

CITY COUNCIL MINUTES
August 24, 2010

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

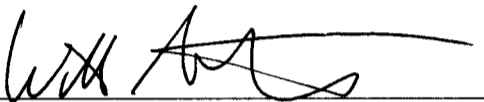
City Attorney, Thomas A. Gwosdz ask Council to consider a change in procedure in how to handle nominations in the future. His recommendations were provided to Council and there was consensus to implement his recommendations.


EXECUTIVE SESSION

Mayor Armstrong announced that Council would recess into Executive Session at 5:50 p.m., in accordance with:

Texas Government Code § 551.074 with regard to personnel matters (including, but not limited to the Municipal Court). Thomas A. Gwosdz.

There being no further business, the meeting was adjourned at 6:05 p.m.

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

ATTEST: 
SCARLET SWOBODA, City Secretary

VICTORIA CITY COUNCIL
August 31, 2010

CALL TO ORDER

A special meeting of the Victoria City Council was called to order by Mayor Will Armstrong at 5:00 p.m. Tuesday, August 31, 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
Paul Polasek, Mayor Pro-Tem
Denise Rangel
Gabriel Soliz arrived at 5:04 p.m.
David Hagan
Joe Truman
Tom Halepaska

STAFF PRESENT

Charles E. Windwehen, City Manager
Charmelle Garrett, Deputy City Manager
Thomas A. Gwosdz, City Attorney
Gilbert P. Reyna, Jr., Director, Finance
Doug Cochran, Director, Parks and Recreation
Lynn Short, Director, Public Works
John Kaminski, Director, Development Services
Bruce Ure, Police Chief
Vance Riley, Fire Chief
Dayna Williams-Capone, Director, Library
Cheryl Marthiljohni, Director, Human Resources
Rick Henrichs, Director, Information Technology
Jerry James, Director, Environmental Services
O. C. Garza, Director, Communications
Scarlet Swoboda, City Secretary

CITY COUNCIL MINUTES
August 31, 2010

ITEMS FROM COUNCIL

There were no comments.

CITIZENS COMMUNICATION

No one wished to address Council.

ORDINANCE 2010-20 – DESIGNATION OF REINVESTMENT ZONE AND TAX ABATEMENT FOR CATERPILLAR, INC.

City Attorney, Thomas A. Gwosdz, read the caption of Ordinance 2010-20, which determines that the Application for Designation of a Reinvestment Zone and Tax Abatement of Caterpillar, Inc. meets the criteria for designating a reinvestment zone, designates as a reinvestment zone real property and associated structures, approximately 320 acres located at Loop 463 and Lone Tree Road N. (also known as Lone Tree Business Center), establishes the boundaries thereof and other matters relating thereto, determines that the City of Victoria intends to enter into an agreement for Tax Abatement with said entity, and establishes requirements for said agreement. Second and Third Reading. Dale Fowler.

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 by the following vote:

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

Caption:

AN ORDINANCE DETERMINING THAT THE APPLICATION FOR DESIGNATION OF A REINVESTMENT ZONE AND TAX ABATEMENT OF CATERPILLAR, INC. MEETS THE CRITERIA FOR DESIGNATING A REINVESTMENT ZONE, DESIGNATING AS A REINVESTMENT ZONE REAL PROPERTY AND ASSOCIATED STRUCTURES, APPROXIMATELY 320 ACRES LOCATED AT LOOP 463 AND LONE TREE ROAD N. (ALSO KNOWN AS LONE TREE BUSINESS CENTER), ESTABLISHING THE BOUNDARIES THEREOF AND OTHER MATTERS RELATING THERETO, DETERMINING THAT THE CITY OF VICTORIA INTENDS TO ENTER INTO AN AGREEMENT FOR TAX ABATEMENT WITH SAID ENTITY, ESTABLISHING REQUIREMENTS FOR SAID AGREEMENT, PROVIDING FOR SEVERABILITY; AND DECLARING AN EFFECTIVE DATE.

RESOLUTION 2010-136R – TAX ABATEMENT AGREEMENT

The resolution declares the City's intent to enter into a Tax Abatement Agreement and directs the City Manager to notify the presiding officer of each other taxing unit in which the property is located. Thomas A. Gwosdz.

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, Polasek, Hagan, Truman, Halepaska, and Mayor
Armstrong
NAYS: None

RESOLUTION 2010-137R – SETTING PUBLIC HEARINGS ON BUDGET

The resolution sets a Public Hearing on the Proposed Fiscal Year 2010-2011 City of Victoria Budget for September 7, 2010, September 9, 2010 and September 14, 2010. Gilbert P. Reyna, Jr.

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

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

RESOLUTION 2010-138R – SETTING PUBLIC HEARINGS ON TAX RATE

The resolution sets a Public Hearing on the Proposed Tax Rate for City of Victoria Fiscal Year 2010-2011 for September 7, 2010, September 9, 2010 and September 14, 2010. Gilbert P. Reyna, Jr.

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

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

RESOLUTION 2010-139R – AIR QUALITY GRANT

The resolution authorizes the City Manager to execute Texas Commission on Environmental Quality State Funded Grant Agreement No. 582-11-11225, in the amount of \$601,038.73, with no City matching funds required, for Fiscal Year 2010-2011 air quality planning activities. Jerry James.

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

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

Cm. Soliz arrived at the meeting at 5:04 p.m.

WORK SESSION

Fiscal Year 2010-2011 City of Victoria Annual Budget

City Manager, Charles E. Windwehen advised that an extensive work session previewing all of the major areas was held earlier in the summer. The summaries in the front of the budget effectively summarized the data and functional points of view. The budget makes an assumption of a \$0.65 tax rate for the General Fund, which is lower than the effective rate according to the State formula.

He advised that the proposed budget funds the commitments and incentives for the Caterpillar Project, which includes John Stockbauer, Phase I Reconstruction (Highway 59 to Lone Tree Road) and the Lone Tree Business Center water tower. He stated that the budget was still a work in progress with a projected ending fund balance of approximately \$8.5 million, which is equal to 20% or more of the annual operating budget. Staff started cost cutting measures in November and the ending fund balance is now greater than last years.

Cm. Polasek commented that after looking at the budget he was leaning towards taking the recommendation by staff of \$0.65 tax rate per \$100 valuation, which is lower than the effective rate. He commented that some of the property appraisals this year were higher and some lower than last year, but the majority of them were flat. He felt the budget was very conservative pointing out that in almost all areas, the amounts requested in the budget were lower than last year, with staff making a significant effort to reduce expenditures. He stated that in his opinion, reducing the tax rate by a penny would be taking away funds from streets, and he did not want to do that. He asked fellow Council members to accept the recommendation of staff on the tax rate.

CITY COUNCIL MINUTES

August 31, 2010

Cm. Truman supported comments made by Cm. Polasek, and commended staff on the hard cuts that they had to make. He stated that he did not want to move backwards on road construction, and would support the recommended tax rate. He pointed out that the proposed tax rate would increase the taxes on his own home by \$3, and he felt it was worth it.

City Manager Windwehen commented that there were a lot of projects and needs coming up in Fiscal Years 2012 and 2013. He agreed that the City did not want to start going backwards with capital projects, and they needed to be able to accommodate growth in the future.

Cm. Polasek commented that there were no cost of living adjustments for staff in the proposed budget, and he felt that staff understood that. He referenced comments made by some, that the budget could be amended later in the year, if sales tax revenue started coming in higher. He suggested that would be risky, and he did not want to risk the fund balance just because we may have an increase in revenue in the next six months from sales tax. It does not mean it will be there the following year, whereas ad valorem tax is more stable.

Cm. Soliz disagreed that the ad valorem tax was stable, because there had been a considerable increase in private property being protested. Looking at the budget from last year the ad valorem taxes are independent, because until the euphoria of Caterpillar actually comes online, there is a lot of underlying risk that we are going to have to take into assumption year after year. He commented that the proposed General Fund balance presumes 18.5% of the \$40.6 million budget, all is committed but approximately \$863,000. He asked if the Council wanted to entertain using some of that to increase the fund balance, within this budget cycle, if the majority of Council did not want to lower the tax rate.

Cm. Halepaska commented that regardless of Caterpillar's timeline, Sam Houston and Red River streets still needed to be rebuilt. He felt the staff and Council had done an admirable job of keeping a steady hand on the wheel by lowering the tax rate five-years in a row, and this would be the first time to raise it by a slight amount. The prices are good, fund balance is reasonable, and a number of projects still need to be done. He felt that they were addressing it in a responsible manner. There was nothing wrong with putting it in the fund balance, but those needs were still there. He suggested staying the course to get as much done as possible with what was available.

Mayor Armstrong commented that this was a wonderful team accomplishment getting the Caterpillar project but it was a small part of the overall economy. It will take several years for Caterpillar to reach their full employment and in a percentage basis, we look at all the other industry that we have, it is significant but it is not everything. Mayor Armstrong agreed that the administration had done a fantastic job in this economy.

Cm. Polasek commented that there was significantly more control over property tax because each year Council is given a number of the total assessed value, and then they are able to set the tax rate. If something occurs 12 months from now, which causes serious de-valuation, we will be in the position to raise the tax rate to make sure we have the money for essential services. The Council has a great deal of control to prevent fluctuation, whereas sales tax is risky because we have very little control over it. Changing the tax rate has a significant impact on the City, and you do not want to paint yourself or a future Council into a corner. We have to keep our essential services going and make sure we have the revenue to do that. He agreed that the General Fund balance should be increased as the Council has done over the past several budgets.

City Manager Windwehen commented that it may be possible to achieve an increased fund balance of 20%, a goal that has been worked on for a while. That money would be available for whatever the Council decided it should be used. The Finance Director was reviewing estimates of how much we were coming in under budget this year, and there may be a bigger fund balance.

EXECUTIVE SESSION

Mayor Armstrong announced that there was no need for an Executive Session. There being no further business, the meeting was adjourned at 5:28 p.m.

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

ATTEST: Scarlet Swoboda
SCARLET SWOBODA, City Secretary

VICTORIA CITY COUNCIL
September 7, 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, September 7, 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
Paul Polasek, Mayor Pro-Tem
Denise Rangel
Gabriel Soliz arrived at 5:03 p.m.
David Hagan
Tom Halepaska

MEMBERS ABSENT

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
Dayna Williams-Capone, Director, Library
Cheryl Marthiljohni, Director, Human Resources
Rick Henrichs, Director, Information Technology
Jerry James, Director, Environmental Services
O. C. Garza, Director, Communications
Jared Mayfield, Deputy Dir., Development Services
Darryl Lesak, Asst. Director Environmental Services
Scarlet Swoboda, City Secretary

ITEMS FROM COUNCIL

Cm. Rangel requested a report from the Police Department on the kids crossing the street mid-block on John Stockbauer near the East High School at the next meeting.

Cm. Hagan requested an update on the timeline of awarding the project to reroute the Hike and Bike Trail near John Stockbauer. Staff advised that a contract was awarded to Ranger Construction and they should be starting the project in a few weeks.

Proclamations

City Attorney, Thomas A. Gwosdz advised that the first proclamation was for the Victoria Fire Department and their Association with the Muscular Dystrophy Association (MDA) in support of the "Fill the Boot" campaign. He read the proclamation in part declaring September 2010 "Victoria Firefighters Month."