

**BELTON CITY COUNCIL MEETING
JULY 12, 2011**

The Belton City Council met in regular session with the following members present: Mayor Jim Covington, Mayor Pro Tem Marion Grayson, Councilmembers Wayne Carpenter, Craig Pearson, and John Agan. Councilmembers Clifton Peters and David K. Leigh were absent. Staff present were John Messer, Sam Listi, Connie Torres, Cristy Daniell, Fred Morris, Les Hallbauer, Gene Ellis, Bruce Pritchard, Byron Sinclair, Jerri Gauntt, Kim Kroll, Sandy Slade, Charlotte Walker, and Denny Lassetter.

The Pledge of Allegiance to the U.S. Flag was led by City Manager Sam A. Listi, the Pledge of Allegiance to the Texas Flag was led by Councilmember Wayne Carpenter, and the Invocation was given by Pastor Andy Davis of the First Baptist Church.

The Mayor called the meeting to order at 5:32 p.m.

Public comments. There were no public comments.

Presentations:

- A. Proclamation for Parks & Recreation Month – The Mayor read the proclamation and presented it to Recreation/Events Director Sandy Slade and Recreation Coordinator Johanna Long.
- B. Officer of the Quarter for 2nd Quarter 2011 – Police Chief Gene Ellis indicated the Belton Police Awards Committee has selected Officer John Londrie to receive this award based on his outstanding initiative and performance. Officer Londrie was praised for his proactive community policing initiatives in his assigned sector, which includes organizing a neighborhood watch group, holding a neighborhood meeting with citizens following a rash of car burglaries, and distributing an E-newsletter to the residents of police sector A-3. The Chief also commended Officer Londrie for volunteering to be the new National Night Out coordinator and presented the Officer of the Quarter Award to him.

Consent Agenda

Upon motion by Councilmember Pearson, seconded by Councilmember Carpenter, the following items were unanimously approved:

Minutes of previous meeting. Approved as presented.

Consider appointments to the Parks Board.

Reappointed Diane Ring and Mike Ratliff and appointed Tyson McLaughlin to replace Woody Durbin, who did not seek reappointment. Terms are for two years.

Consider designating signatories for safe deposit box at the City's depository bank.

Designated Denny Lassetter, Cristy Daniell, and Chris Brown, the City's new IT Technician, as signatories for the safe deposit box at First State Bank, which provides off-site storage of computer back-up tapes.

Consider a resolution adopting Civil Rights Policies with regard to all federally funded grant projects.

Approved the resolution captioned below, adopting policies related to federally funded grants, and designating the Support Services Coordinator as the City's Section 504 Equal Opportunity/Fair Housing Officer:

RESOLUTION NO. 2011-12

A RESOLUTION ADOPTING CIVIL RIGHTS POLICIES FOR THE CITY OF BELTON WITH REGARD TO ALL FEDERALLY FUNDED GRANT PROJECTS, TO INCLUDE PROVISIONS PROHIBITING THE USE OF EXCESSIVE FORCE DURING DEMONSTRATIONS, AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF; ADOPTION OF A SECTION 504 GRIEVANCE COMPLAINT PROCEDURE; AND DESIGNATION OF A SECTION 504 EQUAL OPPORTUNITY/FAIR HOUSING OFFICER.

Consider authorizing the City Manager to execute an agreement with Catalyst Commercial for a commercial redevelopment and retail recruitment strategy, and approve a related budget amendment for funding thereof.

Approved the agreement with Catalyst Commercial and the related budget amendment from General Fund fund balance in the amount of \$53,537.

Miscellaneous

Consider an ordinance declaring a moratorium on portions of Ordinance No. 2009-30, the Heritage Preservation Ordinance.

The City Manager presented some background information as follows:

- UMHB filed a lawsuit in District Court after the Heritage Preservation Board (HPB) disapproved requests for the demolition of structures located at 716 Wells Street and 229 W. 7th Avenue in the West Belton Residential Historic District (WBRHD), one of six Districts established in 2009.
- This action represented the only appeal opportunity available to UMHB, and preserved the University's right to have the decision reviewed.
- The City and UMHB agreed to seek a negotiated settlement to avoid protracted litigation.
- Discussions have led to a consensus to implement a temporary moratorium, on application of the Heritage Preservation Ordinance (HPO), while the ordinance is reconsidered.

He reviewed the following elements included in the proposed ordinance:

- A moratorium on application of the ordinance is proposed for an eight month period, until March 31, 2012, for the WBRHD.
- During this time, UMHB may demolish the two structures identified in the lawsuit, following issuance of a demolition permit by the City.
- Demolition permits, once issued on these or other structures, would extend beyond the term of the moratorium (to accommodate student move out, for example).
- During the moratorium, parties agree to consult on historical preservation and ultimate ordinance language based on City and University interests.
- Important elements of consideration include UMHB's Master Plan adopted in February 2011, and ongoing amendments to the City's Land Use Type Areas.
- The moratorium on application of the ordinance would apply to properties located in the WBRHD only.
- It would apply to properties identified in the lawsuit, other properties owned by UMHB, properties owned by First Baptist Church, and privately owned properties.
- A staff review of structures within the District identified 19 properties that warranted protection of the current ordinance and exemption from the moratorium, including:
 - North Main Street: 324, 328, 404, 408, 410, 702, 704, 706, 712
 - North Pearl Street: 210, 220, 400, 401, 702, 704, 708
 - College Street: 716, 804
 - Shine Street: 508
- Council representatives and City staff advised the HPB on the outline of this proposal on July 11, 2011.

Mr. Listi reviewed maps of areas that will be studied for possible amendment, and lastly, summarized the objectives of the moratorium:

- Establish a temporary moratorium and settle the lawsuit, allowing UMHB to demolish structures at 716 Wells Street and 229 W. 7th Avenue.
- Preserve the valid and important aspects of the HPO.
- Acknowledge UMHB's recent Master Plan adoption and its impact on the WBRHD and the Community.
- Provide time for reconsideration of the HPO and amendments to the City's Land Use Type Areas for compatibility.

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The following comments were made by citizens:

Name	Address	Comments
Rae Schmuck	616 N. Beal, Belton	Thinks it's discriminatory to single out 29 properties to abide by the HPO while others can basically do what they want. She would like to see at least one or two members of the HPB be part of any further discussion with UMHB and the City.
Berneta Peeples	702 N. Pearl, Belton	Strongly opposes the ordinance and feels it doesn't serve the best interests of Belton.
Travis Rudolph	7 Frank James, Morgan's Point Resort	He pays high taxes, and UMHB is a tax exempt entity that continually receives City support and reaps benefits without being a major contributor to the community. He disagrees with amendment of ordinance for the wrong reasons, and believes the majority of the City is not being represented like UMHB.
Welba Dorsey	914 University Drive, Belton	Her home is identified in UMHB's Master Plan, as is the Harris Home (her grandfather's home). Her family wants their ancestors to have their homes, and thinks they are slated to lose them by amendment of the ordinance.
Joe Trevino, Jr.	3502 Village Hill, Belton	Concerned with the City bending rules to favor UMHB and First Baptist Church. Requested Public Information regarding UMHB (presented to City Clerk earlier) and mentioned favoring single member districts and the recall process.
Nancy Kelsey	400 S. Main, Belton	Doesn't believe the character of Belton should be destroyed in the name of progress and growth for a University that has a long history of destroying Northwest Belton. The ordinance should not be amended to avoid court, and she urged the Council to put a stop to it.
John P. Galligan	315 S. Main, Belton (law office)	Problems with the ordinance should have been addressed during the Sunset Review, and he thinks the moratorium benefits an individual, private interest.
Larry Guess	504 Mitchell, Belton	Supports UMHB as contributing member of Belton, and supports the City in its efforts to preserve and sustain its historical culture. Requested ordinance be rejected or tabled as it would render the existing HPO ineffective, and believes it contains mechanisms to deal with this situation. A true moratorium would suspend all action, and it appears the ordinance is driven by the need to settle the impending lawsuit. Requested a Joint Task Force comprised of representatives from all interests in this ordinance (to include the City, HPB, UMHB, Chamber), be formed to consider and recommend solutions.
Sam Fulcher	P.O Box 844, Temple (UMHB Attorney)	UMHB supports the idea of historic preservation as well as property owners' rights. The University is proud of its history in the City and is thankful to the City for its collaboration in trying to take care of the lawsuit. They look forward to implementation of the ordinance that will hopefully balance the need to preserve truly historic properties against the rights of property owners to exercise their ownership rights.

Councilmember Carpenter asked the rationale behind the 8-month time frame for the moratorium. Mr. Listi stated the time frame was negotiated to allow UMHB flexibility for student move out. Other Council comments were as follows:

Councilmember Agan stated when the Design Standards and HPO were adopted two years ago, it was a very large and comprehensive, far reaching ordinance, but he felt it was the direction the City needed to go. He said at that time if the City finds something about the ordinance that doesn't seem to be working, it could be revisited and adjustments made as needed. The ordinance mandated review process was followed on the two UMHB properties (7th Avenue & Wells Street), and when the City didn't approve demolition of the structures, he didn't think the ordinance was working as he envisioned. Mr. Agan stated he is glad the City has gone through the process and can review the ordinance further. In looking at the two subject properties, he favors the moratorium and thinks his decision is in the best interest of Belton.

Councilmember Pearson stated the pending lawsuit has been brought in accordance with the ordinance, and he thinks the City is in danger of losing the entire HPO by going through the judicial system. He believes it's prudent to have the moratorium on this one of six historical sections, to define the "crown jewels" of historic structures within this area, and allow the moratorium to take down the two structures. Mr. Pearson agreed with Councilmember Agan, in that he thinks the two structures were not significant enough to not be taken down. He feels the City has to define what tools are needed to rate structures to avoid trampling on property rights of individuals or corporations, profit or non-profit. Mr. Pearson stated he believes it's in the best interest of the City to approve the moratorium and further refine the Design Standards and HPO.

Councilmember Carpenter agreed with Councilmember Pearson and indicated he would like to see the City work out a common solution that would make everyone as happy as possible. He believes the only way to do this is to step back and work together.

Mayor Pro Tem Grayson expressed her love of history and Belton's historic structures, but stated since this process is totally different than anything the City has encountered in the past, she agreed more time to work on the ordinance is needed, so it's in Belton's best interests and fair to everyone.

The Mayor stated the HPB did what was charged of them, but he believes the City Council made a mistake when it adopted an ordinance that he thinks was too broad. The City is involved in a lawsuit filed by UMHB in accordance with the ordinance, and has been advised by more than one outside legal advisers that it is in jeopardy of losing the lawsuit. If the suit is lost, there is a serious possibility that all the historic preservation districts would be set aside and the HPO would be voided. The Mayor explained one issue discussed has been to put another level of appeal (to the City Council) in the process prior to court action. He indicated he was against the district court appeal in the initial adoption of the ordinance, but it was passed with the intent to eliminate politics in decisions. Mayor Covington went on to say the Council intends to represent what's in the best interest of all of Belton. He advised property owners worried about UMHB taking their property, to just not sell it, as the University cannot tear it down if they don't own it.

Councilmember Agan made a motion to approve the ordinance. The motion was seconded by Councilmember Carpenter and carried unanimously. The following captioned ordinance was adopted:

ORDINANCE NO. 2011-12

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELTON, TEXAS, DECLARING A MORATORIUM AND TEMPORARY SUSPENSION OF THE APPLICATION OF SECTION 29 OF THE ZONING ORDINANCE OF THE CITY OF BELTON, REGARDING THE HERITAGE PRESERVATION OVERLAY DISTRICT IDENTIFIED AS THE WEST BELTON RESIDENTIAL HISTORIC DISTRICT.

Budget workshop for Water & Sewer Fund.

Public Works Director Les Hallbauer gave an overview of the Public Works Department and its goals and priorities. The Mayor asked if the City ever looked into purchasing a 'green' vehicle. Mr. Hallbauer indicated he researched the subject, and found he can purchase three pickup trucks for the cost of one hybrid, and they may not be as economical for in-town use. Assistant City Manager Cristy Daniell added the Police Department purchased a hybrid vehicle for use in CID, and have indicated the vehicle is in the Shop a great deal, and the batteries are very costly (\$1,000+ each) and need replacing frequently.

Ms. Daniell then presented the proposed Water & Sewer Fund budget for FY 2012 with the following key elements:

- No rate increases proposed at this time.
- Year-to-date water sales at end of June are up 21% from last June, with \$3.0M anticipated in water sales this year.
- While year-to-date sewer billings at June are up \$67,000 from last year, the budget mark will not be hit this year, as the budget anticipated a rate increase for TBRSS expansion related debt, and the revenue shortfall here offset by debt service expenditures being under budget.
- Personnel expenditures include anticipated increases in health insurance premiums (10% or less), decreased retirement contribution rate, and funding for the merit pay plan.
- Fuel budget will increase \$21,000 (46%).
- Supplies expense related to manually processing late notices in-house will decrease, but transition to automated processing by outside vendor will increase Services expenditures \$8,700.
- Expenditures for water purchases include the following:
 - Raw water rates for 2012 will remain \$0.60 per 1,000 gallons. Rates went up 3 cents in 2011, and BCWCID's per gallon rate was \$0.395 in 2005;
 - Sixth of six payments for refurbishment of water tank (\$93,300);

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- Fixed charges for Belton's share of water plant debt service, and
- Payments for City water reserves.
- Sewer treatment expenditures will increase by \$27,792.
- Strategic Plan elements include update of the rate study, 1/2 of the Strategic Plan update, water rate study update, and 1/3 of federal lobbyist cost.
- Debt service will decrease because the City did not issue anticipated bond to fund TBRSS expansion costs. Belton's share of current estimate of preliminary engineering is \$400,000, to be funded from Water & Sewer fund balance.

Councilmember Pearson asked if it was feasible for the City to go to on-line/paperless utility bills. Ms. Daniell stated while paper bills will probably not ever completely go away, it is doable with specific software. She indicated staff will research further.

Ms. Daniell reviewed the Water & Sewer Fund's long term debt service and the proposed list of capital outlay which includes a backhoe, pump for Pecan Street lift station, pickup truck, scheduled meter replacement, sewer camera, and \$150,000 for small water/sewer main projects. Remaining bond funds of \$585,000 will be used on the following projects:

Rehab Loop 121 tank	\$ 10,000
Rehab Miller Heights tank	\$200,000
Automated Meter Reading (AMR) Phase I	\$ 75,000
Generator, Dunn's Canyon lift station	\$ 48,000
Other water/sewer projects	\$252,000

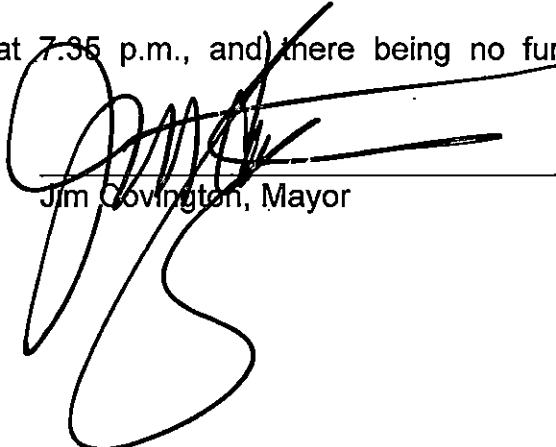
With regard to the AMR system noted above, Ms. Daniell indicated this is the first step toward purchase of software/hardware for initial setup of 200-300 houses. This process needs to be used in the Whitis development when it comes on line. Councilmember Pearson asked how the information is transmitted, and IT Director Denny Lassetter indicated the meters upload to a major collection point, then the information is transmitted through the Internet to the server. The Mayor asked how much it would cost to incorporate the system City-wide. Ms. Daniell indicated the idea is to see how this pilot project goes, and then incorporate the City in a systematic fashion. Funding could be allocated each year or issuance of a \$2.0M bond issue is another option.

The City Manager briefed the Council on the City's water supply and points to consider in the future. He praised the former City Manager and previous City Councils, for their prudent water resource management. He indicated Belton's water rights are in relatively good shape now, with time for planning for needs identified in the Water Master Plan. Finally, a "Thirst" video from a water seminar conducted by the Brazos River Authority was shown. No action was taken.

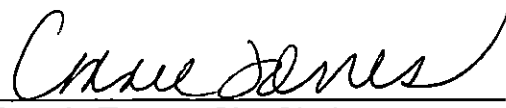
At 7:22 p.m. the Mayor announced the Council would go into executive session and closed the meeting.

Executive Session pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Govt. Code, Vernon's Texas Codes Annotated, in accordance with the authority contained in Section 551.071, to consult with City Attorney.

The Mayor reopened the meeting at 7:35 p.m., and there being no further business, the meeting was adjourned.


Jim Covington, Mayor

ATTEST:


Connie Torres, City Clerk