discussion and possible action on City participation for improvements to the Beach City Community Building and City office expansion**



Commissioner Senac has asked the City to submit improvement requests for the community building and City office. Current needs to the City office include adding storage space and increasing the office space. Commissioner Senac asked Council to submit three different scenarios:

1. The absolute minimum of what we need
2. What the wish list would be
3. What Council can live with.

This is part of a package where the County will conduct renovations to the community building and the BCVFD. Last week Alderman Smith met with Mayor Combs and took measurements to draw up some different options for the office expansion.

Commissioner Senac wants to know if the City will contribute to the office expansion. If Council wants to contribute, then it will need to be added into the 2016-17 budget.

Commissioner Senac added, If you remodel an area and it exceeds a specific dollar amount then the building will have to be converted to the current ADA requirements.

Alderman Smith gave the Commissioner three different scenarios on the office expansion:

1. Extending the office just shy of the window
2. Extending it out past the window
3. Extending all the way out to the beam.

Shell walls, electrical pugs and lighting would be the extent of the construction, per Alderman Smith.

Mayor Combs asked if Council would have any issues with contributing to this expansion. No issues were noted.

#### **10. Annual Review and possible update to the City's Investment Policy for FY 2016-2017**

No changes to the policy at this time.

**Motion** to continue with our current policy

**Motion:** Walker

**Second:** Smith

**Approved:** 5-0

#### **11. Update, discussion and possible action on Beach City Volunteer Fire Department's (BCVFD) acquisition of a Pierce Force Pumper/Tanker**

Mayor Combs recently spoke with Chief McDonald regarding the need for a public hearing for the BCVFD's acquisition of a new fire truck. It seems according to Title 26, Section 147 of the Internal Revenue Service (IRS) Code: A public hearing on an obligation is required.

In this particular case, the reason the City has to hold this public hearing is because of the written agreement the City has with the BCVFD for fire services within our corporate limits and the City pays a fee for this service. Attorney Jackson concurred with this statement from Mayor Combs.

The City is not responsible for any of the debt. The public hearing has been posted in the local paper and will be held June 7, 2016.

Chief McDonald stated that the IRS code mentioned above, refers to actual bonds and the definition states, any obligation with a government agency.



**12. Discussion and possible action on City's participation in the FEMA Hazard Mitigation Planning Grant**

The FEMA (Federal Emergency Management Agency) mitigation plan will expire October 2017. The H-GAC (Houston-Galveston Area Council) is applying for planning grants for three counties, which includes Chambers County. Grants are \$60,000 per County, per plan. An additional \$8,000 is included for each participating jurisdiction.

Commissioner Senac added, after a Hurricane this will assist residents by being able to have the debris removed from your yard, etc. In order to be eligible for FEMA monies you have to have a mitigation plan in place. Mitigation is part of you having an emergency plan in place (i.e. what do you do post storm, or post disaster).

**13. Review and discuss preliminary plat for new subdivision (Lakeview Manor), adjacent to RWJ Subdivision**

County Engineer Bobby Hall has already signed off on this plat. The owner is dividing this property to sell a few lots. Council reviewed the plat. No objections noted from Council on the Lakeview Manor plat.

**14. Discussion and possible action on the possible formation of a Utility District for areas served by Nerro Supply, LLC/Gulf Utility, within the corporate limits of Beach City**

A meeting is scheduled for Tuesday, June 7, 2016 at 2:00 pm with Nerro Supply to discuss pricing and a buyout of the Utility District. This meeting should give an idea of what the expectations are for the sale of the utilities and the CCN (Certificate of Convenience & Necessity).

Congressman Faircloth's office spoke with the PUC (Public Utilities Commission) and asked them to reach out to Mayor Combs. A PUC representative contacted the Mayor and stated that he can review the rates but he cannot audit Nerro's books because he is not an auditor, he only conducts rate reviews. There is nothing the PUC could do in this instance.

**15. Discuss and consider creation of the City of Beach City Cultural Education Facilities Finance Corporation (CEFFC)**

Bring back at June's meeting.

**16. Hear update and report from the Beach City Sales Tax Committee**

Alderman Newman researched the possible income that the City could gain from implementing a sales and use tax. While he could not gather a precise picture of the potential amount, he did discover that the City of Cove currently collects about \$5,000 per month. The City of Old River collects approximately \$9,000 per month.

Most of the smaller municipalities do have a sales tax and Beach City is really at the bottom of this pool rather than blazing a new trail. Alderman Newman and Alderman Smith recommend that Council move forward with adding the 1.5% sales tax to take the increment to the max allowed by the State. Mayor Combs noted that this has to be voted on by the



residents. Alderman Walker asked if businesses will have to raise their prices. Alderman Newman replied that we will pay an extra \$1.50 per one hundred dollar transaction. Prices are not affected, it's the amount you pay in sales tax.

Mayor Combs added if Council wants to go this direction then the residents need to be educated on this prior to placing it on the ballot.

Add this item to the June 7, 2016 agenda.

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

Alderman Walker and Mayor Pro Tem Lasater suggested ordinance against billboards in the City. Mayor Combs suggested Attorney Jackson draft an ordinance against billboards with Alderman Walker and Mayor Pro Tem Lasater reviewing the language they would like to see in this ordinance.

**18. Final update, report and possible action on the 50<sup>th</sup> Anniversary celebration held on April 23<sup>rd</sup>**

Approximate total income is \$5,931.65 and approximate total expenses are \$3,313.98.

Mayor Combs added that the BCVFD has already received checks in the amount of \$1,068 made out to them directly. The City has another \$4,117.67 to add to that amount and the check will be executed tonight. Total raised for the BCVFD is \$5,185.67.

The additional t-shirts and calendars are being turned over to the BCVFD for them to sell at their fundraisers.

**19. Update on legal action for non compliance to City ordinances**

Everything is moving along, nothing to add this month.

**20. Report and update from Mayor Combs**

Chambers County is hosting a hurricane workshop this Thursday.

**21. Council Comments**

Alderman Newman asked has anyone experienced a large number of power surges or outages. Most of everyone responded yes. Mayor Combs has called a rep at CenterPoint and will contact Mr. Jeffery Hulon on Wednesday regarding this matter.

**22. Adjourn**

**Motion** to adjourn at 8:15 pm

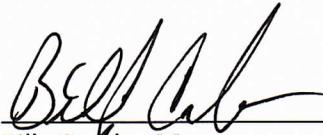
**Motion:** Newman

**Second:** Smith

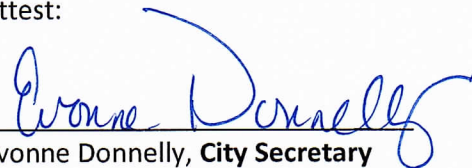
**Approved:** 4-0



Approved: **June 28, 2016**

  
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Billy Combs, **Mayor**

Attest:

  
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Evonne Donnelly, **City Secretary**