

**MINUTES OF PROCEEDINGS
CITY COMMISSION
Tuesday, February 24, 2015**

Be it known that the City of La Feria City Commission met in regular session on **Tuesday, February 24, 2015, at 6:30 P.M.** in the City Commission Meeting Room, 115 E. Commercial Avenue, La Feria, Texas 78559. The purpose of said meeting was to consider and take action on those items of City Business as was duly posted by agenda in accordance with State Open Meetings Law. The following City Commission members were present at said meeting.

Mr. Victor Gonzalez, Jr.	Mayor
Ms. Esmeralda Lozano	City Commissioner/Mayor Pro Tem
Mr. John Edward Betancourt	City Commissioner
Mr. John Hernandez	City Commissioner
Ms. Olga H. Maldonado	City Commissioner
Mr. Julian Guevara, Jr.	City Commissioner

The following staff members were present.

Mr. Sunny K. Philip	City Manager
Mr. Richard S. Talbert	City Attorney
Ms. Maria Chavero	Finance Director
Ms. Paula Rodriguez	Planning and Community Dev. Dir.
Ms. Esmeralda Sanchez	Capital Projects Coordinator
Ms. Olga Oberwetter	City Secretary

A copy of the signature roster of all others present is attached as a part of the minutes hereof.

At 6:35 P.M., Mayor Victor Gonzalez, Jr. asked Commissioner Olga H. Maldonado to give the invocation. After the invocation, Mayor Victor Gonzalez, Jr. led everyone present in reciting the Pledge of Allegiance to the Flag of the United States of America. He then declared that a quorum of the City Commission was present and called the meeting to order. Mayor Gonzalez asked Commissioner Esmeralda Lozano to read the items on the agenda, but he would be presiding over the meeting.

PUBLIC COMMENTS

Mayor Victor Gonzalez, Jr. declared the public comments session open and acknowledged Ms. Gloria Casas who introduced herself and said she lives at 12707 Arroyo Lane, La Feria, Texas 78559. Ms. Casas first congratulated the City for the upcoming Fiesta and Centennial Celebration. Ms. Casas said that in her professional job, she has worked with Rural Communities and she wanted to congratulate the Commission and City Manager Mr. Sunny K. Philip for all the good work that has been done in La Feria; however, there are still some issues that need to be taken care of in La Feria. Ms. Casas said she always looks at the City's agenda and wanted to come speak regarding agenda items 11 and 12 which address the current contract with Linebarger Goggan Blair

& Sampson, LLP for the purpose of tax collection services. Ms. Casas said that Linebarger Goggan Blair & Sampson represent most of the Valley cities and not only do they represent them, but they support the cities in the Valley and statewide. She said that this company has an A+ rating. She also said she had spoken with some of the Commissioners and the reasons she heard were that the Commission wanted to see the contract and see that the City is getting the best buy for the money. Ms. Casas said she was here to tell them that they are getting the best buy. She said that as a citizen of La Feria, she would like to know why the item was on the agenda. She said she had another engagement to attend tonight but that she would try to get back to listen to the discussion on the items. Mayor Gonzalez thanked Ms. Casas for her comments. No one else signed up to speak before the City Commission, so Mayor Gonzalez declared the public comment session closed.

REVIEW AND TAKE ACTION TO APPROVE THE MINUTES OF PROCEEDINGS OF THE REGULAR MEETING OF THE CITY COMMISSION HELD ON TUESDAY, FEBRUARY 10, 2015

After review of the minutes, Commissioner Olga H. Maldonado moved to approve the minutes of proceedings of the regular meeting of the City Commission held on Tuesday, February 10, 2015. Commissioner Julian Guevara, Jr. seconded the motion, and the motion carried by unanimous vote of the City Commission.

CONSIDERATION AND APPROVAL OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF LA FERIA, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2015"; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND FURTHER SECURING SAID CERTIFICATES BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES OF THE SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SAID CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SAID CERTIFICATES; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE AND INVESTMENT LETTER; COMPLYING WITH THE REQUIREMENTS IMPOSED BY THE LETTER OF REPRESENTATIONS PREVIOUSLY EXECUTED WITH THE DEPOSITORY TRUST COMPANY; AND PROVIDING AN EFFECTIVE DATE

City Manager Mr. Sunny K. Philip explained that this process was started some time ago in 2014, before the budget was approved, by identifying several items. Then when the budget was approved these items were approved in the form of the Capital Improvements Plan and the next thing was to find a way to fund the projects. Mr. Philip said the City has a contract with First Southwest as Financial Advisor and Norton Rose Fulbright (formerly Fulbright and Jaworski) as Bond Counsel, two entities that need to be involved anytime the City sells Certificates of Obligations. Ms. Anne Burger Entekin with First Southwest will take the bond issue to the market where the bonds are traded or handle through a direct sale such as in this case. BBVA Compass is going to purchase the bonds. Mr. W. Jeffrey Kuhn of Norton Rose Fulbright handles all the documents that need to be prepared for the bond issue. City Manager Mr. Sunny K. Philip introduced Mr. Jorge Delgado with First Southwest who distributed a summary of the bond issuance

process. Mr. Delgado said that the City received a bid of a True Interest Cost (TIC) of 3.21% from BBVA Compass and the life of the certificates is 20 years. Mr. Delgado said that they had requested two projected interest rate scales on the same day the City received the bid from BBVA Compass and they received an approximate TIC of 3.19% for a municipal bond insured transaction and an approximate TIC of 3.40% for an uninsured transaction. As financial advisors, the firm recommended that the City accept the offer from BBVA Compass. He said this is beneficial to the City since the City will not need to purchase municipal bond insurance which cost would range from \$50,000.00 to \$60,000.00. Mr. Delgado thanked all entities involved in this bond issue. Mr. Philip said the money would not be available until March 24, but the City gets to earn interest on that money during the waiting period. Commissioner John Hernandez moved to read the ordinance by caption only, in lieu of reading it in its entirety. Commissioner John Betancourt seconded the motion, and the motion carried by unanimous vote of the City Commission. City Attorney Mr. Richard S. Talbert read the caption of Ordinance 2015-03. After reading of the caption, City Commissioner John Betancourt moved to approve Ordinance 2015-03 authorizing the issuance of "City of La Feria, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2015"; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said certificates by a lien on and pledge of the pledged revenues of the system; providing the terms and conditions of said certificates and resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of said certificates; authorizing the execution of a paying agent/registrar agreement and a purchase and investment letter; complying with the requirements imposed by the letter of representations previously executed with the depository trust company; and providing an effective date. Commissioner John Hernandez seconded the motion, and the motion carried by unanimous vote of the City Commission.

REVIEW BID TABULATION AND CONSIDER AND TAKE ACTION TO AWARD CONTRACT FOR THE SCADA ADDITIONS TO SOUTH PARKER & SOUTH CANAL LIFT STATIONS & REPAIR OF SCADA EQUIPMENT AT LILAC LIFT STATION FOR THE CITY OF LA FERIA TO THE LOWEST AND MOST QUALIFIED BIDDER

City Manager Mr. Sunny K. Philip reviewed the bid tabulation for the SCADA System which showed that there was only one bid received and that was from Municipal Pump & Control, Inc., P.O. Box 1676, Cedar Park, TX 78630 in the amount of \$116,714.00. The project is to provide SCADA equipment for Parker Road Lift Station and Canal Street Lift Station and repairs to the existing SCADA equipment at the Lilac Avenue Lift Station. It will also provide some modifications to the SCADA system receiving equipment at the Wastewater Treatment Plant. Mr. Philip said funding for this project is through the forgivable loan from the Texas Water Development Board (TWDB). Commissioner Olga H. Maldonado moved to award the contract for the SCADA additions to South Parker and South Canal Lift Stations and repair of the SCADA equipment at Lilac Lift Station for the City of La Feria to the lowest and most qualified bidder Municipal Pump & Control, Inc., P.O. Box 1676, Cedar Park, TX 78630 in the amount of \$116,714.00. Commissioner John Hernandez seconded the motion, and the motion carried by unanimous vote of the City Commission.

MONTHLY FINANCIAL REPORTS FOR THE MONTH OF JANUARY 2015

- **REVENUE AND EXPENDITURE REPORT**
- **PERFORMANCE INDICATORS**
- **INVESTMENT REPORT**
- **TAX COLLECTION REPORT**

Finance Director Ms. Maria Chavero reviewed the financial reports for the month of January 2015 with the City Commission. Ms. Chavero reviewed the Budget vs. Actual Report monthly and year-to-date figures. She then reviewed the City Investment Report, the Current Year Tax Collection Report, the Delinquent Tax Collection Report, the Court Fines Collection Report and the City Sales and Use Tax Comparison Report. After review and all questions answered, Mayor Victor Gonzalez, Jr. announced that the reports would be filed for audit.

EXECUTIVE (CLOSED) SESSION PURSUANT TO THE PROVISIONS OF THE OPEN MEETINGS LAW CHAPTER 551, GOVERNMENT CODE, IN ACCORDANCE WITH THE AUTHORITY CONTAINED IN SECTION 551.072 TO DISCUSS PROPOSED PURCHASE/SALE/DONATION OF REAL ESTATE BY THE LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION/THE LA FERIA ECONOMIC DEVELOPMENT CORPORATION/CITY OF LA FERIA; AND SECTION 551.087 TO DISCUSS ECONOMIC DEVELOPMENT NEGOTIATIONS

There was no need for executive session under this item.

CONSIDER AND TAKE ACTION DEEMED NECESSARY AS THE RESULT OF EXECUTIVE (CLOSED) SESSION DELIBERATIONS

There was no action taken on this item.

City Attorney Mr. Richard S. Talbert clarified that there was no need to go into executive session under the Section 551.072 or Section 551.087 of the Government Code for this meeting, but if at any point the Commission wished to go into executive session to consult with the City Attorney on legal matters for any item, whether or not it was listed under executive session, the Commission could do so under Section 551.071.

DISCUSS, CONSIDER AND EXERCISE THE CITY OF LA FERIA'S OPTION TO ISSUE AND SEND THE NOTICE OF NON-RENEWAL FOR THE CURRENT CONTRACT WITH LINEBARGER GOGGAN BLAIR & SAMPSON, LLP FOR THE PURPOSE OF TAX COLLECTION SERVICES

Commissioner Esmeralda Lozano read the item and asked that this item be discussed in executive session. Mayor Victor Gonzalez, Jr. declared the meeting in executive session at 7:04 P.M. under Section 551.071, Government Code, to consult with the City Attorney on legal matters concerning this item. After executive session, Mayor Victor Gonzalez, Jr. declared the meeting back in open session at 7:30 P.M. and asked for discussion from the City Commissioners.

Commissioner John Betancourt inquired if there were any issues with Linebarger's performance, and Mr. Philip responded that there had been none. He added that the firm has performed their responsibilities above and beyond their contract. Mr. Philip said that interaction with the firm is not as it used to be due to the fact that the City transferred the tax collection services to the County and their contact is with the County. He said he had

received no complaints about the firm. Commissioner Betancourt inquired if Mr. Philip would have any issues if the Commission continued with the contract. Mr. Philip said he has no issues with Linebarger, but he will work with the contract that the City Commission approves. Commissioner Betancourt said that Linebarger has improved their performance through the years. Commissioner John Hernandez asked Commissioner Esmeralda Lozano for the reason why she had asked that this item be placed on the agenda. Commissioner Esmeralda Lozano said that in her opinion it is important for the Commission to be aware of what the opportunities are for their constituents. She said the services that Linebarger is providing right now she would imagine in a bidding opportunity that Linebarger would be able to offer the same services to the City, but at that point the Commission would be able to vet other firms and see what offerings they bring to the community. Commissioner Lozano said that if there are other agencies that want a shot at providing services to the City, the Commission owes it to their constituents to be good ensurers of opportunities and to use its fiduciary oversight in the best manner possible. Commissioner Lozano said that before this action, she had no idea of the contract and it has served to educate her on what the current contract obligations are and what services Linebarger is offering to the City. Commissioner John Hernandez asked if Commissioner Lozano had talked with other firms that she felt they might be able to provide a better service to the City. Commissioner Lozano responded that she had not. Mayor Victor Gonzalez, Jr. said that Commissioner Lozano had no problem with the contract; she just wants to see what is out there. The current contract is due to expire in April. Commissioner Lozano said the year is up in April and this is the opportunity to vet other firms that might be willing to come in at a lower percentage. She said she had no personal pet peeves against Linebarger, but it is up to the Commission to pass it or not. Commissioner Julian Guevara, Jr. said he, too, would like to see what other firms might be out there and would like to have the opportunity to compare.

Mayor Victor Gonzalez, Jr. invited Mr. John Guevara, partner with Linebarger Goggan Blair & Sampson LLP to comment if he wished. Mr. Guevara thanked the Mayor and Commissioners for all the comments and he thanked Ms. Gloria Casas for her comments about his firm. He said he was not aware that she would be at the meeting to speak about their firm, but he was humbled that she did. He said that Linebarger Goggan Blair and Sampson has done an excellent job for the City. Mr. Guevara said that when his law firm first began working with the City of La Feria the collection rate was approximately 20% and since then they have been able to increase it considerably every year. It is not always 35 or 45%, but it is close. Mr. Guevara said every year more delinquent accounts are added and they have been able to decrease that amount by about \$100,000.00 in the last three or four years. Regarding the vetting of firms, Mr. Guevara said he appreciated their desire to do so, and by all means that is one of their responsibilities. He said the legislature has set a ceiling of 20% to pay the tax attorney; the lower the percentage, the less likely that the City will be paid. He said that when you start messing with price, you will have less of an incentive for people to pay their taxes before becoming delinquent. Mr. Guevara said he welcomed the competition, but he assured the Commission that all they would hear about his firm would be mudslinging and that his firm would not engage in any part of that. Mr. Guevara said he appreciated the audience and the opportunity to speak tonight and would like to continue to do a great job for the City. Mayor Gonzalez, thank Mr. Guevara for his comments. Commissioner Esmeralda Lozano moved to proceed with terminating the contract with Linebarger Goggan Blair & Sampson, LLP.

Commissioner Olga H. Maldonado seconded the motion, and the motion carried by majority vote. Commissioners Esmeralda Lozano, Olga H. Maldonado, and Julian Guevara, Jr. voted for the motion, and Commissioners John Betancourt and John Hernandez voted against the motion.

DISCUSS AND TAKE ACTION TO AUTHORIZE THE CITY MANAGER/CITY OF LA FERIA TO PUBLISH A REQUEST FOR QUALIFICATIONS FOR A LAW FIRM TO PROVIDE DELINQUENT TAX COLLECTION SERVICES FOR THE CITY OF LA FERIA

Commissioner Esmeralda Lozano moved to authorize the City Manager Mr. Sunny K. Philip to publish a request for qualifications for a law firm to provide delinquent tax collection services for the City of La FERIA. Commissioner Julian Guevara, Jr. seconded the motion, and the motion carried by majority vote. Commissioners Esmeralda Lozano, Olga H. Maldonado, and Julian Guevara, Jr. voted for the motion, and Commissioners John Betancourt and John Hernandez voted against the motion.

REPORTS BY STAFF AND DISCUSSION WITH CITY COMMISSION

- **UPDATE ON DRAINAGE IMPROVEMENT PROJECT**
- **WATER AND WASTEWATER SYSTEMS IMPROVEMENTS PROJECT**
- **STATUS OF SAFE ROOMS (DOMES) CONSTRUCTION PROJECT**
- **FIESTA DE LA FERIA & CENTENNIAL CELEBRATION – FEBRUARY 27 & 28, 2015**

City Manager Mr. Sunny K. Philip said he would like to take a few minutes prior to the reports to introduce Mr. Greg Hernandez whom he has appointed as Volunteer Fire Chief. Mr. Philip also announced that he had appointed Mr. Ron Cathey as the Volunteer Assistant Fire Chief, but Mr. Cathey could not make it to tonight's meeting. He added that the City of La FERIA is fortunate to have these dedicated volunteers. The City Commission welcomed Greg Hernandez as the new Volunteer Fire Chief and asked for a picture to submit to *The La FERIA News*. Finance Director Ms. Maria Chavero took the photo and it will be submitted to the newspaper. (Note: The photo appeared on the *La FERIA News* of March 4, 2015). Mayor Victor Gonzalez, Jr. asked Mr. Philip to provide phone numbers for both appointments.

- Drainage Improvements – On all the contracts that have been awarded, the contractors are doing very well even though the rain has slowed them down.
- Water and Wastewater Systems Improvements – The 10" asbestos line is being replaced with a 12" PVC lines.
- The Safe Rooms – Staff has notified you about the date when the contractor will do the inflation of the dome. The State has come through and the payments to contractors are current.
- Fiesta de La FERIA is this Friday and Saturday, February 27 and 28, 2015. There will be a final planning meeting for the Fiesta tomorrow, February 25, 2015. Mayor Victor Gonzalez, Jr. said that there were some individuals who were not able to have their interviews scheduled and maybe at a later date this could be accommodated so that their comments can be incorporated into the Centennial Historical Event. Commissioner Esmeralda Lozano said that on behalf of the City

Commission she wanted to thank the Fiesta Planning Committee volunteers for coordinating this event.

**CONSIDER AND TAKE POSSIBLE ACTION ON ATTENDANCE STATUS OF
MAYOR AND/OR COMMISSIONERS**

There was no action needed on this item.

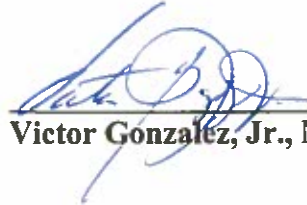
ACTION FOR ADJOURNMENT

There being no further business to conduct, Commissioner Olga H. Maldonado moved to adjourn the meeting. Commissioner Julian Guevara, Jr. seconded the motion, and the motion carried by unanimous vote of the City Commission.

ADJOURNMENT

Mayor Victor Gonzalez, Jr. adjourned the meeting at 7:57 P.M.

APPROVED:



Victor Gonzalez, Jr., Mayor

ATTEST:



Olga Oberwetter, City Secretary

These minutes were prepared and filed with the City of La Feria at 1:22 P.M. on March 8, 2015, as official record.



Olga Oberwetter, City Secretary



CITY COMMISSION REGULAR MEETING
AT THE
CITY COMMISSION MEETING ROOM
TUESDAY, FEBRUARY 24, 2015, AT 6:30 PM

WELCOME
PLEASE SIGN IN

	<u>NAME</u>	<u>MAILING ADDRESS</u>	<u>HOME/WORK PHONE NO.</u>
1	Jorge Delgado		214 953 4019
2	Greg Hernandez		956-343-6718
3	Mark Moody		956-456-2715
4	José (Luis) ...		956 385-5557
5	Maria ...		956-241-9895
6	John Guevara		956-546-1216
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