

STATE OF TEXAS §
COUNTY OF CAMERON §
TOWN OF LAGUNA VISTA §

MINUTES OF A REGULAR MEETING OF THE LAGUNA VISTA TOWN COUNCIL

DATE: August 16, 2011
TIME: 5:30 p.m.
PLACE: City Hall Building

MEMBERS PRESENT: Susie Houston, Mayor
Steve Muschenheim, Council Member
Rita Garcia, Council Member
Leti Keplinger, Council Member
Michael Carter, Council Member
Paul Villas, Council Member

Rolando Vela, City Manager
Alma Deckard, City Secretary

MEMBERS ABSENT: William Schnier, Council Member

ALSO PRESENT: Don Gonzalez, Estrada & Hinojosa Investment Bankers
Nancy Ostos, Citizen
Stan Backues, Citizen
Roberto Rodriguez, Citizen
Nancy Franz, Citizen
Richard Lane, Citizen
Barry Hamory, Citizen
Chris Hawley, Citizen
Danielle Hawley, Citizen
Diana Baird, Colorado
Gabby Muschenheim, Citizen
Rudy Garcia, Citizen
Richard Hinojosa, Citizen
Walter Birdwell, Citizen

ORDER OF BUSINESS

1. Call to Order

Mayor Houston called the meeting to order at 5:30 pm.

2. Invocation and Pledge of Allegiance was lead by Mayor Houston.
3. OPEN FORUM: At this time, audience is allowed 5 minutes per person to address the Council on any topic. There is no discussion or formal action taken during this agenda item. A Speaker Request Form must be presented to the City Secretary prior to the meeting.

Nancy Ostos addressed the Council concerning the park financing. She stated that surveys have been completed, more than once, and the citizens want parks in their community. She asked that the Council consider funding the full amount for the park improvements.

4. CERTIFICATES OF OBLIGATION – Consideration and Possible Action to determine the amount of Certificates of Obligation to issue and authorize the City Manager and Financial Advisor to take any and all actions necessary to bring to the Town Council a final recommended financing with terms for consideration and action on September 13, 2011.

Don Gonzalez reviewed the different scenarios depending on the amount that the Council decides to borrow. The notice of intent was published last week and the second notice will be published this week, with a cap of \$2 million. These are securities, which are different from a loan. Tonight the Council will need to vote on the exact amount that they want to purchase in securities. The possible interest rate could be below 4.25%, based on the current rate status. On September 13, 2011, when the Council votes on the tax rate and budget, the interest rate will be locked in for the 20 years.

He explained that the current Maintenance & Operation (M&O) tax rate is subject to a rollback. However, the Interest & Sinking (I&S) tax rate is not subject to a rollback.

Rudy Garcia asked what the other projects were, besides park improvements. Rolando Vela explained that some of the other projects were paying the balance of the fire truck, new fire hydrants, city hall repairs, and a warehouse for town storage documents and equipment.

Council Member Garcia stated that the additional \$100 in taxes may not be much for people, but there are people here that cannot afford this increase. She stated that she is concerned about our infrastructure. When will we take care of the street improvements and infrastructure. This is going to lock us in for 20 years.

Gabby Muschenheim stated that the parks will bring economic benefits for the town.

Mayor Houston stated that she spoke to some mothers at the park and they stated that they spend money taking their kids to the Port Isabel and Brownsville Parks.

Paulette Gillum suggested having the storage documents converted to an electronic format and do away with the warehouse. Rolando Vela explained that the warehouse would also house public works police equipment.

Terry Volz stated that he could not believe that parks has taken the priority of infrastructure. Our streets will fall apart, and then what will we do. No maintenance, of any kind, has been done on our streets in the past six years. Our streets are falling apart.

Richard Hinojosa asked why the Council was going to route of the Certificates of Obligation. Why not have a bond election and let the people decide. Don Gonzalez explained that the Certificates of Obligation are a lower cost to process, it is a speedy process, less legal fees and less expensive. Bond elections can only be held twice a year to go to the voters, you have the cost of the election, legal fees and it's a longer process, once the election is done.

Stan Backues stated that two publications in the Port Isabel Press is not sufficient to notify the people.

Nancy Franz stated she agreed with the Certificates of Obligation that the Council will approve. I elected you and if I don't like what you're doing, I can un-elect you.

Council Member Muschenheim made a motion to approve \$2 million for the Certificates of Obligation . . . motion died for lack of a second.

Council Member Villas made a motion to approve \$1.5 million for the Certificates of Obligation, Council Member Muschenheim seconded the motion.

Record vote was taken as follows:

- Mayor Houston – Voted yes
- Council Member Carter – Voted yes
- Council Member Muschenheim – Voted yes
- Council Member Villa – Voted yes
- Council Member Keplinger – Voted no
- Council Member Garcia – Voted no
- Council Member Schnier – was absent

Motion carried.

5. ADJOURNMENT

Council Member Villas made a motion to adjourn meeting at 6:30 pm, Council Member Muschenheim seconded the motion. All voted “aye” to approve, motion carried.

Susie Houston, Mayor

Attest:

Alma Deckard, City Secretary