

**PALM VALLEY CITY COUNCIL  
MINUTES  
REGULAR MEETING  
March 16, 2021**

The City Council of the City of Palm Valley met in a Regular Meeting on the 16th day of March 2021 at 6:00 p.m. at 1313 N. Stuart Place Road, Palm Valley, Texas. Council members attended in person. (ZOOM videoconferencing was available for the public).

Council members present VIA ZOOM

Mayor George Rivera

Councilman Michael Galvan

Councilwoman Lisa Taylor

Councilwoman Cynthia Thompson

Council members present in person.

Councilman Eric Hoff

Councilman Jerry Wade

Jason Mann, City Attorney (Via Zoom)

City Secretary: Sylvia R. Trevino (in person)

Staff present (all in person):

Chief A. R. Garcia

Rosendo Flores, Director of Public Works

Elsa Guajardo, Support Services Aide

1. **CALL TO ORDER** - The meeting was called to order by Mayor Rivera.
2. **PLEDGE OF ALLEGIANCE** - The Pledge of Allegiance followed led by Mayor Rivera.
3. **LEGISLATIVE PRAYER** - The Legislative Prayer was led by Councilman Galvan.
4. **ACCEPTANCE OF CITY'S FINANCIAL AUDIT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2020**

Quentin Anderson presented the audit and outlined the main highlights of the City's fiscal standing.

He stated that the financial statements are fairly presented and explained that the assets dropped due to the transfer of \$150,000, thus, the net position dropped as well. He stated that 48% of the revenue comes from user charges and 36% from property taxes. The revenues are comparable to last year's. The City derived some funds from COVID funding and a refund from the brush pickup from the flood. A one-time compensation incentive was granted to the employees and there was a big expense in legal fees due to litigation. Capital assets during the year included the PV East Drainage Project, City Hall repairs, a new PD unit and furniture for the Council Chambers. The city currently has no long-term debt, but this will change in 2021 if the bond issue passes.

Mr. Anderson noted that in some cases there were instances of over budgeting. These expenses were authorized but the budget was not amended.

Mayor Rivera explained that he had made an executive decision to hire someone to come and do the debris cleanup after the flood but failed to do a budget amendment.

Councilwoman Taylor stated that some expenditures were overbudget due the City having to defend itself due to the lawsuit that was filed by the Concerned Citizens of Palm Valley----- approximately \$16,900.

Mr. Anderson stated that no money was spent that was not authorized.

Councilwoman Taylor added that over 20% of actual expenditures were due to defending the lawsuit.

Mr. Anderson continued his presentation. He stated that as far as internal control over financial reporting, there were no material weaknesses identified. He stated that some recommendations are being made to correct some deficiencies in internal control such as the property tax levy that was not recorded for fiscal year 2020; budgetary process and expenditures more than appropriations and no logical access controls to functions within Access database accounting system. These findings/compliances have undergone corrective action plans.

Another finding brought up by Mr. Anderson was the accumulated vacation of certain employees that become a liability for the City. Mayor Rivera stated that this had been brought to his attention. The policy states that any carryover of vacation time requires Mayor's approval but to his knowledge, in his six years as Mayor, he has never approved any excess over the cap. He added that this can be further discussed at the April meeting.

Councilman Hoff made a motion to accept the City's fiscal year audit.

Councilwoman Taylor seconded the motion.

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

**5. PRESENTATION OF FEES AND FINES COLLECTION AND ACTIVITY REPORT BY LINEBARGER GOGGAN BLAIR & SAMPSON, LLP.**

John Guevara, representing Linebarger, gave collection statistics. He reported that the monthly collection activity for the last 24 months totals \$30,311 and represents the last 24 months and not contract to date. He stated that the income realized in October, November, December 2018 and 2019 was a good year. Typically, there are two sweeps throughout the year but this year there were major catastrophes such as the pandemic and the hurricane. In 2021 there will be three major sweeps. The city is now in a 'maintenance routine'.

Councilwoman Taylor questioned what his fee is to which Mr. Guevara replied that the 30% add on fee is statutory and is passed on to the defendant, not the taxpayers.

**6. CONCERNS EXPRESSED BY WILLIAM HARAWAY ON THE RECENTLY ASSESSED DRAINAGE FEES – NO ACTION (Mr. Haraway not present)**

**7. CITY SECRETARY'S CERTIFICATION OF UNOPPOSED CANDIDATES FOR THE CITY GENERAL ELECTION ORIGINALLY ORDERED FOR MAY 1, 2021 NOT ACCEPTED**

It was explained that since no one else other than the incumbents filed for a place on the ballot, the City Secretary is authorized to certify to this fact.

Councilwoman Taylor stated that she had concerns over this. The positions of Mayor and Council members are elected positions and they need to be elected. The City Secretary cannot unilaterally make that certification. The names should go on the ballot to avoid any problems altogether.



Mayor Rivera recalled the last time that he ran unopposed and there was an item to accept the certification, but the voters should be able to vote aye or nay on the ballot.

Councilman Galvan was of the opinion not having the names on the ballot takes away the people's choice to vote.

Councilman Galvan made a motion to not accept the City Secretary's certification declaring the unopposed candidates as winners.

Councilwoman Taylor seconded the motion.

Mayor Rivera took the votes and the motion carried by the following votes:

Aye: Galvan, Taylor, Thompson, Wade

Nay: Hoff

Abstained: None

The motion carried 4 to 1.

8. **ACTION TAKEN TO NOT CANCEL THE GENERAL ELECTION TO ELECT ONE (1) MAYOR AND TWO (2) COUNCIL MEMBERS**

Councilwoman Taylor made a motion to not adopt the ordinance cancelling the general election.

Councilwoman Thompson seconded the motion.

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

9. **MINUTES FOR APPROVAL – SPECIAL MEETING OF FEBRUARY 10, 2021 AND REGULAR MEETING OF FEBRUARY 16, 2021**

There being no corrections, Councilman Wade made a motion to approve both sets of minutes.

Councilwoman Thompson seconded the motion.

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

10. **ACTION TAKEN REGARDING RESTRICTIONS SET BY GOVERNOR ABBOTT'S ORDER AS IT RELATES TO OPEN MEETINGS AND CITY HALL**

Mayor Rivera explained that while the Governor has opened operations in Texas, he has not lifted the suspension of the Open Meetings Act. City Hall will continue to remain closed until further notice and meetings will continue to be held via ZOOM unless the Council has any opposition.

Councilwoman Thompson made a motion to allow restrictions to remain as is.

Councilwoman Taylor seconded the motion.

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

11. **RESOLUTION APPROVED APPROVING THE HAZARD MITIGATION PLAN UPDATE**

Mayor Rivera reminded the Council that was discussed a few months back and this resolution officially authorizes Palm Valley to withdraw from Harlingen's plan and join with Cameron County.

Councilman Galvan made a motion to approve the resolution.

Councilwoman Taylor seconded the motion.

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

**12. SCOTT NELSON APPOINTED TO PARKS & RECREATION ADVISORY BOARD  
(during this time, the City Secretary temporarily stepped out)**

John Topp, Chairman of the Parks and Recreation Advisory Board, explained that due to no contact with former Board member, Paul Powers, and the belief that he no longer lives in Palm Valley, he was recommending that Scott Nelson, 1900 Mango Circle, be appointed to replace Mr. Powers.

Mr. Nelson is certified EMS and is the EMS Program Director and Interim Dean of Health Professionals at Texas Southmost College. He is interested in contributing to the Palm Valley community on the P & R Advisory Board.

Councilman Galvan made a motion to approve the appointment of Mr. Nelson to the P&R Advisory Board.

Councilman Wade seconded the motion.

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

**13. CONSENT AGENDA:**  
**A. DISCUSSION AND POSSIBLE ACTION TO APPROVE A LEASE AGREEMENT  
BETWEEN THE CITY OF PALM VALLEY AND CAMERON COUNTY FOR ONE (1)  
AUTOMARK FOR USE IN THE CITY'S ELECTION SCHEDULED FOR MAY 1, 2021.**  
**B. DISCUSSION (ONLY) REGARDING SURVEY RESULTS RELATED TO THE  
ISSUANCE OF BONDS AND RELATED FUNDING OPTIONS.**

John Topp addressed the Council and reported on the results of the surveys that were sent out regarding the bond issue.

He explained that he developed a survey with three funding options to obtain feedback from the citizens of Palm Valley on the timing of completion and funding the debt service if the bond issue was to pass. 137 or 19% of the surveys were returned.

City staff distributed 725 surveys on February 24, 2021. The survey results were:  
42% or 56 responded with a preference of the 9-year project completion.  
27% or 36 responded with a preference of the 3-year project completion.  
10% or 14 responded with a preference of the 6-year project completion.  
22% or 30 responded with their own "None of the above"  
**(The City Secretary returned to the meeting)**

Mayor Rivera commented that it is important to note that the Council is not suggesting voting for or against the bond issue. The Council is here solely to provide facts and data sufficient to allow the voters to make an informed decision.

Mayor Rivera referred to a letter that was sent and signed by Lora Boyd and John Vanderberg which makes great points. He will use this letter when he hosts the Public Forum on Monday, March 29, 2021.

At this time, Matt Gorges commented that he was very impressed with the professionalism of the City Council and City staff. He gave a brief background of his involvement with the City of Palm Valley.



He expressed comments on the bond issue stating that back then when the City was incorporated the primary objective to keep the tax rate as low as possible. Maintenance throughout the City was zero until the 90's. Since then, the average age of the citizens has gone down. The citizens wanted public safety and most of the money went to the police department. The City will never change. 76% of revenue comes from property taxes and 12% from sales taxes. 50 % of the budget goes to the Police Department, 20% to Public Works and the remainder goes to Administration.

Mr. Gorges commented that the bond issue is a big thing, and it is going to be voted down. He asked that the Council consider what they are doing. There will be other things coming up. He asked that the Council look for a long-range solution. He recognizes that there is an advantage in that interest rates are rather low currently, but he believed there needs to be another solution.

Mayor Rivera explained that this issue has been ongoing for many years. When the survey went out whether the City should consider buying the vacant Maverick property, the #1 issue was drainage and the second most important was the water pressure. The cost is what it is. The financial advisors have done their due diligence and he will hold public forums to provide facts for the voters to make an informed decision.

Council/staff liaison reports

Mayor Rivera added that the City is supposed to receive \$270,000 from the American Rescue Plan. However, he does not know how the City will be able to use these funds. He will keep the Council apprised of this.

**C. Police Monthly Report – January 2021**

**D. Comparative Analysis of Motor Vehicle Stops**

**E. Municipal Court Monthly report – January 2021**

**F. Monthly Investment Report – January 2021**

**G. Monthly Financial Report – January 2021**

**H: Monthly Check Listings – January 2021**

**I. Council/staff liaison reports**

Councilman Hoff made a motion to approve the Consent Agenda.

Councilwoman Taylor seconded the motion.

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

There being no further discussion, Councilman Hoff made a motion to adjourn the meeting. Councilman Wade seconded the motion which carried unanimously. The meeting adjourned at 7:30 p.m.

  
George Rivera, Mayor

Attest:

  
Sylvia R. Trevino, City Secretary