

City of Natalia, Texas
Regular City Council Meeting
September 19, 2016 at 7:00 pm
Minutes

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

Call to Order:

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

Citizens to be Heard:

- 2) None.

City Council Comments:

- 3) a. Alderman Ortiz expressed concerns regarding the cleanup of the community, stating that city council adopted an ordinance regulating businesses within city limits, that shouldn't be there, and that several junked vehicles are now being parked in easements, alleys and inside properties, and they are in violation.
b. Mayor Saldana proclaimed Tuesday, October 4, 2016 as National Night Out in the City of Natalia, Texas; calling upon all citizens to help make the community a safer and more enjoyable place to live, work and play.

Consent Agenda:

- 4) a. Approval of Minutes: August 15, 2016 Special Meeting, August 15, 2016 Regular Meeting, August 31, 2016 Special Meeting, and September 6, 2016 Special Meeting
b. Approval of Financial Activity Report: August 2016
c. Approval of Police Department Activity Report: August 2016
d. Approval of Municipal Court Activity Report: August 2016
e. Approval of Code Compliance Activity Report: August 2016
f. Approval of Utility Department Activity Report: August 2016
Action: Alderman Bluemel made the motion approving the consent agenda, and Alderman Fernandez seconded the motion. Vote: 4-0; Motion carried unanimously.

Discussion/Consideration of Action Items:

- 5) **Discuss/Consider approving a Resolution; authorizing certain payment exemptions and control of funds of the Natalia Municipal Development District.**
Discussion: City Administrator Hernandez addressed the MDD's request to have payment of water, sewer and garbage services waived as the MDD is an entity of the City, and mentioned that the resolution would also close the Veterans Memorial Fund as being an account of the City, and the fund balance would be written to the MDD to establish and manage these funds for the same purpose as why it was created.
Action: Alderman Ortiz made the motion approving the resolution; and Alderman Fernandez second the motion. Vote: 4-0; Motion carried unanimously.
- 6) **Discuss/Consider action on approving the Natalia Municipal Development District Annual Budget for fiscal year beginning October 1, 2016 and ending September 30, 2017.**
Discussion: An MDD Representative was not in attendance to discuss the proposed budget.
Action: Alderman Fernandez motioned to table this item until a representative arrives; and Alderman Bluemel seconds the motion. Vote: 4-0; Motion carried unanimously. *[Item placed for next regular meeting.]*
- 7) **Discuss/Consider entering into a one-year Lease Agreement with Natalia Little League for the leasing of the Natalia Ball Fields located between State Hwy 132 & East 3rd Street off FM-471, commencing on October 1, 2016.**
Discussion: City Administrator Hernandez explained that no changes to the contract have been, other than extending the term to one-year for annual renewal; and recommends that as part of their lease, the NLL will have to connect services under their own name. Currently, the electric account is under the City's name,

and the city pays the bill, and then issues an invoice to NLL for request for reimbursement, and then NLL submits payment to the City; this process is time consuming. Additionally, city council discussed that renewal of NLL lease of fields would be determined on the election results of NLL Officers. Alderman Fernandez mentioned concerns he had in regards to security during NLL events, and would like Article 9.1 language to be more specific. Gerry Gonzalez, NLL Secretary, mentioned that election of the officers is scheduled for September 24th, and then a meeting thereafter will determine the positions of those elected officers; but would certainly mention to the Officers of the City's suggestions and how to resolve it.

Action: Alderman Bluemel motions to extend the current contract until the end of next month (October 2016) and to postpone consideration of the renewal contract to next regular meeting, which should provide the City and NLL to review the terms of Article 9.1, and resolve the electric billing; and Alderman Juarez, seconded the motion. Vote: 4-0; Motion carried unanimously.

8) **Discuss/Consider engaging into a contract with Beyer & Company for auditing services for fiscal year ending September 30, 2016 for an amount not to exceed \$13,000.00.**

Discussion: City Administrator Hernandez explained the service cost increased by \$500, which will be split between General and Utility Fund, and has been incorporated into the proposed FY 2016-17 Budgets.

Action: Alderman Ortiz made the motion approving the contract; and Alderman Fernandez seconded the motion. Vote: 4-0; Motion carried unanimously.

9) **Discuss/Consider adopting an Ordinance; Amending the Utility Rates for Residential Garbage Customers.**

Discussion: City Administrator Hernandez explained that ACI has increased their rate by 2%, and proposes a .50cent service rate increase to offset the additional expense and to cover the city's overhead cost. New rates will be effective for utility service period ending October 15, 2016 for bills due on November 1, 2016.

Action: Alderman Fernandez motioned to approve the Ordinance, and Alderman Ortiz second the motion. Vote: 4-0; Motion carried unanimously.

10) **Discuss/Consider proposal of Medical Insurance Plans presented by Ernest Munoz, VP, Frost Insurance.**

Discussion: City Administrator Hernandez explained that she reviewed several plans offered by Frost, as the renewal plan rates and copays have increased considerably from current rates; and was hoping for the to obtain the Aetna Plan as that would actually save the city thousands of dollars that could be utilized to give the employees a raise which is currently not affordable; however, Ernest Munoz did submit notice that Aetna would not underwrite the city under this plan due to several health risks. Munoz goes on to explain the other remaining options, being the renewal plan and the simplicity plan both provided by Humana:

Benefits	Humana Renewal Plan	Humana Simplicity Plan	Aetna AFA Choice POS II
In-Network	In-Network	In-Network	In-Network
Calendar Year Deduct.(Individual/Family)	\$2000 / \$4000	\$0 / \$0	\$2500 / \$5000
Out of Pocket Max (Individual/Family)	\$6350 / \$12700	\$6850 / \$13700	\$5000 / \$10000
Coinsurance (Carrier / Member)	50% / 50%	50% / 50%	80% / 20%
Inpatient Hospitalization (Member)	Deductible + 50%	\$2250 / day (max 3)	Deductible + 20%
Outpatient Surgery (Member)	Deductible + 50%	\$2250 / visit	Deductible + 20%
Emergency Room (Member)	\$400 Copay + 50%	\$750 Copay	\$200 Copay + 20%
Urgent Care (Member)	\$100 Copay	\$100 Copay	\$75 Copay
Physician Office Visit / Specialist Copay	\$35 / \$70	\$55 / \$100	\$30 / \$60
Prescription Drug Copay - Retail	\$10 / \$35 / \$75 / 25%	\$10 / \$45 / \$90 / 25%	\$10 / \$45 / \$70 / 20%
Monthly Premium Rates	Renewal	Alternate 2	Alternate 3
Employees	11		
	\$526.36	\$496.42	\$318.10
Monthly Premium Total	\$5,789.96	\$5,460.62	\$3,499.10
Annualized Premium Total	\$69,479.52	\$65,527.44	\$41,989.20
Rate Increase % from Current Plan	21.90%	14.97%	-23.61%

City Administrator Hernandez explained that overall the City and the employees will benefit more with having the Humana Simplicity Plan than the Renewal Plan; there is an increase with either choice, but the

simplicity plan will provide the city a savings of about \$4,000 from the renewal plan; and suggests the savings difference be applied towards covering employees dental and vision costs, and possibly their dependents; rather than applying the savings into a medical flex-plan to assist employees in copay expenses that they may or may not benefit off of.

Action: Alderman Bluemel made a motion selecting Humana Simplicity Plan for employee's medical coverage, and electing to apply the savings towards covering the employees and their dependents at 100% for dental and vision coverage; Alderman Ortiz second the motion. Vote: 4-0; Motion carried unanimously.

- 11) **Discuss/Consider action on Ordinance; Adopting the City of Natalia Annual Budgets for Fiscal Year beginning October 1, 2016 and ending September 30, 2017; appropriating funds to pay interest and principal of the city's indebtedness; providing for a record vote, and setting an effective date.**

Action: Alderman Fernandez made the motion adopting Fiscal Year 2016-2017 Annual Budgets; and Alderman Ortiz seconded the motion. Record Vote: 4-0; Passed by a unanimous vote.

FOR: Aldermen Ruben Juarez, Tommy Ortiz, Sam Bluemel, Mike Fernandez

AGAINST: None. ABSENT: Alderman Sam Smith ABSTAIN: None.

PRESENT and NOT Voting: Mayor Manuel Saldana

- 12) **Discuss/Consider action on Ordinance; Levying Ad Valorem Taxes for Tax Year 2016 of a Tax Rate of \$0.8615 on each \$100 valuation of property; apportioning tax to the specific purpose; establishing due and delinquency dates; assessment of penalties and interest; and providing for a record vote.**

The 2016 Tax Rate proposed of \$0.8615 on each \$100 valuation consists of the Maintenance & Operations Tax Rate of \$0.7691 and the Interest & Sinking (Debt) Tax Rate of \$0.0924. The Tax Rate of would decrease property owner taxes by last year's tax rate by \$25.40 per \$100,000 valuation.

Motion: Alderman Fernandez made the motion adopting the property tax rate of \$0.8615, which is effectively a 0.00% increase in tax rate from last year's tax rate; and Alderman Bluemel seconded the motion.

Record Vote: 4-0; Passed by a unanimous vote.

FOR: Aldermen Ruben Juarez, Tommy Ortiz, Sam Bluemel, Mike Fernandez

AGAINIST: None. ABSENT: Alderman Sam Smith ABSTAIN: None.

PRESENT and NOT Voting: Mayor Manuel Saldana

- 13) **Discuss/Consider action on Ordinance; Establishing property owners responsibility to maintain all sidewalks, parkways, alleys, easements, driveways, and curbs that abut their property to which owners have right or special use to access property across, over, or under an easement or right-of-way.**

Discussion: City Administrator Hernandez mentioned that the city receives several phone calls for work orders to repair driveways, easements or alleyways to which is caused by abutting property owners using the path as an access way into their property. Property owners use easements as parking lots for their vehicles, and then when it becomes damaged with ruts and potholes they call the city to repair it; and same goes for their driveway. The City receives numerous calls reporting potholes on driveways to be repaired because for some reason owners have been taught to believe that their driveway ends at their property line, and the part of their driveway from their property line to the connecting street is the city's responsibility; which is not the case. All driveways from the access point up into their property is their responsibility, the city does not create driveways to access private properties, the abutting owners do, at which they should maintain them. Alderman Fernandez questioned if the city damages the driveway, ex: to get to a water main, then who's responsible for the repairs. PWD Art Smith stated that in the past the city repairs the driveway with the same type of material if it's a city caused issue. Mayor Saldana expressed concerns regulating property owners to repair easements especially since the city has several drainage issues. City Administrator Hernandez explained that culverts should be placed by property owners under their driveways to allow for proper drainage flow, and so owners can access their property without bottoming-out. City Administrator Hernandez understands the severity of the city's drainage issues, but requiring owners to place culverts where necessary is already an ordinance, that had only been regulated at Mustang Estates.

Action: Alderman Bluemel motioned to postpone the item; and Alderman Fernandez seconded the motion. Vote: 4-0; Motion carried unanimously.

- 14) **Discuss/Consider approving Resolution; authorizing the City Administrator to administer and organize a Yard of the Quarter Program for residents within the city limits of Natalia, Texas.**

Action: Alderman Fernandez approved the Resolution; and Alderman Ortiz seconded the motion.

Vote: 4-0; Motion carried unanimously.

- 15) **Discussion/Consider action of designating an official newspaper for city publication and notices for fiscal year 2016-2017.**

Action: Alderman Ortiz made a motion designating Devine News Newspaper as the city's official newspaper; and Alderman Bluemel second the motion. Vote: 4-0; Motion carried unanimously.

STAFF REPORTS:

- 16) **City Administrator's Report:** 1) Announcement of curbside bulky item pickup is scheduled to begin October 3, 2016. 2) Announcement of the City's award of the 2016 TDA TxCBDG Planning and Capacity Building Fund in the amount of \$39,705. 4) The Selection Review Committee will meet to review and score the RFP's/RFQ's for the 2017-2018 TDA TxCBDG Fund Application to be focused on water improvements.

- 17) **Adjournment.** Alderman Fernandez motioned to adjourn the meeting at 8:40pm, and Alderman Bluemel seconded the motion. Motion carried unanimously.

Passed and Approved this 17th day of October, 2016.

Approval:

Attest:

Lisa S. Hernandez, City Administrator/Secretary