

CITY COUNCIL MINUTES


August 28, 2008

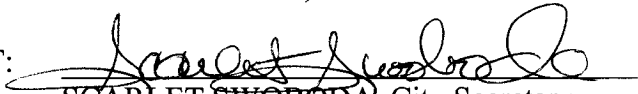
AYES: Council Members Guittard, Neitsch, Hagan, Wyatt, Halepaska, and Mayor
Armstrong

NAYS: Council Member Polasek

EXECUTIVE SESSION

Mayor Armstrong announced that there was no need for an Executive Session. There being no further business, the meeting was adjourned at 6:35 p.m.

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

ATTEST: 
SCARLET SWOBODA, City Secretary

**VICTORIA CITY COUNCIL
September 2, 2008**

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, September 2, 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, Development Services
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
Steve Trevino, Director, IMS
Jerry James, Director, Environmental Services
Darrell Seibert, Public Works Engineer
Scarlet Swoboda, City Secretary

APPROVAL OF MINUTES

The minutes of the regular meeting of August 19, 2008 were approved as presented.

CITIZENS COMMUNICATION

Russell Pruitt, 402 Sherwood, expressed concern with the City's proposed tax rate of \$0.6562 and asked Council to consider adopting a tax rate no larger than \$0.6339. He mentioned the various fees, fines, and permits that were increasing throughout the City. He advised that the new appraisals

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have increased by 10% on the average, adding that if the tax rate is raised over \$0.6339 people would still be paying more than last year. He expressed concern for the businesses that would also be affected by the higher tax rate. He further stated that the higher appraisals cause peoples insurance to go up. Mr. Pruitt stated that it was hard for him to realize that his home was worth the appraised value and felt that his appraisal should be what he paid for it, plus whatever improvements were made, and then frozen at that amount. The future is on the growth of the City and that is where new revenue should come from along with sales tax revenue.

Mayor Armstrong asked Mr. Pruitt if he had evidence that people were selling their homes for under the appraised value and had he talked to realtors? He stated that the City was lowering the tax rate and the Council had no control over what the appraised values were. The Texas Municipal League (TML) put out a report that municipalities inflation rate was around 7%. The Council was concerned about the citizens, but they also have to operate the City, and they have had cost increases. He also inquired whether his group had been to the County and the school district making the same proposals to them.

Cm. Hagan felt like Mr. Pruitt was being cross examined and he did not care what the school board or County did. He cared what the City did, and the City needed to give tax relief to the citizens of Victoria. He stated the municipal price index has gone up, but so has the consumer price index. Individuals cut back, and he felt like the City was sticking it to the taxpayer, stating it was not right, moral, or ethical and he disapproved. He suggested giving the community a break by rolling the tax rate back to \$0.6339, so that there was no increased revenue from the taxpayers. The City of Victoria needed to tighten their belt.

Cm. Polasek commented on the appraisals, stating that a few years back the appraisals were too low, especially the commercial properties. He advised that State law states fair market value over approximate. He advised that he recently bought a building downtown that was appraised for \$26,000 but he paid \$95,000 for it, that was how far off it was, and he felt that was unacceptable. That piece of property was on the tax rolls at the lower amount for years and the residential taxpayer got bilked. The Chief Appraiser and his crew were trying to remedy that, and make it an equitable and fair situation.

Cm. Halepaska asked Mr. Pruitt if he was implying that the City was immune from the same inflationary factors that affected him and everyone else. He felt that was incorrect, and the report that the Mayor mentioned earlier was showing averages per capita by state and local. He then offered Mr. Pruitt a copy of the report. Cm. Halepaska inquired whether the City should reduce police patrol because gas, labor, and cars have gone up. The answer is there is some level that the City agrees is an acceptable level. One of the reasons that the City went to automated garbage pick up was to save money, and they still feel it will do so in the end. Other municipalities have done it for cost savings.

Jack A. Mullins, 244 Ridgewood Drive, commented that when people see higher costs, the typical reaction is to cut back on nonessential items. He felt the City would do well to emulate that, specifically with the Zoo. He questioned how much had been given of public funds by the City to the Zoo. He questioned whether there were restraints on how the money was spent, and if so how was it enforced. He suggested a number of ways to document use of funds, gifts, and attendance throughout the years. He stated that people normally vote with their feet, and if there is not enough attendance, they either scale back or go out of business. He questioned why the Zoo should be any different. Economics involves the allocation of scarce resources that have alternative uses, and each person should carefully consider how the presence of that Zoo relates to "economic development." He questioned what evidence compels the Council that having a zoo will somehow increase the City's population or have some other benefit to the City.

Cm. Polasek stated that the Zoo was a quality of life issue to him, and noted that Mr. Mullins had suggested weaning the Zoo off of City funding. He asked Mr. Mullins if he would be willing to help the Zoo come up with a plan. Mr. Mullins responded that if the people want it they will do it.

Cm. Hagan commented that his family loved the Zoo, but a comment made by one of the councilmen at the last meeting concerning a one-time allocation designated for capital improvements for the Zoo, which was not used as intended, really bothered him. He stated that was something that the Council needed significant answers on.

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Doug Giles, President of the Texas Zoo, 605 Chimney Rock, advised that he had been on the Board for a year and President for four months. He appreciated everyone's comments and understood the reluctance of the Council and the public concerning funding for the Zoo. Many zoos the size of the Texas Zoo are funded totally by the Cities, some are funded 50%, or City run as far as payroll. He stated that they have to look beyond just entertainment value; they have to look at the broader spectrum of what a zoo is for, such as education and conservation. A service is provided to schools and education facilities throughout the state, teaching about the world and the urgency of conserving some of the animals on endangered species lists. He offered to meet with anyone to go over their accounting practices and what the Zoo has spent the money for.

B. J. Cornstubble, 403 N. Main spoke in favor of the Visitors Bureau and felt that they have been doing a quality job. He stated that he was a member of the Antique Car Club and they were very helpful with name badges and notification of the event and increased the attendance by at least 20% through their efforts.

ITEMS FROM COUNCIL

Mayor Armstrong recommended giving citizens six-minutes each to address Council during citizen's communication, then at the end of the meeting open citizen's communication again. He felt that would allow more individuals wanting to address Council the opportunity to speak. There was discussion that six-minutes may be too long and shorter time allotments were discussed. It was the consensus of Council that the time limit should be left up to the Mayor's discretion.

Cm. Hagan stated that since they were talking about citizen participation, he did not know why the meetings were at 5:00 p.m. and felt like they should maximize accessibility. He also addressed municipal cost increases and funding basis necessities. He stated that Council had to be careful when suggesting that in order to have lower taxes the community may not have protection or services. He stated they should prioritize like the State of Texas did, the Governor asked for two budgets, a budget with a zero percent revenue increase and another with 10% cuts across the board, and then they prioritized. He suggested that if the City had no net increase of revenue, they would then have to determine what had to be addressed first, and then the lesser issues would be addressed later.

Cm. Halepaska stated that the State of Texas did not deal with this issue; they passed it down to the counties and cities. He wondered who do we pass this down to, since there doesn't seem to be anybody else around but the City to take care of it. The State has dodged a bullet by passing their costs down to other people. Everything has a cost. If year after year we can not adjust for those increases in cost, you are going to talk about decreasing services, no matter how much you jumble the numbers.

PUBLIC HEARINGS AND ACTION

Mayor Armstrong opened a public hearing on the following items:

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. Second and Third Reading. John Kaminski.

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

Cm. Wyatt 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 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.

PUBLIC HEARING ON THE PROPOSED TAX INCREASE FOR FISCAL YEAR 2008-2009

City Attorney, Miles Risley, advised that this was the second public hearing on the proposed tax increase for Fiscal Year 2008-2009. He then read the announcement that the Proposed tax rate would be considered for a vote at the City Council meetings of September 9, 2008, September 11, 2008, and September 16, 2008 at 5:00 p.m. in the City Council Chambers, 107 W. Juan Linn, Victoria, Texas.

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

Cm. Polasek commented that he had spent a lot of time on the budget and felt that it was a reflection of what we have asked staff to do. He followed up on a lot of items and has found that the budget was a pretty accurate reflection of what was needed. The tax rate on the other hand was a different matter. The tax rate has been increased by the maximum allowed by law for the last two years, and he indicated that he would propose something different next week. He realized that the tax rate being proposed was not the maximum amount allowed by law, and commended the staff for that, but he had his own idea of what it should be. One of the things in the budget that concerned him was the increase of the reserve fund balance from 15% to 20% of the general fund. That was commendable in the event of a disaster and also continuing daily operations. He proposed only raising the reserve fund balance by 18% and then come down on the tax rate that has been presented.

City Manager, Charles E. Windwehen, responded that Cm. Polasek's proposal would not affect the rollback calculation if the tax rate were lowered. He advised that the City was in a strong financial position now in the General Fund, because of conservative budgeting actions. It would not cause a huge problem and would not reduce programs, but it would reduce revenues and ultimately it would reduce expenditures, and over time that adds up. One penny generates \$3 million.

Finance Director, Gilbert P. Reyna, Jr., advised that it comes down to risk factor, how much did Council want to have in reserve. If you lower the reserve, it just means next year the difference will have to be recovered somewhere else.

Cm. Wyatt stated that 15% reserve was put in years ago for just those reasons and Council tried to keep three-months of operating expenses in the event of a catastrophic disaster. Knowing that we have risk factors at some point Council has to make a decision that is prudent if a hurricane blows through here. He would like to keep it at 15% but would wait for more information from staff.

Mayor Armstrong closed the public hearing.

CITY MANAGER REPORTS

- **Sportsplex at Community Center** – Director of Parks and Recreation, Doug Cochran, reported that they were working on the punch list for final completion of the ball field development and concession stand. The final contractor was still working on the parking lot.
- **Status of Lone Tree Road Reconstruction, Laurent Street Reconstruction, and Lone Tree Channel Improvements and Trail Projects** – Public Works Engineer, Darrell Seibert, gave a brief status report on the projects noted above advising that all three projects were moving along very well. He advised that some of the trail was being cut out for the Trail Project, laying conduit and readying it for pouring the concrete surface.
- **Government Finance Officers Association Distinguished Budget Award for Fiscal Year 2007-2008** - City Manager, Charles E. Windwehen, announced that the Finance Department had received this award for the 23rd consecutive year. He presented Finance Director, Gilbert

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P. Reyna, Jr. with a plaque and congratulated him and the rest of the Finance Department staff.

- **Victoria County Groundwater Conservation District** – Director of Environmental Services, Jerry James, distributed a detailed memo on the Victoria County Groundwater Conservation District which pointed out a number of the City of Victoria's concerns with their proposed Rules and Management Plan. He requested permission to send the memo to the local Groundwater District to express the City's concerns as they moved through the public hearing process on the proposals. It was the consensus of Council to send the memo to the Groundwater District.

RESOLUTION 2008-134R – AUTHORIZING AN INTERLOCAL AGREEMENT WITH THE UNIVERSITY OF TEXAS-AUSTIN TO PROVIDE ACCESS TO THE TEXAS HIGHER EDUCATION NETWORK FOR THE VICTORIA PUBLIC LIBRARY

The resolution authorizes an Interlocal Cooperation Act Contract with the University of Texas-Austin to provide access to national networks through the Texas Higher Education Network for the Victoria Public Library, in the amount of \$3,720. James Stewart.

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 2008-135R – AUTHORIZING A CONTRACT WITH THE TEXAS DEPARTMENT OF STATE HEALTH SERVICES, BUREAU OF VITAL STATISTICS FOR ON-LINE COMPUTER SERVICES FOR VITAL RECORDS

The resolution authorizes a Contract with the Texas Department of State Health Services, Bureau of Vital Statistics, to provide on-line computer services for vital records (birth records). 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 2008-136R – APPOINTING JASON JAKOB AS ASSISTANT CITY ATTORNEY

The resolution confirms the appointment of Jason Jakob as Assistant City Attorney. Miles K. Risley.

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

WORK SESSION

Mayor Armstrong announced that the regular meeting had concluded and the Council would continue with a Work Session at 6:27 p.m.

Proposed Fiscal Year 2008-2009 Budget – No planned presentation.

Proposed Funding for Public Service Agencies and the Hotel Occupancy Tax Fund and/or General Fund

Cm. Polasek commented that the hotel/motel funds are paid for by visitors and the hotels that collect it for the City. He felt a responsibility to show how the City used this money, and put it back into programs that bring more visitors back into those hotels. He felt it was incumbent upon the City Council to define what they expected from that money, as it is used by those agencies. He stated that he expected a majority of that money to be used for marketing the City, and they needed to tell the agencies that. He suggested creating an agency that was responsible for doing that, change the mission, and not fund at this time. He commented that this was not a reflection on the job that the Chamber of Commerce Visitors Bureau has done and suggested that they were probably the ideal agency to coordinate all of the marketing efforts. Cm. Neitsch and Cm. Halepaska agreed.

Cm. Hagan commented that they should let the Chamber of Commerce complete the task of revamping the Visitors Bureau as indicated at a previous meeting. He suggested funding this year at the current rate, with no increase, and emphasized that he did not want to increase in any area across the board. He felt they should give the Chamber the opportunity to finish the task that they have been charged with.

Mayor Armstrong stated that they should work together to come up with a plan with the Chamber of Commerce. Suggesting that it was not unreasonable to hold up funding until a plan was developed. Funding would be there, but not until they had a plan. There was similar discussion about the Cultural Council's funding request and marketing intentions for the arts.

Following further discussion it was Council consensus to allocate the following amounts to the various agencies:

Hotel/Motel Fund

- Chamber of Commerce Visitors Bureau - *to be determined*
- Texas Settlement Region - \$4,000
- Victoria Performing Arts - \$61,400 (*one-time request*)
- Cultural Council - *to be determined*
- African American Chamber of Commerce - \$25,000 (*one-time request*)
- Victoria Symphony - \$15,000
- Victoria Regional Museum Association - \$15,000
- Children's Discovery Museum - \$5,000

General Fund

- Texas Zoo - \$162,500
- Keep Victoria Beautiful - \$20,000
- Boys and Girls Club - \$18,000

Mayor Armstrong wanted to let the public know that the Council was on a course to not accept additional groups or accelerated requests from the groups currently funded.

Cm. Neitsch requested an update on whether the Emergency Operating Center (EOC) would be moved to the old Southwestern Bell Building. Deputy City Manager, Charmelle Garrett, advised that a structural survey determined that the building was structurally sound enough to move forward with that plan. They had also applied for a grant to help fund the reconstruction of the basement area of that building. If the EOC did not receive the grant, the City and County would have to split the estimated cost of \$250,000 to \$300,000 in half. She also requested that Council support the dollar amount proposed to continue the EOC as staffed.

Cm. Halepaska advised that he still had questions that were not fully answered concerning the increased request from Victoria Transit which doubled from last year. He wanted to hear more and was uncomfortable with their request. Director of Development Services, John Kaminski, responded that Victoria Transit was not instructed to come back with any changes. He advised that the transit system had their operation plan, and if the Council decided to give them a smaller amount they would have to come back with an amended plan. Cm. Halepaska understood that costs were up,

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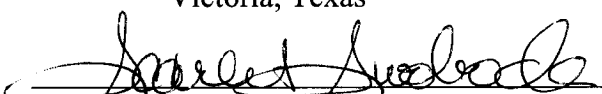
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but he also wanted to know if the transit system had expanded their operations too rapidly and what the ridership numbers were. Mr. Kaminski suggested that Council would probably need to decide how much they wanted to give to the transit system, and then they would have to make it work. Cm. Polasek also requested a utilization rate to measure success across years.

EXECUTIVE SESSION

Mayor Armstrong announced that there was no need for an Executive Session. There being no further business, the meeting was adjourned at 7:55 p.m.

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

ATTEST: 
SCARLET SWOBODA, City Secretary
