**PALM VALLEY CITY COUNCIL**

**MINUTES**

**REGULAR MEETING**

**AUGUST 16, 2016**

The City Council of the City of Palm Valley met in a Regular Meeting on the 16th day of August, 2016 at 5:00 p.m. at 1313 N. Stuart Place Road, Palm Valley, Texas. The meeting was attended by the following persons:

 Mayor George Rivera

Council members: John Widger, Julie Martin, Debe Wright, Cynthia Thompson

 Absent: Joe Jones

 City Secretary: Sylvia R. Trevino

 City Attorney: Jason Mann

 City Staff: A. R. Garcia, Police Chief

 Rosendo Flores, Waterworks Supervisor

1. **CALL TO ORDER** – Mayor Rivera called the meeting to order.
2. **PLEDGE OF ALLEGIANCE** – Mayor Rivera led the Pledge of Allegiance.
3. **PUBLIC COMMENTS**

Heather Simpson referred to comments made in the Palm Valley Review regarding young residents. She stated that they are also homeowners and she has resided here for about a year. She stated that there needs to be clarification of what type of city Palm Valley is.

Mayor Rivera explained his statement in the newsletter and stated that he honors the young coming to Palm Valley and it is a good thing. The City is transitioning from the older residents to younger residents coming to Palm Valley.

Councilwoman Wright commented that the City has been trying to have activities for families and for all age groups.

1. **PRESENTATION OF PROCLAMATION DECLARING THE WEEK OF SEPTEMBER 17-23, 2016 AS ‘CONSTITUTION WEEK’**

Susan Francis explained that September 17-23 is Constitution Week. In 1955, the National Society Daughters of the American Revolution petitioned Congress with a resolution; this week of observance for the foundation of the American form of government was signed into law by President Dwight D. Eisenhower on August 2, 1956. George W. Bush officially declared the inception of Constitution Week in 2002. The commitment of the NSDAR is to encourage study and educate the public about the Constitution, which was adopted by the American Congress of the Confederation on September 17, 1787.

Mayor Rivera proceeded to present the proclamation to Susan Francis, Taffy Herridge and Karen Denise Snyder.

1. **MINUTES FOR APPROVAL – SPECIAL MEETING (WORKSHOP) OF JULY 23, 2016 AND THE REGULAR MEETING OF JULY 26, 2016.**

Councilman Widger made some minor grammatical changes to the minutes of July 23, 2016.

With corrections to be made, Councilwoman Martin made a motion to approve both sets of minutes.

Councilman Widger seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

1. **DESIRED TAX RATE OF $0.484116 PROPOSED AND RECORD VOTE TAKEN; TWO PUBLIC HEARINGS SCHEDULED**

Mayor Rivera explained that the proposed tax rate is $0.484116 per $100 valuation. Last year’s tax rate was $0.452541. He explained that a record vote needs to be taken and two public hearings set.

Councilman Widger, Councilwomen Martin and Wright voted for the proposed rate.

There were no ‘nays’.

1. **(1st) PUBLIC HEARING HELD TO SEEK COMMENTS FOR OR AGAINST THE PROPOSED TAX RATE OF $0.484116**

Mayor Rivera declared the public hearing open.

Minerva Simpson stated that she is speaking not just as a person but as a business owner. She stated that having meetings at 5:00 disenfranchises the working professionals and this can cause a problem. She suggested that changing the time of Council meetings be considered. She alluded to a lot of confusing information on the budgets posted on the City’s website. She commented that although the tax increase sounds minimal, the tax rate was increased a couple of years ago and has gone from .43 to .45 and now to .48. It is too quick to do an increase again. A total tax rate for Harlingen includes an I&S rate and because City of Palm Valley is limited in services that it can provide, she felt a tax increase is not justified. She asked if a study on the lifespan of the streets has been done. It was her opinion that it would be in the best interest of the residents of Palm Valley not to have a tax increase. She commented that government goes overboard in taxing its citizens.

Matt Gorges, a resident of Palm Valley, spoke in favor of the tax increase. He stated he is in favor of improving the City and also the streets. He gave a brief history on Palm Valley and stated that Palm Valley was developed for anyone who wanted to live here. The streets were constructed in about 1969 and were repaved in the early 90s. A mistake was made due to a poor decision on the construction of the streets we now have. He added that the streets have deteriorated through the years and he is not suggesting to do all streets at the same time but there needs to be a program or a plan to do the streets correctly. Whatever method is chosen would have to be better than temporary striping. He added that it is common knowledge that the Harlingen Country Club is having problems but he does not want it to be a problem for the City. He would like to see a program for the improvement of the streets and not just to ‘paint’ the streets.

Heather Simpson commented that the sales tax increase would generate additional money for the street improvements and not have it come from a property tax increase. The increase in sales tax would come totally from the consumer and the Harlingen Country Club-----an additional $55,000 would be good for the reserve for street improvements.

Patty Gonzalez stated she has been a resident for 18 months. The proposed tax rate increase is similar to the City of Austin. She stated she would feel better if there were a plan in place that would make sense and justify the tax increase. She also suggested changing the time of the Council meetings.

Bryan Wolf was also of the opinion that he would like to see a ‘plan’ that would justify the tax increase.

Mayor Rivera commented that he is in favor of the tax increase---both as a citizen and a homeowner in Palm Valley. The streets continue to deteriorate and the money generated from the tax increase will be specifically laid out for a major street repair. The City generates enough revenue for its day to day operations but the City does not have the money for street repairs. Yes, the City has some reserves but by law it has to maintain a certain level for emergency cases. The City has no choice but to increase the tax rate.

Councilwoman Wright stated that the City has limited revenue and it has no other way to generate the funds needed. She commented that the Council would not be a good custodian of the residents if the streets are not in good condition. There is no other source of revenue.

Councilwoman Martin stated that the majority of meetings held are surrounded around infrastructure. She added that Councilman Widger has done an excellent job of maintaining the budget and accounting for the revenues and expenses but the City needs to be able to do a major street repair.

Councilman Widger added that the tax increase would raise taxes an approximate $32.00 per hundred valuation on a $100,000 home per year and would generate about $42,000 in added revenue. A proposal from 2012 reflected that it would take approximately $7 million to totally replace the streets. Our current operating budget of $700,000 is not just enough. The trend is that the property tax is rising at a slower pace than inflation and the City has to start putting away some reserve and possibly even impose a street assessment fee.

Mayor Rivera stated that the increase would not make a huge financial impact but he can’t see what he could do differently. There are no other sources of revenue.

Mayor Rivera announced that the next public hearing on the tax rate increase would be on August 30 @ 5:00 p.m.

Councilman Widger added that the final vote on the tax increase would be on September 8 @ 5:00 p.m.

(Note: Councilwoman Thompson came in at approximately 5:40 p.m.)

1. **COUNCIL MEETING OF SEPTEMBER 20, 2016 CHANGED TO SEPTEMBER 8, 2016 TO COMPLY WITH THE REQUIRED DEADLINES FOR ADOPTION OF THE TAX RATE AND THE PROPOSED BUDGET**

Councilwoman Martin made a motion to change the Council meeting from September 20, 2016 to September 8, 2016.

Councilman Widger seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

1. **DISCUSSION HELD REGARDING THE SALES TAX ELECTION**

Mayor Rivera explained that he was also proposing to increase the sales tax by 1% in addition to the current allocation. This will bring in an additional $55,000 in revenue. Currently, the City imposes a sales tax rate at the combined rate of 7.25% of which only 1% is payable to Palm Valley.

Minerva Simpson asked if the City has an economic development corporation. The reply was no. Mayor Rivera added that the City has limited space for commercial or retail growth.

Heather Simpson asked if the Club has considered opening its restaurant to the public or to residents who are not Club members. Mayor Rivera replied that the Harlingen Country Club is a private club owned by a Board of Directors.

Councilman Widger commented that the City could expect about $55,000 from the increase. To have a special election would cost about $3,500. The increase would provide about $5,000 per month so the election would be paid within the first month of the increase. If the election is held in May, the City would be losing about six months of revenue.

When asked if the election is held in November, when would the rate take effect, Jason Mann replied that it would be dependent first, if it passes and there is no contest, it could be the first quarter in 2017.

Councilwoman Thompson made a motion to hold a special election for a sales tax increase.

Councilman Widger seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

Mayor Rivera commented that if the election is held in November it would run into the Presidential election and if held in May, it would be part of the regular City election to elect Council members. He felt the election should be held in November in order to generate the additional revenue sooner.

Councilman Widger stated that if the election is held in May there would not be an added expense.

Councilwoman Wright made a motion to hold a special election in May so as not to create an extra expense by having it in November.

Councilman Widger seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

**11)** **ACTION TABLED ON THE REMOVAL OF THE SPEED BUMPS AT LOS AMIGOS TOWNHOUSES**

Mayor Rivera commented that he is getting mixed comments on the speed bumps. He stated that it is expensive for the City to set them up and remove them.

Jimmie Traylor commented that Leolla Fisher had told them about the speed bumps but that she had only requested the proper signage.

Chief Garcia stated that Ms. Fisher and other residents have requested speed bumps. He did not reduce the speed limit to 15 mph but that he had installed the ‘children at play’ signs.

Councilman Widger commented that 15 mph should be the appropriate speed and that Ms. Fisher’s original request did not ask for the speed bumps and that he would be willing to vote to remove them.

Mayor Rivera recommended that the tenants get together and tell the Council exactly what it is that they want and come back to a future meeting.

Councilwoman Martin made a motion to table this item.

Councilman Widger seconded the motion

Mayor Rivera took the votes and the motion carried unanimously by those present.

**12) CONTRACT WITH SOUTH TEXAS EMERGENCY CARE FOUNDATION, INC. FOR AN ADDITIONAL FIVE YEARS AT NO COST TO THE CITY RENEWED**

Bill Aston, Director of the STECF, was present to brief the Council on the contract and the EMS services. He invited the Council to visit the station.

Councilwoman Wright made a motion to renew the contract for an additional five years.

Councilwoman Thompson seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

**13) BUDGET ADJUSTMENTS APPROVED FOR POLICE DEPARTMENT AND MUNICIPAL COURT**

Councilman Widger explained that the adjustment in the Court budget is to account for the purchase of the software as authorized by the City Council on July 19 and to account for a high remittance to the State for their portion due to an increase in fines collected. The amount of this adjustment is $9,000.00

He further explained that the adjustment in the Police budget was due to the purchase of new tasers with extended warranties for five years and to account for the increased expenses associated with the equipment for the new vehicle. The amount of this adjustment is $7,300.00

Councilwoman Thompson made a motion to approve the budget adjustments as presented.

Councilman Widger seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those

present.

**14)** **RESOLUTION APPROVED AUTHORIZING THE APPLICATION FOR A GRANT TITLED ‘TEXAS CONVERSION TO THE NATIONAL INCIDENT-BASED REPORTING SYSTEM (NIBRS) FROM THE CRIMINAL JUSTICE DIVISION OF THE GOVERNOR’S OFFICE**

Chief Garcia explained that he had been notified by email of the department’s opportunity to apply for a grant titled “Texas Conversion to the National Incident-Based Reporting System (NIBRS). The grant is from the Criminal Justice Division of the Governor’s Office. The minimum amount a department may request is $5,000 and there is no match required. The maximum amount the City may request is $10,000. The application requires a resolution. The grant would be used towards the purchase of computer equipment which will aid in the reporting of NIBRS data beginning next year. This will be for the purpose of OCR reporting.

Councilwoman Martin made a motion to approve the resolution authorizing the application.

Councilwoman Thompson seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

**15) CONSENT AGENDA**:

 A. Police Monthly Report – July 2016

 B. Municipal Court Monthly Report – July 2016

 C. Monthly Check Listing – July 2016

 D. Monthly Financial Report – July 2016

 E. Investment Report – July 2016

 F. Council/staff liaison reports

Chief Garcia briefed the Council on his report stating that things are nice and quiet and that the volunteers from the Neighborhood Watch Program are doing a great job.

Councilman Widger asked about a couple of citations on the Court Report. Chief Garcia will report back to him.

Councilwoman Wright reported on the City Hall remodeling and the one proposal submitted that will cover Phase I of the project which will include a front office counter, paint throughout City Hall and preparation of empty office for storage.

Chief Garcia was asked to look into security options for the City Hall.

Councilwoman Martin made a motion to approve the consent agenda.

Councilman Widger seconded the motion.

Mayor Rivera took the votes and the motion carried unanimously by those present.

There being no further business, the meeting adjourned at 6:31 p.m. upon a motion by Councilwoman Martin and a second by Councilman Widger.

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 George Rivera, Mayor

 Attest:

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 Sylvia R. Trevino, City Secretary