



**A SPECIAL MEETING
OF THE WESLACO CITY COMMISSION
DECEMBER 27, 2011**

On this 27th day of December 2011 at 5:30 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 with the following members present:

Mayor	Miguel D. Wise
Mayor Pro-Tem	J.F. "Johnny" Cuellar
Commissioner	Robert Garza
Commissioner	Olga M. Noriega
Commissioner	Gerardo "Gerry" Tafolla
Commissioner	Lupe V. Rivera
Commissioner	Joe A. Martinez
City Manager	Leonardo Olivares
City Secretary	Elizabeth Walker
City Attorney	Ramon Vela

Also present: Rey Garcia, IT Director; Interim Police Chief Mike Kelley; Fire Chief Jimmy Cuellar; Interim Human Resources Director Elvia Rios; and other staff members and citizens.

I. CALL TO ORDER

A. Certification of Public Notice.

Mayor Wise certified the public notice of the meeting as properly posted Thursday, December 22, 2011.

B. Pledge of Allegiance.

Mayor Wise recited the Pledge of Allegiance.

C. Roll Call.

Mayor Wise called the meeting to order. Elizabeth Walker, City Secretary, called the roll; noting perfect attendance, a quorum was established.

Public attendance brought the room to capacity with more standing outside; many members of the audience wore purple shirts in support of the Knapp acquisition, red shirts in opposition. The Mayor advised those in attendance that this serves as an official meeting of the Commission and the expectation is that factual comments will be addressed to the Commission in order to provide credible counsel for decision-making; comments made to the audience or which serve merely to denigrate one side or the other will be considered disrespectful to the process of government and the Police Chief has been instructed to escort those speakers from the room. Also, as the room is at capacity, anyone who leaves may not be able to return.

II. NEW BUSINESS

A. Discussion and consideration to approve Resolution 2011-80 opposing the acquisition of Knapp Medical Center by Universal Health Services, Inc. Possible

action. (Attachment to be handed out).

The Commission received comments opposing the sale of Knapp Medical Center to Universal Health System from Michael Clays, Sandra Esquivel, Gloria Egli, Jim Moore, Melissa Fuentes, Leticia Volpe, Dr. Chandra, Mary Moad, John Woolsby, Elda DeLeon, and Roger Heredia.

The Commission received comments supporting the sale of Knapp Medical Center to Universal Health System Lester Dyke, John Lackey, Martha Gutierrez, Amilio de los Santos, Rio Ortez, Deborah Dutch, Rick McLean, Brian Humphries, Judy Castillo, Doug Matney, J. Humberto Rodriguez, Eddie Saenz, Ramiro Caballero, Trey Fullup, and Loranzo Olivares.

Carlos Guerra and Marcos Hernandez addressed the Commission, not speaking directly in support of either position, but generally calling for more disclosure of information regarding the transaction; Dr. Velasquez requested support for existing medical services; and Tom Torkelson cautioned the Commission to refrain from intruding on the sovereignty of decision-making by private businesses.

Subsequent to one comment, the City Attorney clarified for the record that the Texas Attorney General opines that an ownership stake as a conflict of interest; therefore, the present employment of the Mayor's wife by Knapp Medical Center does not constitute any conflict of interest on this issue.

Commissioner Noriega, second by Commissioner Rivera, moved to approve item as presented. The motion carried unanimously; Mayor Wise was present, but not voting.

For the record, the resolution reads as follows:

RESOLUTION NO. 2011- 80

State of Texas	§ Resolution Regarding
County of Hidalgo	§ The Sale of Knapp Medical
City of Weslaco	§ Center to South Texas Health
	§ System

WHEREAS, Knapp Medical Center, opened in Weslaco on January 2, 1962 as Knapp Memorial Methodist Hospital with 100 beds, and

WHEREAS, Knapp Memorial Methodist Hospital dissolved in 1986 and the hospital was renamed Knapp Medical Center; and

WHEREAS, Knapp Medical Center has operated as a not for profit corporation which has authority to own, lease and operate hospital facilities acting by and through the Knapp Board of Directors; and

WHEREAS, Knapp Medical Center has at various times asked the City of Weslaco by and through the Weslaco Hospital Authority and the Weslaco Health Facilities Development Corporation, to issue bonds to expand the hospital; and

WHEREAS, the Knapp Medical Center Board of Directors have voted to sell Knapp Medical Center to South Texas Health System, a for profit corporation; and

WHEREAS, The City of Weslaco has requested from Knapp Medical Center President and CEO

James A. Summersett III details of the sale to South Texas Health System because the Weslaco Health Facilities Development Corporation issued \$68,000,000.00 in Bonds to assist Knapp Medical Center; and

WHEREAS, Knapp Medical Center has not provided any details of the sale to South Texas Health System.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS THAT

The City of Weslaco is opposed to the sale of Knapp Medical Center, a not for profit hospital, to South Texas Health System, a for profit corporation, until Knapp Medical Center has fully, disclosed Financial, Management, legal and other relevant details to the City and its entities and provides requisite documentation so the City can properly evaluate the need to waive the necessary restrictive covenants; and

All requisite information be provided so that outstanding Bonds be defused.

CITY OF WESLACO
/s/ Miguel D. Wise, **MAYOR**

ATTEST:
/s/ Elizabeth M. Walker, **CITY SECRETARY**

APPROVED AS TO FORM:
/s/ Ramon Vela, **CITY ATTORNEY**

- B. Discussion and consideration to authorize Special Counsel to prosecute on behalf of the Weslaco Hospital Authority the covenant requiring Knapp Medical Center to be, “administered, operated, maintained, occupied, and used faithfully, efficiently and exclusively for and in connection with a not-for-profit hospital and health care delivery system rendering hospital and health care services” as specified in the Special Warranty Deed to Realty and the Bill of Sale of Personalty from the Weslaco Hospital Authority to Knapp Medical Center dated December 17, 1987 and recorded in Volume 2534 page 281 of the Deed Records of Hidalgo County. Possible action. Attachment.

Mayor Pro-Tem Cuellar, second by Commissioner Tafolla, moved to consider the item in Executive Session in accordance with §551.001 of the Texas Government Code. The motion carried unanimously; Mayor Wise was present, but not voting.

IV. EXECUTIVE SESSION

At 7:47 p.m., the Mayor recessed the regular meeting to convene in Executive Session. At 8:18 p.m., the Mayor announced the City Commission had completed its Executive Session and reconvened the regular meeting as open to the public.

V. POSSIBLE ACTION ON WHAT IS DISCUSSED IN EXECUTIVE SESSION

Mayor Pro-Tem Cuellar, second by Commissioner Rivera, moved to retain as special counsel Bickerstaff Health and authorized the firm to prosecute on behalf of the Weslaco Hospital Authority certain legal covenants as identified. The motion carried unanimously; Mayor Wise was present, but not voting.

II. C. Discussion and consideration to approve Resolutions 2011-81, 2011-82, 2011-83 and 2011-84 appointing members to the Weslaco Hospital Authority. Possible action. Attachment.

Commissioner Tafolla, seconded by Commissioner Rivera, moved to table this item as presented until the next regular meeting of January 3, 2012. The motion carried unanimously; Mayor Wise was present, but not voting.

III. PUBLIC COMMENTS

Sanaida Lopez spoke about the hostile work environment at Knapp Medical Center. Medina Layba also spoke about the hostile work environment at Knapp Medical Center. Gloria Egli requested Commission interference with the sale to “keep Knapp good for us.” The City Manager read the resolution in its entirety into the record, noting that the City is involved in this transaction because of the restrictive covenants of the bonds; though it has limited authority, it has a duty to evaluate the terms of the transaction between Knapp Medical Center and Universal Health System.

VI. ADJOURNMENT

With no other business before the Commission, at 8:35 p.m. Mayor Pro-Tem Cuellar, seconded by Commissioner Martinez, moved to adjourn the December 27, 2011 meeting. The motion carried unanimously; Mayor Wise was present, but not voting.

CITY OF WESLACO

MAYOR, Miguel D. Wise

ATTEST:

CITY SECRETARY, Elizabeth M. Walker

MAYOR PRO-TEM, J.F. “Johnny” Cuellar

COMMISSIONER, Robert J. Garza

COMMISSIONER, Olga M. Noriega

COMMISSIONER, Gerardo “Gerry” Tafolla

COMMISSIONER, Lupe V. Rivera

COMMISSIONER, Joe A. Martinez