

**MINUTES OF PROCEEDINGS
CITY COMMISSION
Tuesday, September 1, 2015**

Be it known that the City of La Feria City Commission met in special session on **Tuesday, September 1, 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 Hernandez	City Commissioner
Ms. Olga H. Maldonado	City Commissioner
Mr. Julian Guevara Jr.	City Commissioner

The following City Commission members were absent from said meeting.

Mr. John Betancourt	City Commissioner
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The following staff members were present:

Mr. Sunny K. Philip	City Manager
Mr. Richard S. Talbert	City Attorney
Ms. Maria S. Chavero	Finance Director
Ms. Paula Rodriguez	Planning & Community Dev. Director
Ms. Rose Saenz	Assistant Finance Director
Ms. Esmeralda R. Sánchez	City Secretary

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

At 6:45 P.M., Mayor Victor Gonzalez, Jr. asked Commissioner Esmeralda Lozano to give the invocation. After the invocation, Mayor Gonzalez 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.

PUBLIC COMMENTS

Public Comments were heard from one individual.

Mr. Tony Guevara of 26402 N. White Ranch Road addressed the Commission. Mr. Guevara expressed concern regarding the selection of a firm for Delinquent Ad Valorem Tax Collection services. Since that item was not being considered at the present meeting, he went on to congratulate the Mayor and Commissioners on the service they were doing for the community and named members of each of their families as contributing to their efforts. He stated several months ago he heard the Commission was thinking of changing the company that collects delinquent taxes. Mr. Guevara stated his nephew runs the company in Brownsville that currently collects delinquent taxes for the City and clarified

that there is no relation to Commissioner Guevara. He asked the Commission to consider the job that has been done by the company that the City currently uses to collect delinquent taxes.

REVIEW AND TAKE ACTION TO APPROVE MINUTES OF PROCEEDINGS OF THE REGULAR MEETING OF THE CITY COMMISSION HELD ON TUESDAY, AUGUST 25, 2015

Upon review, a motion was made by Commissioner Julian Guevara and seconded by Commissioner Olga Maldonado to approve the minutes of proceedings of the regular meeting of the City Commission held on Tuesday, August 25, 2015. The motion passed by unanimous vote of the City Commission present.

PUBLIC HEARING CONCERNING THE 2015 TAX YEAR PROPOSED PROPERTY TAX RATE FOR THE CITY OF LA FERIA.

This is the second of two public hearings required. The first public hearing was held on August 25, 2015. Mayor Gonzalez declared the public hearing open at 6:53 PM and invited the public to participate. As the audience did not have any comments, Mayor Gonzalez closed the public hearing at 6:53 PM.

REVIEW TABULATION OF PROPOSALS RECEIVED, CONSIDER, AND TAKE ACTION TO AWARD A CONTRACT FOR THE CITY OF LA FERIA EMPLOYEE GROUP HEALTH INSURANCE AND DESIGNATE AN AGENT FOR THE CITY OF LA FERIA.

The Commission was presented with the tabulation of proposals at the previous City Commission meeting and reviewed various options. With the lowest proposal submitted by Allegian the most viable option is for the City to offer a "dual option" to employees with the HMO/\$1,000 deductible as the base plan for employee only coverage at a premium of \$305.29 and a PPO/\$1,000 deductible as an option for those wanting coverage outside of the HMO coverage area. The employee will be responsible for the additional cost of the PPO plan premium, based upon the selected coverage. Selecting the HMO plan with an employee only premium of \$305.29 will save the City approximately \$15,000. In the previous year the City paid the entire premium for "employee only" coverage at a cost of \$328.57 per month.

Ms. Joannie Bianchini, current Insurance Agent, distributed packets with the rates for both plans for review by the Commission and further discussed the "dual option" stating that there is not a minimum number of employees required to offer this as an option. Even if none of the current employees select the PPO plan during annual enrollment, the option will remain available to any new employees throughout the plan year. This information was confirmed by Mr. Lee Helm of Allegian Health Plans who was also in the audience. Dependents enrolled in college outside of the coverage area will be covered under the HMO plan to the age of 26 with proof of college enrollment. Ms. Bianchini proceeded to answer questions regarding both plans including cost per employee, additional family coverage, and deductibles for member and family coverage. The annual enrollment will occur by the week following the present meeting.

Following the discussion, Commissioner Maldonado made a motion to select the HMO/\$1,000 deductible plan with an employee only premium of \$305.29 as the base plan and the PPO/\$1,000 deductible as an option for employees preferring an expanded coverage area with the cost of the premium over the base plan to be paid by the employee and to select Ms. Joannie Bianchini as the Insurance Agent. The motion was seconded by Commissioner Guevara and passed by unanimous vote of the City Commission present.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY AN ORDINANCE ESTABLISHING ADDITIONAL PENALTY FOR DELINQUENT PROPERTY TAX COLLECTION STARTING PROPERTY TAX YEAR 2015.

A copy of the proposed Ordinance 2015-07 was distributed to the Commission for review. Currently tax payers pay a 20% penalty for delinquent taxes collected which is then used to pay the attorneys collecting delinquent taxes. The proposed ordinance will reduce the additional penalty to 15% which will reduce the cost for the tax payer for regular property taxes.

A motion was made to read the caption of Ordinance 2015-07 by Commissioner Maldonado, seconded by Commissioner Guevara. The motion passed by unanimous vote of the City Commission present. City Attorney Richard S. Talbert then read the Caption of Ordinance 2015-07.

Following the reading of the caption, a motion was made to approve Ordinance 2015-07 by Commissioner John Hernandez and seconded by Commissioner Guevara. The motion passed by unanimous vote of the City Commission present.

CONSIDER AND TAKE ACTION TO REJECT ALL PACKETS RECEIVED ON SEPTEMBER 1, 2015 IN RESPONSE TO THE REQUEST FOR QUALIFICATIONS FOR DELINQUENT AD VALOREM TAX COLLECTIONS.

In an effort to avoid any confusion, all request for qualification packets received on September 1 for delinquent ad valorem tax collections will be rejected since the deadline has been extended to September 3, 2015. This item was placed on the agenda at the recommendation of Mr. Talbert. This action may allow more responses to the request for qualifications to be submitted.

A new request for qualifications packet will be reviewed in a subsequent agenda item. A correction will be made on the proposed calendar of the new packet revising the special meeting date from 9/22 to 9/29.

A motion was made by Commissioner Lozano to reject all packets received on September 1, 2015 in response to the request for qualifications for delinquent ad valorem tax collections. The motion was seconded by Commissioner Maldonado. The motion passed by unanimous vote of the City Commission present.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY A REQUEST FOR QUALIFICATIONS FOR DELINQUENT AD VALOREM TAX COLLECTIONS PACKET AND CALENDAR.

As previously mentioned the correction will be made to the calendar calling for a special meeting to award a contract in response to the request for qualifications for delinquent ad valorem tax collections from 9/22 to 9/29. Changes to the packet also include removing a provision regarding an office in Cameron County, and addition of a provision with a local or 800 number to allow the tax payer to call the collections firm without additional charge. The practice in the past was to select a firm in Cameron County so this provision was not previously required.

A discussion regarding a statement on page 4 of 8 calling out “the immediate area or within a 50 mile radius” ensued. Comments were made indicating the area as defined reached out to City Hall in Sullivan City. A suggestion was made to replace the wording with Rio Grande Valley to which Mr. Talbert responded did not define an area. A motion was initiated by Commissioner Maldonado to accept and change item “e-h” in the paragraph in bold to the four county area, specified as Hidalgo, Starr, Willacy, and Cameron and then rescinded due to further discussion. Additional discussion included grammatical and typographical revisions, clarification by Mr. Talbert of the number of “sufficient persons,” additional wording to require the selected firm to include collect calls as one of the three options in communicating with the tax payers, and changing “client” and “purchasing department” to “City”.

A motion was made by Commissioner Lozano to accept the request for qualifications with the following changes: replace “immediate area or within a 50 mile radius” on page 4 of 8 with the four county area “Starr, Hidalgo, Cameron, and Willacy”; include on Page 2 under General Requirements Item 6, “maintain local La Feria telephone number or accept collect calls or a toll free number to allow Citizens to contact Firm at no cost”; and correct the grammatical and typographical changes as discussed. The motion was seconded by Commissioner Maldonado and passed by unanimous vote of the City Commission present.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY A RESOLUTION TO NAME A NOMINEE TO HOLD POSITION NINE (9) OF THE CAMERON APPRAISAL DISTRICT BOARD OF DIRECTORS.

The proposed Resolution 2015-14 was included in the packet for review with the letter from the Cameron Appraisal District. Following a discussion of the duties of the Cameron Appraisal District and the role of the designated representative of the small cities, currently held by Mr. Ricardo Morado, a motion was made to read the caption of Resolution 2015-14 by Commissioner Maldonado, seconded by Commissioner Guevara. Mr. Talbert read the caption of Resolution 2015-14.

A motion was then made by Commissioner Guevara to approve Resolution 2015-14, seconded by Commissioner Maldonado. The motion passed by unanimous vote of the City Commission present.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY A RESOLUTION AUTHORIZING THE TEXAS COALITION FOR AFFORDABLE POWER INC. (TCAP) TO NEGOTIATE AN ELECTRIC SUPPLY AGREEMENT FOR THREE YEARS FOR DELIVERIES OF ELECTRICITY EFFECTIVE JANUARY 1, 2018; AUTHORIZING TCAP TO ACT AS AN AGENT ON BEHALF OF THE CITY TO ENTER INTO A CONTRACT FOR ELECTRICITY; AUTHORIZING THE CITY MANAGER TO EXECUTE AN ELECTRIC SUPPLY AGREEMENT FOR DELIVERIES OF ELECTRICITY EFFECTIVE JANUARY 1, 2018 AND COMMITTING TO BUDGET FOR ENERGY PURCHASES IN 2018 THROUGH 2020 AND TO HONOR THE CITY'S COMMITMENTS TO PURCHASE POWER FOR ITS ELECTRICAL NEEDS IN 2018 THROUGH 2020 THROUGH TCAP.

The proposed Resolution 2015-15 was included in the packet for review with the memorandum issued to all TCAP Members. The efforts by TCAP offer the City an opportunity to take advantage of lower electricity rates available to members of the coalition. Following discussion of the history of TCAP and previous participation by the City of La Feria, a motion was made to read the caption of Resolution 2015-15 by Commissioner Lozano and seconded by Commissioner Guevara. The motion passed by unanimous vote of the City Commission present. Mr. Talbert read the caption of Resolution 2015-15.

A motion was then made to approve Resolution 2015-15 by Commissioner Hernandez and seconded by Commissioner Maldonado. The motion passed by unanimous vote of the City Commission present.

Mayor Gonzalez called for a recess at 7:44 PM. The meeting was called back to order at 7:55 PM.

BUDGET WORKSHOP-CITY OF LA FERIA BUDGET FOR FISCAL YEAR 2015-2016.

A copy of the proposed budget was reviewed with the City Commission. Efforts in the previous year to balance the budget were leveraged by administration funds provided by the Disaster Recovery grant for drainage improvements. The City cannot continue to operate with a deficit budget for a long time. Efforts are made to curb costs with limited employees taking on different responsibilities and maximizing special skills. The proposed budget reflects a \$221,000 deficit. To overcome the deficit suggestions were made to increase fees for city services including collection of garbage and brush; increasing fees for use of the municipal swimming pool, and instituting fees for use of the recreation center. The City currently subsidizes the recreation center and library budgets. Now may be a time to rekindle the "Friends of the Library" as a means by which to build up community interest to support the financial needs of the Library in conjunction with the Dunlap Trust Fund. Commissioner Lozano shared knowledge of available grants for Libraries and will provide such information to staff.

The municipal pool is used by the school district at a nominal fee, essentially to recoup the cost of lifeguards. The fees charged to the school for various events as well as public use will be adjusted to subsidize the City's direct costs.

Mayor Gonzalez suggested an incinerator program similar to what is used in Harlingen to reduce the amount of brush we take to the landfill. A combination of programs led to the current deficit situation. A revamping of the athletic programs will also be required to reduce the cost subsidized by the City for those programs. A suggestion was made to establish a Board to oversee changes discussed for the Recreation Center. A workshop may follow to discuss programming and options available to maintain the community's use of the recreation center.

Efforts to curb costs have been implemented such as reducing the cost of insurance premiums and continuing operations with current staff instead of replacing exempt employees that separated during the current fiscal year. The City's budget is a working dynamic document. Revising the current programs to generate revenue and limiting budgets for events such as Fiesta, July 4th, Halloween, etc. will help reduce the deficit. Although there is a concern that other entities are raising taxes, the City of La Feria's increase cannot exceed .760439 cents, approximately a .05 cent increase from the current rate.

No official action of the Commission was necessary as the result of the workshop and related discussion.

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; SECTION 551.074 TO DISCUSS PERSONNEL; SECTION 551.074 TO DISCUSS THE DUTIES AND RESPONSIBILITIES OF THE CITY MANAGER; AND SECTION 551.071 TO CONSULT WITH CITY ATTORNEY REGARDING THREATENED LITIGATION FROM MARY R. JOHNSON.

Mayor Gonzalez declared the meeting in Executive Session at 9:10 PM. Following Executive Session deliberations, Mayor Gonzalez declared the meeting back in open session at 9:23 PM.

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

Mayor Gonzalez announced that no action was required as a result of Executive (closed) Session.

ACTION FOR ADJOURNMENT

There being no further business to conduct, Commissioner Maldonado moved to adjourn the meeting. Commissioner Lozano seconded the motion, and the motion passed by unanimous vote of the City Commission present.

ADJOURNMENT

Mayor Gonzalez adjourned the meeting at 9:24 P.M.

APPROVED:

Victor Gonzalez, Jr., Mayor**ATTEST:**

Esmeralda R. Sánchez, City Secretary

These minutes were prepared and filed with the City of La Feria at 6:30 P.M. on September 6, 2015, as official record.



Esmeralda R. Sánchez, City Secretary