

City of Beach City Council Regular Meeting & Public Hearing Minutes

The Beach City Council met for a Regular Meeting and Public Hearing on
January 19, 2016 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

Note: Alderman Colquitt left the Council meeting at approximately 6:55 pm, prior to commencement of the Public Hearing.

Staff Present: City Secretary Evonne Donnelly and Assistant Secretary Marge Bercaw
Legal Counsel Present: City Attorney Daniel Jackson

1. Call to order

On Tuesday, January 19, 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

February 1, 2016 is the deadline to register to vote in the May elections.

McCollum Park is getting new playground equipment that resembles a pirate ship. The County will also replace some trees that were lost in previous hurricanes and add a new walking trail around the park.

The TX. Historical Commission is requiring that an archeologist complete 90 hours of study at the park before approval will be given for the installation of the playground equipment or the trees can be planted.

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

None

6. Approval of Minutes for Regular Meeting of December 15th, 2015

Motion to approve the minutes

Motion: Newman

Second: Walker

Approved: 5-0

Discussion: Alderman Newman asked if his name could be added to the Members Present at the top of the page since he was in attendance at the December Council meeting. Secretary Donnelly will make the correction noted.

7. Financial Consent Agenda (All financial consent agenda items are considered routine by Council and will be enacted by one motion. A Council member 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
- (d) Discussion and possible action on CD maturing January 2016
- (e) Consider and approve City participation and funding of ten tickets for the West Chambers County Chamber of Commerce (WCCCC) Awards Banquet

The table of eight for the chamber awards banquet is now a table of ten, which would cover one ticket for each council member, two tickets for the Volunteer of the Year and two tickets for the SuperHero.

Motion to approve the Financials as stated.

Motion: Lasater

Second: Newman

Approved: 5-0

Discussion: Mayor Combs reviewed the current CD Rates with Council. CD's cannot be issued through a Credit Union. Mayor Combs proposed adding an additional \$27,000.00 plus dollars to the maturing CD in order to make it an even \$100,000.00 CD.

Alderman Walker questioned why Council thinks the 24 month CD would be a better route than the 13 month CD. Alderman Walker proposed Council consider the 13 month CD since the rates are relatively close.

Motion to amend the previous motion to approve the CD for the thirteen month rate

Motion: Walker

Second: Colquitt

Approved: 5-0

8. Discussion and possible action for Assistant Secretary Marge Bercaw to attend the Houston-Galveston Area Council (H-GAC) Election Law Workshop held Thursday, February 4, 2016

Motion to approve

Motion: Smith

Second: Newman

Approved: 5-0

Discussion: Alderman Newman confirmed that the \$100 fee is the only cost other than mileage for the Election Law Workshop.

9. Consider and approve renewing Interlocal Agreements with Chambers County for: Food, Nuisance and On-Site Sewage Facility (OSSF) for 2016

Motion to approve all three Interlocal agreements

Motion: Newman

Second: Lasater

Approved: 5-0

Discussion: Alderman Walker questioned why the Interlocal Agreements cannot be done for multiple years; why do they have to be reviewed each year? Mayor Combs responded, the County wants a one year agreement.

10. Discussion and possible action on placing a Sales Tax for Beach City businesses on the May or November 2016 Election Calendar

Secretary Donnelly spoke to the Texas Comptroller's Office to gather information on the possibility of the City implementing a Sales Tax. This would have to be put to a vote and approved by the voter's of Beach City. Council will have to adopt an ordinance at least 62 days prior to an election so it can be added to the ballot.

Motion to place a Sales Tax for Beach City businesses on the November 2016 election calendar and to draft an ordinance

Motion: Smith

Second: Colquitt

Approved: 2-3 **MOTION FAILED**

Discussion: Mayor Pro Tem Lasater asked about the cost of an election just for the sales tax. He feels the City will pay for an election and the people will not approve the sales tax. Alderman Newman questioned if this has to be a Special Called Election.

Alderman Walker would like to know how much money would be collected from the businesses in sales tax and if the businesses will have to raise their costs to accommodate this sales tax. What tax rate are they collecting now, 6.75 % or 8.50%?

Motion to amend the motion to state next available election

Motion: Smith

Second: Colquitt

Approved: 4-0

Abstained: Walker

11. Discussion and possible action regarding the amendment of Resolution 2015-12 to increase the penalty fee for failure to file a permit application in advance of Construction, On-Site Sewage Facility (OSSF), Swimming Pool/Spa installation, etc.

Secretary Donnelly asked Mayor Combs to have Council consider increasing the penalty fee from \$75.00 to \$225.00 due to the lack of permit applications applied for prior to construction of swimming pools, OSSF's, etc.

Motion to increase the penalty fee from \$75.00 to \$225.00

Motion: Walker

Second: Newman

Approved: 5-0

Discussion: Alderman Smith asked how the City will know when someone has not pulled a permit. Mayor Combs stated that it is usually brought to our attention when they need power turned on, new meter to an out building, etc.

Recess: 6:55 pm - Mayor Combs explained that the public hearing is for the rate increase only. Everyone must sign-up to speak.

Reconvene: 7:04 pm - Begin with Item number 14, Public Hearing

12. Discuss and consider 50th Anniversary celebration of Beach City's Incorporation

Assistant Secretary Marge Bercaw stated that she interviewed former City Secretary Margaret Gainer and former Alderman Rita Standridge last week. Marge requests that each Alderman send her a paragraph of their accomplishment/contribution while in office. Alderman Colquitt is creating a pamphlet on Beach City. The 50th celebration is scheduled for April 23rd, 2016.

13. Update on legal action for non compliance to City ordinances

The City is waiting for Beach City Municipal Court Prosecutor Daniel Jackson to set up a Court date with Judge Cryer regarding the Ocean Drive property.

14. Public Hearing on a proposed rate increase for customers within Nerro Supply, LLC/Gulf Utility's service area: Bayridge Subdivision, Oaks at Houston Point Subdivision and OceanWay Park

Mayor Combs reviewed with the approximate forty Nerro Supply customers in attendance a spreadsheet of the proposed rate increase via projector and handouts. Of those customers eight signed up to speak to address Council.

Karl Skarboszewski with Nerro Supply stated that TCEQ (Texas Commission on Environmental Quality) recently inspected the treatment plant and repairs needed to be made. The cost of the recent repairs to the lift station and the waste water plant was \$40k. It appears that the needed repairs Nerro Supply reported to Council in November 2015 are not going to be as costly as once thought. The original repair cost estimate given to Council was between \$600k - \$700k. Mr. Skarboszewski stated the water tank was drained for the repairs previously mentioned and "everything is great below the water line". Instead of replacing the tank at the \$600k - \$700k price range, they will rehab what they have. One of the customers asked if Nerro Supply has been audited recently to support their claim of a rate increase to recoup repair expenses.

Another customer added that she agrees with the need for an audit. She spoke with a TCEQ representative who indicated that when Oaks at Houston Point was developed, enough money was given to Gulf Utility to build a whole new system. The question is where did all of that money go and what were they using it for? This customer also stated, there have been only two spillages that were reported by Gulf Utility to TCEQ and the residents should self report.

Other questions or statements from the customers include:

- a). Is there a report that gives a breakdown of what the expenses have been to date?
- b). Why is there a difference in the rate per tap for OceanWay vs. the other subdivisions? Mayor Combs stated that OceanWay Mobile Home Park negotiated a deal with the Utility Company in 2012 to pay a base rate. OceanWay has their own water system, lift station, sewer lines and they pay for the service of waste pumped to the plant.
- c). The people living on a fixed income cannot afford their water bill to go from \$115.00 to \$300.00 per month.

- d). Why is the trailer park not paying the same thing everyone else is paying or will pay?
- e). In 2012, is it true that the City did not file the proper paperwork in time?
- f). When Nerro gets their money back they've spent on the repairs, will everyone's bill go back down or will it stay at the higher rate?
- g). When will this rate increase take effect?
- h). Can Council assure the customers that the paper work will be filed on time this time?

Public Hearing adjourned: 7:56 pm

Regular meeting reconvened: 8:02 pm

15. Discussion and possible action regarding the proposed rate increase for customers within Nerro Supply, LLC/Gulf Utility's service area

Mayor Combs would like a follow up meeting with the committee and bring back a recommendation to Council at next month's meeting. Alderman Smith asked if there will be an attempt to negotiate something with the utility company other than what has been proposed. Mayor Combs replied yes, we can definitely assume that.

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

There is a committee of two Aldermen, Mayor Combs and approximately ten Nerro Supply customers who will meet Jan. 28th with a financial advisor; regarding the financial feasibility of the formation of a utility district. It is legal and it can happen. There will have to be an election either in May or November and it must pass with a majority of the votes. A utility district could own and operate the system. Currently, Nerro Supply has indicated that they would be cooperative in turning the system over. They might walk away from the sewage system but unsure what they would do regarding the water system.

17. Report and update from Mayor Combs

Traditionally, Council selects a Volunteer of the Year in December and typically, Council approves payment for a table of eight for the January Chamber Banquet. However, the chamber president called yesterday, a week prior to the banquet, to ask who Beach City has selected for the SuperHero award. The chamber stated that this year each City will be selecting a SuperHero from their local Fire Department, EMS, etc. The Chamber was notified that Clayton Graves is the Beach City VFD SuperHero, in addition to the Volunteer of the Year award going to Mike & Evonne Donnelly.

18. Council Comments

None

19. Adjourn


Motion to adjourn at 8:26 pm

Motion: Newman

Second: Walker

Approved: 5-0

Approved: **February 23, 2016**


Billy Combs, Mayor

Attest: 
Evonne Donnelly, City Secretary