

August 7, 2007

AND TRANSFERRING \$260,000 FROM THE VES FUND FUND BALANCE TO THE VES FUND VEHICLES CAPITAL LINE ITEM; REPEALING ALL CONFLICTING ORDINANCES, PROVIDING FOR SEVERABILITY, AND DECLARING AN EFFECTIVE DATE.

EXECUTIVE SESSION

Mayor Armstrong announced that Council would recess into Executive Session at 6:25 p.m., in accordance with:

Section 551.071, Texas Government Code, consultation with attorney on matter involving pending or contemplated litigation or other matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act (including, but not limited to, potential litigation over the placement of drainage ditches in the West Outfall area). David A. Smith.


Section 551.072, Texas Government Code, to deliberate the purchase, exchange, lease, or value of real property interests due to the fact that deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third party. David A. Smith.

Section 551.087, Texas Government Code, to discuss or deliberate the offer of a financial or other incentive to a business prospect that the City Council seeks to have, locate, stay, or expand in or near the territory of the City of Victoria and with which the City of Victoria is conducting economic development negotiations (including, but not limited to, proposed incentives to South Texas Steel Service Company, LLC.). David A. Smith.

Section 551.074, Texas Government Code, with regard to personnel matters (including, but not limited to, appointments to the Golden Crescent Regional Planning Commission and Food Establishment Appeals Board). Scarlet Swoboda.

The Council reconvened in regular session at 8:00 p.m. with no action taken and nothing to report. There being no further business, the meeting was adjourned.

APPROVED: 
WILL ARMSTRONG, Mayor of the City of
Victoria, Texas

ATTEST: 
SCARLET SWOBODA, City Secretary

**VICTORIA CITY COUNCIL
August 14, 2007**

CALL TO ORDER

A special meeting of the Victoria City Council was called to order by Mayor Will Armstrong at 5:01 p.m. Tuesday, August 14, 2007 in the Council Chambers, 107 W. Juan Linn, Victoria, Texas. The pledge of allegiance was said, and all citizens were welcomed.

MEMBERS PRESENT

Will Armstrong, Mayor
Philip Guittard
Lewis Neitsch
Paul Polasek

STAFF PRESENT

Charles E. Windwehen, City Manager
Charmelle Garrett, Deputy City Manager
David A. Smith, City Attorney
Miles Risley, Senior Assistant City Attorney

CITY COUNCIL MINUTES

August 14, 2007

David Hagan
Jim Wyatt
Tom Halepaska

John Johnston, Director, Engineering
Ray Miller, Asst. Director, Planning
Bruce Ure, Police Chief
Vance Riley, Fire Chief
Doug Cochran, Director, Parks and Recreation
James Stewart, Director, Library
Danette Respondek, Director, Human Resources
Rick Henrichs, Director, IT
Lynn Short, Director, Streets and Utilities
Gilbert P. Reyna, Jr., Director, Finance
Steve Trevino, Director, IMS
Jerry James, Director, Environmental Services
David Martyn, Emergency Management
Wendi DuVall, Deputy City Secretary

OTHERS PRESENT

Noel Valdez, Attorney with McCall,
Parkhurst and Horton L.L.P.

CITIZENS COMMUNICATION

No one wished to address Council.

ITEMS FROM COUNCIL

There were no items from Council.

PUBLIC HEARINGS

Mayor Armstrong opened a public hearing on the following item:

PROPOSED ANNEXATION OF LAND INTO THE TERRITORIAL LIMITS OF THE CITY OF VICTORIA AND PRESENTATION OF ASSOCIATED SERVICE PLANS

A public hearing to consider annexation of approximately 498.71 acres of land in the Jose Luis Carbajal Grant, Abstract 12 - Area #1; approximately 192.60 acres of land in the L. Grant Survey, Abstract 170 - Area #2; and approximately 2.31 acres of land in the Lake Forest Subdivision, Section I, Phase I -Area #3. An ordinance would be presented to Council at a future meeting.

Charles Vanmetre, 206 Watermark, one of the property owners affected by the proposed annexation had a taxation question, because part of his property is in the County and the remainder is in the City. His property has been fully assessed as though it was all in the City and wondered if this would impact him in anyway. City Attorney, David A. Smith requested his phone number and advised that he would investigate the matter and get back to him with a response.

Mayor Armstrong asked if there were any questions from Council or the audience. There were none, and Mayor Armstrong closed the public hearing.

WORK SESSION**Proposed Fiscal Year 2007-2008 Budget (General Fund, Water/Wastewater and Non-City Entities)**

A handout was presented to Council with the Administrations recommendations for some of the funding requests by outside agencies. There were a couple of projects that were requested out of the General Fund that are new funding initiatives. Administration felt that the Children's Discovery Museum should not be considered for Hotel/Motel tax funding, it should be considered from General Fund funding.

General Fund items for consideration were:

- **EG Channel** requested \$12,000. Administration was in favor of the new program. *The consensus of Council was to fund the program as requested.*
- **Boys and Girls Club** requested \$18,000; they are currently funded at \$7,000. Administration recommended \$7,000. *The consensus of Council was to fund \$16,000.*

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- **Keep Victoria Beautiful** requested \$25,000 and use of the Hiller House with City provided water, sewer and electric utilities. This is a new request and not currently funded. *The consensus of Council was to fund the program as requested with the exception of the electrical utilities.*
- **South Texas Zoo** requested \$175,000; they are currently funded at \$150,000 and the Administration recommended leaving it at \$150,000. *The consensus of Council was to fund at \$162,500 and making that amount the cap for future requests.*
- **Downtown Revitalization Project for private entities** requested \$100,000; they are not currently funded. Administration recommended \$100,000. *The consensus of Council was to fund \$25,000 with \$5,000 cap for one project.*
- **Children's Discovery Museum** requested \$10,000; they are not currently funded. *Council consensus was to not fund at this time.*

Hotel/Motel Tax Fund items for consideration were:

- **Chamber of Commerce Visitors Bureau** requested \$232,350; they are currently funded at \$202,000. Administration recommended \$202,000. *The consensus of Council was to leave the funding at \$202,000.*
- **Texas Settlement Region** requested \$4,000. Administration recommended funding at current amount as requested. *The consensus of Council was to fund the requested \$4,000.* **Victoria Branding Project** requested \$40,000. A new initiative that Administration thinks has merit, but not included in proposed budget. *The consensus of Council was to fund the one time request of \$40,000.*
- **Cultural Council** requested \$85,000. Administration recommended funding at current amount as requested. *The consensus of Council was to fund the requested \$85,000.*
- **Victoria Regional Museum** requested \$30,000; they are currently funded at \$4,000. Administration recommended \$4,000. *The consensus of Council was to fund at \$15,000.*

Capital Improvements Program (Street, Sewer, Water, Drainage, and other Projects)

Several options were presented for consideration to issue Certificates of Obligation up to an amount of \$10,000,000:

- **Option 1** - Combination of moving the remaining Phase 2 Downtown Utility Projects forward, six projects that equate to a combined cost of \$8.6 million. Those projects are planned to occur between Fiscal Years 2011 through 2013, they would be done simultaneous with Phase 1 Projects. By funding with the bonds it would eliminate the need for revenue bonds three-years from now. Logistically they could be built by doing projects in Phase 1 separating them at some distance from those being built in Phase 2. In addition, the relocation of Fire Station #2 is ready and could be moved forward.
- **Option 2** - Move the Sam Houston Alternate Project forward, which is an 18 to 24 month project for October 2008 award. Because of the design time, it would only move the project forward two or three months.
- **Option 3** - The Glasgow Street Extension with two lanes hotmix with utilities and open ditch section costing \$9.7 million. Staff sees this as traffic relief for Navarro and would free up some sales tax funds.
- **Option 4** - The Glasgow Street Extension using different construction methods. Alternate 1 would be to build it out two lanes of concrete with no utilities, and reclaim/overlay a portion of Salem Road for \$8 million. Another alternate would be to build that two lane section out of asphalt, but no utilities, for \$6 million and lump the relocation of Fire Station #2 with that project, bringing it to approximately \$10 million.
- **Option 5** - Includes various sections of Red River Street Reconstruction. It would be done in segments because \$10 million would not be enough to do the entire project. It would be broken up from Memorial to Vine Street, Vine Street to Main Street, Main Street to Navarro, Navarro to Laurent, Laurent to Ben Jordan, Ben Jordan to Ben Wilson, and Ben Wilson to Sam Houston. The cost on some sections would be higher because of large box culverts that would need to be installed for drainage. The Memorial to Vine Street section would be hotmix with a bike lane. Vine Street to Sam Houston would be concrete with curb, gutter, and utilities.

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- **Option 6** – The school district has indicated that an elementary school is planned to be built on property they own near the Lone Tree Road and Delmar intersection. This option would continue the Lone Tree Road Construction from Delmar to Anthony in concrete and taking Anthony from the intersection of Lone Tree Road up to Rio Grande at a cost of \$6.1 million. This option shows that if built in asphalt the cost would decrease to \$3.6 million.
- Mayor Armstrong suggested adding an **Option 7**, to establish a thoroughfare route north of town on Ball Airport Road from U.S. 87 to U.S. 77. He stated that it would open up more land for development. John Johnston, Director of Engineering, advised that a bridge across Spring Creek would raise the cost for utilities, drainage, street development and the bridge to approximately \$17 million.

RESOLUTION 2007-128R – PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

The resolution directs the Publication of Notice of Intention to Issue Certificates of Obligation of the City of Victoria, in the maximum principal amount of \$10,000,000 for the purpose of paying all or a portion of the City's contractual obligations incurred to (i) construct improvements and extensions to the City's waterworks and sewer systems, (ii) construct street, sidewalk and drainage improvements, (iii) acquire and install traffic controls, (iv) construct and equip a building for the Fire Department, and (v) pay all or a portion of the City's contractual obligations for professional services rendered by engineers, attorneys, and financial advisors in connection with the above projects and Certificates of Obligation. Noel Valdez.

Cm. Neitsch moved to amend the resolution by striking item (iv) to construct and equip a building for the Fire Department, with Cm. Wyatt seconding the motion. The resolution was amended by the following vote:

AYES: Council Members Guittard, Neitsch, Polasek, Hagan, Wyatt, Halepaska, and Mayor Armstrong
 NAYS: None

Cm. Wyatt moved that the resolution be adopted, with Cm. Neitsch seconding the motion. The resolution was adopted, as amended, by the following vote:

AYES: Council Members Guittard, Neitsch, Polasek, Hagan, Wyatt, Halepaska, and Mayor Armstrong
 NAYS: None

The Legal Department was asked to contact land owners to see if they would be interested in donating land for the thoroughfare discussed earlier. Cm Halepaska suggested further discussion on some of the options given.

RESOLUTION 2007-129R – SUPPORTS DEVELOPMENT OF EXELON NUCLEAR POWER GENERATING PLANT IN VICTORIA COUNTY

The resolution recognizes the essential role of nuclear power in the national energy policy of the United States and supports Exelon Nuclear's consideration of Victoria County for development of a new nuclear power generating facility. Dale Fowler

Cm. Neitsch moved that the resolution be adopted, with Cm. Wyatt seconding the motion. The resolution was adopted by the following vote:

AYES: Council Members Guittard, Neitsch, Polasek, Hagan, Wyatt, Halepaska, and Mayor Armstrong
 NAYS: None

Mayor Armstrong announced that Council would recess for a short break at 6:45 p.m.

WORK SESSION

The Council reconvened into a Work Session at 6:52 p.m.

General Fund Discussion

The proposed General Fund Budget is up \$3.2 million, but that would not have been possible if long term planning had not been going on the past couple of years. There were no questions from Council concerning funding for the City Manager, Legal, City Secretary, Municipal Court, Finance, or Human Resources Departments.

Police Department is the largest department and the budget is up \$610,000. There are no new positions proposed, and the one big cost is for eight patrol cars, six are replacements, with two new ones. Most of the increases are the affects of a pay program because of full staffing. The fleet is in good shape and staying current with the replacement schedule.

Fire Department budget is up by \$1,007,000 because of the ten new positions for the new fire station. There is one new position for a Lieutenant in training, which is an administrative position that would be dedicated primarily to training. A replacement of a Ladder Truck is also included in the budget.

Planning Department budget has no new positions. There is a decrease in the professional line item because there was a major project in the current budget for Geographic Information System (GIS) easement project.

Engineering and Traffic Control budget has no new net positions in the department. One drafter position was eliminated and one traffic safety position was added. Funding is included in the budget for \$227,000 for a total rebuild of the traffic control lights at U.S. 59 Business and Ben Wilson. There are others that need a total rebuild, but were not able to be worked into the budget.

Code Enforcement budget added two positions, one clerical and one code enforcement officer as directed by Council earlier in the year.

Street Department budget has no new positions proposed. Maintenance and operations increased to outsource road rebuilds, implement outfall maintenance program, and enhance the street sweeping. Street maintenance materials and fuel decreased because of the outsourcing of the road rebuilds. Storm sewer maintenance and commercial equipment rental increased because of the outfall maintenance program, and a replacement street sweeper is also included in budget. Capital outlay increased for street reconstruction funded at the current level, machinery and equipment increased for the purchase of a concrete trailer for short loads and a tank to hold oils and emulsions. Sidewalk construction will be included where reclaim and overlay projects are being done.

Parks and Recreation budget is up \$530,000 because of four new positions and expenses due to the new youth sports complex.

Library budget has an overall decrease of \$68,000.

Building Services and Custodial budget has no changes.

Water/Wastewater Discussion

Utilities budget has an increase of \$1.8 million. No new positions are proposed. Maintenance and Operations is proposed to increase by \$342,000 for funding the design of the downtown utility projects. Also planning to replace some vehicles, glide replacement for sludge at surface water plant. On the Capital side there is an increase in funding to replace the AS400 in the billing office and funding \$1.245 million of downtown utility project. Proposing to purchase an easement jet machine to unclog sewer mains, a pipe burster, and replace tools that are typically replaced every year. Revenue of \$21.36 million is projected with an ending balance of \$5.596 million. In order to achieve those revenues and still do all of the proposed projects a rate increase is proposed. Proposing fixed rate increases to service three issuances of revenue bonds which would increase the base rate for water a total of \$1.72 and increase sewer rates by \$1.81.

EXECUTIVE SESSION

Mayor Armstrong announced that Council would recess into Executive Session at 7:28 p.m., in accordance with:

CITY COUNCIL MINUTES

August 14, 2007

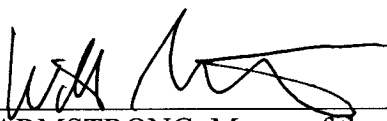
Section 551.071, Texas Government Code, consultation with attorney on matter involving pending or contemplated litigation or other matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. David A. Smith.

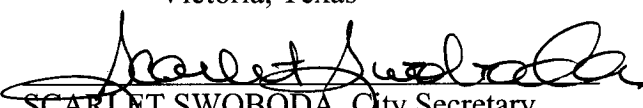
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Section 551.074, Texas Government Code, with regard to personnel matters. Scarlet Swoboda.

The Council reconvened in regular session at 8:30 p.m. with no action taken and nothing to report. There being no further business, the meeting was adjourned.

APPROVED: 
WILL ARMSTRONG, Mayor of the City of
Victoria, Texas

ATTEST: 
SCARLET SWOBODA, City Secretary

VICTORIA CITY COUNCIL

August 21, 2007

CALL TO ORDER

A regular meeting of the Victoria City Council was called to order by Mayor Will Armstrong at 5:00 p.m. Tuesday, August 21, 2007 in the Council Chambers, 107 W. Juan Linn, Victoria, Texas. The pledge of allegiance was said, and all citizens were welcomed.

MEMBERS PRESENT

Will Armstrong, Mayor
Philip Guittard
Lewis Neitsch
Paul Polasek
David Hagan
Jim Wyatt
Tom Halepaska

STAFF PRESENT

Charles E. Windwehen, City Manager
Charmelle Garrett, Deputy City Manager
David A. Smith, City Attorney
Miles Risley, Senior Assistant City Attorney
John Johnston, Director, Engineering
John Kaminski, Director, Planning
Jesse Turner, Police Captain
Vance Riley, Fire Chief
Doug Cochran, Director, Parks and Recreation
James Stewart, Director, Library
Rick Henrichs, Director, IT
Lynn Short, Director, Streets and Utilities
Gilbert P. Reyna, Jr., Director, Finance
Steve Trevino, Director, IMS
Jerry James, Director, Environmental Services
Danette Respondek, Director, Human Resources

August 21, 2007

O.C. Garza, Public Information Officer
Scarlet Swoboda, City Secretary

APPROVAL OF MINUTES

The minutes of the regular meeting of August 7, 2007 were approved as presented.

CITIZENS COMMUNICATION

Lisa Cortinas, Director of Transportation Services for the Golden Crescent Planning Commission and Executive Director, Joe Brannan presented their budget request for 2008 to continue transit services in the City. They distributed a handout outlining their budget requests along with a summary of operating costs and the projects proposed for 2008. The significant changes over last year were the 29% decrease in state funding and preventive maintenance cost increase of 26% for vehicles. Ms. Cortinas advised that they planned to expand their daily service hours and add service on the weekends. Mr. Brannan advised that there was a demand for transit service in the northern section of the City. He further stated that although the Federal funds had increased, the Texas Department of Transportation (TxDot) funds had decreased, and the Federal funding requires a match in funding.

Members of Council requested rider-ship numbers per vehicle and bus stop locations.

ITEMS FROM COUNCIL

Proclamation

A proclamation was read and presented to Ray Howell, who while on vacation with his family in Hawaii on July 19, 2007, went to the aid of Harvey Miller who was being attacked by a shark while snorkeling in Hawaii. Mayor Armstrong declared August 21, 2007, "Ray Howell Day" for his act of compassion and courage. Fire Chief, Vance Riley also presented Mr. Howell with the "Victoria Fire Department Life Saving Award." Mr. Howell thanked the Mayor, Council, and Fire Department for the tremendous honor. He stated "you can do something that you consider a small act that can impact someone and have a multiplying positive affect."

Horseman's Club Arena

Cm. Neitsch voiced some concerns about what to do with the Horseman's Club and arena. He had requested some background on the contract with the Horseman's Club and what the relationship was like. Parks and Recreation Director, Doug Cochran presented information on their ten-year Lease Agreement, which will expire on October 31, 2013. The agreement calls for certain improvements within one-year, two-years, and five-years of the agreement. A number of the improvements have not been done. A suggestion was made to encourage the elimination of the stalls to board horses, but leave the arena as part of the agreement.

CITY MANAGER REPORT

City Manager, Charles E. Windwehen announced that there would be another meeting on August 28, 2007. There would also be a Work Session on Capital Improvement Projects following the September 4, 2007 meeting.

Parks and Recreation Director, Doug Cochran advised that the July 4th fireworks show was cancelled this year because of rain and muddy grounds. He asked for consensus from Council to combine this years fund with next years and have one really big show. Council agreed.

RESOLUTION 2007-130R – AWARDING THE BID FOR THE GOLDMAN STREET SANITARY SEWER LINE REHAB PROJECT TO INSITUFORM TECHNOLOGIES, INC.

The resolution awards the bid for the Goldman Street Sanitary Sewer Line Rehabilitation from Rio Grande Street to Red River Street project to Insituform Technologies, Inc., of Chesterfield MO., in the amount of \$272,410. Lynn Short.