

MINUTES OF A REGULAR MEETING OF THE CITY OF SAN JUAN COMMISSION

DATE:

Tuesday, August 22, 2017

TIME:

6:00 p.m.

PLACE:

San Juan Memorial Library
Multipurpose Meeting Room
1010 S. Standard
San Juan, Texas 78589

MEMBERS PRESENT:

Mario Garza, Mayor
Jesse Ramirez, Mayor Pro-Tempore
Raudel Maldonado, Commissioner
Ernesto Guajardo, Commissioner
Pete Garcia, Commissioner
Rick Palacios, City Attorney

MEMBERS ABSENT:

STAFF PRESENT:

Benjamin Arjona, City Manager
Diana Cavazos, City Secretary
Juan Gonzalez, Chief of Police
Oscar Cuellar, San Juan EDC Director
Leroy Gonzalez, Interim Finance Director
Adelaida Cordero, Director of Human Resources
Armandina Sesin, Library Director
Patrick Willingham, Director of Parks and Recreation
Xavier Cervantes, Director of Planning
Carmen Gonzalez, Director of Sanitation
Rene Jaime, Purchasing/Risk Management
David Salinas, Director of Utilities
Mary Enriquez, Court Administrator
Robert Rangel, Director of Information Technology

GUEST:

ORDER OF BUSINESS

I. CALL MEETING TO ORDER

Mayor Mario Garza called meeting to order at 6:00 p.m.

II. INVOCATION

Jesus “Jesse” Ramirez led the invocation.

III. PLEDGE OF ALLEGIANCE

Mayor Mario Garza led the Pledge of Allegiance.

IV. PUBLIC COMMENTS

- a. Mr. Guillermo Ordorica with the Mexican Consulate said that they are working intensively with individuals that could possibly be victims of abuse. They assist in getting documentation such as identification cards, Mexican birth certificates, passports and Mexican voting cards. They offer consulate protection with services and tools such as: education, fiscal, financial and orientation so that individual’s rights are not violated in case of an arrest.

Mr. Ordorica wants to invite the community to join them in celebrating Mexico’s Independence Day on September 16th, 2017 at the State Farm Arena from 12:00 to 8:00 pm. Mexico is a country that was born independently. He is inviting everyone to come and join sport activities, music, Mexican food and many other surprises.

- b. Mrs. Leslie Gower with the Sierra Club Coalition sent the City Manager a Resolution last week to come together and try to save a total of 10 places that are on the line for being cut off from public access. Some of the places are: Santa Ana Wildlife Refuge, La Lomita, the Butterfly Center, and the National Bird Center. One day they found a surveyor at Santa Ana putting the markers were they will be building the wall. If the budget is approved and the wall is built all of Santa Ana will be cut off except for the

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visitor's center. The animals will be cut off and not have access to go up or down their natural habitat. The environmental impact if the wall is built is that animals will drown if the wall is built. They have 400 species, 160 eco-tourists each year and overall it's a \$500 million industry that's on the line. They are getting national publicity from the LA Times and NY Times. They had 700 individuals show up for their rally in La Lomita and over 1,000 at the Santa Ana Wild Life Refuge.

V. PRESENTATIONS

- a. Presentation on Proclamation Proclaiming Orlando Ochoa Jr., for his Outstanding Education Achievements. (Benjamin Arjona, City Manager)

DISCUSSION: Mayor Mario Garza met Mr. Orlando Ochoa Jr. during the campaign trail a few months ago. He met the grandmother, the mother and the aunt of this young man. These individuals are very supportive of Orlando's education. He has been very positive and dedicated towards his educational goal leaving aside his struggles in life. Mr. Ochoa has an overall average of 118.6 which is the highest from all 3 high schools. Mayor Garza expressed that he is very proud of Orlando and proud to say he is from San Juan. Orlando plans to further his education at the University of Texas at Austin where he plans to double major in Rhetoric & Writing and Sociology. After completing his undergraduate studies he plans to pursue a law degree.

- b. Presentation on Departmental Reports: Municipal Court, Department of Utility, Fire Department and Finance Department. (Benjamin Arjona, City Manager)

DISCUSSION: Mayor Mario Garza wanted to know if we were prepared for the upcoming storm to which Chief Tirso Garza responded that we are. He went on to say that we held a briefing in the afternoon in regards to the weather were it was discussed that there are sandbags currently available and staff will be preparing 1,000 more. Although the storm is heading towards Corpus and Houston another briefing is going to be held tomorrow.

Commissioner Pete Garcia asked for an update for Paseo de Las Flores. Mr. Cervantes responded that the drainage system is in place with exception of some details. City Manager Benjamin Arjona added that the caliche had already been compacted. Commissioner Garcia went on to say that residents were complaining about the drainage on Cancun and Puerto Vallarta to which City Manager replied that it was just a repaving project. He went on to say that the flooding should be very minimal if at all.

VI. PUBLIC HEARING/ORDINANCES

- a. Conduct a Public Hearing and Consider and Ordinance in First Reading for the Conditional Use Permit for the Sale of Alcoholic Beverages for Off-Premise Consumption at "Valley Food Mart #2", Located at 102 S. Nebraska Avenue, Legally Described as Lots 7 and 8, Block 4, San Juan Original Townsite Subdivision, as Requested by AA Family Inc.

DISCUSSION: Xavier Cervantes, Planning Director stated that the applicant is taking over the business formerly known as SJ Mart under the name of Valley Food Mart #2. The applicant is proposing an off-premise consumption permit to sale alcohol. The hours of operation will be Monday thru Friday from 6:00 to 12:00 am, Saturday from 6:00 to 1:00 am, and Sunday from 12:00 pm to 12:00 am. Notices went out to 20 surrounding property owners only an email and a letter were received for opposition. The Planning and Zoning Commission passed unanimously and recommended for approval during their August 7th meeting.

Open to the public at 6:21 p.m.

Closed to the public at 6:22 p.m.

Motion was made by Commissioner Pete Garcia to approve and seconded by Commissioner Erneston "Neto" Guajardo. Motion passed. (5-0)

- b. Conduct a Public Hearing and Consider and Ordinance in First Reading for the Conditional Use Permit for the Sale of Alcoholic Beverages for On-Premise Consumption at the Proposed "The Hangout" Bar Located at 302 E. US Business 83, Legally Described as the West 165 Feet of Lot 2 and the West 165 feet of Lot 3, Block A#2, Lettered Blocks Subdivision, as Requested by Arturo Medrano. (Xavier Cervantes, Director of Planning)

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DISCUSSION: Xavier Cervantes, Planning Director stated that the business will be located in the Guajardo Commercial Plaza in the South East corner of Business 83 and Kansas Avenue. The hours of operation will be Monday through Saturday from 5:00 p.m. to 2am for the sale of alcoholic beverages for on premise consumption. Notices went out to 25 property owners no comments for opposition were received from the public. It went up to the Planning and Zoning Commission passed unanimously and recommended for approval during their August 7th meeting.

Open to the public at 6:24 p.m.

Mr. Xavier Cervantes answered to Commissioner Raudel “Raudy” Maldonado that The Hang Out is located on Business 83. Commissioner Ernesto Guajardo added that it was next to Pico De Gallo. Mayor Pro-Tempore, Jesus “Jesse” Ramirez asked if 2 am is the norm for this type of business to which Mr. Cervantes responded that it is and that a list of regulations was included in the packet and any business has to comply or the permit can be revoked.

Closed to the public at 6:25 p.m.

Motion was made by Mayor Pro-Temp Jesus “Jesse” Ramirez to approve and seconded by Commissioner Ernesto “Neto” Guajardo. Motion passed. (5-0)

- c. Hold First Public Hearing on Adopting the Proposed Tax Rate and Levy for the City of San Juan, Texas for the Fiscal Year Beginning October 1, 2017 and Ending September 30, 2018. (Leroy Gonzalez, Interim Director of Finance)

DISCUSSION: Mr. Leroy Gonzalez, Interim Director of Finance stated that on Tuesday August 8th, 2017 the commission voted for approval of the tax rate of .6993 for fiscal year October 1st, 2017 through September 30, 2018. Two required public hearing were scheduled the first for August 22nd and the second for September 5th. The proposed rate is the same as last years, however in accordance with the Property Tax Law if the proposed property tax rate 0.6993 exceeds the effective tax rate of .6885 two public hearings are required before the City Commission adopts the tax rate ordinance.

Second hearing for the adoption of the proposed tax rate will be held on September 5, 2017.

VII. DISCUSSION AND POSSIBLE ACTION TO THE FOLLOWING MATTER

- a. Consider Discussion and Approval of increasing the Contribution to the Texas Service Retirement System for the San Juan Volunteer Fire Department. (Tirso Garza, Fire Chief)

DISCUSSION: Chief Tirso Garza stated that since he’s been with the Fire Department for the past 13 years the contribution to the retirement of the volunteers has been stagnant at \$36.00 and would like an increase of \$14.00 to make it an even \$50.00. They recently discovered discrepancies in the old board and established a new board. If it is approved there will be an increase of \$4500.00 on next year’s budget. Commissioner Pete Garcia asked how many volunteers the San Juan Fire Department currently have to which Chief Tirso stated there was a total of 14.

Motion was made by Commissioner Raudel “Raudy” Maldonado to approve and seconded by Commissioner Pete Garcia. Motion passed. (5-0)

- b. Consider Approval to Acquire the San Juan Municipal Park/ Kitchen on Sergeant Treviño by the San Juan Fire Department. (Tirso Gaza, Chief of Fire)

DISCUSSION: Chief Tirso Garza stated that the park is currently managed by Parks & Recreation Department and the City of San Juan oversees the rental. Chief Garza further stated that they use the park once a year for their annual fundraiser and they noticed the kitchen needs work. The Fire Department would like to acquire the park and name it the San Juan Fireman’s Park; the kitchen will remain with the same name. They also want to use it for the storage of the antique 1926 Seagrave firetruck, the first fire truck the City of San Juan had.

Motion was made by Mayor Pro Tempore Jesus “Jesse” Ramirez to approve seconded by Commissioner Raudel “Raudy” Maldonado. Motion passed. (5-0)

- c. Discussion and Authorization to Purchase a 2018 Chevrolet Silverado 4X2 Crew Cab From Caldwell Country Chevrolet for \$25,329 (Buy Board Contract 521-16) (David Salinas, Director of Utilities)

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DISCUSSION: David Salinas, Director of Utilities stated that the City Commission had approved the purchase of a new pickup truck for the water treatment plant in the meeting of September 2015. Staff solicited quotes from two vendors: Jordan Ford from San Antonio and Caldwell Country Chevrolet. Jordan Ford did not submit a quote and Caldwell Country submitted the quote of \$25,329. There was \$28,000 in the budget for this item.

Commissioner Raudel “Raudy” Maldonado asked about the color of the vehicle to which Mr. Salinas replied that it will be white. Mayor Mario Garza asked when was the last time a vehicle was purchased for the department to which Mr. Salinas replied that it is replacing a 1998 model. The newest unit in the department is a 2007 that was transferred from another department.

Motion was made by Mayor Pro Tempore Jesus “Jesse” Ramirez to approve and seconded by Commissioner Raudel “Raudy” Maldonado. Motion passed. (5-0)

VIII. CONTRACTUALS/RESOLUTIONS:

- a. Consider Authorizing the City Manager to Sign a Contract with Cruz-Hogan Consultant for the Paving Reconstruction Improvement Phase 2 Project. (Xavier Cervantes, Director of Planning)

DISCUSSION: Xavier Cervantes, Director of Planning stated that \$1.84 million is available for the project which includes: engineering, geotechnical, and surveying expenses. The streets listed on the contract were based on the results of Comprehensive Street Conditions Survey that was conducted by the Civil Engineering Department of the University of Texas Rio Grande Valley in 2016. Based on the selection that took place Cruz-Hogan drew number one and was awarded this project. Based on the city engineer general contract the engineering fees for the project will be 7 percent if the total construction cost is \$1.5 million or less or 6 percent if the total construction costs exceeds \$1.5 million. The list of streets is in the contract and maps are included. The ones that have a star shape next to them need drainage improvements.

Commissioner Pete Garcia asked if the percentages that are being paid are on line in comparison to other cities, to which Mr. Cervantes responded that new contracts are using a table for percentages. The table is included in the packet. If the projects is less than half a million the percentage is 9%, if it is half a million to a million the percentage is 8% , if it is a million to 1.5 million the percentage is 7% and if it is over 1.5 million the percentage is 6%.

Motion was made by Commissioner Raudel “Raudy” Maldonado to approve and seconded by Mayor Pro-Temp Jesse Ramirez. Motion passed. (5-0)

- b. Consider Authorizing City Manager to Enter into a Contract Agreement with the Boys and Girls Club of Pharr. (Ben Arjona, City Manager)

DISCUSSION: Benjamin Arjona, City Manager stated that the Boys and Girls Club of Pharr will provide a Youth Development Program that will take place in Hidalgo County Precinct 2 Community Resource Center in San Juan. The center will provide a consistent and dependable schedule of activities.

Eddie Cantu, president of the Boys and Girls Club of Pharr stated that they are partnering with the county and the cities to build a facility on North Nolana. They are asking the City of San Juan for 50% of the general fund. Mr. Cantu went on to say that he has been on the board for 12 years and started with a budget of \$360,000.00 and now it's at \$1 million, which says a lot about the commitment they have. Within the next three weeks they will be accepting kids, and they are ready.

Commissioner Pete Garcia asked if they will consider having a board member from San Juan, to which Mr. Cantu responded that they want to create a board for San Juan. Mayor Mario Garza asked who would give maintenance to the building, to which Mr. Cantu responded that Precinct 2 through the county would maintain it.

Mayor Garza asked if they have any plans on making an indoor gym to which Mr. Cantu responded that they are happy to be where they are at. Maybe in the future but for now their ultimate goal is the kids. Commissioner Raudel “Raudy” Maldonado asked for the capacity of the facility to which Mr. Freddy Mata responded that they can hold safely 175- 215 kids.

Mayor Mario Garza stated that the community is very excited that this is happening. We have seen the success in the City of Pharr and appreciate that San Juan is being considered for this facility. Contingent upon some revisions from the attorney Mr. Arjona will deliver the documentation.

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Motion was made by Commissioner Raudel “Raudy” Maldonado to approve and seconded by Mayor Pro Temp Jesus “Jesse” Ramirez. Motion passed. (5-0)

- c. Consideration and Approval of an Ordinance Authorizing the Issuance, Sale and Delivery of City of San Juan, Texas Waterworks and Sewer System Revenue Bonds, Series 2017 in the Aggregate Principal Amount of \$2,285,000; Providing for the Payment of the Bonds, Together with Certain Currently Outstanding Previously Issued Bonds, Form a First Lien on and Pledge of the Net Revenues of the City’s Waterworks and Sewer System; Resolving other Matters Incident and Relating to the Issuance, Payment, Security, Sale and Application to the Texas Water Development Board; Authorizing the Execution of a Paying Agent/Registrar Agreement and an Escrow Agreement; Complying with the Requirements of the Depository Trust Company’s Letter of Representations; Complying with the Regulation Promulgated by the Texas Water Development Board; and Providing for an Effective Date. (Ben Arjona, City Manager)

DISCUSSION: Chris Vela, City of San Juan Financial Advisor stated that the Texas Water Development Board approved financial assistance of \$2,285,000.00 in the form of subsidized loan .156 below interest market rate in order to fund the collection system extensions 2. The City of San Juan sold waterworks and sewer system revenue bonds series 2017 to the Water Development Board. The City has offered a pledge of a first lien on the net revenue of the waterworks and sewer system as sufficient security for payment for the bond. The City Manager, the Utility Director and Mr. Vela feel these fees are fair. The fees do not need to be negotiated for projects since they are already set. He is ready for getting bids for the project and to get a contractor by January/February to have a completed project by May/June 2018.

Mr. Arnold Cantu, Council to the City of San Juan stated that he couldn’t explain better than Mr. Vela the process for the sale and delivery of the bonds. He went on to say that the process has been long. Mr. Cantu said he would like to have all the documentation signed by September 5th and should have a response giving preliminary approval from the Attorney General by September 18th. By September 26th the bonds should be successfully approved and closed.

Motion was made by Commissioner Raudel “Raudy” Maldonado to approve and seconded by Commissioner Pete Garcia. Motion passed. (5-0)

IX. CONSENT AGENDA

- a. Consider an Ordinance in Second Reading for the Voluntary Annexation of an 8.894-Acre Tract of Land out of the West Half of Lot 7, Block 47, Alamo Land and Sugar Company’s Subdivision Located Along the North Side of Minnesota Road Halfway between Raul Longoria and Cesar Chavez Roads as Requested by TX Ranch, LLC. (Xavier Cervantes, Director of Planning)

DISCUSSION: No discussion/questions.

Motion was made by Mayor Pro Temp Jesus “Jesse” Ramirez to approve and seconded by Commissioner Raudel “Raudy” Maldonado. Motion passed. (5-0)

- b. Consider and Ordinance in Second Reading Authorizing the Naming of a Public Alley Inside the City Limits of San Juan as West 2 ½ Drive in Order to Provide for More Efficient Emergency Responses. (Xavier Cervantes, Director of Planning)

DISCUSSION: No discussion/questions.

- c. Monthly Collection Report- July 31, 2017. (Leroy Gonzales, Interim Director of Finance)

DISCUSSION: No discussion/questions.

X. EXECUTIVE SESSION: 7:04 pm.

- a. The San Juan City Commission will now go into Closed Session Pursuant to the Provision of the Chapter 551, Subchapter D, Exceptions to Requirements that Meetings be Open Texas Government Code 550.071 (Consultation with Attorney) and Open Texas Government Code 551.087 (Deliberation Regarding Economic Development Negotiations) in Accordance with:

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- i. Discussion Regarding Legal Issues Concerning City of Pharr's Proposal Related to City of San Juan's Municipal Corporate Boundaries and Extraterritorial Jurisdiction.

XI. RECONVENE: 7:31 pm.

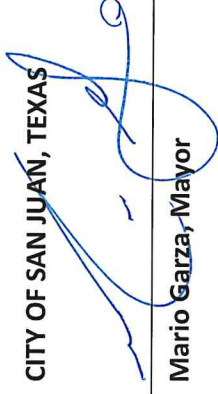
The City Commission will Reconvene in Open Session to take necessary action, if any, in accordance with Chapter 551, Open Meetings, Subchapter E, Procedures Relating to Closed Meeting 551, Requirements to Vote or Take Final Action in Open Meeting.

Motion was made by Commissioner Pete Garcia to approve and seconded by Commissioner Raudel "Raudy" Maldonado.

XII. ADJOURNMENT: 7:31 pm

Commissioner Raudy Maldonado motioned to adjourn meeting and seconded by Mayor Pro Tempore Jesus "Jesse" Ramirez. Motion passed. (5-0)

CITY OF SAN JUAN, TEXAS



Mario Garza, Mayor

ATTEST:



Diana H. Cavazos, City Secretary