

CITY COUNCIL MINUTES
March 29, 2010

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

ATTEST: Scarlet Swoboda
 SCARLET SWOBODA, City Secretary

VICTORIA CITY COUNCIL
April 6, 2010

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, April 6, 2010 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
 Tom Halepaska, Mayor Pro-Tem
 Denise Rangel
 Gabriel Soliz
 Paul Polasek
 David Hagan
 Joe Truman

STAFF PRESENT

Charles E. Windwehen, City Manager
 Charmelle Garrett, Deputy City Manager
 Thomas A. Gwosdz, City Attorney
 Linda Champion, Assistant 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
 Rick Henrichs, Director, Information Technology
 O. C. Garza, Public Information Officer
 Jared Mayfield, Deputy Dir., Development Services
 Andrew Jacob, Assistant Finance Director
 Darryl Lesak, Asst. Director Environmental Services
 Scarlet Swoboda, City Secretary

ITEMS FROM COUNCIL

Report on Texas Main Street Program. Joe Truman.

Cm. Truman introduced Joni Brown, Executive Director for Keep Victoria Beautiful. She provided a PowerPoint presentation on the benefits that cities receive from having a Texas Historic Commission Main Street Program. She reported that the requirements of the program were that it be managed by a nonprofit organization with proven sustainability. The managing organization would receive expert professional assistance in training the Main Street Program manager and members of the program rather than grant funding. The program requires hiring two full-time staff members for five years, and local funding has to be provided.

She proposed the following ways to possibly fund the program:

- 1) Hotel Occupancy Taxes,
- 2) Tax Increment Financing,
- 3) 4B Economic Development Sales Tax,
- 4) Public Improvement District, or
- 5) Fund Raising.

Ms. Brown presented a proposed budget of \$90,900 for the first year, \$107,900 the second year and \$106,900 for the third year. She stated that the City Council may choose to explore a combination of funding mechanisms, and give Keep Victoria Beautiful authority to move forward with a letter of inquiry due in May. It would then require a Council resolution of support for the program. A funding plan for the program would then be submitted to the Texas Historic Commission in July. Once the application was submitted, there would be six months to develop a work plan.

Cm. Truman was in support of the program, pointing out a number of downtown business owners that were also in support. He asked for consent from the Council to move forward with the program. He advised that if Council gave their approval by May 15, 2010 a funding structure would be needed by July.

Mayor Armstrong commented that the Council had already given out money from Hotel Occupancy Taxes for the arts and made a commitment to the Convention and Visitors Bureau. He asked for explanation of where the money would come from. Cm. Truman suggested that it would come from events in the downtown area. He commented that Keep Victoria Beautiful was asking for \$43,000 in January 1, 2011 and asked how that fit into the budget cycle. City Manager, Charles E. Windwehen responded that it would be appropriate for the staff to do an analysis of the options mentioned; pointing out that some of those options may not be available to fund operating costs of the proposed program. It was further pointed out that the requested amount would be needed before the budget work sessions.

Cm. Hagan expressed concerns of where the funding would come from as well as where the economy was going. He stated that until money materializes, it was speculation and he would rather not speculate with money the City does not have. There were several members of Council commenting that they would rather wait to see where they were a year from now, and where the funding would come from.

Cm. Truman requested presentations on Tax Increment Financing and Public Improvement Districts be placed on a future agenda.

Report on Local Preference in Bidding Process. Gabriel Soliz.

Cm. Soliz commented that his request was in reference to his concern about a project awarded to a company outside of Victoria. He wanted to see if the City could legally create a bidding process where it would benefit businesses from the Victoria area. City Attorney, Thomas A. Gwosdz explained the requirements of State law for competitive bidding, sealed proposals, and design build and when a local preference could be applied. He advised that most bids go through the competitive bid process. If the contract amount was less than \$100,000 and if there was a local bidder whose bid was within five percent of the lowest bid, then Council could award the bid to the local business as long as that bidder's principle place of business was located within the City. The majority of Council felt that the bid process should be left alone.

CITIZENS COMMUNICATION

The following individuals spoke in favor of the Main Street Program, suggesting that there was no downside to the program, as it would reenergize downtown, bring businesses, activities, and tourists to the downtown area, benefitting the entire City, and they encouraged the Council to support the request that was presented:

Susannah Porr, 304 Chimney Rock; Amy Mundy, 207 Salisbury; Sherry Strickland, 107 Woodway; John Brill, 307 N. Hampton Circle; Lauren Bade, 1701 N. Main; Sharon Steen, 104 N. Liberty; Gary Dunnam, 104 N. Liberty; Louise Hull Patillo, 802 W. Power; Chelle Nickerson, 2103 Mimosa; Terry Nance, 101 Maplewood; Bridgette Bise, Executive Director of Convention and Visitors Bureau; and John Kisalus, 601 W. North.

Cm. Soliz asked for clarification on whether there would be a financial commitment from the Council if they moved forward with a resolution of support. Ms. Brown advised that a resolution was required for a letter of inquiry. If the Council were unable to come up with a funding structure a letter of inquiry would be all that was submitted this year. If a funding structure was determined, an

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application would then be submitted in July. Cm. Soliz commented that he wanted to make it clear that if a resolution of support was passed, it would not commit the City financially. Ms. Brown responded that was correct.

Charles Moster, Director of Theatre Victoria addressed Council in regards to the funding request for Hotel Occupancy Tax funds, stating that he would be submitting a marketing plan as requested by Council in a few weeks. He expressed excitement about opportunities for the Theatre.

Bill White, 106 Garden Place thanked the Council for their service on Council and for allocating funds for the Quilt Guild of Victoria, encouraging passage of the ordinance on second and third reading.

Homer Hill, 3410 Swan Drive expressed concern with the possibility that Habitat for Humanity would be building homes in Swan Crossing. He commented that had he known the rules and house plans for that subdivision would be changed, he would not have bought a home there. He expressed concern that it would bring down the value of his home.

John Kisalus, 601 W. North, President of Habitat for Humanity commented that they may need to work with the current Swan Crossing residents and go through an educational process about what Habitat does and how they can help that neighborhood. The worst thing that can be done is to let 50 lots sit undeveloped.

Mayor Armstrong commented that Cm. Truman requested an analysis for funding mechanisms for the Main Street Program, asking the City Manager to provide that information at the next meeting. Mayor Armstrong also asked to explore the reserve funds for the Community Center, plus the other funds that Ms. Brown brought up. He suggested that at the next meeting, funding and the requested resolution should be considered.

Cm. Polasek commented that Council can pass a resolution, but the difficult part is finding the money. Resources will have to be diverted from somewhere else. He wanted clear clarification of what this group will do, because he will want to be able to explain to citizens what the benefits will be.

PUBLIC HEARINGS AND ACTION

~~Mayor Armstrong opened a public hearing on the following items:~~ Amended at May 4, 2010 Meeting.

ORDINANCE 2009-2010F – AMENDING THE 2009-2010 FISCAL YEAR BUDGET MOTEL TAX FUND

City Attorney, Thomas A. Gwosdz, read the caption of Ordinance 2009-2010F, which amends the 2009-2010 Fiscal Year Budget of the City of Victoria by transferring \$55,900 from the Motel Tax Fund fund balance to (1) Motel Tax Fund Victoria Symphony line item, (2) Motel Tax Fund Victoria Bach Festival line item, (3) Motel Tax Fund Cultural Council line item, (4) Motel Tax Fund Texas Settlement Region line item, (5) Motel Tax Fund Children's Discovery Museum line item, (6) Motel Tax Fund Theatre Victoria line item, (7) Motel Tax Fund Victoria Regional Museum line item, (8) Motel Tax Fund Quilt Guild of Victoria line item, and (9) Motel Tax Fund Victoria Ballet Theatre line item. Second and Third Reading. Thomas A. Gwosdz.

Mayor Armstrong asked if there were any questions from Council ~~or the audience.~~ Amended at May 4, 2010 Meeting.

Mayor Armstrong reported that last week he and representatives of the Victoria Performing Arts Center (VPAC), Theatre Victoria, the Cultural Council, Cm. Truman, Deputy City Manager, Charmelle Garrett, and City Attorney, Thomas A. Gwosdz met to discuss the operation of the Theatre and who was going to manage it. The details were not worked out yet and funding had not been determined.

Robert Leon, 2203 N. DeLeon, Chair of the Cultural Council reported that according to old records in 1978 the Arts Council was organized and founded through the Victoria Parks Department. In 1984 the name changed to the Cultural Council and was removed from the Parks Department.

When they moved into the Leo Welder Performing Arts Center they became an ex-officio member of VPAC. The Cultural Council assumed the role of booking agent with marketing duties to encourage use of the facility, hosting events, and selling tickets to arts related events. They continue to market the facility with Theatre Victoria.

Jennifer Yancy, 122 Garcitas Grove, Inez, Texas, member of the executive committee of the Cultural Council reported on the activities that they support to promote the arts community. Terry Robinson, 606 Joplin Street, board member, reported on ways that they have partnered with other groups to attract people to the community in promoting tourism. They have worked with groups so that each event is without conflict with another group's event. The Cultural Council's mission is to promote all of these groups and activities. Mr. Leon stated that their request of funding was based on 10 percent less than the \$42,500 received in the previous year in the amount of \$38,250.

Cm. Truman moved to amend the ordinance to adjust the line item for the Cultural Council to \$36,000, with Cm. Polasek seconding the motion. The motion to amend **failed** by the following vote:

AYES: Council Member Truman

NAYS: Council Members Rangel, Soliz, Polasek, Hagan, Halepaska, and Mayor Armstrong

Mayor Armstrong requested an amendment from Council to fund the Theatre in the amount of \$55,260 with the rest going to the Cultural Council. Discussion followed.

Cm. Soliz moved to amend the ordinance to add an additional \$13,500 to the Victoria Regional Museum Association line item for a total amount of \$27,000, with Cm. Rangel seconding. The motion to amend passed by the following vote:

AYES: Council Members Rangel, Soliz, Hagan, and Truman

NAYS: Council Members Polasek, Halepaska, and Mayor Armstrong

Cm. Polasek moved to amend the ordinance to include \$26,000 to the Cultural Council line item and \$42,041 to the Theatre Victoria line item, with Cm. Halepaska seconding. The motion to amend passed by the following vote:

AYES: Council Members Soliz, Polasek, Hagan, and Truman

NAYS: Council Members Rangel, Halepaska, and Mayor Armstrong

Mayor Armstrong commented that Theatre Victoria was the main stay of downtown and the only place that regularly brings people to downtown. He requested looking at taking \$19,000 from the reserve funds and adding it to Theatre Victoria.

Finance Director, Gilbert P. Reyna, Jr. commented that whatever is allocated will only be what is received. Just because a certain amount is allocated does not mean that agency will receive that amount, it would be prorated based on what is received.

Charles Moster, Theatre Director commented that Theatre Victoria was a producing entity, and the current production would bring in 500 seats every performance. The productions produce the income for the six million dollar facility. The budget they submitted was thought out and critical for the services that they provide. He suggested that it would be a terrible mistake to cut the budget below what was requested.

Cm. Polasek moved to amend the ordinance to add \$10,000 additional to what was just approved for Theatre Victoria totaling \$52,041, with Cm. Rangel seconding the motion. Cm. Polasek then withdrew his motion, with Cm. Rangel withdrawing her second.

Cm. Polasek moved to amend the ordinance to add \$13,219 additional to the Theatre Victoria line item for a total amount of \$55,260, with Cm. Rangel seconding the motion. The motion to amend passed by the following vote:

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AYES: Council Members Rangel, Soliz, Polasek, Halepaska, and Mayor Armstrong
NAYS: Council Members Hagan and Truman

Cm. Truman moved that the ordinance pass on second and third reading, with Cm. Rangel seconding the motion. The ordinance passed on second and third reading, as amended for a total of \$150,660, by the following vote:

AYES: Council Members Rangel, Soliz, Polasek, Hagan, Truman, Halepaska, and Mayor Armstrong
NAYS: None

Caption:

AN ORDINANCE AMENDING THE 2009-2010 FISCAL YEAR BUDGET OF THE CITY OF VICTORIA BY TRANSFERRING \$150,660 FROM THE MOTEL TAX FUND FUND BALANCE TO (1) MOTEL TAX FUND VICTORIA SYMPHONY LINE ITEM, (2) MOTEL TAX FUND VICTORIA BACH FESTIVAL LINE ITEM, (3) MOTEL TAX FUND CULTURAL COUNCIL LINE ITEM, (4) MOTEL TAX FUND TEXAS SETTLEMENT REGION LINE ITEM, (5) MOTEL TAX FUND CHILDREN'S DISCOVERY MUSEUM LINE ITEM, (6) MOTEL TAX FUND THEATRE VICTORIA LINE ITEM, (7) MOTEL TAX FUND VICTORIA REGIONAL MUSEUM LINE ITEM, (8) MOTEL TAX FUND QUILT GUILD OF VICTORIA LINE ITEM, AND (9) MOTEL TAX FUND VICTORIA BALLET THEATRE LINE ITEM, TO PROVIDE FUNDING FOR OUTSIDE AGENCIES, REPEALING ALL CONFLICTING ORDINANCES, PROVIDING FOR SEVERABILITY; AND DECLARING AN EFFECTIVE DATE.

Cm. Polasek stated that he wanted everyone to remember that \$750,000 was allocated to the Convention and Visitors Bureau, and all of the agencies would be receiving massive advertising through them. This approach was different than in the past, but he felt it would really pay off for all of the agencies.

Cm. Rangel requested that developing the guideline for the Hotel Occupancy Taxes be placed on the June agenda.

Mayor Armstrong announced a short break at 7:40 p.m. The Council reconvened at 7:48 p.m. Cm. Hagan announced that he had a prior commitment and left the meeting during the break.

Mayor Armstrong opened a public hearing on the following items: Amended at May 4, **ORDINANCE 2009-2010G - AMENDING THE 2009-2010 FISCAL YEAR BUDGET ENVIRONMENTAL FUND** 2010 Meeting.

City Attorney, Thomas A. Gwosdz, read the caption of Ordinance 2009-2010G, which amends the 2009-2010 Fiscal Year Budget of the City of Victoria by transferring (1) \$127,000 from the Environmental Services Operating Fund fund balance to the Environmental Services Fund Brush and Bulky Collections Department Capital Replacement line item, and (2) \$127,000 from the VES Fund fund balance to the VES Fund Vehicles Capital line item, to provide funding for the purchase of one knuckle-boom chassis and body for the Brush and Bulky collections operation. First Reading. Gilbert P. Reyna, Jr.

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

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

AYES: Council Members Rangel, Soliz, Polasek, Truman, Halepaska, and Mayor Armstrong
NAYS: None

Caption:

AN ORDINANCE AMENDING THE 2009-2010 FISCAL YEAR BUDGET OF THE CITY OF VICTORIA BY TRANSFERRING (1) \$127,000 FROM THE ENVIRONMENTAL SERVICES OPERATING FUND FUND BALANCE TO THE ENVIRONMENTAL SERVICES FUND BRUSH & BULKY COLLECTIONS DEPARTMENT CAPITAL REPLACEMENT LINE ITEM, AND (2) \$127,000 FROM THE VES FUND FUND BALANCE TO THE VES FUND VEHICLES CAPITAL LINE ITEM, TO PROVIDE FUNDING FOR THE PURCHASE OF

ONE KNUCKLE-BOOM CHASSIS AND BODY FOR THE BRUSH & BULKY COLLECTIONS OPERATION, REPEALING ALL CONFLICTING ORDINANCES, PROVIDING FOR SEVERABILITY; AND DECLARING AN EFFECTIVE DATE.

ORDINANCE 2010-5 – DRIVEWAY ORDINANCE

City Attorney, Thomas A. Gwosdz, read the caption of Ordinance 2010-5, which amends Sections 20-80 and 20-90 of Chapter 20 of the Victoria City Code, clarifying provisions regarding the reconstruction of nonconforming driveways, to update such sections and providing for the repeal of all ordinances or parts of ordinances in conflict herewith. First Reading. Thomas A. Gwosdz.

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

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

AYES: Council Members Rangel, Soliz, Polasek, Truman, Halepaska, and Mayor Armstrong
NAYS: None

Caption:

AN ORDINANCE AMENDING SECTIONS 20-80 AND 20-90 OF CHAPTER 20 OF THE VICTORIA CITY CODE, CLARIFYING PROVISIONS REGARDING THE RECONSTRUCTION OF NONCONFORMING DRIVEWAYS, TO UPDATE SUCH SECTIONS; PROVIDING FOR THE REPEAL OF ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR SEVERABILITY; PROVIDING FOR SAVINGS; PROVIDING FOR CODIFICATION AND PUBLICATION; AND DECLARING AN EFFECTIVE DATE.

Mayor Armstrong closed the public hearings.

CITY MANAGER REPORTS

- **Report on the possible transfer of Swan Crossing lots to Habitat for Humanity** – Deputy Director of Development Services, Jared Mayfield reported that 50 lots were remaining in Swan Crossing and a little over \$200,000 in reserve for down payment and closing cost assistance for future home buyers within that subdivision. Habitat for Humanity has requested eight of the lots, and up to \$7,500 per lot to assist with eligible site development costs. In addition Habitat was also asking for \$7,500 per lot assistance for three lots that they currently own in the Queen City area. Their total Community Development Block Grant (CDBG) request was for a total of \$82,500. It would also help the City spend down the \$200,000 CDBG reserve. Staff was proposing to revise the deed restrictions for the subdivision and eliminate the Homeowners Association dues. He reported that Habitat was planning to build garages on the homes and would match the style of the homes in Swan Crossing. There would still be 42 lots for any future homes. The proposal would put the Habitat homes on the tax rolls and eliminate the maintenance that the City does now.

Cm. Soliz inquired whether a private developer could purchase the property. Mr. Mayfield advised that there were a number of Housing and Urban Development (HUD) strings attached to the subdivision because it was built with CDBG funds. Habitat for Humanity meets those guidelines. It was suggested that Habitat for Humanity meet with the current homeowners and Mr. Mayfield to aid in answering any questions or concerns that the homeowners have. Mr. Mayfield would report back at the next Council meeting.

CONSENT AGENDA: all consent agenda items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member so requests, in which event the item will be removed from the consent agenda and considered in its normal sequence on the agenda. Information concerning consent agenda items was available for public review.

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1. **APPROVAL OF MINUTES** – The special meeting of March 9, 2010 and regular meeting of March 16, 2010.
2. **RESOLUTION 2010-39R – Fiber-Optic Interlocal Agreement:** The resolution authorizes an interlocal agreement with Victoria Independent School District (VISD) to allow (1) VISD to install fiber-optic cable in City right-of-way for City/VISD use, and (2) City to install fiber-optic cable on VISD property for City/VISD use, and partially fund the installation of said cable, in an amount not to exceed \$6,731 from the City. Rick Henrichs.
3. **RESOLUTION 2010-40R – Fire Department Medical Supplies:** The resolution awards an Annual Supply Contract for Medical Supplies for the Fire Department to Bound Tree Medical LLC, of Dublin, Ohio, in the amount of \$101,140.38. Vance Riley.
4. **RESOLUTION 2010-41R – Pine Street Park Playground Equipment:** The resolution authorizes the purchase of playground equipment for Pine Street Park, in the total amount of \$37,954, including the purchase of equipment from All Play, Inc. of Houston, Texas in the amount of \$10,324, and pour-in-place fall zone surface from Hunter Knepschild Company of Plano, Texas in the amount of \$27,630, both via the Local Government Purchasing Cooperative (Buy Board). John Kaminski.
5. **RESOLUTION 2010-42R – Women’s Crisis Center:** The resolution authorizes an Agreement between the City of Victoria and Mid-Coast Family Services to assist with the construction of a Women’s Crisis Center, in the amount of \$100,000. John Kaminski.
6. **RESOLUTION 2010-43R – Building Board Appointments:** The resolution appoints Bill Davis and Jeff Bauknight to the City of Victoria Building Board of Adjustments and Appeals. Scarlet Swoboda.
7. **RESOLUTION 2010-44R – Mechanical Board Appointments:** The resolution appoints James Brown and Rawley McCoy to the City of Victoria Mechanical Board of Adjustments and Appeals. Scarlet Swoboda.
8. **RESOLUTION 2010-45R – Board of Health Appointments:** The resolution appoints Richard Leggett, D.O. and Kurtis R. Krueger, M.D. to the Victoria City/County Board of Health. Scarlet Swoboda.

Cm. Rangel moved that the consent agenda be adopted, with Cm. Truman seconding the motion. It was adopted by the following vote:

AYES: Council Members Rangel, Soliz, Polasek, Truman, Halepaska, and Mayor Armstrong
 NAYS: None

RESOLUTION 2010-47R – ELECTRICAL RELIABILITY COUNCIL OF TEXAS

The resolution endorses certain legislative proposals relating to Sunset Review of the Texas Public Utility Commission and the Special Purpose Review of the Electric Reliability Council of Texas. Gilbert P. Reyna, Jr.

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

AYES: Council Members Rangel, Soliz, Polasek, Truman, Halepaska, and Mayor Armstrong
 NAYS: None

RESOLUTION 2010-48R – ELECTRICAL BOARD APPOINTMENTS

The resolution appointed Sultan Sheikh and reappointed Frankie Harpin, Richard Janecka, and Terrence Ellis to the City of Victoria Electrical Board of Adjustments and Appeals. Scarlet Swoboda.

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

AYES: Council Members Rangel, Soliz, Polasek, Truman, Halepaska, and Mayor Armstrong
NAYS: None

EXECUTIVE SESSION

Mayor Armstrong announced that Council would recess into Executive Session at 8:25 p.m., in accordance with:

Texas Government Code § 551.072, 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, legal issues related to the sale of property located in Swan Crossing Subdivision). Thomas A. Gwosdz.

The Council reconvened in regular session at 8:35 p.m. and considered the following:

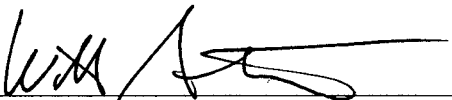
RESOLUTION 2010-46R – RELEASE OF LIEN AT 3412 SWAN DRIVE


The resolution authorizes all documents necessary to accept payment of \$11,250 from Rokyta Custom Homes, LLC., and release a lien against 3412 Swan Drive, Lot 13, Block 1, and Swan Crossing Subdivision. John Kaminski.

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

AYES: Council Members Rangel, Soliz, Polasek, Truman, Halepaska, and Mayor Armstrong
NAYS: None

There being no further business, the meeting was adjourned at 8:36 p.m.

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

ATTEST: 
SCARLET SWOBODA, City Secretary
