

**MINUTES OF SPECIAL MEETING
CITY COUNCIL, CITY OF DILLEY
SEPTEMBER 24, 2019**

COUNCIL PRESENT: MAYOR MARY ANN OBREGON, MAYOR PRO-TEM EVERARDO CASTILLO, JR., COUNCIL MEMBER PLACE 1 ALEXANDRIA INOCENCIO, COUNCIL MEMBER PLACE 2 JOANNE RODRIGUEZ, COUNCIL MEMBER PLACE 3 ALICIA MACHADO, COUNCIL MEMBER PLACE 5 JOE GARCIA

COUNCIL ABSENT: NONE

STAFF PRESENT: CITY ADMINISTRATOR JUAN ESTRADA, CITY SECRETARY JUANITA FONSECA, FINANCE DIRECTOR IRMA RODRIGUEZ, HUMAN RESOURCES MANAGER RAQUEL YANEZ

CITIZENS PRESENT: ARNULFO CRUZ, GILBERT ORTIZ, SANDRA CRUZ, ALEJANDRO MARTINEZ

1. CALL MEETING TO ORDER

Meeting was called to order by Mayor Obregon @ 6:31P.M.

2. ROLL CALL

All council present

3. CITIZENS TO BE HEARD

No citizen comments were made

**Pledge of Allegiance was recited.

4. DISCUSS/CONSIDER & ACT ON ADOPTING ORDINANCE NO. 19-09-10-A, AN ORDINANCE ADOPTING A BUDGET FOR THE ENSUING FISCAL YEAR BEGINNING OCTOBER 1, 2019 AND ENDING SEPTEMBER 30, 2020 APPROPRIATING THE VARIOUS AMOUNTS THEREOF, AND REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE

Council Member Place 3 Alicia Machado questioned Finance Director Irma Rodriguez if any changes had been made to the budget. Finance Director replied that other than the items detailed in the document that was basically, it. She added that she had removed the hot tax and made a budget on its on both the revenue & expense side. She further stated that CCA had a budget of its own and that she felt comfortable increasing the sales tax, it had been coming it pretty consistent and even at that she increased it but stayed under the average. Council Member Place 2 Joanne Rodriguez confirmed that the hot tax had been separated, Finance Director confirmed and she stated that a bank account agenda item would be brought back to

propose to council so that hot tax can have a bank account on its own. Finance Director stated that the money that would be moved to its own bank account would be \$150,000 what was projected. Council Member Place 5 Joe Garcia question item 4025, ACI change is proposed amounts, Finance Director replied that it has been lessened due to franchise not coming in as it used to. Mr. Garcia further questioned item 4700 fund balance, Finance Director replied that when audit was presented a little over a million was presented in fund balance and the reason the \$355,000 was proposed is because there was different expenses, city added \$170,000 to water well repairs and all additions made in utility fund since fees weren't increased she proposed the money from fund balance, which according to budget the money is available. CCA reimbursement on page 23, mid page CCA Waste water expense, CCA reimburses expenses for CCA so \$75,000 that are expensed will be reimbursed. Mayor Obregon questioned the increase of sales tax. Finance Director replied that from the 640,000 that was approved on amended budget she was increasing to \$660,000, and all items combined to include ½ percent it would total \$996,000 that the city receives in a year. Finance Director stated that she believed city had exceeded the amended but she didn't have the document in front of her. Finance Director mentioned that the benches were also added to the budget for the bus stops it would include four (4) locations. Mayor added that they were looking at Canopy & benches. Council Member Place 2 Joanne Rodriguez asked Finance Director to further explain the hot tax budget amounts. Finance Director replied that on page 1 the \$175,000 is because the first two columns are the approved is the first and then the amended and in that particular line item we did not amend the \$175,000, that's why those two (2) numbers were the same but then if you go to the further right for the proposed 19/20 that amount is zero because that is where she had the \$150,000, and were moved out so if you go to page 15, there is not an 18/19 those first two (2) columns because it wasn't separated so now that we have created a new one that's where that \$150,000 came in and on page 17 the reason the is \$214,000 on the far left that is because that was the original 18/19 approved budget, then the city amended and that is only on the expense side, then city amended to \$55,000 at the end because we took off those \$200,000 and that the far right has that balance, to keep mind that this is only on expense side. Page 17 is only expenses verses page one is only revenue, but page 16 is revenue, the last time she had presented on page 1 she had \$150,000 on the far right and that is the one she moved out. No further questions were asked on the explanation. Mayor Pro-tem Castillo, questioned Mr. Estrada that if he had been able to get with Finance Director regarding his concern on the five (5) year plan, he stated that he knew he had been busy the afternoon. Mr. Estrada replied that he had been busy and was unable but that he would get with her as soon as he had a chance. Mr. Castillo suggested if city could just do increments on taxes not just hit the city with the five (5) cent increase but maybe do a cent a year, he stated that he understands city could not put all their trust in CCA money to always be their cushion especially with the upcoming election. He felt that if other party was successful CCA would be shut down and where would city get funds to cover the expenses being paid out of the CCA budget. He also stated that if they went out for grants if they did the increments it would show that the city was a financial stable city that actually taxes their people. Council

Member Place 3 Alicia Machado stated that because previous council did not raise taxes, they were in the position they were in and now they had to raise taxes because they couldn't depend on CCA. That if the previous council would have done the penny a year it wouldn't be an issue now. Now the issue is if they don't raise and if CCA closes down then they would be in a deficit so they were in a bad situation. She further stated that she didn't think the county taxes were going up. Mr. Castillo stated that he believed both school and county would not be going up. Mr. Garcia added that school was not going up not because they didn't want to but because they couldn't go any higher. Mrs. Machado added that again it was not that they wanted to it was that they needed to due to previous council action. Mrs. Machado asked tax payers in the audience to provide a response as to the situation they were facing. Mr. Arnulfo Cruz in the audience questioned CCA stating he was new to all this, Mrs. Machado replied that CCA was the detention center, Mr. Cruz stated that he didn't know which way the election would turn out if we were now facing an impeachment. Council Member Place 2 Joanne Rodriguez stated that the facility is crucial because we were very close to the border and she felt they were expanded rather than shutting them down. They needed them regardless. Mrs. Machado stated that the problem was not the building of the facility or the need it was the problem of staffing them because it was hard to clear homeland security. City Administrator stated that the city needed a small grant for a need's assessment and at the last meeting he went to with the Texas Water Development Board it was stated that Dilley being a small rural community has a good chance of getting a grant but that takes a while. He further stated that he had come across a needs assessment study in 2012 and the city then needed a water tower on Northwest side of town, numerous lines that need to be upgraded and the city has a big need for infrastructure improvement, and its crucial in applying for grants if taxes aren't raised it is viewed as a physical irresponsibility on behalf of the city. He stated that it helps even if it is in small increments for future funding purposes. Mr. Estrada stated that he wanted to make a main point in stating that if we increase taxes \$20 on a \$45,000 home then those \$20 would be wasted on one outing but if those \$20 were invested in the city that could mean millions of dollars in grants and loans that could be used to improve city infrastructure. Mrs. Machado stated that if they had raised some taxes last year it wouldn't have been that bad this year. Mr. Estrada further stated that the financial advisers had recommended the increase in the best interest of the citizens and in doing so this year, next year it would not be that high. Council Member Place 2 Joanne Rodriguez asked if the budget was good to be adopted today, she questioned if there were any amendments to any department that council was not aware of. She stated that one of her concerns was the K9 she felt the item had not been completely talked about, Mr. Estrada stated that the official request would still need to come before the council but that in approving the budget the funds were allocated and if the item did not go through well those funds could be rerouted to any other line item. Council Member Place 5 Joe Garcia stated that the budget had to be adopted, his recommendation would be if the item is approved the money is there, if it doesn't happen then those funds could be used elsewhere. Mrs. Rodriguez clarified that she just wanted to make sure that it wasn't a done deal just because it was in the budget. Mayor Obregon stated that there were

unanswered questions as far as the dog and where it would stay and how it would be transferred to and from work. She stated that Chief had mentioned the handler would need a unit and she felt there was still a lot to talk about regarding the K9. Council Member Place 3 Alicia Machado stated that it was one of those situations where if it happened it happened if not well the money would be there just in case. Both Mr. Castillo & Mrs. Machado stated that it was a vision. Mayor Obregon called for a motion.

Motion made by Council Member Place 5 Joe Garcia to approve Ordinance No. 19-09-10-A, as presented approving the budget for the 19/20 Fiscal Year

Motion seconded by Council Member Place 3 Alicia Machado

In favor of Motion Council Member Place 5 Joe Garcia, Council Member Place 3 Alicia Machado, Council Member Place 1 Alexandria Inocencio, Council Member Place 2 Joanne Rodriguez

Motion opposed by Mayor Pro-tem Everardo Castillo, Jr.

Motion carries 4-1

5. DISCUSS/CONSIDER & ACT ON ADOPTING ORDINANCE NO. 19-09-10-B, AN ORDINANCE OF THE CITY OF DILLEY, TEXAS LEVYING AND AD VALOREM TAX FOR THE USE AND BENEFIT OF THE CITY OF DILLEY FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2019 AND TERMINATING SEPTEMBER 30, 2020

No discussion on item due to tax rate being discussed in prior item. Budget must be adopted before a tax rate can be set.

Motion made by Council Member Place 3 Alicia Machado to adopt Ordinance No. 19-09-10-B, AN ORDINANCE OF THE CITY OF DILLEY, TEXAS LEVYING AND AD VALOREM TAX FOR THE USE AND BENEFIT OF THE CITY OF DILLEY FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2019 AND TERMINATING SEPTEMBER 30, 2019, a tax on all property, real, personal and mixed within the corporate limits of the City of Dilley subject to taxation, a tax of .852634 on each one hundred dollars (\$ 100.00) of assessed valuation of such property. That such tax shall be appropriated to the specific purposes hereinafter set forth, to wit: **General Fund .341330 & Sinking Fund.511304**

Motion seconded by Council Member Place 2 Joe Garcia

In favor of motion, Council Member Place 3 Alicia Machado, Council Member Place 5 Joe Garcia, Council Member Place 1 Alexandria Inocencio, Council Member Place 2 Joanne Rodriguez

Motion opposed by Mayor Pro-tem Everardo Castillo, Jr.

Motion carries 4-1

6. ADJOURNMENT

Motion made by Council Member Place 5 Joe Garcia to adjourn meeting

Motion seconded by Council Member Place 2 Joanne Rodriguez

All in favor

Motion carries unanimously


Mary Ann O'Brien
Mayor

James F. O'Brien
City Secretary

