

City of Natalia, Texas  
 Special City Council Meeting  
 September 9, 2015 at 7:00pm  
 Minutes

1. **Call to Order:** City Administrator/Secretary performed roll call, and a quorum of members were present. Mayor Vera called the special city council meeting to order.

Mayor Ruby Vera - Present	Alderman Sam Bluemel – Present (arrived at 6:14pm)
Alderman Tommy Ortiz - Present	Alderman Sam Smith - Present
Alderman Ruben Juarez - Present	Alderman Mike Fernandez – Present
  
2. **Public Hearing on Proposed Annual Budget for Fiscal Year beginning October 1, 2015 and ending September 30, 2016.** No public comments.
  
3. **Public Hearing on Proposed Tax Rate of \$0.8869 per \$100 valuation for 2015 Tax Year.** No public comments. This concludes the second public hearing on the proposed tax rate; to vote on the tax rate is set for September 21, 2015 at 7pm at the City Hall Council Chambers, Natalia, Texas 78059.
  
4. **Discussion/Consider action on securing a commercial loan through Community National Bank for financing the purchase of 60 Acre Feet of Unrestricted Edwards Aquifer Water Rights at \$5,500 per acre foot for a purchase price of \$330,000.** City Administrator Hernandez explained that she held preliminary discussions with the attorney’s to conclude the City’s options of either issuing Certificate of Obligations, LGC 271, as an alternative to obtaining financing and to market the interest, and pay a contractual obligation that may provide a lower interest rate and possibly a shorter term; or, Revenue Bonds, GC 1502, which the City would pledge revenues generated from the utility system (water pass-thru charge) for payment of the obligation related to same security; and never to be a debt of the municipality raised by taxation. An ordinance would have to be established to install either bond option and to execute a loan agreement; in addition, the City Attorney, Financial Advisor and a Bond Counsel would have to review the financing options, and loan agreement to ensure regulations conform to state and federal securities law. City Administrator Hernandez stated that Community National Bank has provided a proposal with both a floating and fixed interest rate, both with a ceiling of a 7% interest rate, and for a 20-year term with a 10-year commitment.  
 Alderman Smith made a motion approving to secure a loan with Community National Bank through a bond contingent on the review of the financing options and contract by legal and bond counsel. Alderman Ortiz seconded the motion. The motion passed unanimously.
  
5. **Discussion/Consider making revisions to the Proposed Annual Budgets for Fiscal Year beginning October 1, 2015 and ending September 30, 2016.** City Administrator Hernandez explained that after discussions from last city council meeting revisions to the proposed budget were made, which includes from General Fund moving \$10,000 of election expenses to legal expenses; and from Utility Fund incorporating the water purchase annual loan payments and increasing the water pass-thru charge revenues to \$4.00 dedicated to repaying the loan.  
 With no additional changes, Alderman Smith made the motion accepting the revised proposed budget as is; and Alderman Juarez seconded the motion. The motion passed unanimously.
  
6. **Discussion/Consider Action on adopting Ordinance 15-0909-2; Amending the City of Natalia utility rates structure, and providing for an effective date.** City Administrator Hernandez explained that with the new proposed rates an average resident utilizing 5,000 gallons would pay \$7.10 more, and an average commercial customer utilizing 50,000 gallons would pay \$50.50 more than currently being applied. This increase installed the \$2.00 additional to the water pass-thru charge.  
 Alderman Juarez made the motion adopting the ordinance amending the utility rate structures and its effective date; and Alderman Fernandez seconded the motion. The motion passed unanimously.

7. Discussion/Consider Action on adopting Ordinance 15-0909-3; Adopting the City of Natalia Annual Budgets for Fiscal Year beginning October 1, 2015 and ending September 30, 2016; Appropriating funds to pay interest and principal of the city's indebtedness; Providing for a Record Vote; and Setting an effective date.  
Alderman Smith made the motion adopting the annual budgets for fiscal year 2015-2016 and its effective date; and Alderman Fernandez seconded the motion. The motion passed unanimously.
8. Discussion/Consider Action on Resolution 15-16; establishing the boundaries of the City's Historic Commercial District.  
Alderman Smith made the motion approving Resolution 15-16; and Alderman Ortiz seconded the motion. The motion passed unanimously.
9. Discussion/Consider Action on Resolution 15-17; designating areas within the designated Historic Commercial District as slum/blighted and in need of improvement.  
Alderman Fernandez made the motion approving Resolution 15-17; and Alderman Bluemel seconded the motion. The motion passed unanimously.
10. Discussion/Consider Action on Resolution 15-18; Authorizing submission of an application to the Texas Department of Agriculture for a 2015 Texas Capital Fund – Downtown Revitalization Program grant to construct sidewalk, lighting, parking and handicap-accessibility improvements in the designated Historic Commercial District.  
Alderman Ortiz made the motion approving Resolution 15-18; and Alderman Bluemel seconded the motion. The motion passed unanimously.
11. Discussion/Consider Action on Resolution 15-19; adopting a public access plan to be utilized during infrastructure construction projects funded through the Texas Capital Fund – Downtown Revitalization Program.  
Alderman Juarez made the motion approving Resolution 15-19; and Alderman Fernandez seconded the motion. The motion passed unanimously.
12. Discussion/Consider Action on Resolution 15-20; adopting a Citizen Participation Plan and Citizen Complaint Procedures to be followed during implementation of Texas Community Development Block Grant Program Texas Capital Fund projects.  
Alderman Bluemel made the motion approving Resolution 15-20; and Alderman Juarez seconded the motion. The motion passed unanimously.
13. **Adjournment.** Alderman Smith made the motion adjourning the meeting at 6:24pm, and seconded by Alderman Bluemel. The motion passed by unanimously.

Passed and approved this 21<sup>st</sup> day of September, 2015.

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Ruberta C. Vera, Mayor

Attest:

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Lisa S. Hernandez,  
City Administrator/Secretary