

**MERCEDES CITY COMMISSION
SPECIAL MEETING
NOVEMBER 6, 2017 – 6:00 P.M.
MERCEDES CITY HALL - COMMISSION CHAMBERS**

MEMBERS PRESENT:	Henry Hinojosa	Mayor
	Ruben Guajardo	Mayor Pro-Tem
	Howard Wade	Commissioner
	Leo Villarreal	Commissioner
	Cris De Leon Hernandez	Commissioner
	Sergio Zavala	Interim City Manager
	Juan R. Molina	City Attorney
	Arcelia L. Felix	City Secretary

MEMBERS ABSENT: None

Staff: Nereida Perez, Mecca Henry, Marisol Vidales, Salvador Hernandez, Mary Salinas and Joselynn Castillo.

1.) CALL MEETING TO ORDER.

Mayor Hinojosa called the meeting to order at 6:00 p.m.

2.) ESTABLISH QUORUM.

All members of the Commission were present which constituted a quorum.

3.) INVOCATION.

Mayor Pro-Tem Guajardo said the invocation.

4.) PLEDGE OF ALLEGIANCE.

Commissioner Villarreal led in the Pledge of Allegiance.

5.) CONSENT AGENDA (ORDINANCE NO. 98-21):

A.) APPROVAL OF MINUTES FOR CITY COMMISSION MEETING (S) HELD OCTOBER 17, AND OCTOBER 24, 2017. B.) SECOND AND FINAL READING OF ORDINANCE NO. 2017-15 APPROVING TEXAS GAS SERVICE COST OF SERVICE ADJUSTMENT. C.) SECOND AND FINAL READING OF ORDINANCE NO. 2017-16 AMENDING SUBDIVISION ORDINANCE NO. 40 ESTABLISHING THE "SINGLE LOT VARIANCE PROCESS". D.) SECOND AND FINAL READING OF ORDINANCE NO. 2017-17 AMENDING THE HEALTH & SANITATION ORDINANCE NO. 2012-15. E.) SECOND AND FINAL READING OF ORDINANCE NO. 2017-18 AMENDING PERSONNEL POLICIES. F.) APPROVAL OF CONTRACT WITH MONTALVO INSURANCE FOR WC COVERAGE (#2017/11/06A). G.) APPROVAL OF CONTRACT WITH LUIS OROZCO FOR AUDITING SERVICES. (#2017/11/06B). H.) APPROVAL OF REQUEST TO DECLARE SURPLUS INVENTORY AND AUTHORIZE DISPOSAL. I.) APPROVAL TO SUBMIT AND ACCEPT BODY ARMOR GRANT. (#2017/11/06C).

Mayor Pro-Tem Guajardo made a motion to approve the items under consent. Commissioner Villarreal seconded the motion which passed unanimously

6.) PUBLIC HEARING ON CITY OF MERCEDES NEEDS FOR THE FIVE YEAR CONSOLIDATED PLAN UNDER URBAN COUNTY PROGRAM YEARS 31 THRU 35.

Mayor Hinojosa opened the public hearing at 6:03 P.M. Mr. Zavala stated that this hearing was to get public input in preparation for the City's 5-year consolidated plan under Urban County. The City should anticipate funding in the amount of \$248,834 based on last year's funding and similar amount in the subsequent five years.

At a call for public comments, none were offered and Mayor Hinojosa proceeded to close the public hearing at 6:05 pm.

7.) DISCUSSION AND POSSIBLE ACTION OF BIDS RECEIVED FOR GROUP HEALTH, LIFE & AD&D INSURANCE.

Mr. Zavala stated that the following two bids were received for the City's health insurance: Blue Cross & Blue Shield of Texas (BCBS) \$516.69 for employee only- \$909.39 for employee/children - \$1,048.91 for employee/spouse – and \$1,705.10 for employee/Family. The office co-pay will be \$45. TMLIEBP rate is \$505.42 for employee only - \$534.02 for spouse - \$394.04 for child(ren); and \$1,192.44 for family. The office co-pay is \$30. The proposal included that no more than \$8.50 per employee for service fee would be assessed when an agent of record is selected. Mr. Zavala said that Blue Cross/Blue Shield had disregarded the City's specs and instead imposed an approximate \$24-25/employee service fee per employee. Additionally, the City does not currently have an agent of record; however, BCBS named one in their proposal. Dearborn National was the only proposal received for the life and AD&D.

Mr. Armando Garcia from Ortegon Insurance agency addressed the Commission regarding Blue Cross and Blue Shield. After some discussion, Mayor Pro-Tem Guajardo made a motion to select the proposals submitted by

TMLIEBP for the City's health insurance and Dearborn National for the employee life and AD&D. Commissioner Wade seconded the motion, which passed unanimously.

8.) DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE HOLLIS RUTLEDGE & ASSOCIATES TO PROCESS USDA RURAL DEVELOPMENT FOR A COMMUNITY FACILITIES LOAN TO RESTORE THE OLD MERCEDES FIRE DEPARTMENT.

EDC had done a comprehensive report in 2015 of the historic old fire station which indicated that it is in need of repairs. Hollis Rutledge & Associates could assist with applying to USDA for a loan to restore the fire station. The Loan amount would be approximately \$2.5 million, with the grant amount being about \$100,000 with loan forgiveness grant at a interest rate of 2.5-3.5 for 40 years maximum. Once application is underway, and if awarded but not executed, staff will approach the city commission to accept the loan. Mr. Frank San Roman addressed the Commission and went over the process time frame, based on the study that was done by the EDC. Commissioner Wade made a motion to authorize Hollis Rutledge & Associates to process a USDA Rural Development for a Community Facilities Loan to restore the old fire department. Commissioner Villarreal seconded the motion, which passed unanimously.

9.) DISCUSSION AND POSSIBLE ACTION OF FIRST READING OF ORDINANCE NO 2017-(19) TO PROVIDE THE RIGHT TO THE CITY COMMISSION TO INITIATE REZONING ON PROPERTIES.

Mr. Zavala reported that there were properties on Texas Avenue that were residential and should be commercial, with rezoning being the only way to correct the matter. The proposed ordinance gives the right to the City Commission to initiate rezoning to any property when deemed to be appropriate, such as in this instance.

Commissioner Villarreal made a motion to accept staff's recommendation and adopt the first reading of Ordinance No. 2017 – (19) providing the right to the City Commission to initiate rezoning on properties. Commissioner Wade seconded the motion, which passed unanimously.

10.) DISCUSSION AND POSSIBLE ACTION TO ENTER INTO INTERLOCAL AGREEMENT WITH COUNTY OF HIDALGO TO PAVE A PORTION OF BEECH STREET.

The county has prepared an interlocal agreement to assist the City with paving a portion of Beech Street. The County would provide the labor and equipment to overlay the street and the City would provide \$57,260 for the materials. Staff is recommending approval of the interlocal agreement. Commissioner Wade made a motion to enter into an interlocal agreement with the County of Hidalgo to pave a portion of beech street as presented. Mayor Pro-Tem Guajardo seconded the motion, which passed unanimously.

11.) DISCUSSION AND POSSIBLE ACTION TO ENGAGE LANCE ELLIOTT OF TIF SERVICES OF S. TEXAS TO REACTIVATE MERCEDES TIRZ PORGRAM, OR TO AUTHORIZE TO SEEK SPECIALIZED CONSULTING SERVICES TO MANAGE THE TIRZ.

Mr. Lance Elliott had served as consultant for the TIRZ which was initiated by the City in 2008 to help with facilities infrastructural improvement program. Mr. Elliott's services have since ceased. Mr. Zavala stated that Mr. Elliott's specialized services are needed to revive the TIRZ and continue with the program. He proceeded to recommend that the commission approve a two-year contract with Mr. Elliott for the amount of \$20,000.

Mayor Pro-Tem Guajardo made a motion to engage Lance Elliott of TIF Services of S Texas for the Mercedes TIRZ program. Commissioner Villarreal seconded the motion which passed unanimously.

12.) DISCUSSION AND POSSIBLE ACTION TO APPROVE SINGLE SERVICE CONTRACT TO LONESTAR LOGOS FOR 2018.

Mr. Zavala addressed the Commission about the cost for advertizing signs along the U.S Expressway 83. The cost for 2018 will be above the procurement ceiling. Mr. Zavala stated if the contract is not renewed then the signs will be removed the following year. Mr. Zavala recommends approving 2018 contract with Lonestar Logos. Mayor Pro-Tem Guajardo made a motion to approve contract with Lonestar Logos for 2018. Commissioner Wade seconded the motion which passed unanimously.

13.) DISCUSSION AND POSSIBLE ACTION TO AWARD CONTRACT FOR LAB TESTING PURPOSES FOR THE MERCEDES INDUSTRIAL PARK SUBDIVISION.

Mr. Zavala addressed the Commission that lab testing is essential to assure that the contractor has complied with the required specification of the City's consulting engineer. Mr. Zavala made a recommendation to engage with PSI and Raba Kistner for rotating basis. Commissioner Villarreal made a motion to approve Raba Kistner for lab testing. Mayor Pro-Tem Guajardo seconded the motion which passed unanimously. Mayor Pro-Tem Guajardo suggested having PSI, Raba Kistner and Terracon on rotation however the City Attorney advised that the motion be for Mercedes Industrial Park Subdivision only, and the commission concurred with the City Attorney.

14.) DISCUSSION AND POSSIBLE ACTION OF RESOLUTION TO CAST ALLOTTED 25 VOTES FOR CANDIDATES FOR THE HIDALGO COUTY APPRAISAL DISTRICT BOARD OF DIRECTORS.

Mr. Zavala addressed the Commission that the City of Mercedes has 25 votes that may be cast to one nominee or divide among several nominees. Commissioner Villarreal made a motion to give David Garza, nominee from Mercedes, the allotted 25 votes. Mayor Pro-Tem Guajardo seconded the motion which passed unanimously.

15.) OPEN FORUM-

Dalia Gonzalez stated to the Commission on the great work the Commission and first responders are doing.

Mayor Hinojosa called meeting into executive session at 6:41 pm.

16.) EXECUTIVE SESSION:

- DISCUSSION REGARDING DUTIES AND RESPOSIBILITIES OF THE ASSISTANT CITY MANAGER. – SECTION 551.074, TEXAS GOVERNMENT CODE ANNOTATED. – PERSONNEL.**
- DISCUSSION REGARDING PROJECT LOGISTICS – SECTION 551.087, TEXAS GOVERNMENT CODES ANNOTATED. – ECONIMIC DEVELOPMENT.**
- DISCUSSION REGARDING PROJECT R. HINOJOSA – SECTION 551.087, TEXAS GOVERNMENT CODES ANNOTATED. – ECONIMIC DEVELOPMENT.**
- DISCUSSION REGARDING PROJECT COLLEGE – SECTION 551.087, TEXAS GOVERNMENT CODES ANNOTATED. – ECONIMIC DEVELOPMENT.**
- DISCUSSION REGARDING PROJECT REYNOSO – SECTION 551.087, TEXAS GOVERNMENT CODES ANNOTATED. – ECONIMIC DEVELOPMENT.**

Mayor Hinojosa called the meeting to order at 7:54 pm.

16.) DISCUSSION AND POSSIBLE ACTION REGARDING ITEM(S) DISCUSSED IN EXECUTIVE SESSION.

Mayor Pro-Tem Guajardo made a motion to approve Project Logistics, Project R. Hinojosa, Project College, and Project Reynoso and authorize City Manager and City Attorney to proceed as discussed in executive session. Mayor Hinojosa seconded the motion. The motion passed with Mayor abstaining from the Hinojosa item.

18.) ADJOURN.

Mayor Hinojosa made a motion to adjourn. Mayor Pro-Tem Guajardo seconded the motion which passed unanimously. Meeting was adjourned at 7:55pm.