

**MINUTES OF PROCEEDINGS
CITY COMMISSION
Tuesday, September 8, 2015**

Be it known that the City of La Feria City Commission met in regular session on **Tuesday, September 8, 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
Mr. John Betancourt	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 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 6:40. P.M., Mayor Victor Gonzalez, Jr. asked Commissioner Olga Maldonado 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

Mayor Gonzalez announced the public comment period open. Since no one signed up for public comments, the session was declared closed.

REVIEW AND TAKE ACTION TO APPROVE MINUTES OF PROCEEDINGS OF THE SPECIAL MEETING OF THE CITY COMMISSION HELD ON TUESDAY, SEPTEMBER 1, 2015

Upon review, a motion was made by Commissioner Esmeralda Lozano and seconded by Commissioner Olga Maldonado to approve the minutes of proceedings of the special

meeting of the City Commission held on Tuesday, September 1, 2015. The motion passed by unanimous vote of the City Commission present.

A motion was made by Commissioner Lozano to confer with City Attorney Richard Talbert regarding an agenda item in executive session. The motion was seconded by Commissioner Julian Guevara and passed by unanimous vote of the City Commission present.

A subsequent motion was then made by Commissioner Lozano to consider Agenda Item No. 17 Executive Session out of agenda order. The motion was seconded by Commissioner Maldonado and passed by unanimous vote of the City Commission present.

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.

Mayor Gonzalez declared the meeting in Executive (closed) Session at 6:43 PM. Following Executive Session deliberations, Mayor Gonzalez declared the meeting back in open session at 7:37 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.

Mayor Gonzalez then resumed the regular order of the meeting, returning to Agenda Item No. 6.

Due to the similarity in nature and the related documentation provided by staff, Commissioner John Betancourt made a motion to discuss Agenda Items 6, 7, and 8 concurrently. The motion was seconded by Commissioner Maldonado and passed by unanimous vote of the City Commission present. Mayor Gonzalez announced agenda items 6, 7, and 8 in the order below.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY AN AMENDMENT TO THE CITY OF LA FERIA BUDGET FOR FISCAL YEAR 2014-2015. (6)

CONSIDER AND TAKE ACTION TO APPROVE OR DENY THE CITY OF LA FERIA BUDGET FOR FISCAL YEAR 2015-2016. (7)

CONSIDER AND TAKE ACTION TO APPROVE OR DENY BUDGETS FOR LA FERIA UTILITIES BOARD, LA FERIA INDUSTRIAL DEVELOPMENT CORPORATION, LA FERIA ECONOMIC DEVELOPMENT CORPORATION, BAILEY H. MEMORIAL PUBLIC LIBRARY, CITY OF LA FERIA TAX INCREMENT REINVESTMENT ZONE, SUMMER YOUTH PROGRAM, AND LA FERIA RECREATION CENTER FOR FISCAL YEAR 2015-2016. (8)

The total budget amendments include revisions to projected grant funds. Overall the City is ending the year in a better position than was projected. Recovery efforts from Hurricane Dolly put a strain on the City's finances totaling \$750,000 in prior years. Although FEMA pays 70% of the eligible expenses, the other items were paid for by the City of La Feria. The City went through disciplined efforts from 1998-2008 to build savings in preparation for an emergency situation as was experienced as a result of Hurricane Dolly.

Agenda Item No. 6 refers to the budget amendment which reflects an increase in total revenues of \$3,365,393 and an increase in total expenditures of \$2,829,372. These changes reflect a general fund positive cash flow of \$214,032 for fiscal year 2014-2015.

Following a detailed review of the documentation related to Agenda Item No. 6, a motion was made by Commissioner John Hernandez to approve the amendment to the City of La Feria Budget for Fiscal Year 2014-2015. The motion was seconded by Commissioner Betancourt and passed by unanimous decision of the City Commission present.

Staff presented a proposed budget for FY 2015-2016 and discussed details of the budget with the Commission. The overall budget showed a surplus of \$225,101 as the General Funds reflected a deficit of \$174,319. The general fund and debt service funds were developed with a proposed \$.076/100 tax rate which is a 7.9% increase from the 2014-2015 fiscal year. It was noted that garbage and brush operations help to fund other operations of the City to the tune of \$250,000 and therefore privatization is not in the best interest of the City. Mr. Philip noted that the certificate of obligations funded in the amount of \$6.3 million are not included as part of the budget considered by the Commission. The proposed budget includes a 2% increase for employees except for the City Manager.

Additional discussion included approving the fiscal year 2015-2016 budget with the proposed individual general fund and debt service budgets and returning to revise the budget acknowledging an increase in the tax rate, garbage fees, and others. Rates may be increased and reduced the following year, by Ordinance. Positive cash flow may be achieved by streamlining efforts to secure savings. The proposed budget includes a two percent increase for employees with the exception of the City Manager. Revenue and Expenses are projected amounts, and remaining EDC funds may be added to the fund balance allowing the City to build up savings in preparation for another emergency. One of the most important goals is to increase the cash balance in the bank accounts to achieve a good bond rating. Rates have not been increased in several years and the City has instituted a cap on taxes for residents over age 65. Generating revenue through the proposed tax rate increase is critical at this time.

Discussion with the Commission included the following: cost of elections in 2016, supplies for different funds, subsidizing cost of the pool, sports programs, the recreation center, and other areas that may be areas where the City can save to help the budget. The Commission made several suggestions to curb costs of subsidized programs including increasing rates for use of the pool, participation in the various sports programs, and membership/program fees for the recreation center. Furthermore, action to work with the school district to share costs for the various programs was also discussed and will be revisited in setting goals to improve relations with school district leadership. Several comments were made regarding the possibility of a workshop to discuss programming at the recreation center and associated costs, as well as creation of an advisory board. Additional items discussed by the Commission to reduce costs will be revisited throughout the year to maintain and improve programming for the Community across the various City facilities. Commissioner Betancourt left the meeting at 8:02 PM.

Following discussion and review of budget line items, a motion was made by Commissioner Hernandez to approve the City of La Feria budget for Fiscal Year 2015-2016, Agenda Item No. 7. The motion was seconded by Commissioner Maldonado. The budget was approved by unanimous decision of the City Commission present. The vote was recorded as follows:

Voting in favor of the motion: Commissioner John Hernandez, Commissioner Olga Maldonado, Commissioner Julian Guevara, and Commissioner Lozano. Commissioner John Betancourt was not present for the record vote. None of the Commissioners present voted against approving the budget.

Previous discussion included fiscal year 2015-2016 budgets for the La Feria Utilities Board, Industrial Development Corporation, Economic Development Corporation, Bailey H. Dunlap Memorial Library, Tax Increment Reinvestment Zone, Summer Youth Program, and the Recreation Center. The proposed rate increases are in particular due to unmet revenue projections of the previous year. A motion was made by Commissioner Maldonado to approve 2015-2016 budgets for the La Feria Utilities Board, Industrial Development Corporation, Economic Development Corporation, Bailey H. Dunlap Memorial Library, Tax Increment Reinvestment Zone, Summer Youth Program, and the Recreation Center, Agenda Item No. 8. The motion was seconded by Commissioner Hernandez. The budgets were approved by unanimous vote of the City Commission present. The vote was recorded as follows:

Voting in favor of the motion: Commissioner John Hernandez, Commissioner Olga Maldonado, Commissioner Julian Guevara, and Commissioner Lozano. Commissioner John Betancourt was not present for the record vote. None of the Commissioners present voted against approving the budget.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY AN ORDINANCE ESTABLISHING AD VALOREM TAX RATE FOR TAX YEAR 2015 INCLUDING MAINTENANCE & OPERATION AND INTEREST & SINKING RATES.

A motion was made by Commissioner Lozano to take a break to allow Mr. Talbert to review and modify the Ordinance under consideration. The motion was seconded by Commissioner Guevara. The motion passed by unanimous vote of the City Commission present. The meeting was called to recess at 8:38 PM and resumed at 8:55 PM.

Upon returning from the break, a copy of the Ordinance as reviewed and modified by City Attorney Richard Talbert was distributed to the City Commission present. Commissioner John Hernandez made a motion to read the caption of Ordinance 2015-08 to establish ad valorem tax rate for tax year 2015 including maintenance & operation and interest & sinking rates. The motion was seconded by Commissioner Maldonado and approved by unanimous decision of the City Commission present. Mr. Talbert read the caption of Ordinance 2015-08. A motion was then made by Commissioner Maldonado to approve Ordinance 2015-08 stating that the property tax rate be increased by the adoption of the tax rate of \$0.76 which is effectively a 7.9 percent increase in the tax rate. The motion was seconded by Commissioner Guevara. The motion passed by unanimous decision of the City Commission present. The vote was recorded as follows:

Voting in favor of the motion: Commissioner John Hernandez, Commissioner Olga Maldonado, Commissioner Julian Guevara, and Commissioner Lozano. Commissioner John Betancourt was not present for the record vote. None of the Commissioners present voted against approving the budget.

Commissioner Lozano stated that although the Commission approved the rate increase, it was done with significant thought and in consideration of the City's current situation and amount of time since the last rate increase.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY AN ORDINANCE TO APPROVE MODIFIED WATER AND SEWER RATES.

Mr. Talbert revised the language of Ordinance 2015-09 distributed in the meeting packet to accurately reflect modification of the rates which are identified in Appendix A of the previous Ordinance. This action does not change the structure of the fees defined in the Ordinance, it only changes Appendix A, the fee schedule referenced in Chapter 13 of the Code of Ordinances. The Utilities Board met earlier and recommend modifying the water and sewer rates as identified. Commissioner Lozano asked if the increase was absolutely necessary. Mr. Philip confirmed that the increase is necessary, elaborating on various cuts made and stating that water must be available for the community at a quality that meets state standards. Mayor Gonzalez requested the presentation to increase such rates be made before the City Commission next year to facilitate discussion. The minimum water bill is increasing \$1.16 per month and minimum sewer is increasing \$1.04 per month. Volumetric rates were reviewed and examples discussed. The Commission expressed concern regarding the impact of increasing rates on the community. A request was made for the Mayor to issue a letter on behalf of the City Commission to explain the need for such increases. To help the Community, the City has a program called a "lifeline provision" intended to assist those who are unable to pay their water/sewer bill in extreme cases. The modified rates may be reviewed quarterly moving forward.

Following discussion of the modified water and sewer rates, Commissioner Hernandez moved to read the caption of Ordinance 2015-09. The motion was seconded by Commissioner Maldonado and passed by unanimous decision of the City Commission present. Mr. Talbert read the caption of Ordinance 2015-09. A motion was then made by Commissioner Lozano to approve Ordinance 2015-09 amending Appendix A: fee schedule of the La Feria Code of Ordinances relating to water and sewer rates; providing for publication and establishing an effective date. The motion was seconded by Commissioner Guevara and passed by unanimous decision of the City Commission present.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY AN ORDINANCE TO APPROVE A MODIFIED FEE SCHEDULE FOR COLLECTION OF SOLID WASTE AND BRUSH.

Comments were made about reducing the brush pick-up from weekly to monthly or bi-weekly and an inquiry was made about reducing costs from other areas to cover these expenses. A comparison of neighboring rates for brush pick-up shows that La Feria's rates are still lower for weekly pick-up. The option to privatize brush and garbage collection. If this effort is privatized, the City will lose the revenue generated by this effort, currently approximately \$300,000. When considering the 5% Franchise tax to the City for brush/garbage collection, it will significantly reduce the amount of revenue generated for the City. The modification is \$1.00 for water and \$1.00 for sewer for an additional increase of \$2.00 per month per bill. The rates can be revisited if revenue sources change and a discussion regarding privatization can occur in the future.

Following discussion, Commissioner Hernandez made a motion to read the caption of Ordinance 2015-10. The motion was seconded by Commissioner Guevara and approved by the City Commission present. Mr. Talbert read the caption of Ordinance 2015-10. A motion was then made by Commissioner Guevara to approve Ordinance 2015-10 amending Appendix A: fee schedule of the La Feria Code of Ordinances relating to rates for the collection of solid waste and brush; providing for publication; and establishing an effective date. The motion was seconded by Commissioner Hernandez and passed by unanimous decision of the City Commission present.

WORKSHOP TO DISCUSS PROPOSED PARK NEEDS, PROPOSED LOCATIONS, FUNDING SOURCES, AND DEVELOPMENT OF CONCEPTS.

Mr. Philip provided a history of previous Texas Parks and Wildlife funding for park improvements. The La Feria Economic Development Corporation has been providing the required matching funds for these grants. The proposed plans include improvements for Veterans Memorial Sports Complex and the development of East Park, and North Park. The discussion included various park elements and preliminary information provided by Mr. Jim DelaShaw. The preliminary plans include the funding agency's high scoring elements, which also align with the City's Master Park Plan. Applications for the next funding cycle are due October 1st and require a resolution authorizing submission of an application. The Commission discussed the proposed plans and shared ideas that may be incorporated into the design with consideration of the cost. Although previous

commitments for cost sharing did not come through, the City had resources to fund the projects. No action required as part of the workshop.

PUBLIC HEARING TO DISCUSS AND RECEIVE INPUT FROM THE PUBLIC REGARDING RECREATION AND PARK NEEDS FOR PROPOSED APPLICATIONS TO BE SUBMITTED TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT UNDER THE COMMUNITY PARK PROGRAM FOR VETERANS MEMORIAL SPORTS COMPLEX, EAST PARK, AND NORTH PARK.

Mayor Gonzalez declared the public hearing open at 10:03 PM. There being no comments from the audience, the public hearing was declared closed at 10:03 PM.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY A RESOLUTION AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT UNDER THE COMMUNITY PARK PROGRAM FOR VETERANS MEMORIAL SPORTS COMPLEX.

After discussion of the proposed park applications discussed in the earlier agenda items, a motion was made Commissioner Hernandez to read the caption of Resolution 2015-16. The motion was seconded by Commissioner Guevara and approved by unanimous decision of the City Commission present. Mr. Talbert read the caption of Resolution 2015-16.

A motion was then made by Commissioner Hernandez to approve Resolution 2015-16 authorizing submission of an application to the Texas Parks and Wildlife Department under the Community Park Program for the Veterans Memorial Sports Complex. The motion was seconded by Commissioner Maldonado and passed by unanimous decision of the City Commission present.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY A RESOLUTION AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT UNDER THE COMMUNITY PARK PROGRAM FOR EAST PARK.

After discussion of the proposed park applications discussed in the earlier agenda items, a motion was made Commissioner Lozano to read the caption of Resolution 2015-17. The motion was seconded by Commissioner Hernandez and approved by unanimous decision of the City Commission present. Mr. Talbert read the caption of Resolution 2015-17.

A motion was then made by Commissioner Hernandez to approve Resolution 2015-17 authorizing submission of an application to the Texas Parks and Wildlife Department under the Community Park Program for East Park. The motion was seconded by Commissioner Maldonado and passed by unanimous decision of the City Commission present.

CONSIDER AND TAKE ACTION TO APPROVE OR DENY A RESOLUTION AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT UNDER THE COMMUNITY PARK PROGRAM FOR NORTH PARK.

After discussion of the proposed park applications discussed in the earlier agenda items, a motion was made by Commissioner Guevara to read the caption of Resolution 2015-18. The motion was seconded by Commissioner Maldonado and approved by unanimous decision of the City Commission present. Mr. Talbert read the caption of Resolution 2015-18.

A motion was then made by Commissioner Hernandez to approve Resolution 2015-18 authorizing submission of an application to the Texas Parks and Wildlife Department under the Community Park Program for North Park. The motion was seconded by Commissioner Maldonado and passed by unanimous decision of the City Commission present.

ACTION FOR ADJOURNMENT

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

ADJOURNMENT

Mayor Gonzalez adjourned the meeting at 10:08 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 5:00 P.M. on September 28, 2015, as official record.


Esmeralda R. Sánchez, City Secretary