THE MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL
OF THE CITY OF GALVESTON HELD JANUARY 22, 2009- 4:00 PM

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER.
2. MOMENT OF SILENCE
3. PLEDGE OF ALLEGIANCE
4. ROLL CALL: Present: Mayor Thomas, CM Mahoney, CM Beeton, MPT Weber, CM Colbert, CM Fennewald, CM Woods

   Staff: City Manager LeBlanc, City Attorney Green, City Secretary Lawrence, Asst. City Manager Wade, Asst. City Manager Rinderer, Finance Director Miller

5. DECLARATIONS OF CONFLICT

   None

6. APPROVAL OF MINUTES

   The Minutes of the Regular Meeting of December 18, 2008 were unanimously approved by upon Motion by CM Fennewald and second by CM Woods.

7. PRESENTATIONS

   Fire Department Water Rescue Recognition

   Presentation of Certificate of Recognition to City Employees for assisting with the evacuation of Galveston residents due to Hurricane Ike.

   Presentation on Results of Sediment Analysis

   Long Term Recovery Committee

   Park Board of Trustees Economic Impact Study

   CM Colbert and CM Woods presented a Service Award to the City Council and Mayor from the Kingfest Committee.

8. COMMUNICATIONS AND PETITIONS

   A. Texas Gas Service: Cost of Gas for January 2009

   Weather Normalization Clause tariff for October, November and December, 2008

9. ORDINANCES ASSOCIATED WITH PUBLIC HEARINGS

10. PUBLIC COMMENT

Phyllis Chapman, 1103 29th St, spoke regarding the relief needed for substantially damaged property behind the Seawall.

George Prill, 20 Adler Circle, asked to defer the appointments to the RDA.

Bob Miller, 4242 Pirates Beach, spoke in support of the buyout program.

David Lindemood, 12535 E. Ventura, 12535 W. Buena Vista, spoke in support of the buyout program.

Chris Peele, Houston, spoke in support of the buyout program.

Tim Molidor, Jamaica Beach, read letter fro Frances and Frank Packy supporting the buyout program.

L. Molidor, 4720 Jamaica Beach, spoke in support of the buyout program.

Don Barnhart, 12925 Bermuda Beach, spoke in favor of the buyout program.

Gayle Barnhart, spoke in favor of the buyout program.

Kris Hall, 11831 Sunbather Lane, spoke in favor of the buyout program.
Nick Viator, spoke regarding the Crisis Counseling Program.
John Giovannini, 2609 Gerol Drive, spoke regarding the Lake Madelaine sewage spill.
Ron Limbock, spoke regarding the Lone Star Rally.
Bob Arbitman, spoke in favor of the buyout program.
Sidney McClendon, Pirates Cove, spoke in favor of the buyout program.
Ted and Brenda Ginsberg, 4230 Ghost Crab, spoke in favor of the buyout program.
Pat Broussard, 3310 Eckert Dr., spoke in support of the buyout program and a Cumulative Environmental Impact Study for the West End of the Island.
Charles Smith. 3014 Kleinman, spoke opposing the buyout program.
Jackie Cole, 2308 Sydnor, suggested the City look at CDBG money and allocate some matching grant money out of that to match the GLO money for moving the houses.
Kristopher Benson, 4919 Austin, spoke regarding floodplain management.
Joe A. Gutierrez, 5022 Ave. S, spoke regarding speeders on Ave. S.
John Kennett, 23417 San Luis Pass Rd., asked to be allowed to divide his lot so he can rebuild.
Steven C. Salch, letter from Mr. Salch read by Sidney McClendon stating Mr. Salch's support of the buyout program.
Eric Billips, 1310 Martin Luther King Blvd., stated he was opposed to the buyout program.
Ken Diestler, 12709 Elean Ct., Spanish Grant, spoke in support of the buyout program.
Richard Bell, 4231 Ghost Crab Lane, spoke in support of the buyout program.

11. ORDINANCES, RESOLUTIONS AND PROCLAMATIONS

A. Consider for approval an Ordinance of the City of Galveston, Texas amending the City's Budget Amendment Policy to remove the mandatory quarterly reporting requirements and adopt additional language providing the City Manager the discretion to present to Council recommendations for amending the budget to conform expenditures to actual revenue.

ORDINANCE NO. 09-002 was read by caption: AMENDING THE CITY'S BUDGET AMENDMENT POLICY TO REMOVE THE MANDATORY QUARTERLY REPORTING REQUIREMENTS AND ADOPT ADDITIONAL LANGUAGE PROVIDING THE CITY MANAGER THE DISCRETION TO PRESENT TO COUNCIL RECOMMENDATIONS FOR AMENDING THE BUDGET TO CONFORM EXPENDITURES TO ACTUAL REVENUE; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT.

Motion to approve by CM Beeton. Second by MPT Weber. Unanimously approved by those present. CM Colbert absent.

B. Consider for approval an Ordinance of the City of Galveston, Texas amending the total Operating Fund Budget for fiscal year ending September 30, 2009, by suspending $3,636,122 from the General Fund, $2,935,257 from the Waterworks Fund, $2,924,737 from the Sewer System Fund, $1,194,902 from the Drainage Utility Fund, $731,632 from the Sanitation Fund, $53,203 from the Municipal Airport Fund and $585,641 from the Island Transit Special Revenue Fund for a total of $12,061,494.

ORDINANCE NO. 09-003 was read by caption: AMENDING THE TOTAL OPERATING FUND BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2009, BY SUSPENDING $3,636,122 FROM THE GENERAL FUND, $2,935,257 FROM THE WATERWORKS FUND, $2,924,737 FROM THE SEWER SYSTEM FUND, $1,194,902 FROM THE DRAINAGE UTILITY FUND, $731,632 FROM THE SANITATION FUND, $53,203 FROM THE MUNICIPAL AIRPORT FUND AND $585,641 FROM THE ISLAND TRANSIT SPECIAL REVENUE FUND FOR A TOTAL OF $12,061,494: MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT.

City Manager LeBlanc gave an explanation of budget amendment.

Motion to approve by MPT Weber. Second by CM Mahoney. Unanimously approved by those present. CM Colbert absent.

C. Consider for approval a Resolution of the City of Galveston, Texas accepting the Department of Homeland Security Federal Emergency Management Agency Community Disaster Loan and authorizing the issuance of a promissory note in the amount of $5,000,000; pledging collateral security to the Federal Emergency Management Agency on the promissory note; providing the City Manager and Mayor authority to execute agreements related to the issuance and delivery of such note; and making other findings and provisions relating to such notes and matters incident thereto.

RESOLUTION NO 09-004 was read by caption: ACCEPTING THE DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY COMMUNITY DISASTER LOAN AND AUTHORIZING THE ISSUANCE OF A PROMISSORY NOTE IN THE AMOUNT OF $5,000,000; PLEDGING COLLATERAL SECURITY TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY ON THE PROMISSORY NOTE; PROVIDING THE CITY MANAGER AND MAYOR AUTHORITY TO EXECUTE AGREEMENTS RELATED TO THE ISSUANCE AND DELIVERY OF SUCH NOTE; AND MAKING OTHER FINDINGS AND PROVISIONS RELATING TO SUCH NOTES AND MATTERS INCIDENT THERETO.

Motion to approve by MPT Weber. Second by CM Woods. Unanimously aproved by those present. CM Colbert absent.

D. Consider for approval a Resolution of the City Council of the City of Galveston, Texas, authorizing the Mayor to apply for a Texas Department of Transportation (TXDOT) aviation division grant for improvements to Scholes International Airport at Galveston for fiscal year 2009-2010; authorizing the Mayor, to execute all agreements and applications on behalf of the City for purposes of the airport improvements grant; appointing TXDOT as agent of the City for purposes of applying for, receiving, and disbursing all grant funds for airport improvements; directing the City Secretary to send a certified copy of the resolution to the Texas Department of Transportation.

RESOLUTION NO. 09-005 was read by caption: AUTHORIZING THE MAYOR TO APPLY FOR A TEXAS DEPARTMENT OF TRANSPORTATION (TxDOT) AVIATION DIVISION GRANT FOR IMPROVEMENTS TO SCHOLES INTERNATIONAL AIRPORT AT GALVESTON FOR FISCAL YEAR 2009-2010; AUTHORIZING THE MAYOR, TO EXECUTE ALL AGREEMENTS AND APPLICATIONS ON BEHALF OF THE CITY FOR PURPOSES OF THE AIRPORT IMPROVEMENTS GRANT; APPOINTING TxDOT AS AGENT OF THE CITY FOR PURPOSES OF APPLYING FOR, RECEIVING, AND DISBURSING ALL GRANT FUNDS FOR AIRPORT IMPROVEMENTS; DIRECTING THE CITY SECRETARY TO SEND A CERTIFIED COPY OF THE RESOLUTION TO THE TEXAS DEPARTMENT OF TRANSPORTATION; PROVIDING FOR FINDINGS OF FACT AND PROVIDING FOR AN EFFECTIVE DATE.

Motion to approve by CM Mahoney. Second by MPT Weber. Unanimously approved by those present. CM Colbert absent.

12. ACTION ITEMS

The following items shall be considered for action as a whole, unless one or more Council Members objects:

A. Consider for action approving rejecting RFP responses for Island Transit operations software in order for staff to refocus on more existing demands in order to generate an enhanced RFP package.

B. Consider for action approving authorizing utilizing existing McGuire Dent construction contingency account/graphic sign allowance to permit Jamail-Smith, Inc. to install rolled rubber flooring in various locations for a total of $7,445.00. There is no adjustment to the existing construction contract award of $3,653,325.00.

C. Consider for action approving awarding a three-year (36 month) contract to Howard Printing for outside printing of forms for the Department of Customer Service/Utility Billing. Annual expenditure is approximately $40,000.00. Funding sources are Waterworks, Sewer, Drainage, Sanitation and Printed Materials Accounts.

D. Consider for action approving ratification of amendment to Fire Collective Bargaining Contract between International Firefighters Local 571 and the City of Galveston reducing salaries by 3% beginning February 1, 2009 and continuing through September 30, 2009.

E. Consider for action approving ratification of amendment to Police Collective Bargaining Contract between Galveston Municipal Police Association and the City of Galveston reducing salaries by 3% beginning February 1, 2009 and continuing through September 30, 2009.

F. Consider for action approving reducing the salaries of civilian employees by 3% effective February 1, 2009.

G. Consider for action approving new tire contract to the lowest bidders A to Z Tires and Southern Tire Mart for the Municipal Fleet Facility. Funding source is Garage Parts Accounts.

H. Consider for action approving auto battery bid contract to Standard Auto Parts, which was the lowest bidder, for the Municipal Fleet Facility. Funding source is Garage Parts Accounts.

I. Consider for action approving annual fuel supply contract to Oil Patch, Apache Oil and Petroleum Traders, which were the bidders for the Municipal Fleet Facility. Funding source is Garage Fuel and Lubricants Accounts.

J. Consider for action approving auto filter bid to Standard Auto Parts and NAPA, which were the lowest bidders that met the specifications for the Municipal Fleet Facility. Funding source is Garage Parts Accounts.

K. Consider for action approving auto bulk lubricants contract to Apache Oil Company for the Municipal Fleet Facility. Funding source is Garage Fuel and Lubricants Accounts.

L. Consider for action approving the annual automotive parts contracts to Standard Auto Parts as the main supplier, Main Auto Parts Warehouse, NAPA and Galveston Battery will be utilized as backups,. Surplus parts will be removed for proper credit as stated in paragraph H. Funding source is Garage Parts Accounts.

M. Consider for action approving the purchase of two new dressed Ford police interceptors for the Police Department to be purchased from Philpott Ford through HGAC for a total price of $70,872.78. Funding source is Vehicle Accident Replacement Account

(Insurance).

N. Consider for action approving using Texas Building and Procurement Commission Department of Information Resources (DIR) Contract for various technology copiers; department copier for Grants & Housing W5655PT for $334.68 per month, Print Shop W5675PT for $553.76 per month and Traffic Shop WC5030 for $142.89 per month totaling $1,188.58 for a lease term of 60 months and authorizing the City Manager to execute the individual lease agreement noted and authorizing the lease buyout on existing copies, damaged by Hurricane Ike at Grants and Housing $5,780.92 and Print Shop $10,591.66 to allow for upgrade to more efficient technology and per copy cost reductions. Funding sources will be department operating budgets for lease and Hurricane Ike insurance proceeds for buyout.

O. Consider for action authorizing the City Manager to execute a Third Amendment to the Memorandum of Understanding with the County of Galveston to provide temporary Fire Protection Services on Bolivar Peninsula, the County to pay the actual costs for such temporary assistance.

P. Consider for action authorizing the City Manager to execute an Interlocal Agreement between the Board of Trustees of the Galveston Wharves ("the Port") and the City of Galveston ("City") to further the development of a proposed downtown city-port intermodal transit/parking terminal; providing for findings of fact and providing for an effective date.

Q. Consider for action that Council prioritizes reinstatement of the 3% to civilian employees during the next budget process as a Council budgetary goal for FY 2010.

R. Discuss and consider direction to the City Manager regarding application for Hazard Mitigation Grant Program (HMGP) Funds for buyout of homes on the beachfront that were destroyed by Hurricane Ike, with the local grant share to be paid by others besides the City.

Asst. City Manager Brandon Wade gave Council an explanation of the item. He recommended approval of the beach buyouts but he made clear that the downside to this is that it may preclude Ike Dike or revetment construction over the top of these properties. There is a submittal deadline of March 13.

MPT Weber moved approval to apply for Hazard Mitigation Grant Program Funds for buyout of homes on the beachfront that were destroyed by Hurricane Ike. Second by CM Mahoney.

After discussion, CM Colbert called the question. Second by MPT Weber. Vote: In favor: MPT Weber, Mayor Thomas, CM Colbert. Opposed: CM Mahoney, CM Beeton, CM Fennewald, CM Woods. Motion to call the question failed.

After further discussion, MPT Weber restated his motion to give the City Manager instruction to proceed with the application process for the application process for the Hazard Mitigation Grant Program as stated in Action Item R. Second by CM Mahoney. Vote: In favor: CM Mahoney, MPT Weber, Mayor Thomas, CM Colbert, CM Woods. Opposed: CM Beeton, CM Fennewald. Motion to approve passed.

S. Discuss and consider direction to the City Manager regarding application for Hazard Mitigation Grant Program (HMGP) Funds for buyout of homes on the beachfront that were substantially damaged by Hurricane Ike, with the local grant share to be paid by others besides the City.

Motion to give the City Manager direction to proceed with the application process for

Hazard Mitigation Grant Program Funds as stated in Action Item 12.S. Second by CM Colbert. Vote: In favor: CM Mahoney, MPT Weber, Mayor Thomas, CM Colbert and CM Woods. Opposed: CM Beeton, CM Fennewald. Motion passed.

T. Discuss and consider direction to the City Manager regarding application for Hazard Mitigation Grant Program (HMGP) Funds for buyout of homes on the beachfront that were damaged by Hurricane Ike that meet FEMA benefit/cost requirements, with the local grant share to be paid by others besides the City.

Motion to give the City Manager direction to proceed with the application process for Hazard Mitigation Grant Program Funds as stated in Action Item 12.T. by MPT Weber. Second by CM Colbert. Vote: In Favor: CM Mahoney, MPT Weber, Mayor Thomas, CM Colbert, CM Woods. Opposed: CM Fennewald, CM Beeton. Motion passed.

U. Discuss and consider direction to the City Manager regarding application for Hazard Mitigation Grant program Funds for buyout of a substantially damaged bayside property that would provide advantageous public access to the bay at 8008 Channel View Drive.

CM Beeton moved to remove the words "substantially damaged" and give the City Manager direction to pursue a buyout of a bayside property at 8008, 8002 and 8012 Channel View Drive with the local grant share to be paid others besides the City's General Fund. Second by CM Fennewald. CM Beeton clarified that this property was being treated differently because the City needs park property with access to the bay in this location. If there is a source for the local grant share, she would like to give the homeowner the benefit. **Motion was unanimously approved.**

V. Discuss and consider for action authorizing an additional $1,500 to the law firm of Lloyd, Gosselink for final payment of legal services rendered for TCEQ Enforcement Action.

W. Discuss and consider for action retaining the legal services of Lloyd, Gosselink to provide an assessment of existing water supply contracts and recommendations regarding potential revisions in an amount not to exceed $10,000 to be paid from the Water Fund account.

Motion to approve Action Agenda Items A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, V and W by CM Mahoney. Second by CM Fennewald. Unanimously approved by those present. CM Colbert absent.

13. MAYOR AND COUNCIL APPOINTMENTS

A. Consider for action Mayor and Council Appointments to various City Boards, Committees and Commissions:

Long Term Recovery Committee: CM Beeton stated Leon Kaplan would like to replace his brother Frank Kaplan on the committee. Also her daughters, Rachel Beeton and Sara Beth Roberts would like to serve. CM Fennewald moved to substitute Leon Kaplan for Frank Kaplan and appoint Rachel Beeton and Sara Beth Roberts. Second by CM Woods. In favor: CM Mahoney, MPT Weber, Mayor Thomas, CM Fennewald, CM Woods. Absent: CM Colbert Abstaining: CM Beeton. Motion carried.

14. N/A

15. EXECUTIVE SESSION
    N/A

16. DISCUSSION ITEMS - Discussion only. No action taken.
    A. City Manager
        1. Discuss and Receive Update regarding Hurricane Ike Disaster Emergency Response and Recovery

           Mayor Thomas reported on February 4, she and City Manager LeBlanc are going to Washington to meet with Texas' representatives regarding transportation dollars.

           Mayor Thomas reported that on February 25, she has been invited by the Center for International Policy to lead a delegation to Cuba to meet in Havana on how to best defend the population against hurricanes.

           Mayor Thomas reported she will be going to Washington in March to talk to Texas' representatives and others regarding President Obama's stimulus package as well as the disaster fund money that she testified in Washington.

        2. Discuss sediment analysis results

    B. City Council
        1. Discuss process and procedure for abandoned and junk vehicles. (Woods/Colbert)
        2. Discuss update on city parks. (Woods/Colbert)
        3. Discuss preference for hiring local contractors. (Woods/Colbert)
        4. Discuss when displaced citizens will be returned to Galveston. (Woods/Colbert)
        5. Discuss occupancy level at Weis School. Report will be given by Fire Marshall Robinson. (Woods/Colbert)
        6. Discuss City recommendations regarding Central Middle School. (Woods/Colbert)
        7. Discuss actions by the RDA. (Weber/Woods)

17. ADJOURNMENT

There being no further business to come before the assembly, the meeting was adjourned at 11:30 p.m.