

**VICTORIA CITY COUNCIL****August 19, 2008****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, August 19, 2008 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  
Miles Risley, City Attorney  
Gilbert P. Reyna, Jr., Director, Finance  
Lynn Short, Director, Public Works  
John Kaminski, Director, Planning  
Bruce Ure, Police Chief  
Vance Riley, Fire Chief  
Doug Cochran, Director, Parks and Recreation  
Dayna Williams-Capone, Assistant Director, Library  
Danette Respondek, Director, Human Resources  
Rick Henrichs, Director, IT  
Steve Trevino, Director, IMS  
Jerry James, Director, Environmental Services  
John Johnston, Deputy Director, Public Works  
Scarlet Swoboda, City Secretary

**APPROVAL OF MINUTES**

The minutes of the regular meeting of August 5, 2008 were approved as presented.

**CITIZENS COMMUNICATION**

Russell Pruitt, 402 Sherwood, expressed concerns about raising the water and sewer rates. He commented that he was still stinging from the higher property appraisals, and the fees and services continued to increase. He suggested reducing the tax rate dramatically or at least split the difference. He felt Council was listening to someone other than the constituents.

Jack A. Mullins, 244 Ridgewood, addressed three things: 1) Zoo Funding, 2) Transit System, and 3) City funding in connection with the needs of the new schools that were to be built. He suggested that the Zoo and Transit System should be self sustaining, and the taxpayers should not have to foot the bill. The Council knew that schools would be built to house large numbers of students, and nothing was ever brought forward before the bond election that there would be substantial expenses involved on the part of City taxpayers in connection with the proposal.

Mayor Armstrong responded that when the bonds were being proposed and the Council unanimously supported that bond election, they had no idea where those schools would be built. The citizens of the community would appreciate the safe roads and the allowances that the City was making so that the schools could be maximized.

**ITEMS FROM COUNCIL**

Cm. Wyatt requested that staff continue to look for a safe place for the citizen's to drop off their materials if they exceeded the City's limits of yard waste, brush and bulky items.

**Planning Commission Service Award**

Planning Director, John Kaminski, advised that Victor Marshall was appointed to the Planning Commission in July 1988. He had the pleasure of working with Mr. Marshall for the last 20-years and he had served as a fixture of commitment, consistency, fairness, and high ethical standards. On behalf of the Planning staff he expressed appreciation, and Mayor Armstrong presented Mr. Marshall with a plaque. Mr. Marshall thanked the Council and staff for having

confidence and allowing him to serve over the last two decades, telling Council that they had the best Planning staff in the State of Texas.

**CITY MANAGER REPORTS**

- **2008 Street Inventory** – Deputy Director of Public Works, John Johnston recognized Brian Moore, David Schoener, Jessie Gonzales, Clarissa Ramirez, Mary Pullin, and Jennifer Reyes for their assistance in putting together the report. A pocket version was included again for Council benefit. He reported that there are 310 miles of City streets in Victoria and 52 streets are collectors or arterials. The report listed the worst and best listing, noting that they had maintained close to what the current costs were. City Manager, Charles E. Windwehen advised that this has been a valuable tool to plan maintenance programs from year to year, and measure improvements and progress.
- **Automatic Solid Waste Pickup in Parks** – Parks Director, Doug Cochran reported on the feasibility of using 96 gallon trash receptacles in the Parks instead of the 55 gallon barrels. After an analysis it was determined that switching to 96 gallon receptacles would cost \$20,000 more to implement, and the ongoing cost would be approximately \$10,000 more a year than current expenditures.

**RESOLUTION 2008-129R – AWARDING BIDS FOR ANNUAL SUPPLY CONTRACTS FOR VARIOUS CHEMICALS**

The resolution awards bids for annual supply contracts to:

- (1) General Chemical Performance Products, LLC., of Parsippany, New Jersey for Aluminum Sulfate in the amount of \$269 per liquid ton for a total of approximately \$403,500,
- (2) Altivia Corporation, of Houston, Texas for Chlorine in the amount of \$595 per ton container for a total of approximately \$71,400,
- (3) Simply Aquatics, of Kirbyville, Texas for Phosphate-Based Corrosion Inhibitors in the amount of \$1,420 per liquid ton for a total of approximately \$106,500,
- (4) Brenntag Southwest, Inc., of Houston, Texas for Ferrous Chloride in the amount of \$275 per liquid ton for a total of approximately \$68,750,
- (5) Siemens Water Technologies Corporation of Sarasota, Florida for Sodium Chlorite in the amount of \$878 per liquid ton for a total of approximately \$105,360, and
- (6) Pennco, Inc., of San Felipe, Texas for Ferrous Sulfate in the amount of \$137.50 per liquid ton for a total of approximately \$55,000. Lynn Short.

Cm. Guittard moved that the resolution be adopted, with Cm. Polasek 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 2008-130R – AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH POST, BUCKLEY, SCHUH AND JERNIGAN, INC. FOR THE DOWNTOWN WATER AND SEWER LINE REPLACEMENT PROJECT**

The resolution authorizes a Professional Services Agreement between the City of Victoria and Post, Buckley, Schuh and Jernigan, Inc. (PBS&J) for Surveying, Preliminary Design, Final Design, Permitting, Bidding and Construction Phase Services for Phase I, Projects #3 and #4 of the Downtown Water and Sewer Line Replacement Project in the amount of \$436,084. Lynn Short.

Cm. Polasek 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

CITY COUNCIL MINUTES

August 19, 2008

**RESOLUTION 2008-131R – AUTHORIZING AN INTERLOCAL AGREEMENT WITH VICTORIA INDEPENDENT SCHOOL DISTRICT TO PROVIDE CITY PARTICIPATION IN PROPOSED VISD CONTRUCTION IMPROVEMENTS**

The resolution authorizes an Interlocal Agreement between the City of Victoria and Victoria Independent School District to provide for City Participation in proposed Construction Improvements related to VISD Facilities, which will provide for City funding of said projects in an amount not to exceed \$3,200,000. Lynn Short.

Cm. Hagan suggested that because of the large amount of money being considered, he would like to see this go to a vote of the people. He did not feel that the community anticipated this.

Cm. Wyatt advised that he would like to see the project continue on schedule. He felt that VISD could have collaborated better, but he supported the resolution. Cm. Polasek agreed and suggested that there would be problems with ingress and egress around those schools if the City did not do this now. Cm. Halepaska stated that these improvements would have to be made as the City expands, and would probably save money from what it would cost in the future. He felt it was forward thinking on the part of Council.

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

AYES: Council Mernbers Guittard, Neitsch, Polasek, Wyatt, Halepaska, and Mayor  
Armstrong  
NAYS: Council Member Hagan

**RESOLUTION 2008-132R – SUPPORTING INTERNATIONAL POWER/SOUTH TEXAS ELECTRIC COOPERATIVE’S (STEC) COLETO CREEK UNIT 2 FOR DEVELOPMENT OF A NEW COAL-FUELED ELECTRIC GENERATING FACILITY**

The resolution recognizes the essential role of coal generated power in the national energy policy of the United States, and supports International Power/South Texas Electric Cooperative’s (STEC) Coleto Creek Unit 2 consideration of Victoria County, Texas for development of a new coal-fueled electric generating facility. Miles Risley.

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

**WORK SESSION**

**Proposed Fiscal Year (FY) 2008-2009 Budget**

There was discussion about whether to have two or three readings to adopt the tax rate and hold public hearings. It was the consensus of Council to set up the calendar for three readings.

Finance Director, Gilbert P. Reyna, Jr., presented an overview of the General Fund and Water/Wastewater Fund. He advised that the FY 2008 beginning fund balance was \$12.1 million, and the ending fund balance would be approximately \$9.1 million, resulting in a decrease of \$3 million. The decrease was due to the construction of Fire Station No. 4 and a Ladder truck. The predicted revenues for FY 2009 are \$43.9 million, which are generated from property tax, sales tax, other taxes, bond proceeds and other fees. The FY 2008 revenues were \$39.9 million with an assumed increase in revenues for FY 2009 of \$4 million. The increases in projected revenue are mainly due to property tax revenue, sales tax revenue, franchise revenue, workers’ compensation fund, and bond reimbursement.

Mr. Reyna advised that the FY 2009 expenses were projected at \$43.5 million. FY 2008 expenses were \$44 million, with a projected decrease of \$500,000. He projected ending the year

August 19, 2008

with \$9.5 million, and was proposing a fund balance of \$8.7 million, leaving \$800,000 available for non-recurring items. He advised that in the past the City has kept a minimum fund balance of 15% of the budget. He proposed raising the minimum fund balance to 20%, which would leave \$8.7 million, or 2.4 months in reserve. A minimum fund balance of 15%, which is currently used, would be \$6.5 million, or 1.8 months. Another option would be to raise the minimum fund balance by 18%, which would leave \$7.8 million or 2.2 months in reserve. The fund balance is to sustain services in the event of a major disaster, to help finance internal capital projects, and to have a stronger financial position.

The FY 2008 Water/Wastewater fund began the year with \$7.3 million and should end with \$5.8 million, which would be a decrease of \$1.5 million. The projected revenue for FY 2009 is \$22.3 million, which is an increase of \$900,000 from the FY 2008 revenue of \$21.4 million. The FY 2008 expenses were \$22.9 million, with the FY 2009 expenses projected to be \$22.7 million giving a decrease of \$200,000. The projected FY 2009 year end balance of \$5.5 million and proposed minimum fund balance of \$3.8 million on the operating side, and \$1.7 million for debt services leaves nothing available for non-recurring items.

Director of Public Works, Lynn Short, advised that the Public Works Department was proposing an overall budget for Water/Wastewater of \$22,688,201. Expenses were broken out for personnel and benefits in the amount of \$3,965,636, maintenance and operations in the amount of \$8,087,802, capital outlay in the amount of \$1,662,260, non-departmental in the amount of \$2,304,604, and debt in the amount of \$6,667,899. He advised that staff was predicting revenues of \$22,307,307 which is an increase of \$942,964 for FY 2008. This is primarily attributable to rate increases that were adopted in FY 2008, the proposed rate increase for FY 2009, and 1% projected growth in the number of accounts.

He presented information on the rate structure for water and sewer rates, noting that it was set up so the more a person uses the more it costs. The average residential water bill for 10,000 gallons is \$29.45 for the base rate plus 8,000 gallons of consumption. The sewer rate is much the same with the average residential sewer bill of \$33.75. He proposed raising the base rates to service the debt of a number of large projects by raising the rates over two years. He recommended raising the base rates of water in FY 2009 by \$.36 and sewer by \$.38. In addition to that he recommended on the variable rate side a \$.10 per 1,000 gallon increase for each tier in water and sewer. Under this proposal the FY 2009 proposed base water rate would be \$17.09 with each tier increased by \$.10. That average residential water bill for 1,000 gallons would go up to \$30.61, and the sewer rate would go up \$.38, with each tier of the variable rate going up \$.10 as well, with the average residential rate being \$34.73. The FY 2010 base rates would increase by \$.57 on both the water and sewer sides.

Mr. Short advised that from the General Fund the proposed Streets budget was \$4,831,398, Traffic Control budget was \$2,315,259, and Engineering budget was \$968,445.

Deputy City Manager, Charmelle Garrett, advised that a lot of the budgets were flat with no new programs. Most of the increases are attributed to personnel costs and the pay program. She pointed out highlights in the Fire Department Budget of \$11.5 million, Police Department Budget of \$10.9 million, Parks and Recreation Budget of \$3.3 million, and Library Budget of \$2.2 million.

City Manager, Charles E. Windwehen, pointed out the list of one time expenditures in the General Fund and advised that the single largest item in the budget was the pay program being recommended, which is a 3.5% average cost pay-for-performance program for all the employees.

Director of Environmental Services, Jerry James, advised that the proposed budget was a continuation of the current budget, which is to switch over to automation, purchasing those trucks, and employee reduction as part of that program. The entire City will have received the new garbage carts by November. He gave an update on the Texas Landfill Management (TLM) Agreement and their registration with the Texas Commission on Environmental Quality (TCEQ). They have now begun to make investment in the site, the property has been mowed and cleared, and fencing material is on site. The City has been in discussions with the County to use some of the demolition concrete from the airport to crush and recycle to help keep costs down for the pad and road improvement projects at the Landfill.

**CITY COUNCIL MINUTES****August 19, 2008**

Mr. James advised that staff was still proposing that City staff pick-up yard waste and small tree trimmings with the rear-loading trucks. He further proposed to no longer pick-up brush that has been cut by a commercial tree trimming firm, and then going from monthly pick-up to quarterly pickup of six-cubic yards. If the customer goes beyond the six-cubic yards, charge \$1.50 per minute and if someone were to call out of cycle there would be a \$20 service charge, plus \$1.50 per minute. Large bulky items beyond six-cubic yards would be picked-up twice a year at the \$1.50 per minute rate. The recommendation continued to be a \$2.38 increase to the base rate and implementing the variable rates as aforementioned for brush and bulky items.

The members of Council were opposed to raising the base rate to \$2.38, but they were in favor of moving forward with the rates for the brush and bulky pick-up.

**PUBLIC HEARINGS AND ACTION**

Mayor Armstrong closed the Work Session and opened a public hearing on the following items:

**ORDINANCE 2008-8 – AMENDING CHAPTER 24, FEES OF THE VICTORIA CITY CODE BY AMENDING SECTION 24-121 “WATER SERVICE CHARGES” AND SECTION 24-122 “SEWER SERVICE CHARGES”**

City Attorney, Miles Risley, read the caption of Ordinance 2008-8, which amends Chapter 24, Fees of the Victoria City Code by amending Section 24-121 “Water Service Charges” and Section 24-122 “Sewer Service Charges” to establish revised water and sewer rates. First Reading. Lynn Short.

Mayor Armstrong asked if there were any questions from Council or the audience.

Cm. Hagan did not support water or sewer rate increases. He suggested that the City should scrub the budget to find \$3 million in order to not raise rates. He asked City staff to come back with \$3 million in proposed budget cuts, if this meant doing fewer projects than on the front burner, well so be it. He did not care if they were in the works or not, families make adjustments every year, and the City needed to be flexible in that regard as well.

Cm. Polasek asked whether Cm. Hagan had suggestions as to where to make those cuts. Cm. Hagan wanted the City Administration to bring back suggestions, which is what they were paid to do. He had his own thoughts, but would like to hear theirs.

Cm. Wyatt moved that the ordinance pass on first reading, with Cm. Neitsch seconding the motion. The ordinance passed on first reading by the following vote:

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

NAYS: Council Member Hagan

Caption:

**AN ORDINANCE AMENDING CHAPTER 24, FEES OF THE VICTORIA CITY CODE BY AMENDING SECTION 24-121 “WATER SERVICE CHARGES” AND SECTION 24-122 “SEWER SERVICE CHARGES” TO ESTABLISH REVISED WATER AND SEWER RATES, REPEALING ALL CONFLICTING ORDINANCES, PROVIDING FOR SEVERABILITY, PROVIDING FOR A SAVINGS CLAUSE, PROVIDING FOR CODIFICATION, AND DECLARING AN EFFECTIVE DATE.**

**ORDINANCE 2008-9 – AMENDING THE MASTER THOROUGHFARE PLAN**

City Attorney, Miles Risley, read the caption of Ordinance 2008-9, which amends the City of Victoria Master Thoroughfare Plan to guide the growth and development of the City of Victoria and its extraterritorial jurisdiction. First Reading. John Kaminski.

Mayor Armstrong asked if there were any questions from Council or the audience.

CITY COUNCIL MINUTES

August 19, 2008

Cm. Polasek inquired about the removal of Guy Grant from the Master Plan. Planning Director, John Kaminski advised that it had been recommended for removal years ago and was still the recommendation, because it no longer could be extended to the Houston Highway. Once they lost the ability to run that thoroughfare all the way to the Houston Highway, it no longer was functional. He further added that the recommendation was unanimously approved by both the Planning Commission and the Metropolitan Planning Organization (MPO).

Cm. Polasek moved that the ordinance pass on first reading, with Cm. Guittard seconding the motion. The ordinance passed on first reading by the following vote:

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

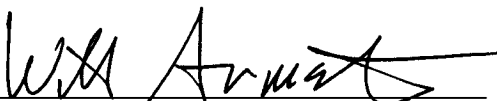
Caption:


**AN ORDINANCE AMENDING THE CITY OF VICTORIA MASTER THOROUGHFARE PLAN TO GUIDE THE GROWTH AND DEVELOPMENT OF THE CITY OF VICTORIA AND ITS EXTRATERRITORIAL JURISDICTION; PROVIDING FOR SEVERABILITY; AND DECLARING AN EFFECTIVE DATE.**

Mayor Armstrong closed the public hearing.

**EXECUTIVE SESSION**

Mayor Armstrong announced that there was no need for an Executive Session. There being no further business, the meeting was adjourned at 7:25 p.m.

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

ATTEST:   
SCARLET SWOBODA, City Secretary

\*\*\*\*\*