

**PALM VALLEY CITY COUNCIL
MINUTES
REGULAR MEETING
June 21, 2022**

The City Council of the City of Palm Valley met in a Regular Meeting on the 21st day of June 2022 at 6:00 p.m. at 1313 N. Stuart Place Road, Palm Valley, Texas. (ZOOM videoconferencing was available for the public).

Council members present:
Eric Hoff, Mayor Pro Tem
Councilwoman Annette Baker
Councilman Gilberto Lucio
Councilman Jerry Wade

Absent: Councilwoman Lisa Taylor

VIA ZOOM
Jason Mann, City Attorney

City Secretary: Sylvia R. Trevino (in person)

Staff present (all in person):
Chief A. R. Garcia
Rosendo Flores, Director of Public Works
Jose Rivera, Support Services Aide

1. **CALL TO ORDER** - The meeting was called to order by Mayor Pro Tem Hoff.
2. **PLEDGE OF ALLEGIANCE** - The Pledge of Allegiance followed led by Mayor Pro Tem Hoff.
3. **LEGISLATIVE PRAYER** - The Legislative Prayer was recited by Councilwoman Baker.
4. **PUBLIC COMMENTS**

Edna Butler, 5516 Palm Valley Drive North, spoke about the invoices for the pumps at the Club. She was of the opinion that this invoice should be paid through the contractor's insurance and not by the City.

5. **PRESENTATION OF GIFTS OF APPRECIATION TO OUTGOING MAYOR, GEORGE RIVERA.**

Mayor Pro Tem Hoff announced that, unfortunately, former Mayor Rivera could not attend the meeting. Mayor Pro Tem Hoff wished him well for his seven years of service to the City of Palm Valley.

6. **PRESENTATION AND ACCEPTANCE OF THE CITY'S AUDIT FOR FISCAL YEAR ENDING SEPTEMBER 2021.**

Quentin Anderson, representing Carr, Riggs, and Ingram, went over the financial highlights of the audit.

He explained that the financial statements, as of and for the year ended September 30, 2021, were performed in accordance with auditing standards generally accepted in the United States of America and they considered the City's internal control over financial reporting as a basis for designing their auditing procedures for the purpose of issuing their reports on the financial statements.

Mr. Anderson proceeded to explain that a material weakness is a deficiency or a combination of deficiencies in internal controls, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis and he added that they did not identify any deficiencies in internal control that they would consider to be material weaknesses.

Continuing with this explanation he added a significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness yet important to merit attention by those charged with governance and he noted there were three of these types of deficiencies.

As for the financial highlights he noted the following:

- The assets of the governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$2,142,116 net position (compared to \$2,162,049 in the prior year). Of this amount, \$469,504 is unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.
- The assets of the Water services exceeded its liabilities at the close of the most recent fiscal year by \$3,498,126 (net position) compared to \$3,193,516 in the prior year. Of this amount, \$1,339,216 is unrestricted net position and may be used to meet the Water service's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental fund reported ending fund balance of \$466,869 and \$500,608 for 2021 and 2020, respectively.
- The City's governmental fund reported total fund balance of \$466,869 at the end of the fiscal year, which amounts to a decrease of \$33,739 over the prior year.
- The City's enterprise fund reported unrestricted cash of \$1,311,776 at the end of the fiscal year, which amounts to an increase of \$78,814 over the prior year.

Mr. Anderson explained that some of the changes in assets were due to the receipt of corona virus relief funds and a transfer of \$200,000 to the Water account. The big change in the Water account was the creation of the drainage fee. He added that expenditures were higher than budgeted but the expenditures were rather close to projected. Mr. Anderson concluded by stating that he was making some recommendations for internal controls but that there was no non-significant compliance revealed through the audit.

Mr. Anderson briefly explained the American Rescue Funds that were provided to the City in the amount of about \$153,000 which is designed for specific uses. These funds

need to be obligated by the end of 2024. The City would need to repay these funds only if they are not used.

There being no further discussion on the audit, Councilman Wade made a motion to accept the audit for fiscal year ending 2021. Councilwoman Baker seconded the motion.

Mayor Pro Tem Hoff took the votes and the motion carried unanimously by those present.

7. **APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF MAY 17, 2021.**

There being no corrections, Councilwoman Baker made a motion to approve the minutes.

Councilman Wade seconded the motion.

Mayor Pro Tem Hoff took the votes and the motion carried unanimously by those present.

8. **PAYMENT TO NEW CORE, INC. FOR THE REBUILDS OF TWO PUMPS ASSOCIATED WITH LAKE NO. 3 IMPROVEMENTS AT THE GOLF COURSE IN A TOTAL AMOUNT OF \$16,072.09 DENIED.**

David Flinn, Engineer, explained that the rebuild of two pumps at the Golf Course were due to damage to a suction pipe that was not there. The pumps got filled with backfill material. The contractor had to mobilize to correct this damage. Mr. Flinn recommended that the Country Club pay these invoices.

Councilwoman Baker made a motion that the City not pay these invoices.

Councilman Lucio seconded the motion.

Mayor Pro Tem Hoff took the votes and the motion carried unanimously by those present.

9. **VARIANCE REQUEST BY COURTNEY SMITH FOR A FENCE AT 5416 PALM VALLEY DRIVE SOUTH AS IT RELATED TO THE 25 FT. BOUNDARY REQUIREMENT ON THE GOLF COURSE GRANTED.**

Courtney Smith explained her request for the variance. The Building Inspector previously denied the permit due to a permanent structure cannot be 25 feet from the property line on a golf course lot. She requested a variance for the fence ranging from 5 to 7 feet past the 25 ft. mark. She added that the aluminum fence will be 4 feet in height and to make the gate square to the pool and not look crooked, she is requesting 5 to 7 feet variance across the backyard.

A question was asked what her options are if the variance is not requested. Ms. Smith replied that she would have to demolish the entire flooring that has already been set in place.

Jason Mann explained that variances have been granted in the past for properties on the Golf Course, Each case is different. The Golf Course has its deed restrictions, and the City has its fence ordinance.

Councilman Lucio made a motion to approve the variance request.

Councilwoman Baker seconded the motion.

Mayor Pro Tem Hoff took the votes and the motion carried by the following votes:

Aye: Lucio, Baker, Hoff

Nay: None

Abstained: Wade (due to potential conflict of interest)

10. RECOMMENDED BOARD APPOINTMENTS MADE BY PARKS AND RECREATION ADVISORY BOARD TO FILL EXPIRED TERMS APPROVED

John Topp, Chairman of the Parks and Recreation Advisory Board explained that at the last meeting, the names that were being recommended Shane Strubhart and Jennifer Gresham. Former member, Michael Galvan, submitted his resignation and former member, Jane Mercier moved away. The recommended names are to fill these slots.

Councilman Lucio stated that, moving forward, that an application process be in place to allow all interested residents to have the opportunity to express their interest in serving on this Board.

Councilman Wade made a motion to approve the appointment of the current members: John Topp, Sylvia Rivera, Scott Nelson, Julie Herrington, Karin Hansen and the two new appointees, Shane Strubhart, and Jennifer Gresham.

Councilman Lucio seconded the motion.

Mayor Pro Tem Hoff took the votes and the motion carried unanimously by those present.

11. ACTION TO RESCIND PREVIOUS ACTION TAKEN REGARDING THE SALE OF POLICE VEHICLE UNIT #009 AND INSTEAD DESIGNATE IT AS A 'TAKE HOME' UNIT BY THE POLICE CHIEF.

Chief Garcia requested that instead of the unit being sold, that he be allowed to take it home. The City Council in a previous meeting voted for this unit to be sold and he asked that the Council amend this action. He stated that as Police Chief, he is 'on call' 24 hrs. a day and he not only receives daily calls from the on-duty officers for questions or information but he also responds in-person as needed and fills in for any open shifts on evenings and weekends.

The vehicle is a 2017 Ford SUV with approximately 140,000 miles and belongs to the City outright as it was purchased and paid in full. The current vehicle costs are approximately \$50 per month for insurance and any needed fuel and repairs. A Kelly

Blue Book value check on this vehicle shows an asking price anywhere between \$3,500 to \$5,000. The last two police vehicles sold for about \$3,000 each.

Councilman Wade made a motion to allow the vehicle as a 'take home' vehicle by the Chief.

Councilman Lucio seconded the motion.

Mayor Pro Tem Hoff took the votes and the motion carried unanimously by those present.

12. DISCUSSION HELD REGARDING PROPOSED CHANGES TO NEWSLETTER PUBLICATIONS AND POTENTIAL SOCIAL MEDIA OPTIONS.

Jesse Rodriguez and Yvette from JR IT Software Solutions, Inc. briefed the Council on a social media study that was conducted. The City is considering transitioning from print to digital distribution of the City's newsletter. He explained that the current newsletter distribution process consists of paying a 3rd party input to assemble newsletter, City staff prints/folds newsletters and City staff drive around city to deliver newsletters to residents.

The city's goal would be to transition the newsletter and communications to social media channels to provide effective communication and engagement to citizens. Improve current information management and logistics would be another City goal. He outlined the benefits as:

Savings

Transportation
Payroll/time
Ink/toner
Paper

Eco Friendly

Reduce gas emissions
reduce paper usage

As for the social media advantages:

- The ability to relay important information instantly
- Ability to 'share' important information with the click of a button
- Provide reminders on latest events the City will be having
- Provide direct links to important forms

Mr. Rodriguez recommended enhanced use of the City's website which averages about 11,000 users to the website per month. Currently, the estimate to do the newsletters cost about \$1,400 per month.

City Attorney, Jason Mann, asked if any thought had been given to a web-based browser, computer based. Mr. Rodriguez replied that he did not design the website, but it could be redesigned with the ability to allow subscription to the newsletter.

13. DISCUSSION HELD REGARDING GARBAGE/BRUSH DEBRIS COLLECTION SERVICES FOR THE CITY OF PALM VALLEY

Mayor Pro Tem Hoff explained that the current service is going to change this year and the City will have to do something about the service.

Councilman Lucio stated that there are about 700 homes being serviced through Waste Management through an open contract, but 236 homes have pickup. It will be necessary to create an ordinance to contract the service and impose a franchise fee. Pickup will be only once a week and recycling service could be provided but at a higher cost. This whole transition will be a 3-6 month transition and the current prices with Waste Management will increase when WM does away with the rear end pickup. The idea is to charge for the service on the residents' water bill. This service should go out for bids or Requests for Proposals.

14. DISCUSSION HELD ON FINAL MITIGATION COSTS ASSOCIATED WITH LAKE NO. 3 DRAINAGE PROJECT.

David Flinn, informed the Council of an upcoming expense associated with the Lake No. 3 project that is outside the scope of the project. This would be to repair the sprinkler heads because the irrigation lines were under water. There will also be the expense of mulch and compost. Quotes for these expenses are currently being requested. The project itself generated a savings of approximately \$24,597. He added that he will present the actual costs at the next Council meeting for approval.

David Flinn stated that the County still has American Rescue Funds available, and he has turned in an application for funding for the Lakes 7 to 4.

15. CONSENT AGENDA:

- A. Police Monthly Report – May 2022**
- B. Municipal Court Monthly Report – May 2022**
- C. Monthly Investment Report – May 2022**
- D. Monthly Financial Report – May 2022**
- E. Ordinance adopted amending the City's budget for FY 2021-22**
- F. Monthly Check Listings – May 2022**
- G. Council/staff liaison reports**

Councilman Wade made a motion to approve the Consent Agenda.

Councilman Lucio seconded the motion.


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

There being no further business the meeting adjourned at 7:13 p.m. upon a motion by Councilwoman Baker and a second by Councilman Wade.



Eric Hoff, Mayor Pro Tem

Attest:



Sylvia R. Trevino, City Secretary