

Approved 9/21/10

WESLACO CITY COMMISSION

SPECIAL MEETING

AUGUST 26, 2010

On this 26th day of August, 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 Rodríguez, 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

There was no roll call; however, a quorum was established; Commissioner Rene Rodriguez, Jr. arrived a few minutes late.

III. PLEDGE OF ALLEGIANCE

Mayor Wise recited the Pledge of Allegiance and the Texas Flag.

IV. NEW BUSINESS

- A. To discuss the tax rate, take record vote and schedule public hearings for September 9, 2010 and September 13, 2010. Possible action.

Mr. Leonardo Olivares, City Manager, stated state law required that the city have public hearings to increase the tax rate. He mentioned last year's tax rate was \$0.6967 for every hundred dollar valuation.

Bret Mann, Finance Director, highlighted the following chart and recommended the same proposed tax rate for Fiscal Year 2010-2011.

**City of Weslaco
Projected Revenue & Tax Rates
9-30-2010**

Year	Total Taxable Value	Property Tax Value @ 92%	M&O Rate	Revenue	Debt Rate	Revenue
2008-09	\$1,255,860,429	\$1,155,391,595	0.5210	\$6,019,590	0.1767	\$2,030,023
2009-10	1,256,435,560	1,155,920,715	0.5152	5,955,304	0.1815	2,097,998
2010-11	1,255,049,291	1,154,645,348	0.5049	5,829,804	0.1918	2,214,610

Description of Tax Rate

Effective Tax Rate	0.7139
Rollback Tax Rate	0.7825
Last Years Tax Rate	0.6967
Proposed Tax Rate	0.6967

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rivera to retain the same tax rate of \$0.6967 for Fiscal Year 2010-2011. Motion carried unanimously, (6-0). Mayor Wise was present, but not voting.

Discussion was held regarding the previous tax rates and Mr. Olivares stated this was part of the continued strategy that was adopted on 2004. He added the revenues had increased in the last few years, but the expenditures were higher than previous years. Mr. Olivares mentioned no capital outlay has been budgeted within the past year and personnel costs were higher compared to other cities.

Discussion was also held regarding the recommendations made by the Ad Hoc Budget Advisory Committee and Mr. Olivares stated these were difficult issues and would affect everybody in the city, but the city had a responsibility to the taxpayers. He added no recommendations had been made regarding salaries yet, but information had been provided to

the employees. Mr. Olivares stated a voluntary severance package was being offered to the employees and was something that was not required by the city, but it was the right thing to do.

Lance Olsen, citizen and member of the Ad Hoc Budget Advisory Committee, stated the committee had discussed the possibility of the city raising the proposed tax rate to maximum amount of \$0.78, which was the worst case scenario; however, the city could always adopt a tax rate of \$0.69.

Discussion was held on the tax rate and Mr. Olivares recommended adopting the same tax rate as the proposed rate. He stated staff was working on the numbers, but the main problem was the over staff. Mr. Olivares added the city's bond rating had gone down three times.

Richard Quintanilla, citizen stated The Economic Development Corporation of Weslaco (EDC) had \$625,000.00 left over from last year's budget and suggested for the City of Weslaco to request funds from the EDC to balance the city's budget.

Mayor Pro-Tem Cuellar stated that was another option that they could consider instead of raising taxes.

V. PUBLIC COMMENTS

There were no comments from the audience.

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

CITY OF WESLACO

MAYOR, Miguel D. Wise

ATTEST:

CITY SECRETARY, Amanda C. Elizondo

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