

City of Natalia, Texas
Regular City Council Meeting
November 21, 2016 at 7:00 pm
Minutes

Roll Call: Mayor Manuel C. Saldana - Absent Alderman Sam Smith – Present
Alderman Mike Fernandez – Present Alderman Tommy Ortiz - Present
Alderman Sam Bluemel – Present Alderman Ruben Juarez – Absent

Call to Order:

- 1) Mayor Pro-Tem Sam Smith called the regular city council meeting to order at 7:00 pm followed by the pledge of allegiance, and the invocation by Alderman Bluemel.

Ceremonial Events:

- 2) a. City Administrator/Secretary Lisa Hernandez administered the Oath of Office to Unopposed Elected Officials of the City of Natalia, Texas November 8, 2016 General Election, and issued the Certificate of Election to Aldermen – Sam Smith, Mike Fernandez, and Tommy Ortiz, serving a two-year term.
b. Alderman Bluemel made a motion Electing Alderman Sam Smith to serve as Mayor Pro-Tem for a one-year term; and Alderman Fernandez second the motion. The motion carried unanimously by a 4-0 vote.
c. Chief of Police Gilbert Rodriguez presented police officer candidate, Richard T. Cordova, to city council for consideration for hire; without objection, Mayor Pro-Tem swore-in Richard T. Cordova as a Police Officer for the Natalia Police Department.

Citizens to be Heard:

- 3) None.

Committee Reports:

- 4) Ruby Vera, Chair of the Natalia Municipal Development District, updated the City Council of the readiness of the MDD office; and of the MDD's decision to proceed with negotiations for obtaining the Old Palms Court property owned by Darin Frazier. The options of financing will be discussed with a financial advisor and bond counsel with the potential of finalizing the purchase within 90-days. Ms. Vera welcomes community interest and ideas of what they'd like to see develop for the use of this property.

City Council Comments:

- 5) Alderman Bluemel expressed his frustrations in regards to projects previously discussed with TxDOT during a meeting with them, on such highway improvements and school roadway signage, and their lack of review. Alderman Ortiz would like City Council to consider adopting an ordinance that requires inspections of all rental homes before occupancy, as many of these rental homes seem to be unlivable. Alderman Fernandez questioned PWD Smith on when the remaining of the street signs will be put up; and thanked the utility department on a job well-done for a leak repair performed on 6th Street. PWD Smith replied to Alderman Fernandez that more brackets were ordered, and received today, to install the remaining signs.

Public Hearing:

- 6) A Public Hearing was opened at 7:16pm in regards to the City of Natalia's submission of an application to the Texas Department of Agriculture for a Texas Community Development Block Grant Program (TxCDBG) grant. The purpose of this meeting is to allow citizens an opportunity to discuss the citizen participation plan, the development of local housing and community development needs, the amount of TxCDBG funding available, all eligible TxCDBG activities, and the use of past TxCDBG funds. The City encouraged citizens to participate in the development of this TxCDBG application and to make their views known at this public hearing. Citizens unable to attend this meeting may submit their views and proposals to Lisa Hernandez, City Administrator, at the Natalia City Hall. Grants Administrator, Judy Langford,

addressed the potential uses for the grant funds if awarded, and the required city matching funds. Mayor Pro-Tem questioned if when the city's matching funds had to be dedicated. Ms. Langford explained that at this point, the city's application will determine if funding is available to us during the review process which usually takes a few months but should know something by late-2017; should the City be awarded a grant, matching funds must be made available before the end of the contract term which could be year-2018. Alderman Fernandez questioned if the City was eligible for 100% SWIFT funding program? Ms. Langford explained that SWIFT is usually for conservation programs such as safe-drinking water programs or water conservation method plans; these projects are typically funded through SWIFT, but 100% funding doesn't necessarily mean grant funds, this could be low-interest loan funding. SWIFT does not provide for infrastructure rehabilitation or improvement projects for water or sewer. Public Hearing closed at 7:29pm.

Consent Agenda:

- 7) a. Approval of Minutes: October 17, 2016 Regular Meeting
 - b. Approval of Financial Activity Report: October 2016
 - c. Approval of Police Department Activity Report: October 2016
 - d. Approval of Municipal Court Activity Report: October 2016
 - e. Approval of Code Compliance Activity Report: October 2016
 - f. Approval of Utility Department Activity Report: October 2016
- Action: Alderman Fernandez made the motion approving the consent agenda, and Alderman Ortiz seconded the motion. Vote: 4-0; Motion carried unanimously.

Discussion/Consideration of Action Items:

- 8) Discuss/Approve a resolution for the City authorizing the submission of a Texas Community Development Block Grant Program Application to the Texas Department of Agriculture for the Community Development Fund and authorizing the Mayor and/or the City Administrator to act as the City's executive officer and authorized representative in all matters pertaining the City's participation in the Texas Community Block Grant Program and committing match funds for the project.
Action: Alderman Bluemel made a motion to approve the resolution; Alderman Ortiz seconded the motion. Alderman Fernandez motioned to amend the resolution, to add the Mayor Pro-Tem as an authorized representative of the City; Alderman Ortiz seconded the amended motion. Vote: 4-0; Motion carried unanimously, adding the Mayor Pro-Tem as an authorized representative to resolution.
- 9) Discussion/Consider entering into negotiations with selected City Engineer(s) for a two (2) year Professional Services Contract.
Action: Alderman Fernandez made a motion authorizing the City to enter into negotiations with M&S Engineering to serve as the City's Engineer for a contract term not to exceed two-years; and seconded by Alderman Bluemel. Vote: 4-0; Motion carried unanimously.
- 10) Discussion/Consider adopting a Resolution; authorizing and providing for the incurrence of indebtedness for the purpose of providing a portion of the cost of acquiring, constructing, enlarging, improving, and/or extending its:
 - a. Water Facility to serve an area lawfully within the City of Natalia jurisdiction; and to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of \$1,327,000; and,
 - b. Sewer Facility to serve an area lawfully within the City of Natalia jurisdiction; and to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of \$584,000.

WATER FACILITIES	AMOUNT	SEWER FACILITIES	AMOUNT
Well Site Upgrades	\$ 280,600.00	Redirect Loves's Pipeline	\$ 326,350.00
Upgrades to Water Distribution	\$ 417,640.00	Replace Fort Ewell Utility Cross	\$ 62,000.00
Emergency Interconnect	\$ 39,500.00	Reduction of Non-Wastewater	\$ 364,000.00
Construction Contingency	\$ 73,774.00	Minor Repairs at Ballfield LS	\$ 11,500.00
Construction	\$ 811,514.00	Construction Contingency	\$ 76,650.00
PER/Environment Report	\$ 30,000.00	Construction	\$ 840,500.00
Preliminary Design Phase	\$ 34,000.00	PER/Environment Report	\$ 30,000.00
Final Design Phase	\$ 25,500.00	Preliminary Design Phase	\$ 41,500.00
Bidding/Negotiation Phase	\$ 8,500.00	Final Design Phase	\$ 38,000.00
Construction Phase	\$ 12,750.00	Bidding/Negotiation Phase	\$ 5,000.00
Post Construction Phase	\$ 4,250.00	Construction Phase	\$ 7,500.00
Engineering	\$ 115,000.00	Post Construction Phase	\$ 3,500.00
Resident Project Rep.	\$ -	Engineering	\$ 125,500.00
Attorney Fees/Bond Counsel	\$ 56,846.00	Resident Project Rep.	\$ -
Loan Refinancing	\$ 350,000.00	Attorney Fees/Bond Counsel	\$ 40,000.00
Interest Interim	\$ 24,000.00	Interim Interest	\$ 11,000.00
Legal Services	\$ 430,846.00	Legal Services	\$ 51,000.00
Total Water Project Cost	\$ 1,357,360.00	Total Sewer Project Cost	\$ 1,017,000.00
Grant Funding	\$ (30,000.00)	Grant Funding	\$ (433,000.00)
Principal Loan Cost	\$ 1,327,360.00	Principal Loan Cost	\$ 584,000.00

Discussion: City Administrator Hernandez explained that the city has been planning for such water and sewer improvements listed in the preliminary engineering reports since May 2015, public hearings were held, public notices were posted, and now recently, USDA has approved funding of the total project of \$2,374,360, and awarding a total amount of \$463,000 in grant funds that would reduce the financing cost to \$1,911,360 at a 1.875% interest rate over a 40-year term. The first total annual debt payment with interest would be \$69,523; in addition, the city would have to set aside \$18,901 in reserves each year during such note. The total financing cost includes for the refinancing of Series-2015 Debt, \$350,000 Water Purchase, which would eliminate the average annual debt estimate of \$30,000.

Action: Alderman Bluemel made a motion to table this item for a workshop with USDA, Engineers, Financial Counsel/Advisors, and Staff for December 12, 2016 at 5pm; and Alderman Fernandez seconded the motion. Vote: 4-0; Motion carried unanimously.

- 11) Discussion/Consider action on the Interlocal Agreement with Medina County; participating the City of Natalia in the countywide Hazard Mitigation Action Plan and dedicating local matching funds of \$3,500.00 to Medina County for grant activities.

Discussion: Medina County is making a grant application, administered by GrantWorks, to implement a Hazard Mitigation Plan for the County; the grant planning efforts would ask for local cities assistance with committing \$3,500 of matching funds towards this program, which the amount must be dedicated by the end of 2017. The City's participation could benefit the city with future plans, and applicable grant funds for which requires HMAP.

Action: Alderman Bluemel made a motion approving the City's participation; and Alderman Ortiz seconded the motion. Vote: 4-0; Motion carried unanimously.

- 12) Discussion/Consider locking in the price of \$0.03867 kwh by entering into a 24-month service agreement with Direct Energy for power (electric) supply.

Action: Alderman Bluemel made a motion to table this item, authorizing City Administrator to seek other pricing, and to be brought before city council at the April 2017 meeting, before current contract expires; and Alderman Ortiz second the motion. Vote: 4-0; Motion carried unanimously.

- 13) Discussion/Consider adopting a Resolution; Participating the City of Natalia as a member of the Go Medina County Economic Development, Inc., designating representation, and preauthorizing the city to budget for the payment of dues for the city's fiscal year beginning October 1, 2017.

Discussion: City Administrator Hernandez explained that Go Medina County Economic Development was recently established to promote economic growth for Medina County, in its entirety; by bringing new businesses to areas within. The organization established a set of Bylaws and a Board of Directors, and has applied for its non-profit status, and is currently seeking for a marketing firm that could broaden the search for new development. Each entity will pay \$1.00 per census resident of their community, and having other tiered levels of membership for non-municipalities; because of fiscal periods, municipalities will not incur the membership dues until their next budget cycle, October 1, 2017. Each municipality will have representation on the Board, which is typically the Mayor, Mayor Pro-Tem, or City Administrator/Manager.

Action: Alderman Fernandez made the motion approving the resolution, preauthorization of budget item, and designating representatives of the Mayor, Mayor Pro-Tem, or City Administrator to serve on Go Medina; and Alderman Ortiz second the motion. Vote: 4-0; Motion carried unanimously.

Staff Reports:

- 14) **City Administrator's Report:** 1) The City's Preliminary Audit for FY2015-2016 is scheduled for December 7, 2016, and requests for members of the Council, specifically the Mayor and Mayor Pro-Tem make themselves available for a 9am interview. 2) Requests for Proposals for Planning Services for TDA TxCBDG Contract No.7216074 (Comprehensive Master Plan) for total project funds of \$45,986 were issued, and will close at 4:30pm on December 5, 2016. 3) City offices are closed for the Thanksgiving Holiday on November 24-25, 2016.

- 15) **Adjournment.** Alderman Bluemel motioned to adjourn the meeting at 8pm, and Alderman Fernandez seconded the motion. Motion carried unanimously.

Passed and Approved this 19th day of December, 2016.

Approval:

Attest:

Lisa S. Hernandez,
City Administrator/Secretary