

**City of Alpine
Regular City Council Meeting
Tuesday, April 15th, 2014
6:00 P.M.
Minutes**

- 1. Call to Order, Invocation and Pledge of allegiance to the flag – Mayor Rangra called the City Council meeting to order. Brad McGuire gave the invocation. Mayor Rangra led the pledge of allegiance to the flags.**

- 2. Determination of a quorum and proof of notice of the meeting – There was a quorum present. Mayor Rangra, Councilors Bermudez, Davidson, Gonzales and Castelli were present. Councilor Fitzgerald was absent. The City Secretary said the notice had been posted at 2:15 P.M. on April 11th, 2014. City Manager Zimmer, City Attorney William “Mick” McKamie (remotely) and City Secretary Taylor were also present.**

- 3. Presentations, recognitions and proclamations –**
 - A. Proclamation for 811 – Alpine Safe Digging Month – Mayor Rangra presented the 811 proclamation to Randy Guzman, Gas Company Director.**

 - B. Proclamation for Animal Control Officers – Mayor Rangra presented a Proclamation to the Animal Control Officers in observance of Animal Control Week.**

 - C. Proclamation for Motorcycle Awareness – Mayor Rangra presented a Proclamation for Motorcycle Awareness to Sheriff Dodson, Councilor Julian Gonzales and 2 visiting motorcycle enthusiasts. They said they recorded almost one million bikes coming through here. He said motorcycle riders are big business.**

- 4. Reports –**

City Mayor’s Report - Mayor Rangra said last week Trans Pecos Bank celebrated its 90th anniversary and a proclamation was issued on behalf of the City. He said Congressman Gallego was here on Sunday. He said we have quite a bit going on this week and this month.

City Attorney Report – Mick McKamie, City Attorney, said he would like to report that they have responded daily to requests from the City Manager and Staff and they are getting in a good routine in working with the staff. He said he thinks we are making quite a few strides in just about every department. He said he would come to see the council in person in May.

City Manager Report – The City Manager said we have had a busy couple of weeks here at the City. He said on our public works side the streets department, Hector and his team are going to start the street paving on Brown Street tomorrow. He said one of the neat things that has happened in the last couple of weeks is that our gas department is doing infrastructure work. He said we have been working with Ray Hendryx for public notifications. He said our streets department has worked with Ray as well so that we can get the information on the radio. He said he wanted to make sure that we give as much visibility as we can to the citizens of Alpine as we are working through the project. He said he apologized but he has been sick for the last week and he is running out of gas right now. He said with Brown Street, we are going to be focusing on two blocks at a time, starting at Fighting Buck Avenue and Brown Street. He said it will cause disruption of traffic. He said there is no way around it. He said he thinks everyone who goes down Brown Street understands the heavy volume of traffic that goes through there and some of the issues that we have had on that street. He said we will be moving east up to Loop Road and we will continue to work with Ray on notifications so listen to the radio if you have any concerns about our progress. He said the citizens can also call city hall and ask for him as well.

He said in regards to Kokernot Pool, we are starting to interview and we will be hiring our pool manager here very quickly. He said we are also getting a lot of applicants in for lifeguard position. He said this year we are targeting at opening Memorial Day Weekend, instead of waiting until June when the schools get out. He said we want to go ahead and open on that Saturday, Sunday and Monday and give the kids an extra option for the weekend. He said we are going to increase the concession sales this year by offering not just drinks but also packaged food products. He said we are also going to extend our days to include Mondays. He said last year we were only open six days a week and this year we felt it would be a better service to the community to be open all seven days. He said he thinks the concern last year was timing to do maintenance but because the pool does not open until late morning, we feel that we can accomplish our maintenance tasks between 8 A.M. and 10 A.M daily.

He thanked everyone who helped with the Texas Trash Off. He said he went around town with his Dad in the morning and saw tons of people out there and in fact they finished with 19.12 tons of material. He said a little over 15 was for bulky loads, mattresses, furniture and wood and things of that nature and 4.06 tons was for metal. He said the truck trailer loads by ward. He said Ward 1 brought in 4 loads, Ward 2 brought in 7 loads, Ward 3 brought in 15 loads, Ward 4 brought in 30 loads and Ward 5 brought in 10 loads. He said hats off to all the different wards and their participation. He said beyond what was delivered that day, we continue to have progress. He said yesterday the Girl Scouts picked up in the creek behind Porter's on Second Street. He said it has almost morphed into a whole month of that. He said it has been really positive. He said the other thing he got from TDS

from Ron Poor yesterday is has definitely impacted the bulky trash pickup. He said they have been a little lighter because of the good work on the Texas Trash Off.

He said this past weekend, was Viva Big Bend Food and we had about thirty different events in four towns for three days. He said the activities took place in 11 Alpine businesses, including parties at Big Bend Brewery, Cow Dog, and fine spirits tasting at Johnson Feeds. He said concerning Dance ticket sales we got the nod from people from Washington, North Dakota, New Hampshire and Florida and several other states who came out for the event. He said there were probably a couple of thousand people who attended. He said you could go to an event without a wrist band but for some of the events you had to register beforehand. He said the event was featured as one of the "Don't Miss" events in the Big Bend Region in Texas Highways. He said it was in Texas Monthly and also on the front page of the Living Section of the Midland Newspaper last Sunday which was part of the bigger story on eating in Alpine. He said that was a nice lead in, into the festival. He said it is totally funded from outside sources so this is one event that we did not fund from hotel/motel funds. He said within the last couple of weeks Texas Monthly has named Alpine/Ft. Davis as number 20 in the Texas top 40 destinations. He said he is sure the folks in Alpine and Fort Davis say why couldn't it have been just Alpine or Fort Davis? He said he talked to Stewart and Chris and they think in order to amass enough votes, they put Alpine and Fort Davis together so that we could move up to the middle of the list. He said it is really nice in the publication and a good recognition for the City of Alpine.

He said in the last City Manager report he talked quite a bit about the gas department's team and what they are doing. He said he wanted to give a little more detail on projects that they have completed up to this point in preparation for the Texas Department of Transportation project that we discussed at the last meeting as well. He said the Administration building on Sul Ross is complete. He said the Family Dollar project is complete. He said the Civic Center, West Brown Street, Courthouse and Old Fire Station service is complete. He said there are still four more projects that they are working on and looking to complete. He said we are making sure that Ray keeps this on public radio. He said when our gas department is done doing this, we are going to cross utilize Randy's team to help our water department with the manhole project related to the TxDot project. He said that is going to be something that we saw at the last council meeting. He said the contractor with TxDot is going to be working very rapidly and so with a city perspective it becomes an all hands on deck to make sure we get the retro fit to the manholes.

He said concerning Code Enforcement, 40 code violations were reported this past week. He said we initiated 8 investigations. He said we do not have any court cases pending currently but we do have one dangerous structure which we are addressing. He said there were 4 building permits issued, 3 plumbing permits issued and 3 electrical permits issued this past

week. He said we have also received 2 code complaints this past week. He said concerning the Waste Water Treatment Plant projects, we have given our formal response to TCEQ this last week. He said to be quite honest he thought we had one open investigation and in dealing with TCEQ and Code Enforcement, we actually have 3 open investigations. He said the enforcement side of TCEQ is going to wrap all three of those into one. He said our remedy time line for moving the sludge which is part of the investigation is six months to one year. He said we have requested a site visit from TCEQ multiple times. He said in fact when he first came in as City Manager he reached out to their enforcement division and requested a visit. He said he thinks he is on his fourth request now. He said he is looking to get them to come out and walk the site with him. He said as he goes through the different investigations it is interesting. He said the first two that he was not aware of happened in July of 2012. He said one was for consistent monitoring of the wells and the second one was virtually identical to all the results that were found in August of 2013, so basically as a City we did not accomplish anything that was identified in the investigation of July of 2012. He said that is part of the reason that they wrapped them all together. He said we are making significant progress and we continue to send them pictures and like he said, asking them to come out and visit with us. He said the solar array, that was commissioned in January of 2011 is a 50 watt system at the wastewater treatment plant and it is currently not functioning. He said he has been able to get hold of lighthouse solar and a PDF has been sent to him with all the operational manuals. He said he is working with Justin DeBois with Compass Electric. He said he is the only certified solar installer around right now. He agreed to take a look at the solar array. He said it is a 50 watt system and we need that thing running. He said that is a tremendous offset for our electricity. He said we are going to start the plant review of our facility next week with Mr. Clark and Johnny Marquez so we can look at what we need to do in the field on our infrastructure.

He said the Finance Department continues to work to update and implement our accounting changes and updates as we outlined in our April 1st meeting. He said these are procedural changes related to purchase order and invoice tracking and they are fully implemented now and that is becoming one of our most effective processes. He said it really ties the money back to the budget. He said we have department heads coming in and talking about making purchases and which line item it comes out of and do they have enough in the budget to make it through the end of the year. He said that was a key strategic behavioral change that we thought we needed to implement and we have the process in place now. He said it really helps us stay more effectively in the budget. He said we are working through a lot of changes and it is not easy. He said when you are working with a government institution where there are a lot of laws and regulations and you are taking something that was one fund accounting in the past and you are really working to separate that and keep everything highly visible

to not only our elected officials but also to the public and explainable, it does take a lot of work and effort for Megan and her team. Councilor Davidson said the City Manager mentioned a 50 watt system. The City Manager said he meant to say kilowatt. He said the system at Kokernot Park is 10 kilowatts and is 44 panels. He said the system at the waste water treatment plant is 50 kilowatts and is 221 panels. He said we are cleaning them which should help us get 6 to 8% better generation of power and we are just determined right now to get that 50 kilowatt system to put that power back into the system to help our net metering. Councilor Gonzales said he would like to know a little more about the Texas Water Development Board. He asked the City Manager if he could enlighten us a little bit on that. The City Manager said the Texas Water Development Board issued the city a letter a couple of weeks ago. He said they were concerned about our 2005 and 2012 certificate of obligation series. He said they were looking at the audit results from the 2012/2013 audit that was presented by Gibson and Ruddock and accepted by the council. He said once the council accepted that we issued to Carlton Wilkes at the Texas Water Development Board, the results of the audit and they did make a request for the management letter as well which was provided to them. He said after analyzing the audit, the finance department or the financial analysis team of the TWDB gave us a memo back that we restored confidence and they feel like we have a good plan to move forward. He said it is extremely critical that we work well with the TWDB as we look at any projects in the future, whether it is surrounding water, wastewater or sewage. He said we need the TWDB to have confidence in our ability to execute especially as it relates to debt instruments. He said earlier in the year they had been very concerned as to whether or not we would make that debt payment in early March. He said we actually tendered it in late February. He said once we made that payment, that was a good sign. He said all of those are good steps. He said he would tell the council that they are looking at us to continue our plan to move forward. Councilor Bermudez said she had a phone call from a constituent concerning a back flow. She said she also heard there was some of that going on at Frontier Village. The City Manager said we do have sewer backups that occur across town at various stages during the week or during the month. He said at the mobile home park that situation was one that was on the customer's side. He said a lot of them that we are called on are customer side backups. He said we also have had a backup close to the Marathon lift station. He said most of that is because the float got stuck and so we had a backup there. He said a spill like that occurred in Marathon and we called that into TCEQ. He said that was on the back side of the Holiday Inn Express. He said that weekend was a bigger situation with that one there and then the constituent called about the other. He said we are looking at rerunning our infrastructure and as a city we feel compelled to go out and remediate that. He said most customers have a good clean out valve on the edge of their property. He said we are going to look in the sewer main and

see if we have good flow and we can work backwards to that cleanup. Mayor Rangra asked if the hookups to the trailer parks were individual hookups or one hookup. The City Manager said each owner of the property has a responsibility depending on how it is zoned. He said if you look at the proposal last meeting for 7th and Gallego, she was going to put 2 water and 2 sewer lines to serve 4 properties. He said you kind of have to look at each property and see how it is zoned. He said some of the older infrastructure in town didn't get deployed with today's standards. He said sometimes we have to go out and make decisions and talk with the property owners. He said Frontier Village is one that can be tougher because sometimes it is hard to get hold of the property owner. Mayor Rangra asked about what had been done concerning the AG investigation. The City Manager said he had put together a letter for the council to review. He said not all councilors have been here in town so he wants to give ample opportunity to look at the letter before it is sent out. He said he would anticipate that it will be sent out in the next two to three days. Mayor Rangra said this has been an issue for quite some time, as are the backups and as are the fire hydrants.

City Staff Updates – The Municipal Judge said she was not staff but she had a report. The City Attorney said they have an item on the Executive Session tonight about Municipal Court and it might be better to delay the report until after that item. Councilor Castelli said he would like to hear the report. The City Attorney said it was up to the Council when you want to hear the report of course, but we do have an item on the Executive Session to discuss the Municipal Court as well. He said you could have the advice of your counsel before you accept a report or you could take it now. The City Attorney said he was pointing out that this item would be discussed later in executive session and you can choose to hear the report whenever you would like. Mayor Rangra asked if he needed to take a vote. The City Attorney said as presiding officer the Mayor can decide to hear the report now or later. Councilor Davidson said he thought the routine report was probably separate from what we would hear in executive session. Councilor Castelli said she has a report to give, so let's hear it. Mayor Rangra said TML always says to listen to your attorney. He said the City Attorney has advised us. He suggested to the Judge not to name people or positions which could cause the city to be liable at a later time. Judge Schlosser said we have a conclusion to the internal audit for phase one. She said in February and March she finished the backlog of files that she had to review and placed all of them on the docket for February and March. She said as a result of this paperwork we are not going to have an April docket because we are processing those files. She said they did discover in the process of putting those open files on the docket that there was additional errors that she had not reported on previous to tonight. She said that some of the files had been marked closed in the old system and had money showing as owed. She said you never want to have money showing

as owed in a closed file because what closed means is that you closed it. She said you do not close it until monies have been paid. She said those are errors that they began to look at. She said they were showing as both in the new system because monies were owed and closed in the old system because someone had gone in and manually manipulated the system to close it even though there were monies owed. She said when you look at the nine month period between August of 2012 and March of 2013, because that was a nine month period in which you had both of your systems running at the same time. She said the files that they were discovering that were open in the new system and closed in the old system occurred mostly during that time or period. She said they began to look at that and they got word that there was a double entry problem and that monies that were owed in the old system were not owed because they had been entered as paid in the old system. She said they looked to see whether or not there was a double entry problem and there was not. She said in fact the monies were just owed. She said we put them on the docket and when they put them on the docket people started coming forward and telling us that they had paid. She said in fact some of the people had receipts. She said they took statements from those people and out of 29 cases, 17 citizens came forward and signed statements that they did not owe money and that they had paid the money. She said the only conclusion that they can make from this is the money is missing and that is because they traced those monies all the way to the bank and Margaret Robbins indicated to her that there was not at any time, an overage, and they are showing monies allocated in the computer that someone paid for that month there should have been more money than was shown as paid. She said there should have been an overage and there was never an overage. She said so based on that, Margaret Robbins and herself and the clerk that those monies are missing. She said it is about 50% of the 29 cases that they have reviewed. She said 29 is not many. She said they did vent a report to see how many files are showing monies owed and are closed and they found 87 pages. She said they went all the way back into the last entry. She said they concluded from that, that it was customary mismanagement practice, closed files with money still owed and it is not a small problem but a big problem. She said she had not been looking at those files. She said in her report last month she told the council that she had been looking at older files. She said these 29 just came up because they were open in the new system. She said Ms. Robbins, our internal auditor, is looking in the closed files, but with 87 pages of closed files, that is a huge number of cases. She said she did not give the council a copy of this because at the present time we cannot separate the juvenile cases from the adults. She said she has Hill County working on that to right that problem. She said she is going to let Ms. Robbins talk about the report when she presents it but she did ask her to give an overview of what she has completed and what she intended to finish doing and she told her that she had done a review to see if across the board the receipts are matching

what they are showing that we brought in. She said Margaret said no, that the deposits were consistently short. She said that again was a red light for them and they needed to be looked into by Ms. Robbins. She said as a result of clearing out these old cases and putting new cases on the docket they have seen an increase in revenue since they got the new clerk in and since she has become court administrator. She said she did give the council that report from November until today they have collected \$34,759.61. She said of course most of that goes to the state. She said they have retained \$12,526.15 and that is an increase. She said their average before they started doing this was about \$2,000 and they have already gone up to \$2,500 and in the last two months it has been \$3,500 dollars and change. She said that is a big increase. She said it is not a lot of money but it is a big increase. She said also she reported to the council that the website will be up and running soon. She said through the great efforts of Glenn LoSoya we now have a court website. She said they have not finished putting on it what they intend to put on it and they will be posting dockets on it and making it a little easier. She said they will be putting that on the city's calendar which is on the website and they will also have a detailed docket showing exactly when people need to come on their website. She said that will help people and it will also have their hours on there. She said their hours have changed. She said they are now closing at 4:00 instead of 5:00 because of the increased paperwork that they had to do. She said that is purely counting and they are balancing daily. She said the city has requested that they balance weekly but they are continuing to balance daily and that helps them along because with the new trafficpayment.com system they get emails every single day and if they have a problem with someone paying the wrong amount, they want to find it out right then before the city puts that money in the bank. She said they are reporting to the city on a daily basis if there is any error and of course they let trafficpayment.com know immediately that there was an error in the payment and they take care of the corrections. She said they do not have to do that. She said they are trying to keep the city's books straight. She said they are continuing to balance the books daily. She said that is all she has. She said she is having a problem with the judicial efficiency fund. She said she is not sure if it has been corrected. She said she did have Margaret Robbins speak to the City Manager about that when she came and she did provide memos showing what was needed to go into the Judicial Efficiency Fund and as late as last week she got a memo from the finance office asking her to approve some expenses on the court budget. She said one of them was a trial expense and she did not know what it was. She said they called and it turns out that the City Prosecutor's salary is still coming out of the court funds. She said that is simply just not the way you do it. She said the Judicial Efficiency Fund is for court and court costs. She said it has to be spent on the court except for a small 60 cent fee that does go into that fund. She said we do still have some problems with accounting and she is not sure what it will take to get that fixed but Ms. Robbins has

talked to them about the Judicial Efficiency Fund and that is a dedicated fund that has to be spent on the court. She said obviously they want the money to be reported and placed into the correct account and they worked really hard with Ms. Robbins to get that corrected. She said some of those problems were because some of them did not have the right account set up and we got that fixed and part of it was that there were no dedicated funds at the city level and they are trying to get that fixed. Councilor Castelli said he does not understand a lot of what she is doing but it certainly sounds impressive and sounds like work that needed to be done. Judge Schlosser said it should have been done at the time it should have been done but it is harder to do it later. She said they are all exhausted. She said it has been thankless and she can tell the council that. Mayor Rangra said on the press release that she issued, she said in the fall of 2013 the council appointed the judge as court administrator. He asked if it was 2013 or if it was 2011 that the council appointed the judge as administrator. Judge Schlosser said she became the Judge in a Municipal Court of Record. She said there was no court appointed at that time. She said we came back later and posted that job and does not know if the council recalls, but back in October or November or whenever it was being posted we also asked that the Judge be named court administrator. She said up until that time she had not been in charge of the finances of the court. She said in fact she could not get a copy of the finances when she asked for them. Mayor Rangra said there was no position that she was administrator of. Judge Schlosser said she was not Court Administrator. She said she was simply the Judge. She said she is a part time Judge and that is a huge undertaking and most of the work is administrative. She said she spent about 20 to 30 hours a month sitting on the bench. She said that has increased but it is about 20 or 30 hours a month. She said it is 20 hours a week to be court administrator and a lot more work. Mayor Rangra said the reason he is saying this is there is an Ordinance on September 6, 2011 on this issue. Judge Schlosser said she did become the Judge of the Municipal Court of Record. The City Manager said on March 7th, he sent Judge Schlosser a note and spelled out Section 133.103 that she needed to provide a list of needs for the Judicial Efficiency Fund. He said he is still waiting for her reply. Judge Schlosser said she responded that day. The City Manager said he has not received any reply. She said in addition to having it taken care of that day, she had Margaret Robbins bring him the exact steps on how you set up a judicial efficiency fund and where those monies go. She said she did indicate that she handed them to the City Manager. She said that should have been taken care of a long time ago. She said she understands that he may have wanted more proof than the TMCEC website information that she gave him but it is pretty cut and dried. The City Manager said it really has nothing to do with proof. He said what it states is that the Judge needs to identify a list of needs and that the governing body has to approve that. He said he re-verified that with Margaret when she was here on March 27th and she concurred and Margaret was copied on that note

from March 7th and that list has still not been provided to us. He said he also noted in the note that we would present that as part of our enterprise account funds separation that we were doing in April and the Judge is standing up here saying that the City staff is not cooperating. He said we were asking the Judge for specific information. Judge Schlosser said this is a dedicated fund where these funds are supposed to go and the City Manager refuses to do that and then the City Manager takes that money and spends it on some prosecutor, that is what she is talking about. She said she is not sure what the City Manager is talking about. She said the needs she has for the court are paper, pens, stamps, letterhead, envelopes...she said those are the things that are in our budget at all times and have not changed so she is not sure what he means by needs but frankly the budget is approved by the council but she runs the court and she makes those decisions and when she says we need more money for postage so we can send out letters that is a need expressed and what she hears back from the City Manager is we do not have a Judicial Efficiency Fund which is a violation of law so if he needs her to write down that they need pens and paper she will be glad to do it. He said that was the request to her to list out the needs as identified in Section 133.103 of the Code that she shared with him and he willfully went through it and reviewed that and it went back to the Judge with Margaret but she knew that we were going to set that up in April. Judge Schlosser said what he is saying is, his excuse for not following the law in putting the money in a Judicial fund is that she did not give him a list stating that she needed pencils and paper, that is what he is saying. She said Really, Honestly? That is ridiculous. The City Manager said it was not an excuse but was a simple request to follow the law. Judge Schlosser said she would be more than happy for him to stick to that. Mayor Rangra asked when we were going to get the official audit report from Margaret Robbins. The City Manager said he has routinely asked her for the last three months when the completion of the report will be done and her last commitment to the City was that it would be done sometime in May. He said she started, he believes, in October. Mayor Rangra said the City needs to have an audit report so we will have solid information. He said we need to get this verified, all of it.

5. Citizens Comments (on agenda items) –

Bob Litton – said on item 13 it states “Discuss and Consider approving HIDTA grant for 2014.” He said this should be postponed since it is not adequately described. He said he has no idea what HIDTA means. He said the agenda is supposed to let people know what is going to happen in a meeting. He said this is not visibility. He said this should not be cryptic.

Manfred Fritsche said he resided in Ward 1 and he is commenting on the Agenda item 8C. He said on January 21st the City Manager reported to the Council and the public that the \$220,000 for the Quiet Zone and the \$150,000 for the Belt Press at the Sewage plant had vanished. He said there

was no explanation of where it might be. He said the Mayor has said time and time again that no money is missing. He said the City Manager said that probably the money was spent for other legitimate government purposes and he hoped that when the auditor presented the report that he would be able to have clarity on that issue but the City Attorney said he could not have a copy of the audit report prior to its presentation and then he further stated that he was not entitled to ask a question. He said this is a public forum and he thinks the City Attorney is dead wrong when he cuts the public out. He said when this item comes up, the audit report indicated, by the way, on page 32, that the city had 1.1 million dollars of cash on hand at the beginning of the three month period when property taxes come in, so the money should have been there when he came aboard in November. He said to date we have had no explanation as to where that money went. He said as far as item 8C maybe the manager could address some supplemental information about that.

Brian Shugart – said this came to his attention last week. He said he had a PVC water pipe and he needed to locate the gas lines and he called 811. He said all the utilities cleared him except for the gas company. He said they told him they would have to charge him \$25 to locate the gas line and that it was a safety issue. He said it should have been a service issue. He said he thinks this is a hidden tax and a way to raise taxes. He said he thought that was a way of milking the public.

6. Public Hearings – None

7. Consent Agenda – (Minutes, Financial reports, Department Written Reports, board appointments, etc.) –

- A. Approve accounts payable. (E. Zimmer, CM)
- B. Approve Council Minutes of February 18th and February 24th, 2014. (A. Rangra, Mayor)
- C. FEMA LPDM 08-001 Murphy Street Channelization Project Closeout. Required to formally close this previous project. (E. Zimmer, CM)

Mayor Rangra read items A, B and C to the Council. Motion was made by Councilor Gonzales, by Resolution 2014-04-08, to approve items A and B of the Consent Agenda. Motion was seconded by Councilor Davidson. Motion unanimously carried. Item C was moved to the Action items.

8. Information or Discussion items –

- A. Discuss disconnect/late and other related fees and rates for water and gas utilities. (A. Rangra, Mayor – Mayor Rangra said he put this item on the agenda but unfortunately the material that he put in two meetings ago did not get back into the packet for this meeting. He said he is

going to wait until the next meeting for this issue.

B. Cash Flow, Income Statements and Budget Variance Reporting, October 2013-March 2014. (E. Zimmer, CM) – The City Manager said in the packets the council would find the profit and loss statements through March 31, 2014 which is 50% of the year. He said at the mid-point of the year, the staff took a deeper look at the revenue side and reflected that in the tables below. He said basically beyond controlling expenses, we want to make sure that our revenues are also meeting objectives. He said obviously it is good to meet your expense budget but if your revenues are not coming in you could find yourself upside down. He said currently our ad valorem taxes came in through mid year at 87% and he would really like to see that get over the 90% threshold by this next month. He said water revenues are at 40% through mid-year. He said obviously we will see our greatest water usage starting in the April/May time frame. He said conversely our gas revenues through mid year are at 85%. He said we obviously anticipate more usage in cool weather. He said the finance department is working with our hoteliers on the findings of the revenues submission related to the hotel occupancy fund. He said we have some hoteliers that report in monthly and others don't report until the end of the quarter so what we are seeing is that usually revenues are stronger on the hotel side. He said as always questions about this should be directed to him or Megan. He said for a total fund perspective, as we look at our general fund, or government fund, our total revenue through the mid-point is at 2.171 million and our total expenses are 1.707 million and that shows a net income of \$463,790 in our general fund and obviously that is primarily boosted by early year ad valorem tax revenues. He said water, sewer and sanitation total revenue is \$1.768 million and total expenses are 1.663 million, so our net income on our water, sewer and sanitation is right at \$104,000. He said for the Airport, the total revenue is \$310,000 and the total expense is \$297,000 for a net income of just shy of \$13,000. He said our gas department total revenue is 1.498 million and total expenses are \$920,000 so our net income is \$577,000. He said obviously these recent expenditures that we have been making of improving the infrastructure brings expenses on the gas side. He said the net income side for the city is 1.158 million and that is bolstered by early year ad valorem tax. He said the commitment to the council has been to provide percentage allocation for enterprise funds in lieu of franchise fees. He said the finance director and he have agreed upon some numbers to present to Craig Gibson. He said once Craig Gibson has approved those we look to present them to council for the first meeting in May. He said what that will subsequently do is show the allocation of dollars and move dollars that our government funds or our city administrative staff are spending in support of these other organizations plus franchise fees which our typical utilities would pay a

franchise fee to a city or county. He said hotel occupancy tax which is in a separate account, has \$207,000 in revenue and \$178,000 in expenditures. He said the positive cash flow is \$29,000. He said taking kind of a deeper look at some of our sub-categories and funds, funds 01 which is our government fund and fund 04 which is our water, sewer and sanitation fund. On the municipal court side our total revenue for the year is at \$21,502 so we are at 77% total revenue there. He said as you saw in Judge Schlossers earlier reporting, stronger early year revenues there. He said Code Enforcement is \$23,460 so 70% of our revenue projection for the year. He said ad valorem taxes are at 87%. He said sales tax which he was a little concerned about last month has jumped up to \$751,000 and we are at 52% of our annual projection. He said he feels more comfortable. He said on the expense side, our non-departmental expenses, our administrative expenses and our streets expense have all been below 50% so we have really been trying to conserve very heavily on the government side spending. He said the police, fire department, finance, we have all talked about some of the heavier expenses for the early part of the year so he wanted to give some visibility to that. He said fund 04, our water, sewer and sanitation, revenue on the water side is at 40% as he discussed earlier in the amount of \$599,000, he said sewer is right at the mid-point at 50% and sanitation we are at \$804,000 and 56% of our annual revenue budget. He said the sewer and sanitation are operating as expected. He said on our expense side our water expense is \$782,000 which is 54%. He said he saw that in early year with the ice storms and a lot of infrastructure breakage that we had. He said the sewer and sanitation side we are at 40% of our total expense. He said we are at 42% on sanitation. He said the sewer is especially important because we know we have an issue with an aerator at the wastewater treatment plant and we are trying to do a lot of little projects to restore some of our sewer infrastructure. He said if you look at the last month we were at, through month 5, our positive net income was at 1.236 million and that reduced down by \$77,000. He said we spent more in March than we brought in, in revenue. He said those are things that we think about. He said we know we get an early year boost on ad valorem tax but we have to continue to conserve on our expenses. He said our target still is at \$640,000 positive net income for the year. He said there are risks out there that we will talk about a little bit more in the next section and we will continue to work on our policies and procedures, driving accountability up. Councilor Gonzales said we are not talking about the gas department, but we are doing a lot of work trying to stay ahead of the "E" street construction and everything and we are also putting poly pipe. He asked if we are having to spend more money in doing that right now. The City Manager said the money is all within this year's budget. He said Randy is the head of the gas department and Virgil is the head of the water and sewer and when they make requests for expenses, it

has to stay within the budget allocation for the year. He said we are also getting credit for the amount of poly pipe that we are putting out for the gas as far as for the year and we are actually exceeding that. The City Manager said without asking Randy he would tell Councilor Gonzales that his conversations with him as they talk about the laws and rules and regulations and how we manage the poly pipe, everything we are doing is staying within that threshold. He said the other thing they had a conversation about late last week is ensuring that they didn't minimize our spend on the gas infrastructure to the point where we create a maintenance problem three or four years from now. He said we cannot overspend our budget but we can't not do things and try to slide by. He said it is that balance this year and next year to ensure that we stay on course with our expectations. Mayor Rangra said he was looking at the numbers and on the first page for the gas department, and it says 85%. The City Manager said this is 85% of what our annual projection of revenue was. Mayor Rangra said the question he had was about the gas prices being charged to the customers that are too high. He asked if we were going to be breaking even. The City Manager said there are a couple of things to consider. He said we do our normal year maintenance work in the summer and focus more on installation and repair in the winter. He said the projects that we are seeing right now are driving expense and we are also buying on spot as a city. He said the spot rate has progressively increased over the last several months. He said we are coming to that point where, we as a city are going to have to make a decision, do we want to continue on at the spot rate or do you want to look something in for 12, 24 or 36 months. He said the gas budget, because of the way we buy is, when you are looking at the cost versus what you sell it for, that is a hard one to manage at a budget level because if you are buying on spot and all of a sudden it jumps up \$2.00 per mcf you probably did not budget that on the revenue side and you probably did not budget that on the expense side because you did not have overall insight. He said what we really try to separate, Mayor, is the rest of the line items because we know we have that \$8.50 per mcf additional charge that we have put on per mcg and that is a solid fixed rate. He said we can generally estimate mcf consumption over the course of the year because the population of Alpine does not fluctuate and you are going to look at weather patterns but your total mcf consumption, you can better estimate that, than what the gas company is doing. He said we look at that \$8.50 and that is the real number that you want to look at from a rate perspective. He said is that \$8.50 too much or is it too little. He said he would tell him right now that \$577,000 coming out of the cold season is a pretty strong performance. He said also we have not made a payment in lieu of franchise fee and done any sort of payment back to the government fund so he thinks as we get into the May reports, provided that the percentages that are recommended to the council get approved at the

first meeting in May, the second meeting in May, when we review the income statements through month seven, we will have a clear picture on that gas performance. Mayor Rangra said the same problem he sees with the water. He said the amount is \$600,000 which is about 40% of the expected revenue. He said if the winter continues, we will be using less and less water. The City Manager said we will still have some jumps in the winter but based on what we see historically out of the residents in Alpine, they do like the trees and the shrubs and the greenery and so we will see heavier water consumption. Mayor Rangra said what if the people decide not to use as much water and conserve water. He asked if we had provisions for this type of unexpected problems. The City Manager said absolutely. He said that is part of the reason why this month we really wanted to start looking at the revenue side and see if there were any trends there that caused concern. He said if there were initiatives that the city rolled out, or the state rolled out, or on the federal side, that provided incentives for lower water usage, we would definitely want to consider that in our spending. He said that could have an immediate impact. Megan, the Finance Director, said if you will notice every month, we have provided you with information on revenues and expenses. She said she is finding that overall each department is maintaining their percentage as far as their bottom line percentage. She said their line items are still fluctuating as far as, some of them are higher than others. She said the end of March will be our half way mark at 50%. She said anyone who has budget concerns has come in and requested detailed items. She said they provide each department with a detailed list of what exactly is coming out of their accounts. She said all of the departments are pretty much aware of what is their spending, what accounts it is coming out of and also determining if they really need to spend money on something or if they can wait a little longer. She said all the transactions right now are pretty accurate. She said as we continue with the audit adjustments, and create separate funds, and making sure that everything is in the right line item, it has been a little more difficult because of some of the previous entries. She said the audit adjustments are current up until October 1st. She said as she makes those we have to also make other ones to correct the mis-entries that were made in this fiscal year. She said overall all departments are continuing to improve their spending and they are monitoring their expenses. She said the idea by doing this, with all departments, is when we actually start the FY 2015 budget, we will be able to sit down and they will know exactly what they are spending. She said in their capital plan, what do we need to be prepared for and what are we looking at. She said there are different line items and are things being grouped too much into one line item and does it need to be more broken up into details. She said when we start the new fiscal year budget, we will be better prepared and we will have a better understanding of where each department spends their

money.

C. Discussion of City of Alpine's current cash position to include but not limited to:

- 1) Current cash on hand and projected receipts through end of September 2014**
- 2) Expected disbursements for debt through end of September 2014**
- 3) Healthcare liability to date for city's medical/dental self-insurance and anticipated costs through end of September, 2014**
- 4) All other budgeted expenses anticipated through end of September 2014, including payroll. Discussion to specifically exclude any details of Hotel/Motel Tax. (M. Castelli)**

Councilor Castelli said he put this on the agenda, and just as a preface he would like to say that this is not about finger pointing but this is an opportunity, now that we have the audit, to compare what is in this years audit and we also have the audit from last year to compare, which was done by a completely different auditor, and look at where we are today. He said there has been a lot, in his opinion, of miscommunication in the community, and a lot of people are under the false assumption that last year was just an aberration and everything is good and fine and we have all of these surpluses and we can just go back now that everything is just fine. He said he thinks if we actually look at the audit and compare figures we may find that may not be the case and while Erik and Megan and other people affiliated with the city are doing amazing jobs setting up the structure for the future, our immediate future for the next six to nine months may not be that rosy and if we do not start correcting it in the next six to nine months it reflects to the following years, on and on and on. He said basically what it is like is when you live at home, everyone has to pay bills and everyone has a budget and if your paycheck is \$1,000 and your bills add up to \$1,200, at the end of the month, \$200 worth of bills did not get paid. He said at the first of the following month, you owe \$1,400 and from his own personal perspective there are a lot of loan companies that will loan you the money at high interest rates and you just get into that cycle. He said this is not a small operation, this is the city. He said he just wants to get something clear because we can say this was said, and that was said and that is immaterial. He said we do have a stack of paper here that references what was done and the auditor was able to take all the different programs that were done and the things that were not in the program and actually compile it into something that says what happened last year. He said he just wanted to review those things because he thinks there are some red flags on the horizon and just as a few simple examples, we have a \$644,000 budget surplus. He said a budget surplus sounds like you have an extra \$644,000. He said if you have health insurance, someone comes to you and says you have a

\$500 deductible. So the first \$500 of your insurance, you have to pay and then the insurance company pays the rest. He said the policy that the city has, for the employees, is the employees pay the first \$500 but the next \$35,000 comes out of the city's pocket, since it is not budgeted. He said the potential is that if every employee were sick, that is a 2 million dollar liability and we do not work under that scenario but we do have in this book, the last two years expenses that were not budgeted and they average \$650,000. He said we do not budget for that but we are responsible for paying for that. So if we have a \$650,000 budget surplus yet you still have the potential of owing another \$650,000, you are automatically \$6,000 short. He said that is not a good position to be in. He said we get this income statement every month and it talks about that income represents a surplus and boy that sounds good and a neighbor of his ran over to his house in January and said "What is going on? He said just three months ago you told me the city was not paying their bills and had to get a line of credit because we did not know if we were going to make payroll and now I go to a meeting and hear that we have a 1.4 million dollar surplus? He asked how was that going to happen?" Councilor Castelli said it is not going to happen, it is just a misunderstanding. Councilor Castelli said so when we look at revenues for the income statement, that does not take into the consideration the money that you have, so that is why he specifically asked this to be a discussion about cash. He said because last year from a cash stand point we carried over, over \$200,000 worth of debt that we could not pay so we started the year in the hole but from income statements based on auditing and accounting, you do not count that, but it's cash that we don't have. He said if you look at this month's income statement, of our income of 1.2 million dollars, you would say that is pretty good. If you look at available cash, the breakdown of what is actually available cash, and that is why he specifically said to exclude hotel/motel and to exclude things like grant money and things that are dedicated to other services. He said actually the money we have to pay our bills is less than 1 million dollars. He said in our community we do not want to say money is missing because that gets everyone going. He said he is not implying that. He said he is just explaining how this process works. He said how he tied this in was his question to Mr. Fritsche was about the railroad crossing and the belt press and where did that money go. He said year before last in the summer of 2012, we ran out of money, so it looks like we spent the CO, the Certificate of Obligation money to pay those bills to keep the city afloat. He said it kept us afloat. He said last year in the summer we ran out of money so we cleaned out the bank account and still could not make up the extra \$200,000 that we were short. He said folks, this summer, if we run short, there is no Certificate of Obligation and there is no savings account and what are we going to do. He said what we have in here is a tell tale example of what the potential change is, that

we have made some minor adjustments to the budget, but this said we overspent our revenue as a city for last year in the amount of \$975,000. He said if we even come out with half of that, we are short half a million dollars and what are we going to do. He said we run around town and we say we have the surplus and we have this income but when you look at this, and he does not think anyone is in the position to argue with this audit. He said this is the second auditor in a row that has told the city we are spending too much money and that you better raise taxes. He said so that is where we stand, but the figures come right out of our audit, that we paid a lot of money to recognize that it was a thorough, thorough example of bringing us up to date. He said while we are looking in the future and making some good decisions and setting a basis for some good fees, right now we could have a crisis this summer and he wants the public to know and he wants the council to be prepared to deal with it. He said that is the way he structured this on the agenda tonight and that is basically his introduction if anyone would like to continue the conversation. Mayor Rangra said he would like to have the City Manager to some of these questions. He said this was like the same question he asked earlier about water and gas and expenses versus revenues. He asked if we were going to have a problem at the end of this year? The City Manager said one of the things we actually talked about in the January or February time frame was the risk associated with the partially self-funded health insurance program. He said the city decided to move forward with this and it does create risk. He said as Councilor Castelli indicated, the employee pays an amount and then the city pays the next \$35,000. He said in any given month you could have a major health catastrophe that could become the city's responsibility to pay, up to \$300,000 on a claim. He said what one of the commitments was, walking into it in the city role, was that we did not have any reserve account and particularly on a partially self-funded health insurance program, the recommendation is to have 4 or 5 hundred thousand dollars reserved. He said our revenues would not have allowed us to establish a reserve like that immediately so the recommendation, back when we did the budget revisit was to take an underage on our salaries and overtime in that portion of the budget and direct that to a reserve account that would basically provide a buffer for those catastrophic illnesses. He said that has been something that we have been concerned about. He said the other piece that we talked about last week is the infrastructure related to our wastewater treatment plant and our sewer plant. He said he is concerned about that and he has been concerned about that for several months. He said he thinks years of delayed maintenance...he said anyone would tell you working in the utility industry that years of delayed maintenance, pose you at risk. He said we walked into our fiscal year October 1, 2013 and our combined funds clearing account of our general was negative \$218,000. He said total, if we add up all the other accounts and we

reserve some grant money, we are at a positive \$777,000. He said a good portion of that money is like the landfill, a financial insurance account. He said it is set up at \$75,000 sitting there specifically in case we have an issue or obligation out at the landfill. He said he would tell the council that he always looks at cash flow and are we operating in the black or operating in the red. He said in the private sector you are always looking at your cash flow. He said when you are looking at the City of Alpine, you have an annual revenue projection of 10.3 or 10.5 million and you are looking to go in the black at \$646,000. He said that is 6% and that is not a heavy margin and so in order to build up reserves of 2 ½ or 3 million dollars, which is really the target that Megan and he talk about, you are talking about several years of operating on plan and on target in order to establish that type of reserve money. He said earlier in the year, once we get to the ad valorem tax coming in and the City is going to look great for a few months and he thinks in every net income statement that he has talked about he has always prefaced that. He said he certainly does not want people to have the interpretation that just because we are doing well early in the year, we still have to save those nickels for the rest of the year. He said the million dollar question is what happens if we have that catastrophic event and what if something major happens at the sewer plant and what if we have two employees that come down with cancer and the city is hit with having to spend money on that. He said what action plans do we have in place to eliminate spending. He said Megan and he routinely talk about what are steps that we can do from a reduction expenditure..he said you know several years ago Marfa turned off their street lights to conserve electricity. He said that is a strategy one city used. He said you could take your parks and instead of mowing them weekly you could reduce staff to mow only portions of time. He said you could stop all of your street paving projects. He said you would look at all the extended maintenance that you were trying to accomplish with your gas company and you would put a halt to that. He said any proactive work you would absolutely have to zero out. He said you would also look at employee work schedules and you would determine which employees are absolutely necessary. He said do you go to a methodology of 32 hour work weeks and reduce your labor costs that way. He said those are a lot of different strategies. He said when he served at the tel-com sector in 1998 business was booming. He said people were adding 2nd, 3rd and 4th lines to their houses. He said then all of that started to crash in the year 2000. He said every year from that point forward it was all about how do we reduce expenses. He said in a town like Alpine cutting employees is a tough thing to do. He said the City of Alpine is an important employer so you would definitely have to dig deep. He said the other thing that has not routinely happened here is the Council has not been provided with this type of detail and this type of analysis and an open door policy where you can come and call

him any day of the week and come and visit with Megan and him and talk about what is specifically happening down to the line item level. He said there are a lot of different, unique strategies that we could deploy to cut costs. He said the important number to understand is to look at what our margin is at the end of the year. He said if we operate the way we budgeted this year, we are talking about a 6% margin. He said if you clear \$600,000 in a year then if you have a goal to building your reserve to 2 ½ to 3 million we are talking about a 5 year plan to get to that. He said every year along that road you have inherent risks because a catastrophic event can occur and then you have to have leadership amongst your staff to pull the triggers to make those decisions are made. Mayor Rangra asked if we could restructure the health insurance. The City Manager said that is one of those areas that is absolutely going to have to be looked at this year. He said we are talking about total compensation when we move into the budget plan. He said a health care benefit is an absolute compensation piece. Mayor Rangra said we are not in a position for self-insurance. He talked about more sales tax for the City. He said he thought we would have 1 ½ million dollars in sales tax this year. He said we need to look at the health insurance issue seriously. The City Manager said one of the items that Councilor Davidson brought up a couple of meetings ago was about impact fees. Councilor Davidson said he has a copy of that article and he needs to bring it in so that the Council can see it. The City Manager said it would be a great opportunity for the Planning and Zoning Commission to lead the charge because that is another revenue source to help us generate that buffer. He said Councilor Castelli brings up an extremely valid point, that even though we are working to operate with much greater sense of clarity to put process and policy in place, there are still inherent risks out there. He said you could have catastrophic illnesses and you could have major infrastructure breakdown and the hard thing is that we get a lot of requests from constituents that will come in and want certain things and want certain projects for the city to complete and many of those come with price tags. Councilor Castelli said regarding the health issue, he would like to drive home the point. He said the City Manager keeps saying catastrophic illness and he keeps saying that we would have this 6% or 10% margin but you cannot expect 60 employees to not go to the doctor for the entire year. He said for the last two years we have averaged expenses of \$650,000. He said we are not talking about catastrophic illnesses, we are talking about flu shots and going to the doctor and maybe a couple of operations for 60 people and it has come up to \$650,000 so if we are not going to budget that and we are going to tout an excess in our budget that is less than the amount that is our liability for health care we are doing a disservice to the people of this community. He said we are saying that we have \$644,000 extra and no one is going to go to the doctor this year. He said for purposes of this discussion he wanted the public to understand

where we stand. He said it is not something we can't fix but we can't fix it if we don't start working on it. He said the first time you have to acknowledge that you have a problem. He said he wanted to give this information out. Councilor Davidson said he did not want to belabor too many of his favorite issues but this is not something we can't fix and all the departments are going to have to pitch in. He said Mr. Shugart made a comment about some incentives to conserve and we had a conversation about that recently. He said this is an inherent double bladed sword in any community but the city has made some revenue off of water. He said ideally most of it goes back into the water infrastructure. He said we have some serious infrastructure needs in our community. He said the city needs to conserve water. He said if you look at the city park when they are watering, you will see how much water is running down the streets and running in Alpine Creek and not even doing what it is supposed to do and not to mention the evaporation. He said there is no stone to leave unturned relative to saving. Mayor Rangra said he was told at one time that we did not have enough money to pay the bills. He said he signed one check for the aviation fuel for the Airport. He said this check had been duplicated and it was for \$25,000. He said the \$50,000 should have been \$25,000. He said the Mayor Pro Tem signed the checks and it happens. He said we should address the health insurance problem for next year.

Action Items to be accompanied by a brief statement of facts, including where funds are coming from, if applicable. (Action items limited to 15 per meeting.) –

- 7C. FEMA CPDM 08-001 Murphy Street Channelization Project Closeout. Required to formally close this previous project. (E. Zimmer, CM) The City Manager said this is required to formally close this previous project. He said Megan has been working back and found this. Motion was made by Councilor Davidson, by Resolution 2014-04-09, to approve the FEMA CPDM 08-001 Murphy Street Channelization Project Closeout required to formally close this previous project. Motion was seconded by Councilor Gonzales. Motion unanimously carried.**
- 9. Discuss and Consider approving A/C Repair for Police Department. Expenses are estimated at \$29,023.65 Line Item Maintenance/Building. 01-631-0706. Item to be paid in monthly installments (E. Zimmer, CM) – The City Manager said this was a non-budgeted maintenance item. He said when Chief Scown brought it to him, basically half of our old city hall did not have air conditioning and it was starting to get very warm in the facility. He said it is a large expense, \$30,000. He said he asked the Chief to go back and ask the contractor if we could put together a payment plan to reduce the annual cash outlay. He said if it was something we could pay off in advance if we got to that point from a cash perspective. He said what**

he is showing is basically 5 different options. He said it is either 24 month, 36 month, 48 month, 60 month or 72 monthly payments. He said his recommendation would be 36 or 48 months financing. He said that would allow us to stay with our annual budget this year and look at our budget requests from 2015 to reflect what our five year capital planning structure allows. Motion was made by Councilor Gonzales, by Resolution 2014-04-10, to use the 36 month plan. Motion was seconded by Councilor Bermudez. Councilor Davidson asked what the effective interest rate was on that. The City Manager said this was one we did not shop rates for yet. Motion unanimously carried.

10. Discuss and Consider disconnect/late and other related fees and rates for water and gas utilities. (A. Rangra, Mayor) – Mayor Rangra said on item 10, for the reason he mentioned earlier, he would like to table this item. There was no objection.

11. Discuss and Consider finalizing audit costs. Expenses related to 2012/2013 Audit performed by Gibson/Ruddock. (E. Zimmer, CM) – The City Manager said in the original agreement with Gibson/Ruddock , there was an estimate of potentially between 45 and 50 thousand for a standard audit, extra hours associated with the audit review. He said as he and Megan went through the budget revisit process they did raise the budget in dollars for the audit, knowing that this is a busy year and the audit would be time intensive. He said we also knew that there would be meetings back with Shaw in order to clarify some points. He said the final dollars and dollar generation from Mr. Gibson is listed below and the hourly rate was \$118,000. He said Mr. Gibson has requested that the city pay \$65,000 plus travel. He said that total amount would be in the 71.3 thousand range He said we did budget \$95,000 for audit expenses. He said that would be inclusive of Shaw Skinner’s work. He said he did, for comparison purposes, provide to the council a Shaw Skinner budget. He said we paid Shaw Skinner the following amounts for the last four years. \$37,950 in 2010, \$33,000 in 2011, \$39,615 in 2012 and \$66,000 for their last year, 2013. He said he thought it was a reasonable request. Motion was made by Councilor Davidson, by Resolution 2014-04-2011, to approve finalizing audit costs, expenses related to FY 2013. Motion was seconded by Councilor Gonzales. Councilor Castelli said the City Councilor Castelli asked how much we had spent this year with Shaw. Councilor Castelli said Craig did a good job but he also picked up two new clients in town as a result of his affiliation with us. Manfred Fritsche said he recalled not all of the budget numbers in the budget amendment. He said one of the numbers that he could seem to remember is that the cost of the audit was increased from \$35,000 to \$50,000. He said this would seem to cause another budget amendment, if his memory has that right. He said he thinks the budget amendment said 50K for the audit. The City Manager said there are three different accounts and the total budget across the different departments is \$95,000. Motion carried unanimously.

- 12. Discuss and Consider approving 2014 Consumer Price Index (CPI) adjustment to Municipal Telecommunications Right-Of-Way Access Line Rates. (E. Zimmer, CM)** – The City Manager said we provided the council with another front and back sheet that was sent to his office. He said he thinks most of the time. He said the decline that happens is that council never sees this, nobody responds to it and you have the CPI index increase. The City Manager said he actually thought it would be fun to decline. He also wanted to see if we could go a year without having an increase. Motion was made by Councilor Bermudez, by Resolution 2014-04-11 to approve the 2014 Consumer Price index adjustment to Municipal Telecommunications Right-of-way access line rates. Motion was seconded by Councilor Gonzales. Councilors Bermudez, Davidson, Gonzales and Castelli voted against. Motion failed.
- 13. Discuss and Consider approving HIDTA Grant for 2014. (E. Zimmer, CM)** – He said HIDTA stands for high intensity drug trafficking. The City Manager said this is a type of an award for the City of Alpine this year and it is spelled out in the letter provided in your packets. He said this grant is for \$130,000. He said within the packet itself, it shows the break down. He said we have a HIDTA officer and this is some of the bookkeeping. He said this is more of the protocol for the City of Alpine. He said we have been using this grant for this position. City Manager Zimmer asked the City Finance Director to speak on this subject since she is a HIDTA Grant specialist. She said this provides the officer with a vehicle and fuel and training when available. She said we are now doing our reimbursement money monthly. She said the money is literally out and then right back in. She said it is a great tool to support the police department. The City Manager said if we did not accept the grant we would have to let the two individuals go. He said the city has historically accepted the grant. Motion was made by Councilor Bermudez, by Resolution 2014-04-12, to approve the HIDTA Grant for 2014. Bob Litton said he was disappointed by the way this item was posted on the agenda and did not know what HIDTA stood for until this meeting. Motion was seconded by Councilor Davidson. Motion unanimously carried.
- 14. Discuss and Consider proposal from Sul Ross for sponsorship of moving billboards (utilizing new buses purchased by SRSU) from hotel/motel funds. (E. Zimmer, CM)** - The City Manager said he included a brief write up and a letter that came to his office from Dr. Thurman in the Council's packets. He said he thinks most people are aware that Sul Ross has bought a couple of new buses to transport their students, mostly athletes. He said they will be going to other states and across this state and the concept for Dr. Thurman was to "skin" the buses using them as advertising and as they travel across the different parts of Texas and other states they have this mobile billboard concept. He said many large cities sell their bus space to different advertisers. He said what Dr. Thurman proposed to the City of Alpine

would be a fee of no more than \$19,000 which could be spread out over three years. He said the life of the skin would be guaranteed for three years. He said the buses themselves travel 30 to 50 thousand miles annually. He said we would have input for the final approval of the concepts on the bus. He said it would be monies that would be directed from the hotel fund for general advertising of the Alpine area. He said through mid-year we have reached 55% of our revenue target for hotel funding. He said that gives us right now an excess dollar amount of \$17,873. He said this request would not exceed \$6,333 this year. He said he recommends the request. He said he thinks mobile billboards are very effective. He said Alpine's big business is tourism and this will attract people. He said if you go to the Gallego Center to watch events you always see the other schools bus sitting out there, so if you think about it, if our group was to travel to one of their teams that they are playing and that bus is sitting out in front of that area for hours and hours, it is a great reflection of Alpine. Mayor Rangra asked if this meant that the buses would have our City emblem. The City Manager said our City emblem and would also have the web site address, Visit Alpine, Texas. Motion was made by Councilor Gonzales, by Resolution 2014-04-13 to accept the proposal from Sul Ross for sponsorship of moving billboards from hotel/motel funds. Motion was seconded by Councilor Bermudez. Councilor Castelli said he had a question from a budget standpoint because two months ago we voted for an \$80,000 reserve to carry over to next year. He said with the current budget if we spend \$6,000 will we still have the \$80,000. The City Manager said we would still have the \$80,000. Councilor Davidson said he was curious as to who would actually do the design. He said there is a lot of room on the bus and other than the city's logo you might also have a panorama of the twin sisters. He said that is just a suggestion. The City Manager said he and Chris Ruggia have sat down and talked about the concept and he has also met with Stewart as well. He said ultimately from the city perspective, we will approve the design before it gets finalized. He said he is actually comfortable with bringing that final design in here and showing it to council and letting them look at it. He said he thinks we will have plenty of time on that. He said there are two buses and two sides on each bus. Motion carried unanimously.

- 15. Citizens Comments (limit 3 minutes). This is the opportunity for visitors and guests to address the City Council on any issue. City Council may not discuss any presented issue, nor may any action be taken on any issue at this time. (Texas Attorney General Opinion JC-0169) -**

Mark Gregory – said he lives in the best part of town which is “old town”. He said this is a portion of the historic district. He said for quite some time he has had a proposal for an “ICON” that would bring more attention to the Murphy Street area. He said the Mayor has his copy if anyone would like to see it. He said basically the concept is strictly through private funds to place stone columns on the east side of 5th Street and Murphy. He said it

will have an arch on the top. He said it will be a three sided arch that will say "Old Town Alpine 1886". He said he has spoken with many folks that have no clue where old town is. He said the intent would be that any publications, any flyers and anything that goes out that can increase the revenue of the city through sales tax and through purchases in old town. He said the arch was done by one of our local residents, David Brown, and it is a great simple design. He said he does not have a vested interest in it. He said he is selling his house because of some issues in old town that he cannot deal with anymore. He said he makes this proposal without bias. He encouraged everyone to visit the shops and said there were new shops coming.

Joseph Goldman – said Mr. Castelli brought up a very interesting concern. He said that is the risk for essentially a disaster where 60 people get sick at the same time. He said he would like to put that somewhat to rest. He said the probability of 60 people getting sick at the same time is measurable especially if you have an amount of money that is the cost of loss and you just multiply that times the probability of that loss occurring. He said it is a very simple thing. He said you come up with a number and it is not very difficult or complicated but you do have to find out what the demographics of that 60 people who got sick and all of that gets calculated. He said what you must be very worried about is a disaster that has not occurred yet. He said because then you have no probability of occurrence. He said one of those things is when you gave \$100,000 to Marfa for Ft. Davis. He said that was not a probability that could be anticipated. He said those are the things you should really worry about, if you lose another large amount of money. He said there is also the known disaster of having problems with banks. He said it is calculable and we should start using numbers.

16. Council Member's Comments –

Councilor Castelli – said just as a point of information, he noticed we had Bob Litton walk all the way to the podium. He said he thinks in defense of the sick and disabled that in the future allow Bob to speak from his chair.

Councilor Gonzales – said he wanted to thank the Girl Scout troop that he saw yesterday picking up trash. He said he thought that was admirable for 5 and 6 year old little girls and they were doing a very good job.

Councilor Davidson – said he thought we should really appreciate the wonderful events we had last week. He said it was a prime example of private initiative. He said Viva Big Bend brought in their own sponsors and their own money which means that is a sustainable event. He said it will happen again.

Councilor Bermudez said she had no comment.

Mayor Rangra – said there was one more meeting for this council and he just wanted to take this opportunity to say thank you to all of you. He said all of you have done a wonderful job representing the community this year. He said do not let anybody tell you that this is a “mindless” council. He said all of you are active, smart and have good suggestions. He said he would like to thank everyone.

Motion was made by Councilor Gonzales and seconded by Councilor Bermudez, to enter into executive session. Motion unanimously carried.

17. Executive Session – Pursuant to Texas Government Code Section 551.071, Consultation with Attorney.

A. Discuss and Consider the possibility of the investigation by the City Council of Municipal affairs related to the Municipal Court, City Charter, Section 3.11. (E. Zimmer, CM) -

18. Action After Executive Session –

B. Take Action, if any, concerning the possibility of the investigation by the City Council of Municipal affairs related to the Municipal Court, City Charter, Section 3.11. (E. Zimmer, CM) –

Motion was made by Councilor Davidson, by Resolution 2014-04-14, to authorize the City Manager, to secure as soon as possible, the preliminary audit report from the Municipal Court Auditor and a firm time line for the final audit report and then bring that response back to the city council at the next meeting. Motion was seconded by Councilor Bermudez. Motion carried unanimously.

19. Adjournment – There being no further business, meeting was adjourned.

NOTICE: The City Council reserves the right to adjourn into Executive Session at any time during the course of this meeting to discuss any of the matters listed on the posted agenda, above, as authorized by the Texas Government Code, Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), and 551.086 (economic development).

I certify that this notice was posted at 2:15 P.M. on April 11th, 2014, pursuant to Texas Open Meetings Act. (Texas Vernon's Annotated Civil statutes, section 551.043 Texas Government Code.) This facility is wheelchair accessible and accessible parking space is available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the city secretary's office at (432) 837-3301 or fax (432) 837-2044 for further information.

Dr. Avinash Rangra, Mayor

Attest:

Margaret "Molly" Taylor, City Secretary

I, Margaret "Molly" Taylor, City Secretary, do certify that this notice was posted at 2:15 P.M on April 11th, 2014, and remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Margaret "Molly" Taylor, City Secretary