



**A SPECIAL MEETING
OF THE WESLACO CITY COMMISSION
THURSDAY, SEPTEMBER 12, 2013**

On this 12th day of September 2013 at 5:30 p.m., the City Commission of the City of Weslaco, Texas convened in a Special Meeting 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	David R. Fox
Commissioner	Olga M. Noriega
Commissioner	Gerardo “Jerry” Tafolla
Commissioner	Lupe Rivera
Commissioner	Joe A. Martinez
City Manager	Leonardo Olivares
City Secretary	Elizabeth M. Walker
City Attorney	Ramon Vela

Also present: Rey Garcia, IT Director; Bret Mann, Finance Director; Veronica Ramirez, Human Resources Director; Jeff Underwood, Planning & Code Enforcement Director; David Salinas, Public Utilities Director; Fire Chief Santiago Cuellar; Arnold Becho, Library Director; Mardoqueo Hinojosa, City Engineer; and several other staff members and citizens.

I. CALL TO ORDER

- A. Certification of Public Notice.
Mayor Wise called the meeting to order and certified the public notice of the meeting as properly posted Monday, September 9, 2013.
- B. Pledge of Allegiance.
Mayor Wise recited the Pledge of Allegiance; Mayor Pro-Tem recited the Texas flag.
- C. Roll Call.
Elizabeth Walker, City Secretary, called the roll, noting perfect attendance.

II. PUBLIC HEARING

- A. To solicit input on behalf of Angela Milano, d.b.a. Milano’s La Piccola Italia for a Conditional Use Permit to obtain an On-Premise Wine and Beer Retailer’s Permit at 2900 W. Pike Blvd., also being the southeast 3.46 acres out of Farm Tract 165, Weslaco, Hidalgo County, Texas.

Mayor Pro-Tem Cuellar, seconded by Commissioner Rivera, moved to open the public hearing. The motion carried unanimously; Mayor Wise was present, but not voting.

There were no public comments received.

Mayor Pro-Tem Cuellar, seconded by Commissioner Rivera, moved to close public hearing. The motion carried unanimously; Mayor Wise was present, but not voting.

III. NEW BUSINESS

- A. Discussion and consideration on behalf of Angela Milano, d.b.a. Milano's La Piccola Italia to approve a Conditional Use Permit to obtain an On-Premise Wine and Beer Retailer's Permit at 2900 W. Pike Blvd., also being the southeast 3.46 acres out of Farm Tract 165, Weslaco, Hidalgo County, Texas. Possible action. (Requested by Planning and Code Enforcement Department.) Attachment.

The City Manager stated notice was published and hearing held; the Planning and Zoning Commission and staff recommend approval of the Conditional Use Permit.

Commissioner Tafolla, seconded by Commissioner Martinez, moved to approve the item as presented. The motion carried unanimously; Mayor Wise was present, but not voting.

- B. Discussion and consideration to rescind the authorization to self-insure through TML Risk Pool and reconsider to extend current policies or to authorize the solicitation of proposals for commercial property, contents, equipment, flooding, crime liability, and airport liability coverage policies. Possible action. (Commission elected to self-insure on August 20, 2013; there was no action on this item August 27, 2013; Requested by Human Resources Department.) Attachment.

The City Manager stated that he has been approached by Montalvo Insurance to reconsider the new numbers he has provided which include additional coverage for the South Waste Water Treatment Plant and other City properties.

Mayor Pro-Tem Cuellar, seconded by Commissioner Martinez, moved to rescind the Commission's previous action to self-insure with TML Risk Pool and to extend current policies with Montalvo Insurance.

Commissioner Noriega asked what has changed from the last time Commission considered this item and why TML Risk Pool was no longer the best choice. City Manager stated that what has changed is the quote from Montalvo Insurance and would like to keep business local.

Commissioner Noriega asked where were the numbers from TML Risk Pool that show that Montalvo is now the best choice. Mr. Montalvo stated that they did internal bidding and has added some limits for assets. The numbers presented are competitive for the current market value. Mr. Montalvo added that they had not submitted numbers the first time it was considered by the Commission because they were still in the processes of preparing them.

The Mayor asked about coverage on particular lawsuits what were not covered previously. The City Attorney stated that there was a misrepresentation before and those lawsuits were in fact covered.

Mr. Montalvo stated it was at the pleasure of the Commission to extend one more year and next year bids would be required.

The motion carried unanimously; Mayor Wise was present, but not voting.

Commissioner Noriega stated for the record that she supports Mr. Montalvo because the Commission has the option to extend the contract for an additional year and that was the reason they did not go out for bids. The City Manager stated that the extension year was optional and still required action by the Commission.

- C. Discussion and consideration to approve Resolution 2013-67 identifying as authorized representatives for TexPool Bret Mann, Finance Director, and Sonia Flores, Assistant Finance Director, and authorize the Mayor to execute any related documents. Possible action. (Requested by Finance Department.) Attachment.

The City Manager stated this is a routine matter to add Sonia Flores as the Assistant Finance Director.

Mayor Pro-Tem Cuellar, seconded by Commissioner Martinez, moved to approve item as presented.

Commissioner Noriega asked if this item was to remove Gloria Givilancz from contract. City Manager stated that Ms. Givilancz was reassigned to sponsored project coordinator because of her compliance background and remains a City employee. In response to Mayor Wise, the City Attorney state a motion was not needed to remove Ms. Givilancz's name.

The motion carried unanimously; Mayor Wise was present, but not voting.

- D. Discussion and consideration to approve Ordinance 2013-26 amending §1 of Ordinance 77-16 and §1 of Ordinance 67-10 by providing for a new schedule of rates to be charged for treated water delivered through the system of the Public Utilities 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 ordaining other matters with respect to the subject matter hereof. First reading of Ordinance 2013-26. Possible action. (Requested by Public Utilities Department.) Attachment.

The City Manager it was discussed in budget workshops, hearings, and meetings that the city would not be raising the water and wastewater rates for residential customers. Instead, Mr. Jeff Snowden's analysis showed that commercial rates were under market and the City would only be raising the rates on those accounts.

Mayor Pro-Tem Cuellar, seconded by Commissioner Rivera, moved to approve the item as presented.

In response to Commissioner Noriega, the City Manager stated the last revision to this ordinance was done two (2) hours ago. In response to Commissioner Noriega, Mr. Salinas stated that each commercial account would be affected and the fees were based on meter size with no water consumption included in that cost. Mr. Salinas

clarified that the number 36 accounts was a representative sample in the presentation by Mr. Snowden. He stated that the analysis showed the need for a new rate classification to distinguish larger customers who place greater demand on the plant.

The City Manger presented a PowerPoint that reviewed the Ordinances and Resolutions that led to the water rate increase. The City needed a new Water Treatment Facility since 2003.

Mayor Pro-Tem Cuellar stated that the Commission had held of 37 meetings on the Water Treatment Plant which were properly posted and public comments could be made but none were received. There were 16 unanimous votes by this Commission and there is a flyer of political propaganda that was handed out which did not accurately identifying those votes.

Commissioner Noriega stated that she had reviewed the flier for accuracy and was handing it out, but did not believe it to be misleading. She added the financial advisor has not responded to her inquiry about how the bond will be paid for without raising the water rates.

Mayor Pro-Tem Cuellar stated because the operation of the plants had been brought in house, there is going to be a savings of \$300,000.00 that allows the City to maintain the rates.

City Manager stated that resolutions express the will of the Commission; the flyer identifies a resolution which presents a five (5) year plan for proposed utility increases but the rates must be fixed by ordinance. Mayor Pro-Tem Cuellar stated that after this plan was presented to Standard & Poors the bond rating was increased.

After some audience interruption, Mayor Wise stated that this was not a spectator sport and encouraged civility.

In response to Commissioner Noriega, Mr. Mann estimated total revenue of \$12.0 million by this rate ordinance, sufficient to pay the bond debt. Mr. Salinas added that an ordinance passed several years ago that outside city limits residents must pay 1.5 times the current rate and the proposed ordinance corrects it. Mr. Salinas clarified there is 3½% increase to those accounts that consume 30,000 gallons or more and a 3.6% increase for those that consume 20,000 gallons. The \$13.87 is a one-time fee to offset the demand on the plant. The rate varies on a sprinkler meter. Either the facility architect or the City may inform the occupant of meter size.

Mayor Pro Tem Cuellar stated that the budget approved last week was a balanced budget which is lowering taxes and not raising water and wastewater rates.

Commissioner Noriega opposed because she believes the Commission has not received “concrete information from the City Manager or from Mr. Mann.” The City Manager stated that the City has clearly established a record and basis for the proposed rates. The motion carried (5-1) Mayor Wise was present, but not voting.

- E. Discussion and consideration to authorize a professional services agreement to conduct a management audit of the Economic Development Corporation of Weslaco.

authorize a budget amendment as appropriate, and authorize the Mayor to execute any related documents. Possible action. (Requested by the Office of the City Manager.)

The City Manager stated there is a transition at the Economic Development Corporation of Weslaco (EDCW) making a management audit timely; for example, currently the EDCW does not have a personnel policy.

Mayor Pro-Tem Cuellar, seconded by Commissioner Tafolla, moved to approve the item as presented.

Commissioner Noriega stated that four (4) Commissioners serve on the EDC Board. In response to Commissioner Noriega and Mayor Wise, the City Attorney stated that every year the EDCW provides a work plan and budget for Commission approval which implies authority because the Commission approves its finances. Their board may ratify it and may help to pay for it if it is a fundable project.

Commissioner Noriega asked if the Commission ever conducted an audit for an organization like the Boys & Girls Club. The City Manager stated the two were different because the City created the EDCW.

In response to Commissioner Fox, Ms. Alicia Aguilar stated they would be happy to place it on the EDCW agenda as a proposed operating cost. In response to Commissioner Fox, the City Manager stated that cost is unknown at this time but staff is only seeking authority to begin the process.

Commissioner Noriega opposed because she believes the EDCW should conduct and pay for the audit. The City Manager stated Counsel has informed the Commission that the EDC might not be able to pay for it. The motion carried (5-1); Mayor Wise was present, but not voting.

Mayor Pro-Tem Cuellar, seconded by Commissioner Tafolla, moved to take item V. A. from its posted sequence for immediate consideration. Commissioner Noriega opposed. The motion carried (5-1); Mayor Wise was present, but not voting.

V. EXECUTIVE SESSION

At 7:04 p.m., the Mayor announced the regular meeting to convene in Executive Session. At 7:32 p.m., the Mayor announced the City Commission had completed its Executive Session and reconvened the regular meeting as open to the public. Mayor Pro-Tem Cuellar and Commissioner Rivera did not return to the dais.

VI. POSSIBLE ACTION ON WHAT IS DISCUSSED IN EXECUTIVE SESSION

- A. Economic Development – Discussion with the City Manager to authorize the Economic Development Corporation of Weslaco to negotiate a Development Agreement that provides an incentive over One Hundred Thousand Dollars (\$100,000.00) to locate a business to Weslaco pursuant to §551.087 of the Texas Government Code.

Commissioner Fox, seconded by Commissioner Martinez, moved to authorize the Economic Development Corporation of Weslaco to negotiate a Development Agreement on the 18th Street project as discussed in executive session.

Commissioner Noriega opposed because a majority of the Commission also serve on the EDCW Board. The City Manager responded there was no impropriety with this arrangement. The motion carried (5-1); Mayor Wise was present, but not voting.

IV. PUBLIC COMMENTS

Diana Lopez, 516 South Clifford, commented on her alley. She would like City staff to notify the other owners to clean their part of the alley.

Francisco Garza stated he would reserve his comments for the next regular meeting.

VII. ADJOURNMENT

With no other business before the Commission, at 7:36 p.m. Commissioner Tafolla, seconded by Commissioner Martinez, moved to adjourn the September 12, 2013 special 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, David R. Fox

COMMISSIONER, Olga M. Noriega

COMMISSIONER, Gerardo "Jerry" Tafolla

COMMISSIONER, Lupe Rivera

COMMISSIONER, Joe A. Martinez