


ATTEST:   
SCARLET SWOBODA, City Secretary

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**VICTORIA CITY COUNCIL  
October 2, 2007**

**CALL TO ORDER**

A regular meeting of the Victoria City Council was called to order by Mayor Will Armstrong at 5:01 p.m. Tuesday, October 2, 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  
Gilbert P. Reyna, Jr., Director, Finance  
John Kaminski, Director, Planning  
Bruce Ure, Police Chief  
Lynn Short, Director, Streets and Utilities  
Doug Cochran, Director, Parks and Recreation  
Steve Trevino, Director, IMS  
Rick Henrichs, Director, IT  
Jerry James, Director, Environmental Services  
Ken Gill, City Engineer  
Jesse Turner, Police Captain  
Scarlet Swoboda, City Secretary

**OTHERS PRESENT**

Dale Fowler, Executive Director,  
Victoria Economic Development Corp.

**APPROVAL OF MINUTES**

The minutes of the special meeting of September 11, 2007 and the regular meeting of September 18, 2007 were approved as presented.

**CITIZENS COMMUNICATION**

Stephen Janak, President of the Victoria County, 4-H County Council and several other members presented the City Council with some cake and cookies as a sign of appreciation for everything they do for Victoria and the youth of Victoria County. A proclamation was presented to the group declaring October 7-13, 2007 "National 4-H Week."

**ITEMS FROM COUNCIL**

There were no items from Council.

**PUBLIC HEARINGS**

Mayor Armstrong opened a public hearing on the following items:

**ORDINANCE 2007-20 – ADOPTING STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION, VERSION 2007.2**

The ordinance considers adopting Standard Specifications for Public Works Construction, Version 2007.2. Ken Gill.

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Mayor Armstrong asked if there were any questions from Council or the audience. There were none.

**ORDINANCE 2007-20 – ADOPTING STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION, VERSION 2007.2**

City Attorney, David A. Smith, read the caption of Ordinance 2007-20, which adopts Standard Specifications for Public Works Construction, Version 2007.2. Second and Third Reading. Ken Gill.

Cm. Guittard moved that the ordinance pass on second and third reading, with Cm. Neitsch seconding the motion. The ordinance passed on second and third reading by the following vote:

AYES: Council Members Guittard, Neitsch, Polasek, Hagan, Wyatt, Halepaska, and Mayor Armstrong

NAYS: None

Caption:

**AN ORDINANCE ADOPTING STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION, VERSION 2007.2, REPEALING CONFLICTING ORDINANCES, PROVIDING FOR ENFORCEMENT, PROVIDING FOR SEVERABILITY, AND DECLARING AN EFFECTIVE DATE.**

**ORDINANCE 2007-21 – ADOPTING THE INTERNATIONAL EXISTING BUILDING CODE 2006 EDITION**

The ordinance considers amending Sections 5-50(b) and 5-64 through 5-67 of the Victoria City Code to adopt the International Existing Building Code, 2006 Edition, which is specifically written to promote redevelopment and continued use of existing buildings. These are specific standards that take old buildings and allow a more relaxed standard, keeping in mind the types of materials that were applicable when those buildings may have been built, while still meeting the life, safety, and intent of the codes used today. Steve Trevino.

Mayor Armstrong asked if there were any questions from Council or the audience. There were none.

**ORDINANCE 2007-21 – ADOPTING THE INTERNATIONAL EXISTING BUILDING CODE 2006 EDITION**

City Attorney, David A. Smith, read the caption of Ordinance 2007-21, which amends Sections 5-50(b) and 5-64 through 5-67 of the Victoria City Code to adopt the International Existing Building Code, 2006 Edition. Second and Third Reading. Steve Trevino.

Cm. Halepaska moved that the ordinance pass on second and third reading, with Cm. Hagan seconding the motion. The ordinance passed on second and third reading by the following vote:

AYES: Council Members Guittard, Neitsch, Polasek, Hagan, Wyatt, Halepaska, and Mayor Armstrong

NAYS: None

Caption:

**AN ORDINANCE AMENDING SECTIONS 5-50(B) AND 5-64 THROUGH 5-67 OF THE VICTORIA CITY CODE TO ADOPT THE INTERNATIONAL EXISTING BUILDING CODE, 2006 EDITION; REPEALING CONFLICTING ORDINANCES, PROVIDING FOR ENFORCEMENT, PROVIDING FOR SEVERABILITY, PROVIDING FOR CODIFICATION AND SAVINGS, PROVIDING A PENALTY NOT TO EXCEED \$2,000 UPON CONVICTION AND PUBLICATION, AND DECLARING AN EFFECTIVE DATE.**

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

## CITY COUNCIL MINUTES

October 2, 2007

**CITY MANAGER REPORTS**

- **Sportsplex at Community Center.** Doug Cochran, Director of Parks and Recreation reported that the contractor had good weather and was able to seed the three fields that he had previously reported would not be seeded this year because it was so late in the season. Installation of the ball field lights has begun, as well as grading on the outside of the fields, and some concrete work. The rough plumbing has been done on the maintenance shop, concession stand, and on the foundation grading. The rough grading has been done on the parking lot, and they have removed the existing asphalt and curbing.
- **Paddling Trail** – Mr. Cochran reported that the river is down, however the contractor and staff have not been able to get together, but hope to start soon.
- **Skate Park** – Mr. Cochran reported that a contract should be coming to Council for consideration on the November 6, 2007 regular meeting.
- **Horseman's Arena** – Mr. Cochran reported that demolition had begun on the horse stalls and anticipate completion by next week.
- **Status of Lone Tree Road Reconstruction Project.** Ken Gill, City Engineer, reported that the paving between North and Ben Jordan was complete, and the curb was up. The contractor was finishing the driveways and working on sidewalks. The waterlines are in from Ben Jordan to Lova, and they are currently working on the storm sewer lines, then the sanitary sewers will be done.

**RESOLUTION 2007-153R – PURCHASING VHF RADIOS AND EQUIPMENT FROM ICOM AMERICA, INC.**

The resolution authorizes all documents necessary to purchase VHF radios and equipment from ICOM America, Inc. of Bellevue, Washington in the amount of \$35,791.47, to be funded by the 2006 State Homeland Security Grant from the U.S. Department of Homeland Security and the Governor's Division of Emergency Management. Jesse Turner.

Cm. Polasek moved that the resolution be adopted, with Cm. Hagan 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

**RESOLUTION 2007-154R – ACCEPTING AN APPLICATION FOR DESIGNATION OF A REINVESTMENT ZONE AND A TAX ABATEMENT AGREEMENT FROM STARTEK USA, INC., DOLPHIN ASSOCIATES LIMITED PARTNERSHIP, AND WHISPER CAPITAL, LLC**

The resolution accepts an application for designation of a Reinvestment Zone and a Tax Abatement Agreement from StarTek USA, Inc., Dolphin Associates Limited Partnership, and Whisper Capital, LLC, and sets a public hearing for consideration of such application. Dale Fowler.

Dale Fowler, Executive Director of Victoria Economic Development Corporation (VEDC) advised that StarTek USA, Inc. were anticipating having over \$8 million invested in the building and equipment, with 300 jobs in the first phase, and 500 jobs ultimately.

Cm. Wyatt moved that the resolution be adopted, with Cm. Neitsch 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

**RESOLUTION 2007-155R – APPROVING THE TERMS AND CONDITIONS OF A TAX ABATEMENT AGREEMENT WITH SOUTH TEXAS STEEL SERVICE COMPANY, LLC.**

The resolution approves the terms and conditions of a tax abatement agreement between the City of Victoria, Texas and South Texas Steel Service Company, LLC, provides for a commercial/industrial tax abatement for South Texas Steel Service Company, LLC for a period of four-years and authorizes execution of the agreement by the City Manager. Dale Fowler.

Cm. Wyatt moved that the resolution be adopted, with Cm. Hagan 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

**RESOLUTION 2007-156R – AUTHORIZING AGREEMENT WITH COMMUNITY ACTION COMMITTEE OF VICTORIA (CAC) TO ADMINISTER THE 2007 CDBG OWNER-OCCUPIED HOME REHABILITATION PROGRAM**

The resolution authorizes the City Manager to execute a Programmatic Agreement with Community Action Committee of Victoria (CAC) to administer the 2007 CDBG Owner-Occupied Home Rehabilitation Program. John Kaminski.

Cm. Guittard moved that the resolution be adopted, with Cm. Neitsch 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

**RESOLUTION 2007-157R – APPOINTING THREE MEMBERS TO THE PARKS AND RECREATION COMMISSION**

The resolution appoints Dale Hunt, Susannah Porr, and reappoints Roger Delagarza to the Parks and Recreation Commission. Scarlet Swoboda.

Cm. Neitsch moved that the resolution be adopted, with Cm. Guittard 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

**RESOLUTION 2007-158R – TERMINATING CONTRACT WITH ALLIED WASTE INDUSTRIES AND AUTHORIZING AN AGREEMENT WITH REPUBLIC WASTE SERVICES, INC. TO OPERATE THE VICTORIA LANDFIL**

The resolution authorizes (1) an agreement with Victoria Landfill Texas, LP, a division of Allied Waste Industries, to terminate its contract to operate the Victoria Landfill and execute (2) an agreement with Republic Waste Services, Inc. to operate the Victoria Landfill. Jerry James.

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

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

**WORK SESSION****Operation and Regulation of Wastewater Treatment Plants used by the City of Victoria**

City Manager, Charles E. Windwehen, advised that periodically management and staff look at all of the business practices, in order to provide information to the Council to make good long-term decisions. The Council made a decision over 35 years ago to enter into a turn-key contract with the Guadalupe-Blanco River Authority (GBRA) to operate the City's sewer treatment plant, which was a good decision at the time. A lot of things have changed since then, and today the City has some economy of sales synergies that would allow the City to operate the sewer plant at a savings of \$288,000 compared to the current contract. He stated that GBRA has done a great job for the City, but there are some reasons that make sense for the City to take the plants back over. A decision did not need to be made at this meeting, as GBRA has asked to have a study performed by their consultants, and the administration has no problem waiting a little while.

Director of Streets and Utilities, Lynn Short introduced Norm Burt, O&M Specialist with Camp, Dresser, and McKee (CDM). Mr. Burt presented a power point presentation on the operations analysis of Treatment Plant Assessment Phase II. In that presentation there were three options that were detailed for consideration:

- Continue to contract with GBRA
- Operations by a private contractor
- City operation of the treatment facilities

Mr. Burt advised that the facilities were toured and data was gathered and reviewed to determine the costs to operate. They looked at cost information for budget purposes, as opposed to looking at the actual expenditures. They concentrated on a comparison on where the money was spent now, and if the City ran the facility, what sort of budget would Council be looking at. The major cost categories are personnel, utilities, maintenance and repairs, chemicals, supplies, outside costs, and other miscellaneous items.

He advised that personnel are usually 50% of the costs to run the plants. There are currently 18 individuals running the plant, including the two individuals working in the office and two working in the laboratory. He suggested that there could be a potential savings in chemicals used as well. The privatization approach in cost was developed and used to compare with what GBRA was currently doing to operate the facility. A private contract operator also has the personnel issue in dealing with cost and would need to offer comparable wages, so there would really be no savings by going that route.

Mr. Burt advised that the City could run the facility with 15½ employees. The City water facility currently has a maintenance manager who is experienced and capable; he could provide management oversight over both water and wastewater. Currently the water employees already maintain the wastewater pumping stations, so they have experience maintaining that type of equipment, which is similar to the equipment at a wastewater plant. The City approach and the contractors approach differ from the current approach in that outside analysis is not included in the laboratory work. Currently there is some analytical work done at the treatment plant, which brings in some revenue to the City, but not enough to justify outside laboratory analysis. The savings that the City would be able to achieve, would be \$730,000 annually. The other significant savings would be in personnel costs.

Mr. Short advised that this report gives a good idea of the potential savings and stated that he would like for the Council to make a decision by the end of the 2007 calendar year or early 2008. If some sort of transition was going to be made, he suggested making it as early as possible. He advised that if a significant savings could be achieved from operations, coupled with the debt service that was going to retire in 2010, that would serve as a substantial portion of the debt associated with expanding or building new facilities there. The current population projections indicate that the City would need to be online with some additional capacity by 2015.

Cm. Polasek inquired about whose risk it was to run the plant. Mr. Short advised that GBRA assumes a huge risk, and if another arrangement for operations were made to run the plant that risk

would be transferred to whoever was operating. Most of the plants around the state are operated by the municipalities.

Mayor Armstrong complimented GBRA for how they have run the plant for all of these years, as they have done a great job. He advised that it was the intent at the onset of the contract in the 1970's that once the City got the debt down the City would take over the plant. The obligation to the community is to take on this responsibility for a savings.

Bill West, General Manager for the Guadalupe-Blanco River Authority, advised that GBRA and the City have had a long relationship, plus the City was their largest municipal customer. It was GBRA's proposal to hire an independent consultant to analyze the operations and maintenance of the plant. They estimate that it would take four to six months to go through the process and requested the time to do the analysis, suggesting that both GBRA and the City would benefit from the process. It was the consensus of Council to allow them until April 1, 2008 to come back with their report.

**EXECUTIVE SESSION**

Mayor Armstrong announced that Council would recess into Executive Session at 6:13 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, legal & regulatory issues related to the operation of the City of Victoria Willow Street Wastewater Treatment Plant and Regional Wastewater Treatment Plant). David A. Smith.

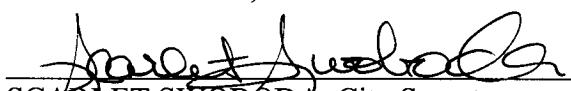
Section 551.072, Texas Government Code, to deliberate the purchase, exchange, lease, or value of real property interests due to the fact that deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third party (including, but not limited to, the value of property at the Victoria Regional Wastewater Treatment Plan). 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, incentives for StarTek USA, Inc., Dolphin Associates Limited Partnership, and Whisper Capital, LLC to develop former Albertsons Building at 1309 E. Red River and for South Texas Steel Service Company, LLC. to develop 101 & 201 E. Crestwood). David A. Smith.

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

The Council reconvened in regular session at 7:22 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