

City of Beach City Council Regular Meeting Minutes

The Beach City, City Council met for a Regular Meeting on Tuesday, April 23, 2013 at the Beach City Community Building.

Those present were:

MAYOR: Billy Combs

MAYOR PRO TEM: Jackey Lasater

ALDERMAN: Paul Newman; Doug Walker; Ray Smith; Dana Colquitt

CITY ATTORNEY: Daniel Jackson

CITY ASSISTANT SECRETARY: Evonne Donnelly

I. Call to order:

Mayor Combs called the meeting to order Tuesday April 23, 2013 at 6:09 pm and offered prayer. Alderman Colquitt led the Pledge of Allegiance to the United States and Texas flags.

II. Citizens Comments:

None

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

Commissioner Senac updated the Mayor and Council on two nuisance complaints, one at 8521 Ocean Drive and the other at 9926 Ocean Drive. The Commissioner stated that the County has been working on these for some time and the process is very slow.

Commissioner Senac informed Council that in May he will have an update on the Master Drainage Plan that will encompass the West side of the County, including Beach City.

The Youth Project Show is April 27-May 4th at Whites Park.

The survey is almost complete at McCollum Park for the Living Shoreline and The Galveston Bay Foundation is currently working on the permits.

TXDOT was asked by Commissioner Senac's office to conduct a speed study to verify that the 65mph speed limit is adequate for FM 2354. The Commissioner noted that FM 2354 has had increased traffic and it is a relatively narrow road with no shoulders.

Commissioner Senac stated that Sheriff Hawthorne did speak to the Commissioner Court today asking for a new Automated Crime Reporting

Program for the Sheriff's office to help expedite the reporting system currently in place.

Enterprise Products broke ground on their new two story, 68,000 square foot Administration Building in Mont Belvieu in front of the city park.

Sheriff Hawthorne stated that he will do bi-annual reports for all the Cities that do not have their own police department to show the crime trends.

7:45pm Mayor called for a five minute recess

7:59pm Meeting called to order

IV. Approval of minutes from Regular Meeting of March 26th, 2013.

Motion to accept the minutes as revised.

Motion: Walker

Second: Lasater

Approved: 5-0

V. Financial Consent Agenda;

- 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**

Alderman Newman questioned Item number 2800-City/State/Other Inspections- regarding the \$1,700.00 paid to our City Inspector Reggie Nalley in March. Alderman Newman was reminded that upon an investigation of payments made to Mr. Nalley that he had not been paid for most of his inspections from October 2012-February 2013.

Mayor Combs noted that the coding was incorrect for item number 2800 and that it should be coded for OSSF. Secretary Donnelly will make the change in Quick Books.

Alderman Newman asked Mayor Combs why the City subtracts out withholdings for the City Secretary if the City is paying those withholdings anyway. Mayor Combs replied that the City issues a paycheck for an amount which is less than the secretary's actual earnings. The money is withheld in a negative number, which is offset when the City makes the quarterly IRS 941 payment.

Mayor Combs informed Council that the City is the proud owner of a new QuickBooks Payroll Program which will help us with payroll reports, etc.

Alderman Walker inquired as to why the Verizon phone bill has doubled. Mayor Combs agreed that the phone bill has indeed more than doubled but stated that we are just happy to have a phone that actually works. Council agreed.

Motion to accept the financials.

Motion: Walker

Second: Newman

Approved: 5-0

VI. Discussion and possible action on a citizen's request for agreement with the City of Baytown for restrictions on property adjacent to Beach City.

Alderman Colquitt received a phone call from NorthPoint resident Mark Van Cleef asking if there is anything the Council can do to stop the Industry from coming in on top of the Beach City residents. Mr. Van Cleef is worried about his property values, deep water wells, etc.

Mayor Combs informed Council that the City of Baytown, nor any city for that matter, cannot legally zone outside of their Corporate Limits without a full annexation of that area. Mayor Combs added that there could be a dispute down the road on whose ETJ the property actually belongs too. Mayor Combs noted that the property in question is adjacent to Beach City, and it belongs to Cedar Crossing Industrial Park. The Mayor provided Council with a map of Cedar Crossing and spoke of the non-annex agreement the City of Baytown has with Cedar Crossing. The City of Baytown does not have an Industrial District Agreement (IDA), with Cedar Crossing. Mayor Combs mentioned that it is pretty-well understood that Cedar Crossing is the City of Baytown's Industrial area. The General Partner of Cedar Crossing is Charles Ibue. Mayor Combs referenced previous talks with Mr. Ibue and there is an understanding that he allow the "Green Belt Buffer Zone" area of Cedar Crossing to remain green.

Mayor Combs went on to say that legally the City of Beach City cannot stop Cedar Crossing or the City of Baytown from building in the Green belt Buffer Zone.

Commissioner Senac suggested that Mayor Combs meet with The City of Baytown's Planning and Zoning Commission in the near future. Mayor Combs concurred with the Commissioner's suggestion.

VII. Discussion and possible action on request from Alderman Colquitt for animal control within the corporate limits of Beach City, TX.

Alderman Colquitt reviewed with Council the issues she and other residents in her neighborhood are having with dogs roaming freely on their street.

Alderman Colquitt spoke of a Pit Bull and a Great Dane that are approaching people, including a seven year old girl.

Sheriff Hawthorne spoke to Council and stated that while Chambers County does not have a leash law; Commissioners Court did pass a Dog Registration Law years ago. The Sheriff also stated that if the dogs are not registered with Chambers County then they can legally be picked up by the County. Sheriff Hawthorne said in order to register your dog with the County you have to provide proof of vaccinations to the Commissioners

office. The cost of the registration is: Two dollars for one year, and Five dollars for three years. Sheriff Hawthorne told Council that they are allowed to do what they want regarding a leash law, but he feels that the canine problem will clean itself up over the next year in the rural areas. He stated that the Sheriff's department will continuously service the City based on the State Law and what the Commissioners Court has put in place.

Alderman Colquitt asked Sheriff Hawthorne if in the instance a gentleman goes and registers his dog and the next day his dog goes out on the street and does the same thing again, what is the penalty.

Mayor Combs interjected, asking Alderman Colquitt if she was aware of the Malicious and Vicious Dog Ordinance the City has in place? Alderman Colquitt was not aware of such an ordinance.

Sheriff Hawthorne told Alderman Colquitt that there are State Laws in place but he is not aware of what she is speaking of, regarding the dog issue on her street. The Sheriff also reminded the Council that he has told each of them that if there is an issue he needs to be aware of, to please call him.

Sheriff Hawthorne said that there is a reason that the County put a dog registration in place in Chambers County but the past Sheriff's office did not address that issue. Sheriff Hawthorne will start applying the dog registration law after there has been time for the public to be made aware of the law.

Alderman Walker asked the Sheriff if the Malicious and Vicious Dog Ordinance could be used now to help solve the dog problem on Alderman Colquitt's street. Sheriff Hawthorne answered, he thinks so, but he will have to gather more information before he can determine that.

Alderman Colquitt requested a copy of the Malicious and Vicious Ordinance from Mayor Combs.

Mayor Combs stated that the typical costs associated with picking up a dog is approximately five hundred dollars, per dog.

Commissioner Senac reminded Mayor Combs that the City does have the figures for enacting a leash law, from many years ago when Commissioner Senac was the Mayor of Beach City. The figures basically amounted to the entire amount of the City's current budget.

VIII. Discussion and possible action on permitting and Designated Representative for OSSF within the corporate limits.

Mayor Combs discussed with Council and Commissioner Senac his conversation with Sidney Lewis at the Chambers County Environmental office. The conversation was regarding possible recommendations for a new OSSF Designated Representative –DR, for the City. Mr. Lewis told Mayor Combs that his office could take over as the new DR. Mayor Combs received a copy of the County's Interlocal Agreement with Cove and even discussed rates with Mr. Lewis at one point. When Mayor Combs and Alderman Smith spoke with Mr. Lewis, via conference call, approximately

two weeks ago, Mr. Lewis told Mayor Combs and Alderman Smith that Beach City has too many problems and his office does not have the time to take on all of Beach City's problems. Nor does his office have the staff to accommodate us, and his office would not be able to assist the City as the new DR. Mayor Combs reminded Mr. Lewis that he was the one who prompted that discussion in the first place. Mayor Combs suggested to Council that the City remain with our current DR at the moment. Commissioner Senac reminded Mayor Combs and Council that the County officials, who are not elected, report to Judge Sylvia. The Commissioner also assured the Mayor and Council that the County would be more than happy to sit down and discuss with them any services that are offered to other Municipalities.

IX. Discussion and possible action on request from The Natural Gas Company to recover cost associated with the recent loss of their Gas Supplier.

Mayor Combs asked the approximate twenty-five Barrow Ranch Subdivision residents in attendance, if they were present for the Home Owners Association meeting on April 11, 2013. The HOA meeting was held for sections I-III by the HOA president. It appears that most of the residents were not at that meeting.

Mayor Combs explained that in January 2013, The Natural Gas Company (TNGC) filed a request with The City of Beach City for a rate increase. Mayor Combs stated Council approved a flat rate increase of \$2.50 for TNGC; which amounts to an approximate 9% increase. The flat rate increase was approved during the March 19, 2013 Council Workshop meeting.

Mayor Combs noted that in February 2013, Mr. Lannou TGNC lost his natural gas supplier. Mr. Lannou then purchased his natural gas by the truck loads from CenterPoint Energy. Purchasing natural gas in this manner is expensive and has created skyrocketing gas prices. In March the excess costs involved were passed on to the Barrow Ranch customers. It has been approximately two weeks since TNGC has obtained a new natural gas supplier, which is located at the end of McCollum Park Road.

Alderman Smith asked Mayor Combs what The Natural Gas Company's current rate is with the new supplier. Mayor Combs answered that he did not know but it should be back down. The Mayor added that the average gas rate was about \$0.48 cents per hundred cubic feet, throughout the calendar year of 2012. The gas cost that was passed on from February 2013 was about \$2.70 per hundred cubic feet. The total cost in February 2013, according to The Natural Gas Company, for purchasing natural gas off the trucks was \$86,698.50. Out of those costs TNGC has to date passed on to the Barrow Ranch consumers approximately \$16,000.00 of the \$86,698.50.

Mayor Combs stated that he is unsure if Mr. Lannou is asking for an additional \$60,000 or \$70,000 to be passed on to the approximate 167 Barrow Ranch customers. According to the calculations, each of the approximate 167 customers would be responsible for \$359.39 divided over a six month period. This would add \$59.90 per gas bill over a six month period and \$29.95 over a twelve month period.

During a previous conversation, Mayor Combs asked Mr. Lannou why he felt he should pass on 100% of his incurred costs to the consumers in Barrow Ranch, and not accept any responsibility for his poor judgment and bad business decision in not having a back-up gas supplier. Mr. Lannou stated to the Mayor that it was mandatory for him to pass these costs on to the consumer or else the Railroad Commission would fine him for not doing so. Following this conversation, The Railroad Commission called Mayor Combs after receiving a phone call from Mr. Lannou. Mayor Combs was told that Mr. Lannou has twisted the words of the Railroad Commission and assured the City that they have the authority to allow this cost, disallow this cost, or negotiate this cost as they deem fit.

Mayor Combs added that no one wants to put Mr. Lannou out of business but we don't want to let him get away without accepting any responsibility for bad business decisions.

One resident asked the Mayor what type of notice Mr. Lannou is supposed to give the residents when there is such a substantial increase to their bill. Mayor Combs replied, this is what the inquiry should answer.

Motion to open an inquiry into the increased rate that had been passed through to customers and into those that are proposed to pass through to the customers. Also, the Review Committee will bring a recommendation back to Council.

Motion: Smith

Second: Newman

Approved: 5- 0

X. Discussion and possible action for regulations on gas supply franchises within the City.

Mayor Combs listed three concerns the Review Committee has with The Natural Gas Company:

A. Accepting responsibility for the added costs and sharing part of the costs.

B. What can be done to prevent this from happening again in the future?

C. The Natural Gas Company is getting the gas straight off of gas wells in the bay which has not been processed and is delivering it straight to the consumers.

Mayor Combs noted that City Council is the regulating authority for the Gas Franchisees within this City. The Council has the right to pass ordinances

that would require a backup supply for some type of security, and they have the right to ask that quality natural gas be delivered to the residents.

Mayor Combs spoke with the Railroad Commission regarding the safety procedures in place for the natural gas consumer. Mayor Combs was told by the Railroad Commission that the testing parameters are a contractual issue between the gas supplier and the gas franchise company.

Alderman Newman explained that the gas processor going into a transmission line has a tariff in place dealing with the gas quality. It will tell them how much water, carbon dioxide, sulfur, etc. is in the gas being supplied. It also specifies a limit on the BTU value so you have mostly methane going into that line. A transmission line runs down into City Gates, so to speak, which gets into TNGC's distribution system telling them how much of this gas is quality gas. So far, the City has been unable to determine the quality of gas The Natural Gas Company is supplying since it is bypassing the transmission line and the gas is being sent straight to the distribution line.

Motion to form a committee to evaluate how gas quality is verified; to evaluate and determine a back up supplier for him; to also evaluate other issues that we believe would be part of a prudent pipeline operation.

Motion: Newman

Second: Lasater

Approved: 5-0

XI. Discussion for City Alderman, Mayor and City Secretary Training.

Mayor Combs discussed the training seminars available this year that some members of Council may need to take, including the City Secretary. Some of the seminars mentioned are: The Newly Elected Officials Course and the Public Funds Investment Act.

Mayor Combs suggested to Council that the remaining money allotted in the budget for training could be rolled into a fund in next year's budget to keep it rolling forward. Mayor and Council will discuss this option in the upcoming budget meeting.

XII. Executive Session Authorized by Chapter 551, Texas Government code, Section 551.071, concerning Personnel issues regarding City Secretary and Office Assistance Personnel.

Adjourned: 8:33pm.

Call to Order: 8:53pm

XIII. Consider action concerning City Secretary and Office Assistance Personnel.

Motion made to make an offer to hire Evonne Donnelly permanently for the City Secretary position, and secondarily to post for an assistant, and to form an interview committee to select the assistant:

Motion: Walker

Second: Smith

Approved: 5- 0

XIV. Hear report and updates from the Mayor.

Mayor Combs told Council that HPP has purchased the old sand pits located beside Houston Raceway Park, at the intersection of FM 565 and TX. 99.

HPP is a recycler and they operate under the regulations of the Texas Commission on Environmental Quality-TCEQ. HPP has applied for a concrete crushing permit with TCEQ, which is still under review. Although a neighbor of HPP has filed a complaint with TCEQ, which has slowed down the permitting process for them.

HPP is currently allowed to bring in "Class I & Class II Waste." There appears to be an ongoing feud between the Angel Brothers, who own Houston Raceway Park, and HPP regarding the type of waste being brought into HPP's facility. Mayor Combs has received a phone call from a resident questioning the possibility of water contamination, due to the rumors of Petrochemical Hazardous Waste being brought in to the HPP facility. HPP maintains they are only bringing Residential grade materials into this facility.

Mayor Combs noted the regards of The Beach City Volunteer Fire Chief, Robert Campise who could not make the meeting.

Lastly, Mayor Combs reviewed the monthly permits issued by the City.

XV. Council Member Comments

Alderman Colquitt thanked the Mayor and Council for their support of the Chambers County Red Cross Crawfish Fundraiser.

XVI. Adjournment

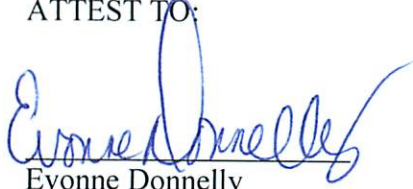
Motion made to adjourn at 9:05pm:

Motion: Newman

Second: Smith

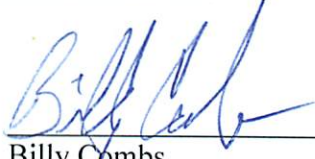
Approved: 5- 0

ATTEST TO:

A handwritten signature in blue ink, appearing to read "Evonne Donnelly", written over a horizontal line.

Evonne Donnelly
City Secretary

APPROVED BY:

A handwritten signature in blue ink, appearing to read "Billy Combs", written over a horizontal line.

Billy Combs
Mayor