

Approved 11/2/10 [Signature]

WESLACO CITY COMMISSION

SPECIAL MEETING

SEPTEMBER 30, 2010

On this 30th day of September 2010 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.

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|----------------|-------------------------|
| Mayor | Miguel D. Wise |
| Mayor Pro-Tem | J.F. "Johnny" Cuellar |
| Commissioner | Robert J. Garza |
| Commissioner | Rene Rodriguez, Jr. |
| Commissioner | Gerardo "Jerry" Tafolla |
| Commissioner | Lupe V. Rivera |
| Commissioner | Joe A. Martinez |
| City Manager | Leonardo Olivares |
| City Secretary | Amanda C. Elizondo |
| City Attorney | Ramon Vela |

Also present: Gloria Sepulveda, Purchasing Director; Bret L. Mann, Finance Director and several staff members and citizens.

I. CALL MEETING TO ORDER

Mayor Wise called the meeting to order.

II. ROLL CALL/ESTABLISH A QUORUM

Amanda C. Elizondo, City Secretary called the roll, a quorum was established and Mayor Wise presided the meeting.

III. PLEDGE OF ALLEGIANCE

Mayor Wise recited the Pledge of Allegiance and the Texas Flag. He asked for a moment of silence for former Mayor Hector Farias and Olga Grein's husband, Robert Grein. Mayor Wise presented and read a proclamation for Mr. Ribomapil Holganza.

IV. PUBLIC HEARING

- A. To discuss the Proposed Municipal Budget for Fiscal Year 2010-2011 as required by the Texas Local Government Code, Chapter 102.0065.

Mayor Wise stated the following item was a public hearing and any one wishing to speak for or against it could do so after staff's presentation.

Leonardo Olivares, City Manager highlighted the Budget Summary and stated the Voluntary Separation Plan (VSP) would be offered again to the city employees due to interest from other employees. He mentioned there would be no reduction in personnel and salaries. Mr. Olivares added the Police and Fire Departments had agreed to give up the two percent wage increase. He recommended a change in the Texas Municipal Retirement System from a 2 to 1 contribution to a 1 to 1 contribution. Mr. Olivares made stated there would be no change in the city's health insurance plan. He referred to the professional services contract and grants and stated staff would review the documents to make sure the city was getting its money worth. Mr. Olivares stated there were some recommendations made in previous management letters prepared by the city auditor and staff would be preparing some responses to address the comments made in the letters. He highlighted the proposed organizational chart and stated he had made certain changes to chart such as the creation of three departments, Public Utility, Municipal Court and IT Departments. Mr. Olivares mentioned the maintenance division would be moved from the Parks Department to the Public Facilities Department and the others departments would remain the same. He pointed out the city was not close to meeting target and had met with the city's financial advisor to further discuss the city's finances.

A brief discussion was held regarding the Voluntary Separation Plan (VSP); sanitation figures and whether or not the city was violating the Open Meetings Law by not video taping the public comment section during the City Commission meetings.

Bret Mann, Finance Director referred to the VSP and stated he did not have a solid number, but would be preparing a budget amendment and a request for a line of credit for the next City Commission meeting.

Mr. Olivares referred to the Sanitation Fund and stated this was an enterprise fund. He pointed out the city had some expenditure in relation to the monitoring fees at the landfill.

Ramon Vela, City Attorney stated there was no statute requiring video taping meetings the only requirement was written minutes or audio tape. He stated the city was not violating the Open Meetings Law.

Comments were heard from the following individuals:

Andy Noriega, resident of 509 Clifford, mentioned that for the last six years the city had been in a spending spree and this was the reason the was having financial problems. Mr. Noriega stated this included mismanagement, over hiring, approving salary adjustments that were not justified and no strict compliance on the purchasing and bidding procedures. He pointed out the City was not holding contractors responsible for quality of work. Mr. Noriega mentioned that all these issues were in the management letters. He indicated that he was not opposed to the VSP to reduce jobs, but was concerned that this was being approved with no concrete numbers. Mr.

Noriega stated staff needed to have the numbers for budget approval. Mr. Noriega stated the Wage and Labor Law needed to be followed whether or not to pay or give time off.

Mr. Olivares stated there were some exempt positions under management.

Mr. Noriega stated he was against the reduction in force and the City Commission needed to be concerned about the safety of the citizens as it related to police and fire; the attorney, prosecuting attorneys, municipal judges and lobbyist's fees needed to be reviewed. He pointed out that Francisco Castellanos could do the grants and staff could review the delinquent taxes and EMS collections because the city needed the money.

Mr. Mann provided a brief explanation on the revenues and expenditures as it related to the professional services contracts. He mentioned he had estimated approximately \$950,000.00 for the VSP and it included sick and vacation leave. Mr. Mann stated there would be a saving due to the separation of the employees of approximately \$750,000.00 a year; the city was proposing to reduce the Texas Municipal Retirement System city's contribution a saving of \$400,000.00. He added that overall there would be savings of 1.4 to 1.5 million dollars.

David Suarez, citizen and Alvino Flores, Police Officer, spoke about the figures listed in the budget.

Vicki Wilt, member of the Ad Hoc Budget Advisory Board thanked the City Commission for eliminating the rift. She asked if the Purchasing Department would be eliminated and if so what procedures would be implemented to have the checks and balances for the city. Ms. Wilt asked if additional staff would be hire for the Finance Department. She stated the city needed to hire someone with experience to replace the Purchasing Director.

Mr. Olivares responded the Purchasing Department would be under the Finance Department and staff would continue to follow the purchasing guidelines according to state law and city ordinances. He added the auditors would continue to audit the city books. Mr. Olivares stated they were looking into hiring an Assistant Finance Director to replace some of the employees that left. He mentioned they would be promoting employees within the city to fill the vacancies.

Buddy de la Rosa, former Mayor, referred to the sanitation vehicles and equipment and the city needed to provide notification to the public to sell city assets. He pointed out if an assessment had been on the garbage equipment because the sale of this equipment could be used to retire the debt. Mr. de la Rosa mentioned he did not see the figures in the budget and perhaps the city could negotiate a lesser fee with B.F.I.

Mr. Vela stated he had contacted the bond counsel to work out the details on the sale of the sanitation equipment. He added the budget did reflect approximately \$220,000.00 for the retirement of the bond.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rodriguez to close the public hearing. Motion carried unanimously, (6-0) Mayor present not voting.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rivera to move Item VI., D under New Business. Motion carried unanimously, (6-0) Mayor present not voting.

- D. Discussion and consideration to approve a budget amendment of intra and inter departmental transfers to balance the Fiscal Year 2009-2010 Budget. Possible action.

Mr. Olivares stated some adjustments would be made at the end of year and would provide a recommendation to the City Commission on the adjustments for their consideration and approval.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Tafolla to amend the 2009-2010 budgets to include expenditures not to exceed one million dollars for the Voluntary Separation Plan.

Mr. Olivares stated approximately \$550,000.00 would be allocated to the VSP. He mentioned the only addition of about \$450,000 for the severance package.

Motion carried unanimously, (6-0) Mayor present not voting.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rivera amended their motion to approve the 2009-2010 fiscal budget for the City of Weslaco and the actual amounts related to the Voluntary Separation packages. Motion carried unanimously, (6-0) Mayor present not voting.

Motion was made by Commissioner Rodriguez and seconded by Commissioner Tafolla to move Item VII, Public Comments. Motion carried unanimously, (6-0) Mayor present not voting.

VII. PUBLIC COMMENTS

There were no other comments from the audience.

Mayor Wise proceeded with the regular order of the agenda.

V. OLD BUSINESS

- A. Second and final reading of Ordinance No. 2010-19 approving and adopting a budget for the City of Weslaco, Texas, for the fiscal year beginning October 1, 2010 and ending September 30, 2011. Possible action.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rivera to approve the 2009-2010 Budget Ordinance No. 2010-19 on second and final reading. Motion carried unanimously, (6-0) Mayor present not voting.

For the record, Ordinance No. 2010-19 read as follows:

ORDINANCE NO. 2010-19

AN ORDINANCE APPROVING AND ADOPTING A BUDGET FOR THE CITY OF WESLACO, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2010 AND ENDING SEPTEMBER 30, 2011.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 15th day of September, 2010

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 30th day of September, 2010.

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

ATTEST:
/s/ Amanda C. Elizondo, CITY SECRETARY
APPROVED AS TO FORM:
/s/ Ramon Vela, CITY ATTORNEY

VI. NEW BUSINESS

- A. Discussion and consideration to approve Resolution No. 2010-34 authorizing the appropriate city officials to submit an application for funding to make certain improvements to the Weslaco Mid Valley Airport from the Texas Department of Transportation and execute any and all documents related to the grant. Possible action.

Mr. Olivares stated they have been working on this project for a few years and the total cost for improvements was \$6.2 million. He mentioned the city's match was 10% to widen the runway from 5,000 to 6,000 feet and recommended approval of the project.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rivera to approve Resolution No. 2010-34 authorizing the appropriate city officials to submit an application for funding to make certain improvements to the Weslaco Mid Valley Airport from the Texas Department of Transportation and execute any and all documents related to the grant. Motion carried unanimously, (6-0) Mayor present not voting.

For the record, Resolution No. 2010-34 read as follows:

RESOLUTION NO. 2010-34

THE STATE OF TEXAS § FEDERAL OR STATE – TXDOT ACTING AS AGENCY
COUNTY OF HIDALGO §
CITY OF WESLACO §

WHEREAS, the City of Weslaco intends to make certain improvements to the Mid Valley Municipal Airport; and

WHEREAS, the general description of the project is described as: (add general description); and

WHEREAS, City of Weslaco intends to request financial assistance from the Texas Department of Transportation for these improvements; and

WHEREAS, total project cost are estimated to be \$6,258,000.00, and the City of Weslaco will be responsible for

10% of the total project costs currently estimated to be \$6,258,000.00; and

WHEREAS, the City of Weslaco names the Texas Department of Transportation as its agent for the purposes of applying for, receiving and disbursing all funds for these improvements and for the administration of contracts necessary for the implementation of these improvements.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WESLACO that they hereby direct Miguel D. Wise, Mayor to execute on behalf of the City of Weslaco, at the appropriate time, and with the appropriate authorizations of this governing body, all contracts and agreements with the State of Texas, represented by the Texas Department of Transportation, and such other parties as shall be necessary and appropriate for the implementation of the improvements to the Mid Valley Municipal Airport.

Note to Sponsor: This resolution is required to document the governing body's support and acceptance of this project. To meet state requirements, this resolution must provide at a minimum the governing body's agreement to make improvements to the airport in general description form, provide 10% of the total project costs and acknowledge TX DOT as agent for administration of federal and state funds for projects.

This resolution may be modified to suit the specific needs of your governing body.

PASSED AND APPROVED this 30th day of September, 2010.

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

ATTEST:

/s/ Amanda C. Elizondo, CITY SECRETARY

APPROVED AS TO FORM:

/s/ Ramon Vela, CITY ATTORNEY

- B. Discussion and consideration to join the coalition of Texas Cities to oppose Time Warner's decision to end analog transmission of public, education and government channels and give staff authority to join pending lawsuit in the 92nd District Court in Hidalgo County. Possible action.

Mr. Olivares stated Time Warner Cablevision was in the process of converting analog to digital and the city has PEG Channel 17 would be assigned to a digital desert channel. He recommended for the City of Weslaco to join the City of McAllen and other cities in keeping the PEG 17 Channel closer to the people.

Mayor Wise asked if there was a fee associated with this.

Mr. Olivares responded the fee was \$2,500.00 and the City of McAllen would cover the remaining fees.

Motion was made by Commissioner Tafolla and seconded by Commissioner Rodriguez to join the coalition of Texas Cities to oppose Time Warner's decision to end analog transmission of public, education and government channels and give staff authority to join pending lawsuit in the 92nd District Court in Hidalgo County. Motion carried unanimously, (6-0) Mayor present, but not voting.

- C. Discussion and consideration to award the Employees' Group Health Plan to the best advantageous bidder. Possible action.

Mr. Olivares stated highlighted the insurance plan for the Employees' Group Health Plan and recommended to award the proposal to Aetna Insurance.

Motion was made by Commissioner Tafolla and seconded by Commissioner Rivera to award the Employees' Group Health Plan to the best advantageous bidder, Aetna Insurance.

Mayor Pro-Tem Cuellar and Commissioner Tafolla amended their motion to designate Jeff Everitt as the city's insurance agent. Motion carried unanimously, (6-0) Mayor present, but not voting.

For the record, the following are the proposals received:

CITY OF WESLACO
RFP – Comparisons
Health Insurance Package 2010-11

Valley Baptist Health	Aetna (Low)	Aetna (Buy-up)	TML	Blue Cross (Now)	BCBS - Current
Premiums					
EMPLOYEE ONLY	\$318.49	\$302.64	\$333.99	\$299.06	\$378.21
EMPLOYEE/SPOUSE	\$254.73	\$539.60	\$693.79	\$484.58	\$670.78
EMPLOYEE/CHILDREN	\$169.21	\$450.63	\$467.05	\$259.14	\$560.18
EMPLOYEE/FAMILY	\$477.61	\$732.07	\$807.28	\$704.45	\$910.04
Co-Pays					
OFFICE VISIT	\$25.00	\$35.00	\$20.00	\$25.00	\$25.00
SPECIALIST		\$55.00	\$40.00		\$75.00
EMERGENCY ROOM	\$75.00	\$250.00	\$150.00		\$200.00
VACCINATION			(Flu Shot) \$5.00	Yes; No Co-pay	(Flu Shot) \$5.00
Prescription Drugs					
1st Tier	\$10.00	\$15.00	\$15.00	\$10.00	\$15.00
2nd Tier	\$30.00	\$35.00	\$30.00	\$38.00	\$30.00
3rd Tier	\$60.00	\$60.00	\$50.00	\$60.00	\$45.00
4th Tier		N/A	N/A	\$120.00	N/A
Mail Service Pharmacy	Yes	Yes	Yes	Yes	Yes
Diabetes Supply	Yes	Yes	Yes	Yes	Yes
Deductibles (Network)					
Individual	\$2,050.00	\$1,500.00	\$2,500.00	\$2,000.00	\$2,500.00
Family	\$4,050.00	\$2,000.00	\$2,000.00	\$4,000.00	\$5,000.00
E-OPM	\$4,050.00	NA	NA	\$500.00	NA
F-OPM	\$5,050.00	NA	NA	\$1,000.00	NA
Plan Pays	80/60	70/50	100/70	100/50	100/70
Other Services - W/Copay					
Allergy Services			Vision Discount Program	Preventive Care	Medical/Surgical
Maternity Care/Pre & Post		Preventative Services	Preventative Services	Immunizations	Preventive Care
Preventive Services				Lab/Ex-rays	Preventive Screenings
Behavioral Health Services				Mental Health Care	Behavioral Health
Family Planning Counseling				(bone scans; stress tests; CT Scan, MRI)	Mental Health Care
Diabetic Self-Mgt Education				Organ Transplant Benefit	Diagnostic Lab & Radiology
Minor Emergency/Urgent Care					Advanced Imaging
Limited Acc Dental Care					Organ Transplant Benefit
Diabetes Services					Allergy Serum/Injections
					Organ Transplant Benefit
80% After Deductible					
Inpatient Services		Inpatient	Inpatient Services	100% After Deductible	Inpatient hospital
Outpatient Services		Outpatient	Outpatient Services		Grid/Air Ambulance
Diagnostic Tests (MRI; CT Scans)					Physical Medicine
					Physical Medicine
					Cardiac Stress Test
					Outpatient Surgical
					CT Scan / MRI
					Hospital Inpatient
					Hearing Aids
					Diabetes Equipment
					Home Health
					Home Health
					Hospice
					Hospice
Cobra Services					
	Yes	Yes	Yes	Yes	\$1,000,000
Lifetime Maximum					
		Unlimited	Unlimited	Unlimited	Unlimited
					\$1,000,000
Estimated Monthly Premium					
	\$118,169.02	\$115,182.00	\$131,539.00	\$102,577.58	\$149,802.00
	12	12	12	12	12
Annual Premium	\$1,417,908.24	\$1,382,184.00	\$1,578,468.00	\$1,230,930.66	\$1,798,624.00

VIII. ADJOURNMENT

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Garza to adjourn the meeting. Motion carried unanimously, (6-0). Mayor Wise was present, but not voting.

CITY OF WESLACO

MAYOR, Miguel D. Wise

ATTEST:

INTERIM CITY SECRETARY, Elizabeth M. Walker

MAYOR PRO-TEM, J.F. “Johnny” Cuellar

COMMISSIONER, Robert J. Garza

COMMISSIONER, Rene Rodríguez, Jr.

COMMISSIONER, Gerardo “Jerry” Tafolla

COMMISSIONER, Lupe V. Rivera

COMMISSIONER, Joe A. Martinez