

# **City of Beach City Council Minutes for Regular Meeting**

The Beach City Council met for a Regular Meeting on  
**September 27, 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 Smith and Alderman Newman

**Members Absent:** Alderman Colquitt and Alderman Walker

**Staff Present:** City Secretary Evonne Donnelly

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

## **1. Call to order and announcement of quorum**

On Tuesday, September 27, 2016 Mayor Combs called the meeting to order at 6:08 pm and announced enough members are present for a quorum.

## **2. Invocation and Pledge of Allegiance**

Mayor Combs offered prayer.

Mayor Pro Tem Lasater 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**

The new communications tower should be delivered soon.

Commissioners Court adopted budget today and the tax rate will remain the same.

The court did issue \$9.7 million dollars in a tax obligation note today, to help fund capital expenditures.

Chambers County will hire seven new employees and increase the salary of every employee by \$1,200.00. Additionally, there is \$120,000 for merit increases based upon performance; which applies to everyone not covered by collective bargaining.

Mayor Combs asked if the Beach City office expansion was kept in the County's budget, to which Commissioner Senac answered yes.

County Engineer Bobby Hall will scale back to part-time in 2017. Kevin McClung will pick up a portion of the duties for the Road & Bridge aspect. Mike Lesley will handle the

construction and special projects.

The Chambers County Justice Center is still a viable project but everything is still on the table. Some of the budget does include purchasing the land for this center which is a part of the tax note.

BCVFD building expansion is approved and should get under way in 2017. Some of the funding will be provided via the Chambers County Health Services Tax Fund.

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

No report

**6. Approval of Minutes for Regular Meeting of August 23<sup>rd</sup>, 2016**

**Motion** to approve the minutes of August 23, 2016

**Motion:** Newman

**Second:** Smith

**Approve:** 3-0

**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

There is an updated Expenditures on the table for each Alderman. After the LED conversion, Reliant should have combined the streetlights back into one bill for automatic payment deduction from the City's account. That has not been the case and per Reliant, it may take a couple more billing cycles before this is corrected.

Also, the Nuisance category will be separated from the OSSF category in QuickBooks for next month's meeting.

**Motion** to approve the Financials

**Motion:** Newman

**Second:** Smith

**Approve:** 3-0

**8. Discussion and possible action on options for funding of the nuisance/complaint fees to Chambers County for inspections**

Bring back in October.

**9. Discussion and possible action on abandonment of Wilma Lane extension in Walker Parkview Subdivision**

Warren Lisenbee presented a map to Council, along with his request for the City to relinquish their rights to the extension at the end of Wilma Lane. Mr. Lisenbee owns the property surrounding the extension and he has been maintaining the extension for many

years. Attorney Jackson stated that the City would have to follow the process of evaluation of this property to establish current market value. The City's property (the extension) ends at the pond (marsh) behind it. Jay Atchley owns the marsh area and verbally told Mayor Combs he has no problem with the City relinquishing the property to Mr. Lisenbee.

Some items discussed:

- a). Could the City do a long-term lease on this property, if they do not want to deed it over?
  - b). Would the City ever need a drainage easement? Could such rights be reserved in the event the City needs a drainage easement?
  - c). This property dead-ends into a private marsh-wetlands area. The other city owned properties end at Trinity Bay - public property.
  - d). Could this property be surveyed into one large piece of land?
  - e). Approximate calculations of the size of the extension is 60' x 280'
  - f). The surrounding properties are owned by one owner, Warren Lisenbee, et al.
  - g). The City could add the cost of the appraisal into the sales price.
  - h). In approximately 2008 Mr. Lisenbee paid \$1,200.00 for a 24" drainage pipe to run alongside his property on Wilma to keep the water flowing downhill without interruption.
- Note: Council will bring this item back next month.

**10. Consider and approve a Resolution approving Articles of Incorporation and Bylaws to create the City of Beach City Cultural Education Facilities Finance Corporation (CEFFC)**

Bill Blitch is on hand to answer any questions that Council may have regarding the CEFFC. Mayor Combs called several cities who have done business as a CEFFC and all were very satisfied with the CEFFC as a way to create extra income for their City.

**Motion** to approve the Certificate of Resolution for the Beach City Cultural Education Facilities Finance Corporation.

**Motion:** Newman      **Second:** Lasater      **Opposed:** Smith      **Approved:** 2-1

**Discussion:** Alderman Smith questioned what cultural facility would be built in Beach City. Mr. Blitch answered, there will not be a facility in Beach City. Next month there is a Catholic Charity in Texas who has applied for a four million dollar loan with Frost Bank. The bank wants to go through a conduit (CEFFC) so the loan will have tax-exempt interest. If Beach City acts as the conduit in this case, then the loan interest rate drops precipitously for the Catholic Charity's loan. The bank has determined this is a feasible project by doing their due diligence and if they lower the interest rate it will become even more feasible.

Mr. Blitch looks for three things in the documentation every time, before he presents this to a CEFFC :

- a). No bond issues distributed to investors; he wants to see a bank making a loan to a non-profit charitable corporation
- b). Promissory note clearly establishes, in bold, on the note that this is not an obligation of the City of Beach City, neither is the taxing power or credit of the City pledged for the payment of this note.
- c). Indemnification of the City, Corporation, Officers, etc. against any and all lawsuits that may arise. Indemnification comes from the borrower, not the bank.

Mr. Blitch added, you are simply interposing in the midst of this particular loan agreement



to grant your ability to issue tax exempt debt to this particular transaction. As soon as this is done, there is no more commerce with this particular party and payments are made directly from the borrower to the bank.

Mayor Combs added that the smaller cities typically do not use their amount of tax free debt that is allowed each year, unlike the larger cities who do use it. We can allow this amount be used by the organizations, such as the nursing homes, etc. that are non-profit organizations.

The Board of Directors are: Jackey Lasater, Dana Colquitt and Paul Newman.

**11. Consideration and possible action on a request from Barrow Ranch HOA for 4 (four) additional street lights to be added to McCollum Park Road around Barrow Ranch Subdivision and potential traffic control methods for McCollum Park Road**

Mayor Combs cautioned Council against obligating the City to something when there is not funding mechanism to pay for it; whether it is for streetlights on McCollum Park Road, FM 2354, etc. The City's budget is established in June each year. The budget tight and getting tighter every year as we keep adding expenses and not adding income.

The City did switch to LED streetlights this summer and the bill has been a complete mess. It is hard to tell right now how much, if any, the City will save on the LED conversion. It will take several billing cycles to see the actual cost of the ten LED streetlights that the City currently pays for.

Barrow Ranch HOA board member Dan Dubiel spoke to Council and said the biggest concern on McCollum Park Road, a City street, is the stop signs not having a light around them. Commissioner Senac told Mr. Dubiel to send him an email request for the increased patrols on McCollum Park Road. Also, the Commissioner will ask Bobby Hall to move the radar sign over to McCollum Park road.

**12. Consider request from BHISD Superintendent Dr. Greg Poole to restrict, or limit multi-family apartments within the incorporated city limits of Beach City**

BHISD Assistant Superintendent Sandra Duree addressed Council regarding BHISD's goal and/or strategic plan to manage the school districts growth. The BHISD school board feels if the local communities are unified with the district's strategic plan this will help the school district. Currently BHISD's growth rate is approximately 5%.

The City of Mont Belvieu has a very stringent multi housing ordinance that limits the number of multifamily dwellings you can have in relationship to single family dwellings. Per Ms. Duree, not everyone approves of the way BHISD chooses to manage their growth. Ms. Duree mentioned that BHISD board members spoke to the City of Baytown's City Council opposing the proposed apartments by the new Wal-Mart on Hwy 146. Four members of Baytown's Council voted in favor of the apartments, but it would have required a super vote and did not pass. This area of Hwy 146 falls within the boundaries of BHISD.

Within the next ten years it is highly probable that more of the BHISD students will live in the city limits of Baytown rather than the city limits of Mont Belvieu. The city limits and the ETJ's are encroaching into our area, added Ms. Duree. We want to manage our growth and we do not want our growth to manage us. BHISD is committed to providing a quality school

district. What's needed from us is to keep Barbers Hill ISD as it is by uniting together. Alderman Newman questioned why a multifamily apartment is not in the best interest for Barbers Hill, from a school districts perspective. Ms. Duree replied that when multifamily facilities are built they are well managed and maintained, then over time they are not. When you have a certain number of multi housing facilities, at a certain point you must take low income housing, this is a requirement.

Alderman Smith asked where the BHISD boundaries are on Hwy 146 and I-10.

Mayor Combs answered: West boundary, follow the CAWA Canal to Needle Point Road, then jump over to Cedar Bayou, then up into Mont Belvieu; everything along the West Chambers County line on the north side. South boundary, north side of Oceanway Park headed up and over to the East to Old River.

Mayor Combs added that he spoke to Mayor Dixon of Mont Belvieu and their ordinance is a 6:1 ratio; you can have one multifamily unit per six single family units. You cannot single out any housing development, therefore you should have a comprehensive plan and zoning. Beach City does not have public utilities which would make it hard for a large development within our City.

**13. 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**

City Secretary Donnelly recently spoke with Sharon Smith who is heading up the Utility District committee for the residents of Bayridge Subdivision.

Mrs. Smith said, Don Richardson from Oaks at Houston Point Subdivision told her that the residents in the Oaks want to separate from Bayridge and do their own Utility District, etc.

Mr. Richardson will be speaking to Nerro Supply about the CCN.

The residents of Bayridge are meeting Thursday to discuss going with a WCID (Water Control Improvement District) or other options.

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

Aldermen Smith and Newman have done their homework and gathered information from other cities that have implemented a Sales Tax.

The committee is in the process of putting together a draft for a one page letter regarding the implementation of a Sales & Use Tax to help educate the citizens. Upon Council approval, this would be included in the city survey. Alderman Newman feels a form letter should go to all the local dignitaries, County; State Representative; U.S. Representative and U.S. Senate.

There is a plan to inform the residents via upcoming informational workshops and round table meetings with the commercial business owners in Beach City, etc.

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

Attorney Jackson is in the process of completing the billboard ordinance and will call Old River Attorney Dane Listi regarding their billboard ordinance.

Assistant Secretary Bercaw spoke with the City Secretary at Old River who said she would send a copy of their ordinance to us, but it has not been received to date.



#### 16. Update and possible action on the City Survey

Mayor Pro Tem Lasater presented the city survey he and Alderman Walker have put together. Council discussed making certain changes to the survey as presented. Mayor Pro Tem Lasater will make the discussed alterations and bring back to Council for final review in October.

#### 17. Report and update from Mayor Combs

1. Update on Reliant bill, it is a mess from the LED conversion and adding the streetlight on Jordan. This should be straightened out in October/November.
2. The fax line 281.573.4578 has been disconnected and we are using an internet fax. Our new fax number is: 1-855-743-0559. The new fax service will be around \$66 per year. The fax line was costing the City approximately \$62.50 per month.
3. Bayridge HOA will meet Thursday to discuss a WCID vs. A WSC. Oaks at Houston Point has stated that their residents want to separate themselves from Bayridge and create their own Utility District.
4. Rep. Wayne Faircloth will hold a joint meeting with TXDOT October 17, 2016.
5. Mayor Combs took flowers and a card to former City Secretary, Margaret Gainer for her 92<sup>nd</sup> birthday.

#### 18. Council Comments

None

#### 19. Adjourn

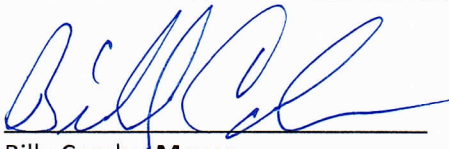
**Motion** to adjourn at 8:19 pm

**Motion:** Newman

**Second:** Smith

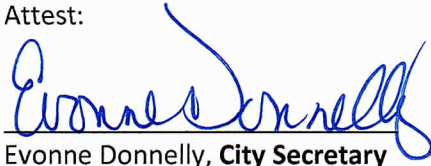
**Approve:** 3-0

Date Minutes Approved: October 25, 2016



Billy Combs, **Mayor**

Attest:



Evonne Donnelly, **City Secretary**