

SPECIAL MEETING

CITY COMMISSION

HARLINGEN, TEXAS

AUGUST 11, 2011

A Special Meeting of the Harlingen Elective Commission was held on Thursday, August 11, 2011 at 5:30 p.m. in Town Hall, City Hall, 118 E. Tyler Street, Harlingen, Texas. Those in attendance were:

Mayor and City Commission

Mayor Chris Boswell
Mayor Pro Tem Jerry Prepejchal
Gustavo Ruiz, Commissioner District 1
Robert Leftwich, Commissioner District 2
Kori Marra, Commissioner District 3
Joey Trevino, Commissioner District 5

Staff Present:

Carlos Yerena, City Manager
Elena Garza, Assistant City Secretary
Roxann P. Cotroneo, City Attorney
Gabriel Gonzalez, Assistant City Manager
Roel Gutierrez, Finance Director
Elvia Trevino, Assistant Finance Director

Mayor Pro Tem Prepejchal called the meeting to order, a quorum was established. He stated a notice of the meeting had been duly posted according to state law and the following proceedings were held.

Commissioner Leftwich gave the invocation and led the Pledge of Allegiance

- 1) Consider and discuss the City of Harlingen's Proposed Budget for Fiscal Year 2011-2012.

Carlos Yerena, City Manager stated that all the major departments had been previously addressed and tonight they would be presenting the budget on the smaller departments. He stated the city started with a budget deficit of \$3.7 million and that figure was reduced due to a reduction in the following budget categories. Mr. Yerena highlighted the following information for budget year 2011-12;

Expenditures Reductions

TMRS (Reduction in rate due to Senate Bill 350)	\$ 404,097
EMS (reduction in subsidy to local EMS Providers)	\$ 423,000
Position Eliminated (5.5 FTE's)	\$ 205,000
Salary Savings	\$ 324,659
TCAP Energy Savings	\$ 120,658
Elimination of the Vehicle Replacement Plan	\$ 1,532,105
Various Department Reductions	\$ 92,635
Total Expenditure Reductions	\$3,045,191
Transfer from Free Trade Bridge	\$ 62,743
Transfer from EDC (Parking Lot)	\$ 270,000

Waterworks reimbursement for Parking Lot	\$ 45,885
MPO Office Rental and Indirect costs	\$ 36,176
Property Tax Increase (Final Certified Roll)	\$ 227,500
Adjusted Revenues vs. Expenditures	(\$ 642,304)

Mr. Yerena stated there would be no property tax increases and no increases in the Collective Bargaining demands. There was a 9.62% built-in rate for the health insurance.

Mayor Boswell arrived at the meeting at 5:45 p.m. He presided over the meeting for the remainder part of it.

Mr. Yerena continued highlighting the percentages for the decreases and increases for the proposed departmental budgets including the City Commission's budget.

A brief discussion was held on the proposed budget and Roel Gutierrez, Finance Director stated there was an issue with TIF #3. Mr. Gutierrez stated the Harlingen Ventures No. 2, had been subdivided into eighteen (18) lots. This information was never picked up the Harlingen Tax Office. The Appraisal District had those lots in their rolls, but not the Tax Office. The Tax Office was providing the money to the city and the city was placing the money in the General Fund. The Tax Office was not listing them as part of the TIF Funds. The city would have to reconcile every year to make sure all the TIF Funds were started with the correct amount of money. Mr. Gutierrez stated TIF No. 3 was the only fund with financial obligations to the city.

Mr. Yerena stated the Economic Development Corporation would be meeting with the TIF Board to ask about their request to change their numbers from \$800,000 to \$3 million.

Mayor Boswell asked what has been done to qualify the \$800,000 figure and if there was a report that reflected what had transpired with the figures.

Mr. Gutierrez responded that the figures were presented and reviewed at one of the TIF Board meeting.

At 6:30 p.m., Commissioner Trevino excused himself from the meeting and did not return.

Mr. Yerena concluded the budget presentations and thanked the city staff and departments for their cooperation in presenting a balanced budget.

Mayor Boswell echoed the City Manager's statement and also thanked everyone.

Commissioner Leftwich relinquished his chair and excused himself from the meeting room in order to avoid "an appearance of impropriety" and signed an affidavit, which was presented to Elena Garza, Assistant City Secretary.

Mr. Yerena stated the City is currently with TCG Retirement Provider for TMRS services. During the Collective Bargaining sessions one of the Police Department requests is for the City to go back with TMRS. The City did make a request to TMRS to provide a quote based on the number of employees currently employed. The quote was received two days ago and the numbers are lower that what is being budgeted for next fiscal year. Due to Senate Bill 350 all Cities will be affected with this new law change.

Mayor Boswell instructed staff to obtain more details to discuss the TMRS issue at the next meeting.

At this time, Commissioner Leftwich returned to the meeting.

Mr. Yerena gave a status report on the lawn mowing contracts. He stated the city had two mowing contracts one with D-Bar for the soccer complex for \$146,706; another one with Best Lawn for 21 sites for \$187,603 and contract labor for \$10,000 for a grand total of \$344,309. The city had entered into a contract with both companies around 2007-2008. These were annual contracts with a renewal term of four additional years. The annual year term and price remained the same for the remainder of the renewal terms. Both companies had agreed to keep the same price for an additional year. It was anticipated that the following year the price would increase and city staff was proposing to hire twelve part-timers for 32 hours. The proposed budget would include the annual cost for chemicals, depreciation of equipment for \$323,290 resulting in an annual savings of \$21,119 with a one-time start cost of \$208,750. This would increase the level of service and yet save some money. The contracts required a 30-day termination notice and one of the contracts was up for renewal on August 20, 2011.

Mr. Gabriel Gonzalez stated the city was beyond the 30-day notice. The city would have to notify the contractor with the intention of settling it. He mentioned he would be discussing this issue with the City Attorney for details on terminating the contract.

Mayor Boswell stated he understood the city was considering the performance issue to increase the level of service, but did not understand the start-up cost of \$208,000 to save \$21,119. The City Commission would like to know where the \$208,000 would be derived from.

Mr. Yerena replied some of the savings would come from the TMRS and the rest from the Vehicle Replacement Fund.

After a brief discussion, Mayor Boswell instructed staff to look into renewing one of the contracts this year and face out the other contract the following year.

- 2) Consider and take action to propose a desired tax rate for Fiscal Year 2011 and schedule two public hearings on the proposed rate to be held on Wednesday, August 17, 2011 at 5:30 p.m. and Wednesday, August 24, 2011 at 5:30 p.m.

Motion was made by Commissioner Leftwich and seconded by Mayor Pro-Tem Prepejchal to propose the desired tax rate of \$0.588827 for Fiscal Year 2011 and schedule two public hearings on the proposed rate. Motion carried unanimously.

- 3) Executive Session pursuant Chapter 551, Subchapter Code, Sections 551.071 and 551.072 to consult with the City Attorney to seek legal advice regarding the Dixieland Railroad Crossing at Mile Post MP 1.7 at the Mission Subdivision and to deliberate the purchase, exchange, lease or value of real property because deliberations in an open meeting would have detrimental effect on the City's position in negotiations with a third person.

On August 11, 2011 at 7:00 p.m. Mayor Boswell announced the Harlingen City Commission would convene in closed session to discuss the following item.

Motion was made by Commissioner Leftwich and seconded by Mayor Pro-Tem Prepejchal to convene in executive session to discuss Item 3. Motion carried unanimously.

At 7:04 p.m., Mayor Boswell announced the Harlingen City Commission had concluded its executive session and declared the meeting opened to the public.

No action was taken on Item 3.

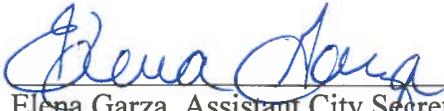
There being no further business the meeting adjourned at 7:05 p.m.

Special Meeting
8/11/2011



Chris Boswell, Mayor

Attest:



Elena Garza, Assistant City Secretary