

REGULAR MEETING

CITY COMMISSION

HARLINGEN, TEXAS

AUGUST 7, 2013

A Regular Meeting of the Harlingen Elective Commission was held on Wednesday, August 7, 2013 at 5:30 p.m. in Town Hall, City Hall, 118 E. Tyler Street Harlingen, Texas. Those in attendance were:

Mayor and Commission

Mayor Chris Boswell
Tudor Uhlhorn, Commissioner District 2
Mike Mezmar, Commissioner District 3
Chino "Basilio" Sanchez, Commissioner District 4
Victor Leal, Commissioner District 5

Staff Present

Carlos Yerena, City Manager
Amanda C. Elizondo, City Secretary
Richard Bilbie, Interim City Attorney
Dan Serna, Assistant City Manager
Gabriel Gonzalez, Assistant City Manager
Elvia Trevino, Finance Director

Absent

Danny Castillo, Mayor Pro-Tem District 1

Mayor Boswell called the meeting to order; a quorum was established. A notice of the meeting was duly posted according to State Law. The following proceedings were held.

Invocation/Ms. Connie Salas

Ms. Connie Salas gave the invocation.

Pledge of Allegiance/Welcome

Mayor Boswell led the Pledge of Allegiance and welcomed those in attendance.

1) Public Announcement of Events

Courtney Junkin, CVB staff member announced the following events.

- a) Blues on the Hill Concert Series – McKelvey Park – August 10, 2013 -7:00 p.m. – 11:00 p.m., Headliner John Nemeth;
- b) Christian Concert, Samuel Hernandez, hosted by Grace Point Fellowship - Rangerville Road Park – August 10, 2013 - 6:00 p.m. to 10:00 p.m.;
- c) Back to School Event hosted by World in Season Church – Lon. C. Hill Park- August 17, 2013;
- d) Back to School Rally hosted by Livingway Family Church- McKelvey Park - August 18, 2013;
- e) Movies in the Park "The Avengers" – Lon C. Hill Park - August 31, 2013- 8:30 p.m. until finished.

2) Presentation of proclamation proclaiming "Evangelina Olivia Garcia Moreno Day"

Mayor Boswell read and presented a proclamation to Evangelina Olivia Garcia Moreno proclaiming August 7, 2013 as "Evangelina Olivia Garcia Moreno Day."

Ms. Moreno, her family and close friends were present. She thanked the City of Harlingen for the friendship and hospitality that the City had extended to her.

3) Board Recognition

Mayor Boswell presented certificates of recognition to the following individuals and expressed his appreciation on behalf of the City Commission for volunteering their services to the City of Harlingen.

Alonzo Cavazos – Veterans Advisory Board
Fernando Jaimes – Veterans Advisory Board
Kimberly Pietrzak – Veterans Advisory Board
Vickie Moore – Airport Advisory Board

4) Approval of Minutes of June 4, 2013 – Regular Meeting

Motion was made by Commissioner Mezmar and seconded by Commissioner Sanchez to approve the minutes as presented. Motion carried unanimously.

Consent Agenda

5a) Second and final reading to approve and adopt an ordinance amending Ordinance No. 98-58 to establish “School Zones” along Teege Avenue and Lozano Avenue for the New Ninth Grade Academy.

b) Consider and take action to approve a request from the Harlingen Convention & Visitors Bureau to close “L” Street from Fair Park Blvd. to W. Adams Street from 8:00 a.m. to 5:00 p.m. and Fair Park Blvd. from “L” Street to Wichita Street from 8:00 a.m. to 9:00 p.m. on Sunday, September 15, 2013 for the 16 de Septiembre Event.

Motion was made by Commissioner Uhlhorn and seconded by Commissioner Leal to approve the items under the consent agenda. Motion carried unanimously.

ORDINANCE NO. 13

AN ORDINANCE AMENDING THE HARLINGEN ORDINANCE 98-58 TO ESTABLISH A “SCHOOL ZONE” FOR THE NINTH GRADE ACADEMY LOCATED AT 1701 LOZANO AVENUE; ESTABLISHING A PENALTY NOT TO EXCEED \$200.00 FOR VIOLATION OF THE PROVISIONS OF THIS ORDINANCE; PROVIDING FOR PUBLICATION AND ORDAINING OTHER MATTERS RELATED TO THE FOREGOING.

PASSED AND APPROVED on first reading this the 17th day of July of 2013.

PASSED AND APPROVED on second and final reading this the 7th day of August 2013.

CITY OF HARLINGEN
/s/ Chris Boswell, Mayor

ATTEST: /s/ Amanda C. Elizondo, City Secretary

Mayor Boswell changed the order of the agenda and proceeded with the following item.

8) Presentation by the City’s Licensed Life and Health Insurance Counselor, Scott Gibbs from Scibel, McGriff, and Williams regarding request for proposals submitted to the City of Harlingen for Employee Health Insurance for Fiscal Year 2013-2014.

Scott Gibbs, Life and Health Insurance Counselor gave a Power Point presentation on the Medical Marketing Analysis Report for the City of Harlingen’s upcoming insurance renewal. The presentation consisted of the City’s Current Plan History; Overview of Process; Fully Insured Medical Analysis; Fully Insured Responses of Blue Cross/Blue Shield, Humana Basic and United Healthcare Basic; Self-Funded Medical Analysis of BC/BS, Group Administrators, Healthsmart and United Healthcare; Self-funded Claims Analysis; Total Medical Cost Analysis; and presented his recommendations to the City Commission.

Carlos Yerena, City Manager stated the numbers presented included Harlingen Waterworks System, Valley International Airport and Economic Development Corporation. The increase would be applied to the current premium. He stated the numbers reflected a decrease in

the amount that staff had proposed in the budget for Year 2013-2014. He highlighted the options: Option #1 would provide a savings of \$163,187 and Option #2 would provide a savings of \$303,060 for the general fund.

Mr. Gibbs stated a typical deductible would range from \$1,000-\$1,500 per family with average co-pay of \$25 for primary care, \$50 co-pay for specialty care, urgent care co-pay \$75. Co-pay for E.R. Care was approximately \$250 and co-pay for generic prescriptions would from \$10 to \$25.

Mr. Yerena recommended Option No. 1 a reduced plan for family coverage; give the employees the option to keep the current plan or select Option No. 2 which allowed for different deductibles.

- 9) Consider and take action to award an Employee Health Insurance Benefit Plan for the City of Harlingen Employees for Fiscal Year 2013-2014 with possible yearly renewal option and authorize the City Manager to negotiate and execute said contract.

Motion was made by Commissioner Mezmar and seconded Commissioner Leal to accept the insurance proposal from Blue Cross/Blue Shield - (Option #1) and allow city employees to change their coverage to the current renewal rate or (Option #2). Motion carried unanimously.

Commissioner Uhlhorn asked what would be the earliest date to receive the proposals information for the next contract renewal.

Mr. Gibbs responded approximately 1½ months.

- 10) Consider and take action to renew the Employee Life/AD&D and Voluntary Life & AD&D Insurance for the City of Harlingen Employees for Fiscal Year 2013-2014 with UNUM Life Insurance Company of North America with no increase.

Efren Fernandez, Human Resources Director stated UNUM submitted a contract for the renewal of the Employee Life/AD&D and Voluntary Life/AD&D Insurance with no increase in rates. The City had the option to renew the existing contract or request for proposals. He recommended renewing the existing contract.

Motion was made by Commissioner Uhlhorn and seconded by Commissioner Mezmar to renew the existing contract with UNUM Life/AD&D and Voluntary Life/AD&D Insurance with no rate increase. Motion carried unanimously.

- 11) Consider and take action to renew the Vision Insurance for the City of Harlingen Employees for Fiscal Year 2013-2014 with Block Vision with no increase.

Mr. Fernandez stated Block Vision Insurance was the current carrier and under the contract the City had the option to renew the existing contract or solicit proposals. He recommended approval to renew the existing Block Vision Insurance contract.

Motion was made by Commissioner Leal and seconded by Commissioner Uhlhorn to renew the Vision Insurance Plan with Block Vision with no rate increase. Motion carried unanimously.

Mayor Boswell changed the order of the agenda and proceeded with Item No. 16

- 16) Discussion on the City of Harlingen's Proposed Budget for Fiscal Year 2013-2014.

Elvia Trevino, Finance Director stated two workshops were held on the proposed budget for Fiscal Year 2013-2014; however, there were two items pending which was the salary increase for city employees and the selection of an insurance carrier for city employees health insurance.

Mr. Yerena stated at the beginning of the budget preparation there was a deficit of \$2.5 million; revenues were increased by \$1.1 million; expenditures were reduced by \$2.6 million leaving a balance of \$815,873. Staff developed a plan for increases to city employee consisting

of the following options: 1%, 2% and 3%. By accepting the 3% the fund balance would increase by \$134,170.

A short discussion was held in regards to the salary increase options and what it would do to the contingency fund in case of a disaster.

Mayor Boswell stated a 3% increase across the board would be fair for all city employees. This would offset the increased cost of the health insurance.

Mr. Yerena stated the city had a contingency fund for up to 90 days and a separate fund of over half million dollars in case of a disaster or catastrophic.

Commissioner Uhlhorn stated the City had a very good sales tax figure for the month and if this trend continued, he was comfortable in giving a 2% or 3%.

Mr. Yerena stated staff had consolidated departments over a three year period and the City had saved over a half million dollars due the elimination of some positions.

The City Commission consented to a 3% increase.

Mayor Boswell returned to the regular order of the agenda.

6) Consider and discuss the City of Harlingen's Proposed Tax Rate for Fiscal Year 2013-2014.

Ms. Trevino stated the proposed tax rate was \$.588827. The rate was less than the effective tax rate of .633600 and no public hearings were necessary due to the proposed tax rate being lower than the effective rate. A one cent change in the tax rate would generate \$275,474 in tax revenue.

7) Public Hearing to solicit comments from the public on the proposed City of Harlingen's Proposed Budget for Fiscal Year 2013-2014.

Mayor Boswell announced this was a public hearing and anyone wishing to speak for or against this item could do so.

Joe Rubio, 2309 Hacienda Road, congratulated Mayor Boswell for the increase of \$2.4 million in the reserve fund for the City's future. He mentioned that he had discussed with Commissioner Sanchez the possibility of allocating \$10,000 to the Veterans Memorial Board to host their events and \$10,000 to the Senior Citizens Advisory Board. Mr. Rubio referred to the proposed employee salary increases and stated when TMRS was eliminated for the new employees and were in a new retirement plan there was about \$11 to \$13 million dollars in deficit. This amount has now been reduced to \$300,000. There was a commitment by the past Commission members to use the savings toward employees' salaries.

Yolanda Shoffiet, 258 Altas Palmas stated the Veterans Board was allocated \$528,000 and there was no accountability on how the money was spent. City employees were long overdue for a salary increase. The Blaschka Tower had not been designated as a landmark by the State and the half million dollars should not be used for the replacement of windows.

Frances de Leon, 520 N. Commerce stated she agreed with Mr. Rubio regarding the 3% salary increase. The Police and Fire Department Personnel put their lives on the line every day. Some employees were earning pretty good salaries, but not all of them. She stated the City should not give salary increases to employees earning up to \$60,000 or more. The City should give an 8% increase to the good workers.

Ramiro Trevino, 15052 Hughes Road stated he built a home in 1999 and the City annexed his property in 2006. To this date, the city had not provided any services. Hughes Road and Drury Lane were the only unpaved roads in the city and felt that the City should allocate funds to improve these roads. There were no city water and sewer services. The City did provide sanitation services. He paid over \$3,000 in city/school taxes per year. The subdivision consisted

of 8 homes and believed that this area had generated enough revenues in taxes to warrant the paving of the roads.

Ron Lozano spoke in reference to the employee raises and suggested the following: Employees earning \$10,000 or less – 7%; \$50,000 or less – 3%; \$60,000 to \$100,000 – 2%; and \$100,000 and over – 1%. Employees that exceeded their work expectations should be given merit increases.

There being no further comments, Mayor Boswell declared the public hearing closed.

12) Consideration and possible action on a Chapter 380 Development Agreement concerning development of proposed J.R. Palacios Subdivision.

Gabriel Gonzalez, Assistant City Manager stated discussions were held regarding the installation of fire hydrants in the J.R. Palacios Subdivision. A 380 Development Agreement was drafted by Alan Ozuna, Legal Counsel. Two jobs would be created as the result of the agreement with the condition that one person be hired from Harlingen. He recommended approval of the agreement.

Motion was made by Commissioner Uhlhorn and seconded by Commissioner Leal to approve the Chapter 380 Development Agreement between the City of Harlingen and J. R. Palacios Subdivision. Motion carried unanimously.

13) Consider and take action to approve the final plat of Vantage at Harlingen Subdivision consisting of two commercial lots on 20.118 acres, out of and part of Block 8, Stuart Place Subdivision, Survey 41, located on the west side of Palm Court Drive, near west Lincoln Street.

Joel Olivo, Planning & Zoning Manager stated the applicant was proposing a two lot subdivision located west of Palm Court Drive at the end of Lincoln Avenue. Harlingen Water Works System would provide the water and sewer services. The developer submitted a performance surety bond as a method of security for the required improvements. All other items on the final plat were addressed by the developer and recommended approval of the plat.

Motion was made by Commissioner Sanchez and seconded by Commissioner Uhlhorn to approve the final plat of Vantage at Harlingen Subdivision. Motion carried unanimously.

14) Consider and take action to accept (or reject) bids and award the contract for the Brazil & Teege Road Improvement under Bid 2013-08.

Javier M. Zamora, City Engineer stated the Brazil & Teege Road Improvement Project consisted of approximately 5,000 feet of roadway improvements. The improvements included reconstruction of Brazil Road from Spur 54 to Teege Road. On July 16, 2013 staff received and opened three bids for this project. FJW Construction had submitted the lowest bid for \$2,164,934.25. Staff recommended approval of the bid submitted by FJW Construction.

Motion was made by Commissioner Uhlhorn and seconded by Commissioner Sanchez to approve the bid submitted by FWJ Constructions for \$2,164,934.25. Motion carried unanimously.

15) Consider and take action to retain Best Best & Krieger Law Firm to represent the City's interest in the 800 MHz rebanding activity relating to the mandated nationwide reconfiguration.

Michael J. Rinaldi, Fire Chief stated on August 6, 2004, the FCC modified the rules governing the 800 MHz band to minimize harmful interference to the public safety communications systems. Orders concerning reconfiguration of 800 MHz systems along the U.S.-Mexico border region were issued on April, 2013. The City was required to successfully reconfigure the 800 MHz frequency band to relocate public safety and commercial radio channels to new positions in the 800 MHz frequency band to alleviate Sprint Nextel interference. Best Best & Krieger represented more than 60 clients in the FCC phase of the project dating back to 2005 and have successfully assisted those clients in researching agreements for funding

of re-banding planning or implementation. He recommended approval to retain the Law Firm of Best Best & Krieger to represent the City of Harlingen in the matter of the 800 MHz frequency re-banding required by the FCC. The re-banding was done at no cost to the City of Harlingen and was covered by Sprint-Nextel.

Richard Bilbie, Interim City Attorney stated the firm is in good standing and the agreement would need to specify that the re-banding came at no cost to the City.

Motion was made by Commissioner Leal and seconded by Commissioner Sanchez to retain the Law Firm of Best Best & Krieger to represent the City of Harlingen's interest in the 800 MHz re-banding activity at no cost to the City. Motion carried unanimously.

- 17) Consider and take action to approve and adopt an ordinance on first reading establishing and classifying new positions in the Harlingen Police Department to maintain the authorized force level when police officers are assigned to positions outside the department through funded programs and/or interlocal agreements.

Tom Whitten, Police Chief stated the proposed ordinance would amend the current ordinance. The proposed ordinance was mandated by Section 142 of the Texas Local Government Code which required a budget allotment in the General Fund of 134 officers. This would provide for a request made from outside or federal agencies for more officers and compensate them for their services. The existing ordinance allowed for 134 officers; however, the proposed ordinance allowed for 143 officers for classification and designation. He recommended approval of the ordinance.

Mr. Bilbie read the caption of the ordinance.

Motion was made by Commissioner Mezmar and seconded by Commissioner Uhlhorn to approve the ordinance on first reading. Motion carried unanimously.

- 18) Board Appointments

Commissioner Uhlhorn

Tina Puente - Community Development Advisory Board (Re-appointment)
Paul Durant - Harlingen Community Improvement Board (Re-appointment)

Commissioner Leal

Tim Ryan - Museum Advisory Board
Kevin Campbell - Utility Board of Trustees

- 19) Closed /Executive Session on the following items:

- a) Pursuant to Chapter 551, Subchapter D, V.T.C.A., Government Code, Section 551.071 consultation with the Interim City Manager and/or outside legal counsel to seek legal advice regarding The City of Harlingen, Texas v. Union Pacific Railroad and Rio Grande Switching Company, Cause No. 2011-CCL 00115 in the County Court at Law No. 2 of Cameron County and to discuss possible settlement negotiation.
- b) Pursuant to Chapter 551, Subchapter D, V.T.C.A., Government Code, Sections 551.071, 551.072 and 551.087 regarding the purchase, exchange, lease, or value of real property, regarding commercial and financial information from a business prospect with which the City is conducting economic development negotiations and/or to discuss or deliberate financial or other incentives involving the Harlingen Community Improvement Corporation's purchase of Lot 1, Block 1, 710 Subdivision, Harlingen, Texas and to seek legal advice from counsel regarding the subject.

At 6:49 p.m., Mayor Boswell announced the City Commission would convene into executive session to discuss Item No. 19 (a) and (b).

Motion was made by Commissioner Leal and seconded by Commissioner Uhlhorn to convene into executive session to discuss Item No. 19 (a) and (b). Motion carried unanimously.

At 7:39 p.m., Mayor Boswell announced the City Commission had completed its executive session and declared the meeting open to the public.

20) Consideration and possible action to approve Harlingen Community Improvement Corporation's purchase of Lot 1, Block 1, 710 Subdivision, Harlingen, Texas.

Motion was made by Commissioner Uhlhorn and seconded by Commissioner Leal to approve the purchase of Lot 1, Block 1, 710 Subdivision, Harlingen, Texas.

Motion carried as follows: FOR-Commissioner Uhlhorn, Leal, Sanchez AGAINST: Mezmar

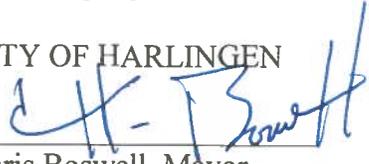
Vote: 3 to 1

21) Citizens Communication

Jose Rubio, 2309 Hacienda Road stated he disagreed with the decision of the 4B Corporation and would start a petition drive to oppose the 4B Corporation's decision. The law required that sufficient notice be given to the public prior to pursuing a project. The public had 60 days to submit a petition to hold an election for the public to vote on this project. Initially he was informed that this building should have been condemned.

There being no further business to discuss, the meeting adjourned.

CITY OF HARLINGEN


Chris Boswell, Mayor

ATTEST:


Amanda C. Elizondo, City Secretary