



3301 CARMEN AVE, 78575

Phone 956-350-4093

Fax 956-350-4156

BOARD OF ALDERMEN
REGULAR MEETING
APRIL 12, 2011



3301 CARMEN AVE, 78575

Phone 956-350-4093

Fax 956-350-4156

NOTICE OF A PUBLIC MEETING
TOWN OF RANCHO VIEJO
BOARD OF ALDERMEN
REGULAR MEETING

APRIL 12, 2011

6:00 P.M.

NOTICE is hereby given of a REGULAR MEETING of the BOARD OF ALDERMEN of the TOWN OF RANCHO VIEJO, TEXAS, to be held on, APRIL 12, 2011 at 6:00 P.M., in the TOWN MUNICIPAL OFFICE, 3301 CARMEN AVENUE, RANCHO VIEJO, TEXAS to consider the following items:

1. Call to Order
2. Roll Call
3. Invocation and Pledge
4. Public Comment
5. Approval of Minutes
 - Regular Meeting - March 8, 2011
 - Special Meeting - March 22, 2011
6. Consideration/Action on Resolution on Appointment of Election Judges, Appointment of Early Voting Ballot Board, and Rate of Pay for Election Judges
7. Consideration/Action on Appointment/Reappointment of Members to the Planning and Zoning Commission
8. Consideration/Action on Contract with New Building Inspector

NOTICE OF A PUBLIC MEETING
TOWN OF RANCHO VIEJO
BOARD OF ALDERMEN
REGULAR MEETING

APRIL 12, 2011
6:00 P.M.

Page 2

9. Consideration/Action on Loan from IBC Bank for Cameras and Police Vehicle
10. Consideration/Action on Employment of Regular Police Officer and Setting of Salary
11. Consideration/Action to Reschedule May Regular Meeting
12. Update on Tax Note Series 2005
13. Public Comment
14. Adjourn


Cheryl J. Kretz
Town Administrator

Item #1:

Call to Order by:
Mayor Medrano

Item #2:

Roll Call

by Isabel Perales, those present are:

Alderwoman Carr

Alderwoman Hager

Alderwoman Hinojosa

Alderman Lackner

Alderman Rafac

Legal Counsel, Daniel Rentfro, Jr.

Town Administrator, Cheryl J.
Kretz.

Item #3:

Invocation and Pledge

The pledge of allegiance to the United States Flag:

“I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.”

And the pledge of allegiance to the Texas State Flag is,

“Honor the Texas Flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.”

Item #4:

Public Comment

Item #5:

Approval of Minutes -
Regular Meeting, March 8, 2001 &
Special Meeting, March 22, 2011

MINUTES OF A REGULAR MEETING
TOWN OF RANCHO VIEJO
MARCH 8, 2011

A Regular Meeting of the Board of Aldermen of the Town of Rancho Viejo, Texas was held on Tuesday, March 8, 2011, at the Town Municipal Office, 3301 Carmen Avenue, Rancho Viejo, Texas, the same being open to the public. The meeting was called to order by Mayor Roberto Medrano at 6:00 P.M. Roll call was made by Isabel Perales, Assistant Town Secretary. Members present at the meeting were:

Mrs. Lupita Carr
Mrs. Jean Hager
Mrs. Maria Hinojosa
Mr. Robert Lackner
Mr. Joe Rafac

A quorum was present at the meeting.

Mr. Daniel Rentfro, Jr., legal counsel, was present. Town Administrator Cheryl J. Kretz was also present at the meeting.

Those present in the audience were:

Chief M. Cruz, Jr.	Terry Neubauer
Frank Espinoza, AEP	Norberto Martinez, AEP
Jorge de la Garza	Ricardo Alvarez, AEP

INVOCATION AND PLEDGE:

Alderman Rafac led the group in the invocation and pledge of allegiance to the American and Texas flags.

PUBLIC COMMENT:

There were no public comments.

APPROVAL OF MINUTES:

Motion was made by Alderwoman Hinojosa, seconded by Alderwoman Carr, and unanimously carried, that the Minutes of the Regular Meeting held on February 8, 2011 be approved as written.

AEP PRESENTATION ON ELECTRIC SYSTEM AND RECENT OUTAGES:

Mr. Frank Espinoza from AEP made a presentation on the electric system and the recent outages in Rancho Viejo. Mr. Espinoza, Mr. Norberto Martinez and Mr. Ricardo Alvarez answered several questions from the board members and the audience. After a discussion of the prolonged outages in the Tesoro, Santa Ana and Enchilada area, the AEP representatives stated they would conduct an infrared study of the area and report back to the Town.

PRESENTATION BY MR. JORGE DE LA GARZA - NEW COMMERCIAL AND CONDOMINIUM BUILDING:

Mr. Jorge de la Garza made a presentation on the proposed multi story commercial and condominium building to be located at the corner of Carmen Avenue and Angelitos.

UPDATE ON SECURITY DEVICES:

Mayor Medrano stated that the poles had been installed for the cameras. He thanked Mr. Tony DePonce for letting the Town use the antenna at his building for the internet service. The camera installation project should be complete in approximately 2 weeks.

UPDATE ON TEXAS SAFE SHELTER INITIATIVE PROGRAM:

Mayor Medrano noted that there was a Public Meeting scheduled for March 22, 2011 at 6:00 P.M. to discuss the Texas Safe Shelter Initiative program and get feedback from the Board and residents.

F.M. 1732 DRAINAGE PROJECT UPDATE:

Mayor Medrano reported that Cameron County personnel had installed culvert pipes on F.M. 1732 to alleviate the drainage problem in Rancho Viejo at Carmen and F.M. 1732. Mr. Mike Ortiz volunteered his time and equipment to make swells on his property to drain into the county irrigation ditch.

BEAUTIFICATION COMMITTEE UPDATE:

Alderwoman Hager gave an update on the committee activity and stated that they would like to proceed with more projects when funding was available.

PUBLIC COMMENT:

There were no public comments.

ADJOURNMENT:

Motion was made by Alderwoman Carr, seconded by Alderwoman Hinojosa, and unanimously carried, to adjourn the meeting at 7:16 P.M.

BY: _____
Cheryl J. Kretz, Town Secretary

APPROVED: _____
Roberto Medrano, Mayor

DATE: _____

MINUTES OF A SPECIAL MEETING
TOWN OF RANCHO VIEJO
MARCH 22, 2011

A Special Meeting of the Board of Aldermen of the Town of Rancho Viejo, Texas was held on March 22, 2011, at the Town Municipal Office, 3301 Carmen Avenue, Rancho Viejo, Texas, the same being open to the public. The meeting was called to order by Mayor Roberto Medrano at 6:00 P.M. Roll call was made by Isabel Perales, Assistant Town Secretary. Members present at the meeting were:

Mrs. Jean Hager
Mrs. Maria Hinojosa
Mr. Robert Lackner
Mr. Joe Rafac

Mrs. Lupita Carr arrived at 6:03 P.M.

A quorum was present at the meeting.

Mr. David Irwin, legal counsel, was present. Cheryl J. Kretz, Town Administrator, was also present.

Those present at the meeting were:

Dick Lindeman	Marilyn Lindeman
Carl Becker	Nancy Becker
Carmen McGehee	Glenn McGehee
Bridget Neubauer	Prax Garcia
Marina Garcia	Arnulfo Montano
Lydia Montano	Richard P. Lewis
Mack Sterling	Bobby Duffey
Sandra Duffey	Kaye Fullerton
Chuck Barlow	W. H. Dorsett
Ron Cassels	Ron Waters
Gerry Waters	Alex Evins
Pat Hobbs	Steve Wooley
Elvie Champion	John Champion
Roberto Jimenez	Dr. E. J. Chaney
Mrs. E. J. Chaney	Glenn Carr
Chief M. Cruz, Jr.	Eric Schwab
Dr. Ricardo Adobbati	Mrs. Ricardo Adobbati
Geoffrey Bogorad	Gonzalo Garza
Lourdes Medrano	Kingsley Wall
Shari Dwyer	Pablo Ruiz
Gerardo Rosas	Jon Waters

INVOCATION AND PLEDGE:

Alderman Hinojosa led the group in the invocation and pledge of allegiance to the American and Texas flags.

PUBLIC HEARING ON TEXAS SAFE SHELTER INITIATIVE PROGRAM (TSSI) - COMMUNITY SAFE ROOM CONSTRUCTION PROJECT:

Mayor Medrano opened the public hearing on the Texas Safe Shelter Initiative Program with a brief presentation on the Community Safe Room Construction project. This project would be to construct a 5,000 square foot dome building to be used as a shelter in extreme weather events at a cost of approximately \$600,000 with the federal government paying 75% of the cost. When not in use as a shelter, it could be used for a gymnasium, meeting space or to hold public gatherings. Several members of the audience stated their opinion on this project, the majority of which were not in favor of the project. After everyone was given an opportunity to speak on the matter, motion was made by Alderman Lackner, seconded by Alderman Rafac, to close the public hearing.

CONSIDERATION/ACTION ON GRANT APPLICATION FOR TEXAS SAFE SHELTER INITIATIVE PROGRAM (TSSI) - COMMUNITY SAFE ROOF PROJECT:

Alderman Rafac spoke on the matter and said he was against submitting the application for this program. Alderman Lackner also noted that he was opposed to this project.

Mayor Medrano asked for a motion to approve submittal of the grant application for the Texas Safe Shelter Initiative Program (TSSI) - Community Safe Roof Project but the item died for lack of a motion.

ADJOURNMENT:

Motion was made by Alderman Rafac, seconded by Alderman Hinojosa, and unanimously carried, that the meeting be adjourned at 7:04 P.M.

March 22, 2011

Page 3

BY: _____
Cheryl J. Kretz, Town Secretary

APPROVED: _____
Roberto Medrano, Mayor

DATE: _____

Item #6:

Consideration/Action on
Resolution on Appointment of
Election Judges, Appointment
of Early Voting Ballot Board,
and Rate of Pay for Election
Judges

RESOLUTION NO.

A RESOLUTION ON APPOINTMENT OF ELECTION
JUDGES, APPOINTMENT OF EARLY VOTING BALLOT
BOARD, AND RATE OF PAY FOR ELECTION JUDGES

WHEREAS, an election has been ordered for the purpose of voting for a Mayor and two (2) Aldermen for a two year term for the Town of Rancho Viejo on May 14, 2011.

NOW THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF ALDERMEN OF THE TOWN OF RANCHO VIEJO, TEXAS:

Section 1. The following named persons are hereby appointed as officers of said election, to wit:

Rita Conde
Presiding Judge

Cindy Rathbun
Alternate Presiding Judge

and Jerry Millsapps, Clerk to assist in holding said election, and said judges and clerks shall be paid \$8.00 per hour.

Section 2. The Early Voting Ballot Board shall be appointed as follows: Karen Cannon, Presiding Judge, Lette Villarreal, Alternate Presiding Judge, and Edith Johnson, Clerk. Said Early Voting Ballot Board shall be paid \$8.00 per hour.

PASSED, ADOPTED AND APPROVED this the 12th day of April, 2011.

Town of Rancho Viejo

Roberto Medrano, Mayor

ATTEST:

Cheryl J. Kretz, Town Secretary

Item #7:

Consideration/Action on
Appointment/Reappointment
of Members to the Planning
and Zoning Commission

Mayor will recommend
Appointment/Reappointment
of Planning & Zoning
Commission members

Item #8:

Consideration/Action on
Contract with New Building
Inspector

Mayor will recommend new
Building Inspector

Item #9:

Consideration/Action on Loan
from IBC Bank for Cameras
and Police Vehicle

Item #10:

Consideration/Action on
Employment of Regular
Police Officer and Setting
of Salary

Chief Cruz will recommend
employment of a new Police
Officer

Item #11:

Consideration/Action to
Reschedule May Regular
Meeting

Due to Early Voting, the May
Regular Meeting will be
rescheduled to May 17, 2011.

Item #12:

Update on Tax Note Series
2005

At earlier board meetings, I explained that the Town was in the process of discussing the Town Hall Bond Note with IBC, which owns the note. Well, based on our discussions in which the Town asked for a lower interest rate, the IBC board considered the request and thus approved action to lower the interest rate, yet another time within the last twelve months, this time from 4.75% to 4%. Please note that IBC was not under any obligation to do so. The initial rate reduction occurred in March 2010 when it was lowered from 5.25% to 4.75%. The current interest rate took effect at the time of the IBC board approval in February 24, 2011 and will be effective until the note matures in November 2012. With the May 2010 payment, the Town saved \$604.16---this savings has gone against the principal in an effort to close the note quicker. Altogether, since the initial rate reduction, the Town saved, \$2,270.34; the town will save approximately \$11,000 between May 2011 and November 2012 for a grand total of about \$14,000.00.

The original intent of the Board of Aldermen in 2005 was to amortize the entire note over 20 years or so. However, this was not possible because Texas law allows a maximum amortization of 7 years for a town with a financial situation like ours. Thereafter, it was understood by the Town and IBC that the note would renew at about the same payment.

The ordinance adopted by the Board left options for the Town. At maturity, if the Town wanted, we could shop around with other banks to seek a rate of 65% of the Wall Street prime. Sounds very attractive taken in a vacuum, but it is not that simple. For starters, the Town must package the Bond Note for consideration by other banks. The packaging process is not free---there is a cost involved. The rating fee could cost anywhere from \$20,000 to \$40,000. Our note is relatively small, and because of this fact a rating company would, in all likelihood, charge above the lower range. A prospectus would have to be written at a cost of \$10,000 to \$15,000. A full-fledged tax opinion from a bond attorney would be required and would come at a cost of \$6,000 to \$10,000. Adding the latter estimates, the Town would be facing a cost range of \$36,000 to \$65,000---again, with the latter figure being more realistic because of the relatively small amount. And if this is not enough, banks are not obligated in any way to agree to 65% of the prime. As a matter of fact, the ordinance states that the town should seek a rate of 65% of prime but not to exceed 15%. In all probability because banks are not in the business of taking high risks and losing money, 65% of prime would not happen. Furthermore, the Town enjoys a very favorable depository agreement with IBC. This is no accident---the Board intended it to be that way and so it was written into ordinance. The IBC was the lone bank willing to entertain the note and submit a bid as depository---no other bank submitted bid. The Town enjoys not only a favorable depository agreement---we enjoy a good relationship that has enabled us to obtain expeditious loans for our security cameras and a police truck with reasonable interest rates. These kinds of requests would still be in the processing phase with any other bank.

Given the current market, the Town would be taking a risk of ending up with a more expensive rate for the remainder of the note, and would be lucky to come out even. Ladies and

gentlemen, Rancho Viejo is doing well in its financial dealings with the IBC and we enjoy a good working relationship.

Item #13:
Public Comment

Item #14:
Adjourn

TOWN OF RANCHO VIEJO BUILDING & DEVELOPMENT
as of 3/31/11

NEW HOMES BUILT:	SINGLE FAMILY	TOWN HOUSE	COMM- ERCIAL	TOTAL PERMITS	TOTAL FEES PAID	TOTAL INSP. FEES	COST OF CONST.
Prior to 5/22/80	440	100	-	0	\$0	\$0	\$0
5/22/80-12/31/80	35	70	-	83	\$ 16,833	\$ 397	\$0
1981	82	200	-	213	\$ 61,643	\$ 15,765	\$0
1/1/82 - 9/30/82	27	10	-	101	\$ 13,036	\$ 9,330	\$0
10/1/82 - 9/30/83	3	0	-	59	\$ 3,493	\$ 2,911	\$0
10/1/83 - 9/30/84	2	0	-	48	\$ 2,593	\$ 1,740	\$0
10/1/84 - 9/30/85	8	0	-	57	\$ 11,595	\$ 2,295	\$0
10/1/85 - 9/30/86	8	0	-	66	\$ 5,650	\$ 2,610	\$0
10/1/86 - 9/30/87	14	0	-	67	\$ 7,209	\$ 4,051	\$0
10/1/87 - 9/30/88	20	0	-	81	\$ 13,586	\$ 5,410	\$0
10/1/88 - 9/30/89	28	0	-	134	\$ 23,646	\$ 8,425	\$0
10/1/89 - 9/30/90	11	0	-	105	\$ 11,481	\$ 6,050	\$0
10/1/90 - 9/30/91	16	0	-	87	\$ 14,175	\$ 5,820	\$0
10/1/91 - 9/30/92	18	0	-	117	\$ 15,763	\$ 6,285	\$ 2,367,864
10/1/92 - 9/30/93	28	0	-	160	\$ 24,184	\$ 8,085	\$ 4,985,015
10/1/93 - 9/30/94	25	0	1	128	\$ 22,134	\$ 7,995	\$ 3,417,511
10/1/94 - 9/30/95	13	0	0	147	\$ 16,221	\$ 8,120	\$ 2,541,244
10/1/95 - 9/30/96	13	0	0	167	\$ 16,983	\$ 7,385	\$ 2,676,434
10/1/96 - 9/30/97	14	0	0	160	\$ 15,763	\$ 7,175	\$ 2,485,481
10/1/97 - 9/30/98	14	0	0	151	\$ 16,367	\$ 6,880	\$ 3,551,692
10/1/98 - 9/30/99	16	0	1	167	\$ 17,871	\$ 8,215	\$ 2,959,729
10/1/99 - 9/30/00	17	0	0	146	\$ 17,295	\$ 8,395	\$ 3,489,299
10/1/00 - 9/30/01	12	0	0	175	\$ 15,227	\$ 8,910	\$ 3,944,653
10/1/01 - 9/30/02	8	5	0	185	\$ 17,990	\$ 9,295	\$ 2,852,723
10/1/02 - 9/30/03	8	0	0	159	\$ 16,675	\$ 7,646	\$ 2,947,180
10/1/03 - 9/30/04	13	0	2	216	\$ 27,355	\$ 7,058	\$ 3,842,051
10/1/04 - 9/30/05	12	1	0	180	\$ 37,050	\$ 7,883	\$ 4,636,607
10/1/05 - 9/30/06	10	0	0	192	\$ 24,903	\$ 7,843	\$ 3,895,890
10/1/06 - 9/30/07	14	0	0	157	\$ 40,784	\$ 6,210	\$ 5,342,827
10/1/07 - 9/30/08	13	0	0	178	\$ 46,840	\$ 7,910	\$ 6,266,703
10/1/08 - 9/30/09	4	0	0	140	\$ 16,191	\$ 6,220	\$ 1,982,463
10/1/09 - 9/30/10	10	0	0	130	\$ 34,685	\$ 5,295	\$ 5,475,388
10/1/10 - 3/31/11	4	0	0	83	\$ 13,323	\$ 4,345	\$ 1,713,885
TOTALS	960	386	4	4239	\$ 638,544	\$ 211,954	\$ 71,374,639

There was 1 Building Permit surcharge recorded this month.