

**MINUTES OF PROCEEDINGS  
CITY COMMISSION WORKSHOP  
Tuesday, August 16, 2017**

Be it known that the City of La Feria City Commission met in Regular Session on **Tuesday, August 16, 2017, 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.

**DETERMINE QUORUM PRESENT AND CALL MEETING TO ORDER – MAYOR**

Mayor Olga H. Maldonado declared a quorum present and called the meeting to order.

Attendee Name	Title	Status
Olga H. Maldonado	Mayor	Present
Jesse Zuniga	Commissioner	Present
Eric Hoff	Mayor Pro-Tem/Commissioner	Present
Julian Guevara, Jr.	Commissioner	Present
Esmeralda Lozano	Commissioner	Present
Donato Garcia	Commissioner	Present

The following staff members were present at said meeting:

Mr. Jaime Sandoval, City Manager  
Ms. Rebecca Hayward, City Attorney  
Ms. Amanda Morales, City Secretary  
Mr. Frank Rios, Finance Director

**4. WORKSHOP TO DISCUSS BUDGET FOR FISCAL YEAR 2017-2018**


The City Commission discussed the proposed expenditures and anticipated revenues for the fiscal year beginning October 1, 2017. The proposed revenues for fiscal year 2017-2018 is \$4,142,013 and expected expenditures in the amount of \$4,448,047, resulting in a deficit of \$306,034 that needs to be made up through cuts to expenditures where possible. Mr. Rios explained that he prepared the budget with a 25% decrease in spending from the current budget where possible due to the City's high level of debt obligation. At this time 75% of all tax revenue is obligated to pay debt and only 25% is available for operations and maintenance. He also noted that the premium for employee health insurance has increased by 36% but staff is working with the carrier to minimize the increase. Mr. Sandoval informed the commission that the City's fund balance has had a negative balance for the past several years, as noted in annual management letters prepared by the City's Auditors. Members of the Commission noted that they had never received copies of the management letters. Mr. Sandoval explained that it would take years to replenish the funds to the point of having a surplus. Mr. Rios illustrated to the commission that funds that should have been segregated for use on specific projects and for other component units of the city including the LFEDC, LFIDC and Utility fund were all placed into a pooled cash fund and spent on other daily operating expenses of the City. This contributed to low fund balances for all entities. Commissioner Lozano questioned the legality of approving a budget with a deficit when there is also a negative fund balance and Mr. Rios explained that the City is prohibited from doing so and will have to work to cut more spending for the new fiscal year to ensure that the approved budget is balanced. Commissioner Hoff asked why the Industrial Development Corporation and Economic Development Corporations were able to purchase residential properties in the past. Mr. Sandoval explained that it is

not clear how or why the properties were purchased by entities intended to facilitate economic development and job creation. Mayor Maldonado suggested that all employees be evaluated to determine that they are all being used to the best of their abilities and to ensure that their salaries are being paid from the correct fund. There was no action taken on this item.

5. ADJOURN.

There being no further business to discuss, Mayor Pro-Tem Hoff made a motion to adjourn the meeting. The motion was seconded by Commissioner Guevara and passed unanimously.

APPROVED:

  
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Olga H. Maldonado, Mayor

ATTEST:

  
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Amanda Morales, City Secretary