

WESLACO CITY COMMISSION

SPECIAL MEETING

OCTOBER 13, 2009

On this 13th day of October, 2009 at 6:00 p.m., the City Commission of the City of Weslaco, Texas convened in Special Session at City Hall in the Legislative Chamber, located at 255 South Kansas Avenue.

NOTE: If any accommodation for a disability is required, notify the City Secretary’s Office at (956) 968-3181, Ext 3101 prior to the meeting date.

NOTE: If during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the City Commission will convene in such executive or closed session whether or not such item is posted as an executive session item at any time during the meeting when authorized by the provisions of the Texas Open Meetings Act.

Mayor	Buddy de la Rosa
Commissioner	Robert J. Garza
Commissioner	J.F. “Johnny” Cuellar
Commissioner	Gerardo “Jerry” Tafolla
Commissioner	Lupe V. Rivera
Commissioner	Patrick B. Kennedy
City Manager	Francisco Castellanos
City Secretary	Amanda C. Elizondo
City Attorney	Ramon Vela

Also present: Gloria Sepulveda, Purchasing Director; Omar Gonzales, Finance Director; Pete Garcia, Parks & Recreation Director; Jose Perez, Jr., Police Chief and several other staff members and citizens. Mayor Pro-Tem Rene Rodríguez, Jr. was absent due to illness in the family.

Mayor de la Rosa stated Mayor Pro-Tem Rodríguez’s father had surgery and asked everyone in attendance to keep him in their prayers.

I. OLD BUSINESS

- A. Discussion and consideration regarding the selection of a financial advisor to the City of Weslaco beginning after the expiration of the current Financial Advisor Contract on October 20, 2009 and authorize the Mayor to execute the contract. Possible action.

Anne Burger Entrekkin, Financial Advisor for the city gave a brief history of the services that First Southwest Company had provided to the city from 1982 to 1992 and 1997 to present. She made a presentation of the financial transactions that they had worked with the city in issuing bonds

for different projects. Mrs. Entrekin added over the years the city had issued more than \$67.3.

Mayor de la Rosa stated the development of the model forecast was to assist the city in maintaining the general fund and monitor the impact that it would have on the city's reserves. He pointed out the city had hoped to increase the reserves, but it had not been successful due to the lack of coordination between the city and First Southwest Company. Mayor de la Rosa asked if the model forecast was used when Mr. Castellanos came on board to balance the budget to resolve the projected \$1.2 million deficit for this fiscal year.

Mrs. Entrekin stated the model forecast had not been used, but when Mr. Castellanos was appointed, this tool was used in the budgeting process. She pointed out that the model forecast was to layout a plan not only for this year, but for a five year period.

Mayor de la Rosa stated the 2007 financial report that the city had provided to the rating agencies was inaccurate.

Mrs. Entrekin responded the 2007 financial report was accurate. She added the difference was in 2008; the calculation was for fiscal year of September, 2008.

Commissioner Cuellar stated they needed to be fair to the vendors, citizens and to each other and they should ask what the rating was in 1997 before they issued the \$68 million in bonds. He pointed out it was not fair to blame one person only. Commissioner Cuellar added they needed to have more meetings with Mrs. Entrekin and recommended for her to do a presentation to the City Commission.

Mrs. Entrekin stated the city's rating back then was Triple "B" which was lower and it had been raised two or three steps higher and received half million dollars in rebate in 2002.

Mayor de la Rosa referred to the handout relating to waterworks and sewer system allocations for 2007 bond proceeds and stated the city had allocated a certain amount for the sewer system, but no money for the water system.

Mr. Castellanos concluded by clarifying that staff had met with Mrs. Entrekin and at least three presentations had been made to the City Commission and one presentation to the Ad Hoc Budget Committee. He mentioned the implementation had been done with staff and was very transparent.

Ruben Lozano, Representative from Frost Bank and representing Robert Rodriguez, with Southwest Capital Marketing, Inc. stated they were financial advisors for cities, counties, school districts and other taxing entities. He added their corporate office was in San Antonio, Texas and had been in existence for many years. Mr. Lozano stated they had 100 branches in the State of Texas of which 13 were in the valley including Weslaco. He mentioned they could assist the city with any financing needs and suggested that the city request a proposal. Mr. Lozano stated Mr. Rodriguez was with Capital Market Group. He pointed out Mr. Rodriguez had teamed with them in this endeavor and the city was getting two companies for the price of one. Mr. Lozano added they had done business in the State of Texas for Crystal City, Corpus Christi, San Antonio, Dallas and Houston.

A short discussion was held in regards to their services and Commissioner Cuellar stated the city had not gone out for proposals, but they had called only two companies to submit recommendations. He added First Southwest had a lot of history with the City of Weslaco.

Motion was made by Commissioner Cuellar and seconded by Commissioner Garza to keep First Southwest as the Financial Advisor. Motion carried as follows: FOR: Commissioners: Garza, Cuellar, Tafolla and Rivera. AGAINST: Mayor de la Rosa and Commissioner Kennedy.

- B. Discussion and consideration to approve Ordinance No. 2009-26 amending Section 1 of Ordinance 77-16, adopted on August 16, 1977, and codified in the Weslaco Code of Ordinances Section 29-40 "Water Rates Prescribed" and amending Section 1 of Ordinance 67-10, adopted on June 27, 1967, and codified in the City of Weslaco Code of Ordinances as Section 29-43 "Sewer Rates Prescribed;" by providing for a new schedule of rates to be charged for treated water delivered through the system of the water department of the City of Weslaco; and providing for a new schedule of rates to be charged for the use of wastewater treatment facility of the City of Weslaco; and providing for an effective date after the second publication of this ordinance, and ordaining other matters with respect to the subject matter hereof. First reading of Ordinance No. 2009-26. Possible action.

Motion was made by Commissioner Cuellar and seconded by Commissioner Garza to approve Ordinance No. 2009-26 on first reading. Motion carried unanimously.

- C. Discussion and consideration to amend the Miscellaneous Improvements to the Surface Water Treatment Plant Engineering Scope of Work – Amendment between the City of Weslaco and Camp Dresser & McKee, Inc. (CDM) to redirect \$346,000.00 for the necessary improvements to the City of Weslaco's Water Treatment Plant. Possible action.

Motion was made by Commissioner Garza and seconded by Commissioner Cuellar to approve the item as presented. Motion carried unanimously.

- D. Presentation by Gloria Sepulveda, Purchasing Director, on the option available to the City of Weslaco for the purchase of used 30 yard Side Loader Trucks.

Gloria Sepulveda, Purchasing Director stated staff had research further into the purchase of the used garbage trucks and the cost ranged from \$65,000.00 to \$90,000.00 with a mileage ranging from 78,000 to 85,000 with no warranty. Mrs. Sepulveda stated in 2003 the city bought used trucks from the City of McAllen and in 2007 the city bought two new trucks through the bond proceeds.

Mr. Castellanos stated Mrs. Sepulveda had provided him with some information from the City of McAllen. He pointed out the city purchased two trucks from the City of McAllen for \$25,000.00 each. Mr. Castellanos mentioned the city had spent approximately \$25,000.00 on maintenance and repairs. He stated the City of McAllen had purchased eleven new trucks and were willing to do the same if the City of Weslaco was interested in purchasing their used trucks. He added there was some new information about a "Clunker Program" for cities to apply for funding to purchase heavy equipment. Mr. Castellanos indicated the city had prepared a pre-application for this program to be effective the beginning of next year. He stated if the city was approved under this

program, the city would be able to save up to 25% discount.

Discussion was held in regards to the trucks that were located in California and Mrs. Sepulveda stated the city would have to abide by the bidding procedures.

Mr. Vela stated the city had broken garbage trucks and had refuse that was not being collected and this presented a hazard, health safety and general welfare to the public. He added the city was allowed to purchase the truck without going through the bidding process.

Manuel Ramos, Sanitation Supervisor, stated the garbage was being picked up, but they had three non-operational trucks and the sanitation staff was working a lot of overtime. He indicated the City of McAllen had assisted the City of Weslaco with one truck.

Commissioner Tafolla stated there was hydraulic oil on the streets and recommended purchasing the trucks.

Commissioner Rivera stated this was an emergency situation and whether the trucks were purchased locally or not the city needed to purchase them.

Mr. Castellanos recommended buying a used one maybe two depending on the factors and once the "Clunker Program" was in effect than the city could purchase one new truck.

Mayor de la Rosa stated no action was required and the item would be placed on the next City Commission agenda.

E. Discussion and consideration to review municipal judge contracts for compliance of applicable state statutes. Possible action.

Mr. Vela stated that in reviewing the contracts for the three judges it was his opinion that the tenure of Associate Judge, Samuel Sanchez had expired July 17, 2009. He mentioned as per Section 29.011 of the Texas Government Code it stated "a vacancy could only be filled by the government body to the end of the unexpired term". Mr. Vela stated when Carlos Garza was appointed Municipal Judge his term began July 17, 2007 to July 17, 2009. He mentioned there was a provision in the Government Code, Section 29.005 that stated that "when they appoint a judge it would be for a two year term." Mr. Vela stated the City Commission took action to fill that position and Mr. Sanchez could serve until the city filled the vacancy. Mr. Vela stated the next step was for the City Commission to take action to fill the position of associate municipal judge for two years.

Mr. Vela stated no action would be taken at this time.

Mayor de la Rosa stated the item would be placed on a future agenda.

F. Discussion and consideration to select a company/vendor for collection services to collect: Possible action.

- 1) Delinquent Municipal Court, fines, costs and fees;
- 2) Delinquent Public Utility bills, costs and fees;
- 3) Other Departmental Delinquent fines and fees;

4) Delinquent Emergency Medical Services bills, costs and fees.

Commissioner Cuellar stated he would not participate in the discussion of Item F and relinquished his chair.

Omar Gonzales, Finance Director, stated the city had received proposals for the collection of the abovementioned services. He added a committee had been formed consisting of Gloria Sepulveda, Purchasing Director; Priscilla, EMS Billing Clerk; Eddie Anzaldua, Administrator for the Fire Chief and himself to review the proposals. He mentioned they had ranked the different agencies based on the specifications and categories. Mr. Gonzales highlighted the two categories and recommended Linebarger Goggan Blair and Sampson for the collections of the municipal court fees.

Motion was made by Commissioner Garza and seconded by Commissioner Kennedy to award Items 1, 2, and 3 to Linebarger Goggan Blair and Sampson as recommended by the committee. Motion carried as follows: FOR: Commissioners: Garza and Rivera and Kennedy. AGAINST: Mayor de la Rosa. (3-1 votes).

Commissioner Tafolla asked who was doing the EMS collection.

Mr. Gonzales stated Priscilla Montano was taking care of it at one point in 2003/2004 and the city could try to do the same again. He added Benita Valadez with American Financial Bureau had collected a million dollars this year.

Discussion was held on the collection of the EMS billing and Mr. Gonzales mentioned the city had budgeted for an additional person to do the collection.

Mr. Castellanos stated the recommendation of the committee was to award South Star Billing to do the EMS billing after the 90 days and in regards to Items 1, 2 and 3 the State would assist the city the first 60 to 90 days and Linebarger, Goggan, Blair and Sampson would collect thereafter.

Commissioner Tafolla recommended that the billing be done in-house.

Mr. Castellanos stated this issue had been discussed internally and staff was willing to try it.

Motion was made by Commissioner Garza and seconded by Commissioner Rivera to stay with American Financial Bureau to do the collection of the EMS for the City of Weslaco. Motion carried as follows: FOR: Commissioner Garza and Rivera. AGAINST: Mayor de la Rosa, Commissioners: Tafolla and Kennedy. (3-2 votes)

Motion was made by Commissioner Kennedy and seconded by Mayor de la Rosa to do the collection of the EMS as recommended by staff. Motion carried as follows: FOR: Mayor de la Rosa, Commissioners: Tafolla and Kennedy. AGAINST: Commissioners: Garza and Rivera. (3-2 votes)

II. NEW BUSINESS

- A. Discussion and consideration to approve Resolution No. 2009-27 amending Resolution No. 96-26 by adding the Finance Director as an authorized representative to the Texpool Participant Services. Possible action.

Mr. Castellanos stated the purpose of the resolution was just a procedure to change the name of the previous Finance Director to the current director.

Motion was made by Commissioner Kennedy and seconded by Commissioner Tafolla to approve Resolution No. 2009-27 as presented. Motion carried unanimously.

For the record, Resolution No. 2009-27 read as follows:

RESOLUTION NO. 2009-27

Resolution Authorizing Participation in TexPool
and Designating Authorized Representatives

WHEREAS, City of Weslaco ("Participant") is a local government or state agency of the State of Texas and is empowered to delegate to the public funds investment pools the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pools ("TexPool"), public funds investment pools, were created on behalf of entities whose investment objectives in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That Participant shall enter into a Participation Agreement to establish an account in its name in TexPool, for the purpose of transmitting local funds for investment in TexPool.
- B. That the individuals, whose signatures appear in this Resolution, are authorized representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

List the authorized representatives of the Participant. These individuals will be issued Personal Identification Numbers (PINs) to transact business via the phone with a Participant Services Representative.

- | | |
|---|--------------------------------|
| 1. Name: <u>Omar Gonzales</u>
Phone/Fax/Email: <u>(956) 968-3181, Ext. 3177</u>
Signature: | Title: <u>Finance Director</u> |
| 2. Name: <u>Leroy Gonzales</u>
Phone/Fax/Email: <u>(956) 968-3181, Ext. 3112</u>
Signature: | Title: <u>Sr. Accountant</u> |
| 3. Name:
Phone/Fax/Email:
Signature: | Title: |
| 4. Name: | Title: |

Phone/Fax/Email:
Signature:

List the name of the Authorized Representative provided above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Name: Omar Gonzales

In addition and at the option of the Participant, one additional authorized representative can be designated to perform inquiry only of selected information. This limited representative cannot make deposits or withdrawals. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

5. Name: _____ Title: _____
Phone/Fax/Email: _____

C. That this resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant and until TexPool receives a copy of any such amendment or revocation.

This resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 13th day of October, 2009.

NAME OF
PARTICIPANT: City of Weslaco

BY: /s/ Buddy de la Rosa
Signature
Buddy de la Rosa
Printed Name
Mayor
Title

ATTEST: /s/ Amanda C. Elizondo
BY: /s/ Amanda C. Elizondo
Signature
Amanda C. Elizondo
Printed Name
City Secretary
Title

APPROVED AS TO FORM: /s/ Ramon Vela
BY: /s/ Ramon Vela
Signature
Ramon Vela
Printed Name
City Attorney
Title

III. EXECUTIVE SESSION

At 8:07 p.m., Tuesday, October 13, 2009, Mayor de la Rosa announced the City Commission would convene in executive session to discuss the following items and recessed the special meeting; however, Mr. Vela stated it was not necessary to discuss the item in executive session and recommended no action.

A. Potential Litigation – Discussion with City Attorney regarding the contract with

Allied Waste Management (Brush Contract). Possible action of what is discussed in executive session.

Mayor de la Rosa announced no action was required.

Motion was made by Commissioner Kennedy and seconded by Commissioner Tafolla to adjourn the meeting. Motion carried unanimously.

CITY OF WESLACO

MAYOR, Buddy de la Rosa

ATTEST:

CITY SECRETARY, Amanda C. Elizondo

COMMISSIONER, Robert J. Garza

COMMISSIONER, J. F. “Johnny” Cuellar

COMMISSIONER, Gerardo “Jerry” Tafolla

COMMISSIONER, Lupe V. Rivera

COMMISSIONER, Patrick B. Kennedy