

**MERCEDES CITY COMMISSION
SPECIAL MEETING
MAY 24, 2021
MERCEDES CITY HALL – COMMISSION CHAMBERS**

MEMBERS PRESENT:	Oscar Montoya	Mayor
	Joe Martinez	Mayor Pro-Tem
	Leonel Benavidez	Commissioner
	Jacob Howell	Commissioner
	Jose M. Gomez	Commissioner
STAFF PRESENT:	Alberto Perez	City Manager
	Joselynn Castillo	City Secretary
	Anthony Troiani	City Attorney
	Kristine Longoria	City Secretary Clerk
	Axel Vallejo	City Manager’s Secretary
	Ervin Vilchis	IT Liaison
	Joaquin Hernandez	PW Director
	Javier Campos	Fire Chief/EMC
	Jose Macias	Police Chief
	Nereida Perez	Finance Director
	Monica Rodriguez	Planning Admin Asst.
	Richard Morin	Recreational Director
	Orlando Diaz	Police Sargent

1) CALL MEETING TO ORDER

Mayor Montoya called the meeting to order at 6:00 PM.

At this time, Commissioner Howell spoke about the American Rescue Plan Act and would like to schedule a meeting for the check to be presented.

The Commission moved to item 3 due to CRI not being present.

2) PRESENTATION AND ACCPETANCE OF THE CITY OF MERCEDES ANNUAL AUDIT FOR FY 19-20.

Mr. Aaron Rios with CRI addressed the Commission about the City of Mercedes Annual Audit for FY 19-20. Mr. Rios stated that the opinion is unmodified which means they were presented fairly. Mr. Rios addressed several items from the audit. There was an increase in total assets, cash has gone down due to a receivable from the utility fund, the reserves are currently at 2 to 3 weeks and should be at 2 to 3 months. There was a decrease in sales tax revenue and excess revenues due to COVID. The Emergency fund had a slight increase. The General fund made \$92K, total assets is at \$39 Mil due to depreciated from previous year of \$41 Mil. The Utility fund revenue increased from \$4.3 mil to \$4.6 Mil but operating expense is increased from \$4.9 to \$5.5 Mil. Mr. Perez stated that water rate study should have been done and is looking to get the audit out on time next year. At a question from Commissioner Benavidez, Mr. Rios stated the city should be recording the cash receivables and reports from EMS billing. Mr. Rios stated no one is hiding money it was just not recorded the correct way. There are no fraud findings and although this is not a forensic audit the procedures did not find any fraud. Commissioner Howell stated to identify the issues, come up with an action plan and mandate and review if the current plan is or is not working. He added to reduce operation costs and look for savings and efficiency. Commissioner Benavidez wants to see quarterly, the controls in place regarding the significant deficiencies on page 144. Ms. Nereida Perez stated that the accruals for revenues are done at the end of the year.

Mr. Perez stated the City will continue to monitor all departments. Mr. Rios stated there has been improvements from last year's audit. Mr. Perez stated the SOP need to be reviewed yearly, have a write off water account on delinquent bills and to check every year for account that are 365 days past due. The last time the write offs were done was in 2017. He also wants to have an emergency fund policy. Mr. Perez met with finance, the Financial advisor and CRI on the finding regarding the debt capacity. Mr. Perez stated that the budget process has begun and the budget worksheet have gone out to the departments. Commissioner Benavidez stated he wants a finance department and a Fire/EMS workshop. The FY is at 66.67% of the year and the city is at 58% on expenditures. Commissioner Benavidez made a motion to accept the audit and bring back the final findings and plan of improvement. Mayor Pro-Tem Martinez seconded the motion. Upon a called vote, the motion passed unanimously.

Mayor Montoya called for recess at 7:08 PM. After recess the Commission moved to item 6.

3) DISCUSSION AND POSSIBLE ACTION TO INCLUDE THE AMOUNT APPROVED FOR THE TRAVEL CENTER PROJECT.

Mr. Perez stated that the motion on the Travel Center Project needs to include the amount. Commissioner Howell made a motion to approve the amount of \$200,000 for incentives for project travel center. Commissioner Benavidez seconded the motion. Upon a called vote, the motion passed unanimously.

4) DISCUSSION AND POSSIBLE ACTION REGARDING THE CONTRACTS FOR TIF SERVICES, DR. LEVINE, DAVID GORENA AND ARMANDO MARTINEZ.

Mayor Montoya stated that there is no action on the contract for Mr. Armando Martinez due to this contract being renewed previously for 3 years.

TIF Services is contracted to work on the TIRZ with Mr. Elliott. The City is looking to renew as this is ongoing. Commissioner Benavidez made a motion to approve. Mayor Pro-Tem Martinez seconded the motion. Upon a called vote, the motion passed unanimously.

Dr. Levine is the Medical Director for the City on EMS services. Mayor Pro-Tem Martinez motioned to renew the contract. Commissioner Benavidez seconded the motion. Upon a called vote, the motion passed unanimously.

Mr. David Gorena is the City Prosecutor. Commissioner Howell motioned to renew the contract with Mr. Gorena. Mayor Pro-Tem Martinez seconded the motion. Upon a called vote, the motion passed unanimously.

Commissioner Benavidez stated there is an agreement on an academy for Fire/EMS and its currently no in operation. Mr. Perez stated that the academy is in works and will formally announce it when it is ready.

5) DISCUSSION AND POSSIBLE ACTION ON AC UNIT FOR CITY HALL.

Mr. Perez informed the Commission about an AC unit for City Hall. The Commission room is cooler but in other areas of City Hall, the temperature is much hotter. Staff received quotes to replace the AC unit. Commissioner Howell made a motion to approve with the lowest bidder. Commissioner Benavidez seconded the motion. Mr. Perez stated that maintenance will be included. Commissioner Gomez stated that there are 4 local vendors for AC repair. Mr. Perez asked if Commissioner Gomez could provide the list of local vendors to contact them. Upon a called vote, the motion passed unanimously.

6) DISCUSSION AND POSSIBLE ACTION ON AN AGREEMENT TO ENSURE CONTINUATION OF LEGAL SERVICES ON PENDING LITIGATION WITH TROIANI & SOSSI, PLLC.

Mr. Perez stated a draft agreement was created by outside legal counsel. Commission moved to item 7 due to outside legal counsel not present.

Commissioner Benavidez stated that the contingency agreement was submitted to the AG's office. The current agreement is set at an hourly rate. It was stated that because of changes in Legislature, the approval process can take up to three months. Commissioner Howell made a motion to approve the agreement. Commissioner Benavidez seconded the motion. Upon a called vote, the motion passed unanimously.

At this time, the Commission continued with item 8.

7) DISCUSSION AND POSSIBLE ACTION ON A PRIMARY AND SECONDARY LOCATION FOR THE COMMAND CENTER.

Commissioner Benavidez made a motion to table this item and stated he needed more information. Mayor Montoya stated this item is just to look for a second location. Commissioner Gomez seconded the motion. Upon a called vote, the motion failed 2-3. Mayor Pro-Tem Martinez made a motion to approve finding a short term and long term, primary and secondary location for the Command Center. Commissioner Gomez asked is there is a cost. Mr. Perez stated there is no cost this item is just to authorize the City Manager to look for a second location and then bring back what is found. Commissioner Howell stated this would help find a sound location. Commissioner Benavidez seconded the motion. Upon a called vote, the motion passed unanimously.

At this time, CRI arrived and the Commission went back to item 2.

8) DISCUSSION AND POSSIBLE ACTION TO GO OUT FOR BIDS TO SECURE AN AGENT OF RECORD.

Mr. Perez informed the Commission that there were two instances where it took 2 to 4 hours to get ahold of someone with the insurance. With an agent of record there would not be a wait time. Mayor Pro-Tem Martinez stated that the agent of record would be responsible. City Attorney Troiani stated this item should be discussed in executive session. Mayor Montoya called the meeting into executive session at 7:25 PM. Mayor Montoya called the meeting back to order at 7:39 PM. Commissioner Benavidez made a motion to table this item. Mayor Pro-Tem Martinez seconded the motion. Upon a called vote, the motion passed unanimously.

9) DISCUSSION AND POSSIBLE ACTION TO GO OUT FOR RFP/RFQ'S FOR PUBLIC RELATIONS GROUP.

Mr. Perez stated that it is a challenge trying to capture positive things the City is doing. Staff has been more active on social media. Having a Public Relations Group will help show the facts and positive side of Mercedes. Commissioner Howell made a motion to approve going out for RFP/RFQs. Mr. Perez stated that this could help generate interest from outside business and Mexico. At a question, Mr. Perez stated he will bring back with the cost once bids come in. He added that EDC can use the same service and can share the costs. The funds can be from EDC Marketing, Hotel/Motel and General fund. Mayor Pro-Tem Martinez seconded the motion. Upon a called vote, the motion passed unanimously.

10) TABLED: DISCUSSION AND POSSIBLE ACTION ON THE RFQ/RFP FOR GENERAL COUNSEL SERVICES.

Mayor Pro-Tem Martinez made a motion to un-table. Commissioner Benavidez seconded the motion. Upon a called vote, the motion passed unanimously. Mr. Perez stated there were concerns due to the current contract with legal due to the contingency agreement need approval. Commissioner Benavidez asked if the item wording needs to be the same as the original item. Mr. Troiani stated the agenda item is proper.

Mayor Pro-Tem Martinez made a motion to approve to go out for RFQ/RFPs. Commissioner Howell seconded the motion. Upon a called vote, the motion passed unanimously.

11) FUTURE AGENDA ITEMS

1.) INSTRUCT THE CITY MANAGER TO DEVELOP COST ESTIMATED FOR A WATER RESERVOIR TO ADDRESS FUTURE WATER DROUGHTS.

Mr. Perez stated that the City does not have enough capacity in case of a drought. He stated he will include contamination of water report. This will reserve water for 7 to 10 days.

2.) DEVELOPMENT OF PLAN TO REDUCE SLUDGE COSTS.

Mr. Perez stated he is looking at a better way going forward to reduce cost for the sludge. There are options and will bring back to the commission for review.

3.) DISCUSSION TO LOOK FOR REDUCTION IN COSTS ASSOCIATED WITH BRUSH/TRASH DISPOSAL (I.E MULCH MACHINE)

Mr. Perez addressed the Commission about reducing the cost in removal of brush. There has been a high volume of brush due to the storm and freeze. Mayor Pro-Tem Martinez stated there was a wood chipper and was done before by KMB. Commissioner Benavidez suggested utilizing the committees, community and volunteers to help with the clean-up. The brush leads to mosquitos and critters. Commissioner Benavidez stated the strike team needs more man power. Mayor Pro-Tem Martinez asked where the City was on collecting the funding from the American Rescue Plan. A meeting is set for the following week with the Congressman. Mayor Montoya stated that citizens need to know the effort that has been made to collect trash and brush. Commissioner Benavidez asked for the plan for City to do their part to help. He added to bring back the EMS Contract regarding the Academy and stated there are not many paramedics left.

Mayor Montoya called the meeting into executive session at 9:26 PM.

12) EXECUTIVE SESSION

A.) CONSULTATION WITH LEGAL COUNSEL REGARDING LEGAL SERVICES AGREEMENT. (SECTION 551.071)

The Commission went into executive session for Item 8. The motion after executive session is on the minutes for item 8.

13) ADJOURNMENT

Commissioner Benavidez made a motion to adjourn. Mayor Pro-Tem Martinez seconded the motion. Upon a called vote, the motion passed unanimously. The meeting adjourned at 8:12 pm.