

COUNTY OF HIDALGO COMMISSIONERS' COURT

BE IT REMEMBERED that on the 20th day of October, 1998 after notice duly having been given, a Special Meeting of the Commissioners' Court and the Drainage District #1 Board was begun and holden in the Commissioners' Courtroom, in the County Administration Building, in the City of Edinburg, County of Hidalgo, State of Texas, with the following being members of said Court:

**HONORABLE RENATO CUELLAR
COUNTY JUDGE**

**HONORABLE SYLVIA HANDY
COUNTY COMMISSIONER, PRECINCT 1**

**HONORABLE ABELARDO (LALO) ARCAUTE
COUNTY COMMISSIONER, PRECINCT 2**

**HONORABLE JUAN ROSEL
COUNTY COMMISSIONER, PRECINCT 3**

**HONORABLE GUADALUPE GARCES, JR.
COUNTY COMMISSIONER, PRECINCT 4**

and where the following proceedings were had to-wit:

DRAINAGE DISTRICT #1

The Honorable Renato Cuellar, County Judge, called the Drainage District #1 Board meeting to order, whereupon the following proceedings were had, to-wit:

CONSENT AGENDA

ITEM 1. APPROVAL OF CHECK REGISTER AND PAYMENT OF CLAIMS AND BILLS – COUNTY AUDITOR

ITEM 2. LINE ITEM TRANSFER - \$250.00
(See Exhibit A)

The County Judge introduced the Consent Agenda and asked if there were any questions and/or comments. There being none, a motion was made by Commissioner Rosel and seconded by Commissioner Garces to approve.

MOTION CARRIED.

REGULAR AGENDA

ITEM 1. APPROVAL OF DIVISION ORDER – PIONEER NATURAL RESOURCES USA, INC.

Godfrey Garza, Drainage District Director, came before the Board requesting approval of a division order by Pioneer Natural Resources USA, Inc. He added that this was just for the District's pro-rata share of royalties on the lease. A motion was made by Commissioner Rosel and seconded by Commissioner Handy to approve.

MOTION CARRIED.
(See Exhibit B)

ITEM 2. REQUEST FOR DIRECTION AND/OR AUTHORIZATION TO MAKE REQUIRED DRAINAGE IMPROVEMENTS FOR FLOODED SUBDIVISION AT F.M. 681 & F.M. 1925

Mr. Garza was also requesting some direction and/or authorization to make the required drainage improvements for a flooded subdivision located at FM 681 and FM 1925. He then proceeded to give a brief history of this particular colonia and he added they were proposing to build a levee on the south side of the colonia to protect it from the rising water of the nearby lake. After some discussion, a motion was made by Commissioner Rosel and seconded by Commissioner Handy to give authorization to make the required drainage improvements as presented.

MOTION CARRIED.

ITEM 3. PURCHASING DEPARTMENT

- A. Requesting authority to exercise 60 day grace period in order to avoid lapse in service between September 7, 1998 – October 20, 1998
- B. Recommending award of bid for “Tires” to qualified bidder meeting all of the specifications
- C. Recommending approval of contract for “Tires” to qualified bidder
- D. Requesting approval of a “Sole Source” Declaration of “World Tire Recycling, Inc. for “Tire Recycling” for Hidalgo County Drainage District #1
- E. Requesting a “Sole Source” Declaration of “Harts Auto Supply (Performance Friction Corp.) for “the supply of carbon metallic pads, drums and rotors
- F. Requesting one (1) 1987 GMC ½ Ton GMC 4-Wheel Drive Pick-up Truck (Asset 19689) be declared surplus

3/A

A motion was made by Commissioner Garces and seconded by Commissioner Rosel to authorize the Drainage District to exercise a sixty-day grace period in order to avoid lapse in service for the purchase of “Tires”.

MOTION CARRIED.
(See Exhibit C)

3/B

Martha Salazar, County Purchasing Director, informed the Court that she had received two bids for the purchase of “Tires” for the Drainage District #1. The bids received were from Goodyear Auto Center out of Pharr and GCR Car-Truck Auto Center out of Pharr. She was recommending that the bid be awarded to both bidders and give each bidder the low bid on each item that they bid and GCR will get the tube award on the bid. A motion was made by Commissioner Garces and seconded by Commissioner Rosel to approve.

MOTION CARRIED.

(See Exhibit C)

3/C

A motion was made by Commissioner Garces and seconded by Commissioner Rosel to award the contract to Goodyear Auto Center out of Pharr and GCR Car-Truck Auto Center out of Pharr for the purchase of "Tires" for the Drainage District #1.

MOTION CARRIED.

(See Exhibit C)

3/D

Mrs. Salazar was also requesting approval of a "Sole Source Declaration" for World Tire Recycling, Inc. for "Tire Recycling" for the Drainage District #1. After a brief discussion, no action was taken on this item at this time.

NO ACTION.

(See Exhibit C)

3/E

Mrs. Salazar reported that no action would be required on this item at this time.

NO ACTION.

(See Exhibit C)

3/F

A motion was made by Commissioner Garces and seconded by Commissioner Handy to authorize the declaration of one 1987 GMC ½ Ton GMC 4-wheel drive Pick-up Truck as surplus.

MOTION CARRIED.

(See Exhibit C)

ADD. 1. PUBLIC HEARING FOR THE 1999 PROPOSED BUDGET

The County Judge then called the public hearing open to entertain comments on the 1999 proposed budget for the Drainage District #1. The County Judge then read the following into the record.

"The Drainage District #1 has a certified taxable value \$9,998,000,262.00. The proposed rate is 0.000410. This is for operation only and we do not have a tax for our debt service. The estimate fund balance to start the year for

the operation is \$3,524,463.45. The estimated revenues for 1999 are \$4,408,889.00 making the total available resources \$7,933,352.45. The total estimated expenditures are \$4,602,620.74. This will arrive at a fund balance of \$3,331,731.71 as of December 31, 1998. The Debt Service does not have a tax as our fund balance in excess of the 1999 requirements. The estimated fund balance as of 12-31-99 is \$3,809,614.84. Drainage District is paying out on a schedule for the Refunding Series 1992. Overall the Hidalgo County Drainage District is in good financial position”.

Commissioner Arcaute then stated that as a taxpayer he was not in agreement for this Board to raise taxes in order to maintain a fund balance. There being no further comments the public hearing was closed.

NO ACTION.
(See Exhibit D)

ADD. 3. SET TAX RATE

Commissioner Rosel asked that Godfrey Garza, Drainage District Director, come forward and explain why they needed to keep a healthy fund balance. Mr. Garza explained that this was being done in order to have funds available in case of any flooding emergencies and also to assist in any drainage improvements that the District can do in conjunction with any State Agencies. This resulted in a discussion with regards to how much revenue the increase would bring in and if this increase was really needed by the District. A motion was then made by Commissioner Rosel and seconded by Commissioner Garces to set the tax rate at 0.000410 for the Drainage District #1.

MOTION CARRIED. (The County Judge and Commissioner Arcaute voted against the motion)

ADD. 2. ADOPTION OF THE 1999 ANNUAL BUDGET FOR HIDALGO COUNTY INCLUDING SETTING SALARIES FOR BOARD MEMBERS AND EMPLOYEES

A motion was made by Commissioner Rosel and seconded by Commissioner Garces to adopt the 1999 annual budget for the Drainage District #1 including the setting of salaries for board members and employees.

MOTION CARRIED.

Commissioner Arcaute indicated that he approved of the budget but not the surplus.

There being no further business to come before the Drainage District #1 Board, a motion was made by Commissioner Garces and seconded by Commissioner Rosel that said meeting be hereby adjourned.

MOTION CARRIED.

COMMISSIONERS' COURT

The Honorable Renato Cuellar, County Judge, called the Commissioners' Court meeting to order, whereupon the following proceedings were had, to-wit:

CONSENT AGENDA

ITEM 1. APPROVAL OF CHECK REGISTER AND PAYMENT OF CLAIMS AND BILLS – COUNTY AUDITOR

(See Exhibit E)

ITEM 2. LINE ITEM TRANSFERS

- A. J.P. Pct. 2 Pl. 1 - \$140.00
- B. Commissioner Pct. 3 – Landfill - \$4,700.00
- C. Commissioner Pct. 4 – Paved/Unpaved - \$23,521.33
- D. Treasury - \$131.45
- E. Health Department – Administration - \$5,000.00
- F. Health Department – Health Clinics - \$1,000.00
- G. Health Department – Immunization Program - \$13,971.75
- H. County Judge - \$1,000.00
- I. Constable Pct. #2 - \$675.00
- J. Purchasing Department - \$100.00

(See Exhibit F)

ITEM 3. URBAN COUNTY PROGRAM

- A. HOME/Homeowner Occupied Housing Rehab Application (1 Family)

(See Exhibit G)

ITEM 4. RIGHT OF WAY**A. Permits:**

1. Pct. 1
 - a. North Alamo Water Supply – Mile 5 ½ west of Mile 10 N
 - b. North Alamo Water Supply – east of FM 493 & Mile 12 N
 - c. North Alamo Water Supply – 1 ½ Mile N. of FM 1925 on Filigonia Rd.
 - d. North Alamo Water Supply – northwest corner of Kika de la Garza & Lynden (Heidelberg)
2. Pct. 2
 - a. Southwestern Bell Telephone
3. Pct. 3
 - a. Coastal Oil & Gas Corp.
 - b. Sharyland Water Supply
 - c. La Joya Water Supply
4. Pct. 4
 - a. North Alamo Water Supply
 - b. Sharyland Water Supply
 - c. Coastal States Crude Gathering Co.
 - d. Southwestern Bell Telephone

(See Exhibit H)

ITEM 5. PURCHASING DEPARTMENT**A. HIDALGO COUNTY JUDGE'S OFFICE**

1. Requesting approval of maintenance agreement for IBM Wheelwriter S#0132686 with Jones & Cook Stationers effective 10-07-98 to 10-07-99

B. HIDALGO COUNTY 332ND DISTRICT COURT

1. Requesting approval of maintenance agreement for Adler-Royal SAT. IV SN. 401624 95 with South West Business Machines effective 10-14-97 to 10-13-98

C. HIDALGO COUNTY ADULT PROBATION

1. Requesting approval of maintenance agreement for Canon Facsimile F777 SN UBU16715 with Ikon Office Solutions, Inc. effective 07-07-98 to 07-06-99

(See Exhibit I)

The County Judge introduced the Consent Agenda and asked if there were any questions and/or comments. There being none a motion was made by Commissioner Garces and seconded by Commissioner Rosel to approve.

MOTION CARRIED.

EXECUTIVE AGENDA

ITEM 1. CLOSED SESSION

Commissioners' Court may go into Closed Session pursuant to Chapter 551, Texas Government Code, Section 551.071 to discuss the following

A. Litigation

1. Alfredo Regalado and Maria Regalado v. County of Hidalgo, Hidalgo County Bail Board and Sheriff of Hidalgo County

B. Potential Litigation

1. State of Texas vs. Billy Basham and Basham Properties, Inc.

ITEM 2. OPEN SESSION

A. Litigation

1. Alfredo Regalado and Maria Regalado v. County of Hidalgo, Hidalgo County Bail Board and Sheriff of Hidalgo County

B. Potential Litigation

1. State of Texas vs. Billy Basham and Basham Properties, Inc.

2/A

A motion was made by Commissioner Garces and seconded by Commissioner Rosel to approve the settlement between the County of Hidalgo in reference to CL-28,600-A in the amount of \$20,000.00.

MOTION CARRIED.

(See Exhibit J)

2/B

Davit Girault, County legal counsel, came before the Court and stated that this was in reference to three lawsuits that the State had pending with developers. He stated that the County had agreed to assist the State with the developers in the monitoring of the settlement of this lawsuit with respect to monitoring individual subdivisions or doing some corrective work in a drainage easement. He did say that the County would not be made a party to this lawsuit. A motion was made by Commissioner Rosel and seconded by Commissioner Garces to approve the settlement.

MOTION CARRIED.

REGULAR AGENDA

ITEM 1. OPEN FORUM

The County Judge announced that an individual had signed up for the Open Forum but she had left.

NO ACTION.

ITEM 2. PLANNING DEPARTMENT**A. Final plat approval with letter of credit**

1. Hidden Valley Ranch R.V. & Mobile Home Park Phase II – Pct. 3
2. Stewart Manor Subdivision – Pct. 3

2/A/1

Emilio Garcia, Chief Planner, came before the Court requesting final approval with a letter of credit for Hidden Valley Ranch R.V. & Mobile Home Park Phase II. This subdivision is in Precinct Three located $\frac{3}{4}$ of a mile north of Expressway 83 on the west side of Western Road. After some discussion, a motion was made by Commissioner Rosel and seconded by Commissioner Garces to approve.

MOTION CARRIED.

(See Exhibit K)

2/A/2

Mr. Garcia was also requesting final plat approval with a letter of credit for Stewart Manor Subdivision. This is in Precinct Three located approximately $\frac{1}{2}$ mile north of Mile 5 Line and on the east side of Stewart Road. A motion was made by Commissioner Rosel and seconded by Commissioner Garces to approve.

MOTION CARRIED.

(See Exhibit K)

ITEM 3. URBAN COUNTY

- A. Approval of Change Order #4 for R.P. Constructors, Inc. – City of La Joya – Water & Sewer Improvements – Urban County Year 8 (1995)
- B. Approval of Sub recipient Agreement with the San Juan Youth Program – City of San Juan – UCP Year 9 (1996) – Youth Services

3/A

The City of La Joya was requesting approval of a change order for water and sewer improvements being done by R.P. Constructors, Inc. The amount

of the change order is for an increase of \$3,971.98 and also an increase of 230 calendar days. A motion was made by Commissioner Rosel and seconded by Commissioner Garces to approve.

MOTION CARRIED.

(See Exhibit L)

3/B

The City of San Juan was requesting approval of a sub recipient agreement with the San Juan Youth Program. The amount of the contract is \$2,435.46. A motion was made by Commissioner Arcaute and seconded by Commissioner Handy to approve.

MOTION CARRIED.

(See Exhibit L)

ITEM 4. SHERIFF'S DEPARTMENT

A. Budget Amendment

A motion was made by Commissioner Garces and seconded by Commissioner Arcaute to approve a budget amendment in the amount of \$300,000.00 for the Sheriff's Department for medicines and the housing of prisoners.

MOTION CARRIED.

(See Exhibit M)

ITEM 5. JUVENILE PROBATION

A. Budget Amendment

A motion was made by Commissioner Handy and seconded by Commissioner Garces to approve a budget amendment in the amount of \$2,450.00 for the Juvenile Detention Budget in order to replace the fire panel and alarm system at the detention center.

MOTION CARRIED.

(See Exhibit N)

ITEM 6. COUNTY JUDGE

A. Budget Amendment

B. Approval to direct County Auditor to process settlement claim checks to Professional Claim Managers in settlement of:

1. Civil Action #M-95-083

2. Civil Action #M-95-268

6/A

A motion was made by Commissioner Arcaute and seconded by Commissioner Garces to approve a budget amendment in the amount of \$75,000.00 for the Judgments and Damages line item.

MOTION CARRIED.
(See Exhibit O)

6/B

Valde Guerra, Administrative Assistant to the County Judge, informed the Court that they were requesting approval to direct the County Auditor to process settlement claim checks to Professional Claim Managers in the settlements of Civil Action #M-95-083, Carol West vs. Hidalgo County in the amount of \$35,000.00. Paul Vazaldua, another Administrative Assistant, pointed out that there was a deadline in the settlement of this case. Mr. Guerra also noted that the \$75,000.00 budget amendment approved previously was not a settlement amount it was just an amount that was needed within the Judgments and Damages line item in order to cover for the settlement of the two cases in question. He also mentioned that the other case in question was Case #M-95-268, Sanchez vs. Hidalgo County and the settlement amount in that case was \$132,500.00. A discussion ensued with regards to whether the settlements have been approved by this Commissioners' Court, after which a motion was made by Commissioner Garces and seconded by Commissioner Rosel to authorize the County Auditor to process the settlement claim checks as presented.

MOTION CARRIED.
(See Exhibit O)

ITEM 7. TREASURER'S

A. Consideration and approval of revised investment policy

Diane Treviño, from the County Treasurer's Office, came before the Court requesting consideration and approval of the revision of the County investment policy. She mentioned that as per statute it is this Court's responsibility to make an annual review of the investment policy. Ms. Trevino stated that this year the changes were very minor and David Girault, the County legal counsel, and Manuel Cavazos, the County Auditor, have reviewed them. The changes had to do with the Debt Service Fund and the Bond Fund, which are now combined into one paragraph. They also added Capital Projects and Proprietary funds and clarified the holding of collateral. A motion was made by Commissioner Handy and

seconded by Commissioner Garces to approve the revised investment policy as presented.

MOTION CARRIED.
(See Exhibit P)

ITEM 8. PURCHASING DEPARTMENT

A. HIDALGO COUNTY

1. Requesting a "Sole Source Declaration" of: Harts Auto Supply (Performance Friction Corp.) for the supply of carbon metallic pad, drums and rotors
2. Requesting approval of a "Sole Source Declaration" of World Tire Recycling, Inc. for "Tires Recycling" for Hidalgo County

B. HIDALGO COUNTY CONSTABLE PRECINCT NO. 1

1. Requesting one (1) 1990 Chevrolet Caprice (Asset #022052) be declared surplus

C. HIDALGO COUNTY CONSTABLE PRECINCT NO. 3

1. Requesting one (1) 1991 Chevrolet Caprice (Asset #030223) be declared surplus

D. HIDALGO COUNTY DISTRICT ATTORNEY

1. Requesting ten (10) vehicles be declared surplus

E. HIDALGO COUNTY JUVENILE PROBATION DEPARTMENT

1. Report on the status of contract negotiations with the next ranked architectural firm for: the Hidalgo County Juvenile Probation Department's Post Adjudication Facility in the City of Weslaco, Texas.
2. Discussion and possible action of the approval of the proposed final negotiated draft contract with Wiginton, Hooker, Jeffrey/Ashley, Humphries & Sanchez Associated Architects-Dallas, Texas (or in the alternative) (due to non-approval of final proposed draft contract)
3. Authority to cease negotiations with architectural firm of Wiginton, Hooker, Jeffrey/Ashley, Humphries & Sanchez Associated Architects-Dallas, Texas and authority to enter into negotiations with the next ranked architectural firm

F. HIDALGO COUNTY LAW LIBRARY

1. Requesting numerous books be declared surplus

G. HIDALGO COUNTY LIBRARY SYSTEM

1. Requesting authority to advertise & approval of specifications as attached hereto for "Purchase of library books, videos and other materials"

H. HIDALGO COUNTY URBAN COUNTY PROGRAM

1. Requesting one (1) Wyse monitor with keyboard (Asset #21447) be declared surplus

I. HIDALGO COUNTY WIC PROGRAM

1. Recommending bid award for "Medical Supplies"
2. Recommending approval of contract for "Medical Supplies"

8/A

Martha Salazar, the County Purchasing Director, informed the Court that no action would be required on these items at this time.

NO ACTION.
(See Exhibit Q)

8/B

A motion was made by Commissioner Handy and seconded by Commissioner Rosel to authorize the declaration of One 1990 Chevrolet Caprice from the Office of the Constable for Precinct One.

MOTION CARRIED.
(See Exhibit Q)

8/C

A motion was made by Commissioner Handy and seconded by Commissioner Rosel to authorize the declaration of One 1990 Chevrolet Caprice from the Office of the Constable for Precinct Three.

MOTION CARRIED.
(See Exhibit Q)

8/D

A motion was made by Commissioner Handy and seconded by Commissioner Rosel to authorize the declaration of ten vehicles from the District Attorney's Office as surplus.

MOTION CARRIED.
(See Exhibit Q)

8/E/1

Mrs. Salazar then proceeded to give a report on the status of contract negotiations with the next ranked architectural firm for the Hidalgo County Juvenile Probation Department's Post Adjudication Facility in the City of Weslaco. She mentioned that she had met with the firm of Wiginton, Hooker, Jeffrey/Ashley, Humphries & Sanchez Associated Architects-Dallas, Texas and they had come to an impasse with regards to the insurance coverage as per the standard contract. After some discussion no action was required on this item at this time.

NO ACTION.
(See Exhibit Q)

8/E/2

Mrs. Salazar stated that no action would be required on this item.

NO ACTION.
(See Exhibit Q)

8/E/3

A motion was made by Commissioner Handy and seconded by Commissioners Garces and Arcaute to cease negotiations with the architectural firm of Wiginton, Hooker, Jeffrey/Ashley, Humphries & Sanchez Associated Architects-Dallas, Texas and enter into negotiations with the next ranked architectural firm, which was Alvarado Architect from Donna, Texas.

MOTION CARRIED.
(See Exhibit Q)

8/F

A motion was made by Commissioner Garces and seconded by Commissioner Handy to authorize the declaration of numerous books from the Law Library as surplus.

MOTION CARRIED.
(See Exhibit Q)

8/G

A motion was made by Commissioner Handy and seconded by Commissioner Garces to authorize the advertising for bids for the "Purchase of library books, videos and other materials" for the Hidalgo County Library System.

MOTION CARRIED.
(See Exhibit Q)

8/H

A motion was made by Commissioner Handy and seconded by Commissioner Garces to authorize the declaration of one Wyse monitor with keyboard from the Urban County Program as surplus.

MOTION CARRIED.
(See Exhibit Q)

8/I/1

Mrs. Salazar reported that she had received bids for the purchase of "Medical Supplies" for the WIC Program. She was at this time recommending that the bid be awarded to International Medical Supply, who is the low bidder. A motion was made by Commissioner Garces and seconded by Commissioner Handy to approve.

MOTION CARRIED.
(See Exhibit Q)

8/I/2

A motion was made by Commissioner Handy and seconded by Commissioners Garces and Arcaute to approve a contract with International Medical Supply for the purchase of "Medical Supplies" for the WIC Program.

MOTION CARRIED.
(See Exhibit Q)

ADD. 1. PUBLIC HEARING FOR THE 1999 PROPOSED BUDGET

The County Judge called the public hearing open in order to entertain comments regarding the 1999 proposed budget. Juan Fuentes came before the Court and commented that he was opposed to the proposed salary increases for the County Commissioners. There being no further comments the public hearing was closed.

NO ACTION.

ADD. 2. ADOPTION OF 1999 ANNUAL BUDGET FOR HIDALGO COUNTY INCLUDING SETTING SALARIES FOR ELECTED OFFICIALS AND EMPLOYEES

The County Judge asked Lisa Saucedo to read the County Judge's comments into the record. (Refer to Exhibit). After this a discussion ensued with regards to some concerns that Commissioner Rosel had with regards to funding the Indigent Health Care Program and the use of the tobacco settlement monies that the County stood to receive from the State. During this discussion, the Commissioners, Rudy de la Viña, the Human Services Director and Manuel Cavazos, the County Auditor made comments. Another issue that was discussed was the formula that was used in determining the amount used to fund the Indigent Health Care Program. Valde Guerra then went on to explain that for this year they were utilizing new software that was provided by The Software Group and he indicated that there would be some minor modifications to the budget, but they would not affect any figures. Paul

Vazaldua also commented on the newly created Public Defense Department and how the creation of this program would help in curbing the costs of court appointed attorney fees. Mr. Guerra then proceeded to talk about the Jury Fees budget and he indicated this account was handled by the District Clerk's Office. He mentioned that the request for this account was for \$430,000.00 and he added that anyone who is employed to work on the budget does not have the authority to change an elected official's request. There was a concern by the County Auditor that this account may be under-funded, but he again reiterated that the amount requested could not be altered. Commissioner Arcaute then commented that he did not feel that this Court was not ready to approve this budget. Commissioner Garces asked what other changes were being proposed and Mr. Vazaldua indicated that they were merging the Jail Court with the Auxiliary Court. After some discussion, the Court recessed for lunch at 12:55 PM.

At approximately 4:20 PM the Court reconvened the County Commissioners' Court meeting. Paul Vazaldua informed the Court that during the recess they had looked at some of the budgets that the County Auditor had a concern about. He added that they had also researched they could obligate the tobacco settlement money for the use of some of the budgets where they had a shortfall and they received a confirmation that they could. The only issue that they had to caution with was that the tobacco settlement obligation for the Year 2000 would be less than the one that would be received in 1999. He added that the allocation for the County for 1999 would be approximately \$6,773,816.00. He stated that the Indigent Health Care fund had a shortfall of approximately \$500,000.00 to meet the 10% levy that was required by the State. Mr. Vazaldua also indicated that they anticipated that an additional \$300,000.00 would be needed for the Public Defense fund and that the Jail Court be funded approximately \$150,000.00. These three funds were being looked at to possibly fund with the tobacco settlement funds. The County Judge then recommended that they also utilize these funds to fund ten additional detention officers for the Sheriff's Department for a cost of \$270,000.00. Mr. Vazaldua indicated that the Sheriff had initially requested thirty detention officers and they had cut this request down to ten, so the County Judge was requesting an additional ten for a total of twenty detention officers. Commissioner Arcaute then reiterated that there were three changes to the budget totaling \$722,000.00 and these were as follows: Public Defense - \$300,000.00; Jail Court - \$150,000.00 and Detention Officers - \$272,000.00. Commissioner Garces added the fourth change of an additional \$500,000.00 for the Indigent Health Care Program. A discussion ensued with regards to Mr. de la Viña requesting additional funds from the tobacco settlement monies for Indigent Health Care. Commissioner Arcaute then recommended that they take the \$5.2 for Indigent Health Care out of the \$6.7 million tobacco settlement and bring back the original allocation of \$4.1 million for the Indigent Health Care Program back into the General Fund. He indicated that the tobacco monies were for expenditures and therefore they could delete the Indigent Health Care Program from the General Fund and pay it out of

the tobacco settlement monies. Mr. Vazaldua pointed out that if they funded the \$500,000.00 for Indigent Health Care, the \$300,000.00 for Public Defense, the \$150,000.00 for the Jail Court and the \$272,000.00 for the detention officer out of the tobacco funds then it would leave \$5,551,816.00.

(The following portion of this item is in verbatim format for clarification.)

COMM. ROSEL I'd like to make a motion at this time, that we adopt the 1999 annual budget for Hidalgo County including the setting of salaries for the elected officials and its employees with the noted, with the noted changes in the budget on indigent health care to increase by \$500,000.00; public defense to increase by \$300,000.00; the Jail Court by \$150,000.00 and also extra, ten additional detention officers at \$272,000.00...

PAUL VAZALDUA And some change, Commissioner, to be exact.

COMM. ROSEL Let it come out of the Sheriff's pocket. And \$272,000.00 and pennies and then that would total to \$722,000.00...

COMM. GARCES What?

PAUL VAZALDUA No, no, no.

COMM. ROSEL No, I'm sorry.

PAUL VAZALDUA One million two...

COMM. ROSEL That would total \$1,222,000.00 of the noted changes.

PAUL VAZALDUA He made a motion.

COMM. ROSEL Question on the motion?

JUDGE CUELLAR Is there a second on the motion?

COMM. ROSEL Hold on.

COMM. HANDY I second the motion.

MANUEL CAVAZOS I've a statement to make, Judge. On those salary increases over and above five percent, I'm gonna have to have a legal opinion as to whether we can, we can allow them or not.

COMM. ROSEL Well...

MANUEL CAVAZOS Because it's gonna ----- to our, to our -----, I don't think that's allowable.

COMM. ROSEL Well, I remember you're, you came in at 10%, not specifically you, but your office comes in at 10%, so you need to correct your house before you start correcting the problems of other people.

COMM. ARCAUTE No, no, no.

MANUEL CAVAZOS Our budget and salaries are set by the District Judges not County Commissioners.

COMM. ROSEL Exactly and they should set the role model.

COMM. ARCAUTE Well no, wait a minute, Commissioner, you're also talking about exempt and non-exempt employees, okay.

COMM. ROSEL Fine, then if he's gonna seek a legal opinion then it's his right to do it.

COMM. ARCAUTE This is, this is what we have to look at for the exceptions that we're making on salaries that go over and above the 5% how many of those are, are non-exempt employees.

VALDE GUERRA Non-exempt from, non-exempt from...

COMM. ARCAUTE Civil service.

VALDE GUERRA ...civil service.

COMM. ARCAUTE We don't know, he's telling you we're not ready.

COMM. ROSEL Okay. Did you have a, question?

VALDE GUERRA Eleven, Commissioner is the information I'm getting, eleven.

COMM. ARCAUTE Eleven?

VALDE GUERRA Eleven that are not civil service.

- COMM. ARCAUTE Okay.
- COMM. ROSEL Did you have some, something to bring us.
- STEVE CRAIN He's saying he wants material obligating the remainder of the tobacco settlement.
- COMM. ROSEL Correct and in the motion with, with the remaining sum of the tobacco money will be into the sur., in the Fund Balance of 1999.
- COMM. ARCAUTE You can't do that.
- COMM. GARCES You, no, no Juan.
- COMM. ROSEL What is it?
- COMM. GARCES No, you're applying the tobacco settlement money to the indigent health care and the indigent health care over to the surplus.
- COMM. ARCAUTE (Inaudible)
- COMM. GARCES Yeah, that's what we're discussing, unless I'm wrong.
- COMM. ARCAUTE Well, figure it out first, cause...
- COMM. ROSEL Steve, step up. Help us out.
- STEVE CRAIN I want to say I'm not you're budget officer. I do like Commissioner Arcaute's view on that. I think it's a safe, conservative view to use the tobacco settlement proceeds to fund the indigent health, by doing so you're making a statement to the public as to what you're using those funds for and you're using those funds for health related items, which is the reason you got those dollars in the first place.
- PAUL VAZALDUA Okay, then this is, what we can do is we can take the tobacco money which is six million seven hundred and seventy-three thousand eight hundred and sixteen dollars and take the four point one, take four point one million dollars that's allocated from the General Fund to indigent health care and put those four, four point one of the, of

the six point seven million into indigent health care.
Does that make sense.

COMM. GARCES No, you were right until the final, I think what you want is to establish the surplus.

JUDGE CUELLAR You're freeing up the four point one...

COMM. GARCES It's freeing up the indigent that we have now in the budget.

COMM. ROSEL Which is four point one.

JUDGE CUELLAR Yeah.

COMM. GARCES Four point one.

PAUL VAZALDUA Right, right.

COMM. GARCES In the surplus, the General Fund and we're using the, the settlement money to address the ten percent of the indigent health care, that's where we're at.

COMM. ROSEL Which is five point...

COMM. GARCES Five point seven or five point one or whatever we decide on.

COMM. ROSEL (Inaudible)

COMM. GARCES Five point two.

COMM. ROSEL Five point one.

VALDE GUERRA You had requested five point two for this year.

JUDGE CUELLAR Would you settle for five point one?

RUDY DE LA VIÑA Yes sir.

COMM. ROSEL Well, that's what they're, that's what they're walking into and he'll spend it. He'll spend it.

COMM. ARCAUTE We know that later on in the year, he's gonna come and make a request...

JUDGE CUELLAR Right.

COMM. ARCAUTE ...and we're going to allow it.

JUDGE CUELLAR Right.

COMM. ARCAUTE Why not give him the five point two now.

PAUL VAZALDUA Do you have an adding machine, can you go to, go to...

COMM. ARCAUTE You give him the one, the five point two you have nine hundred and seventy-three thousand eight hundred and sixteen left from the tobacco settlement monies. So that frees up the four point one million...

COMM. GARCES Right.

COMM. ARCAUTE Okay, that we had levied before plus the five hundred thousand that we came up with now, which is four point six million. Okay.

COMM. GARCES That's the surplus you're talking about, right Lalo.
PAUL VAZALDUA No.

COMM. ARCAUTE Well, let's not talk about surplus yet.

COMM. GARCES (Inaudible)

COMM. ARCAUTE Let's talk about fund balance.

COMM. GARCES You're de-obligating what we have now in our books...

COMM. ARCAUTE Right.

COMM. GARCES ...four point one from indigent, putting that aside and say here come the tobacco monies, we're using it for the ten percent.

COMM. ARCAUTE Well, it's not for...

COMM. GARCES That's what we're doing right now.

COMM. ROSEL It's not four point six, it four point one, right?

- COMM. ARCAUTE Plus the five hundred thousand we came up with about five minutes ago.
- COMM. ROSEL Five thousand came out of the tobacco money itself.
- COMM. ARCAUTE Well no, we, we haven't done that yet.
- COMM. ROSEL Oh, okay.
- PAUL VAZALDUA What...
- COMM. ROSEL I see where you're going.
- VALDE GUERRA The only monies that you would be de-obligating would be in that scenario, for indigent health care. Currently for the '99 budget, is four million one hundred eighty-seven thousand two hundred and ninety-three dollars. The five hundred thousand dollars that you're talking about, Commissioner, was already going to come out of the tobacco money so...
- JUDGE CUELLAR That's right.
- VALDE GUERRA ...you, we, we don't use that. The only monies that you're going to free up if you go that route is four million one hundred eighty-seven thousand two hundred ninety-three dollars, which is the ten percent from our General Fund tax levy that we, that we obligated. That would be the only money that you'd be freeing up if you take that course of action. That would go back into the General Fund, because I would no incur a transfer out to indigent health care in that amount of money. So, I'd have a four point one eight seven two nine three fund balance, in my General Fund, in our General Fund.
- JUDGE CUELLAR Plus forty-five thousand.
- VALDE CUELLAR Plus the forty-five thousand that's currently...
- COMM. GARCES Lalo?
- VALDE CUELLAR ...projected.

- COMM. GARCES You're looking at forty-one, ah, four point one as the windfall in General Fund. Now if it remains that it's to be seen, as we discuss the particular items on the agenda; but for now you have a windfall of four point one.
- COMM. ARCAUTE Well we, we know that it can.
- COMM. GARCES No, I'm just saying.
- COMM. ARCAUTE It's gonna be fifty-two, okay. So why not allocate the five point two now.
- COMM. GARCES Okay.
- COMM. ARCAUTE You're gonna have to make an amendment into, into 1999...
- VALDE GUERRA Right.
- COMM. ARCAUTE ...by August...
- VALDE GUERRA So, the Court...
- COMM. ARCAUTE ...that's about when it happens.
- VALDE GUERRA So, the Court in 1999 would still have to come back...
- COMM. ARCAUTE Right.
- VALDE GUERRA ...and appropriate and allocate those monies. So you can, you can obligate six point two million dollars right now for indigent health care, but come 1999, it's still would have to come back to Commissioners' Court to be appropriated, so it would still be a Court decision in 1999.
- COMM. GARCES And we've done it in the past.
- VALDE GUERRA Right, exactly, right.
- COMM. ARCAUTE So, why not do it all of it right now?
- VALDE GUERRA That's fine Commissioner, but what I'm saying is, for the 1999 budget, the only monies as Commissioner, ah, Garces, ah, stated, the only monies that you're going to

free up, in essence would be four million one hundred eighty-seven thousand two hundred ninety-three dollars, which is the ten percent that we transferred out for indigent health care. Those are the only monies that you're going to free up.

COMM. GARCES Arcaute, let me ask you this now, you've been in, in a lot of budgets...

COMM. ARCAUTE I understand that.

COMM. GARCES If we allow this windfall to show in the books and we go to bond, when we market our bonds, wouldn't that show a better financial status for us if we have that coming into the picture.

VALDE GUERRA Yes sir.

COMM. ARCAUTE That's what I said before we...

COMM. GARCES And let, and let the existing '99 administration address this later, but I think it's gonna show real handsomely that we have four point one right there and, of course, you're talking about rates that could save us tens of thousands dollars on a monthly basis on interest. That's, that's why I like your idea of using this indigent, this settlement money on the indigent and it's directly affected with the settlement, tambien, so that's, I think we got an ideal situation that you're proposing to this Court. And if I was in the audience, I'd applaud that...

COMM. ARCAUTE That's what I've been saying all along, I don't know why...

PAUL VAZALDUA Commissioner, the adding machine is broken can you help me with the math here.

COMM. ARCAUTE The three reasons why the...

COMM. GARCES (Inaudible)

PAUL VAZALDUA Pardon me.

COMM. ARCAUTE Shoot me some figures, what are you...

PAUL VAZALDUA Okay, if we use the, if we use the, the tobacco money to pay for four million six hundred and eighty-seven thousand two ninety-two point eighty-one for indigent health care...

COMM. ARCAUTE Huh-hum.

PAUL VAZALDUA ...and we use three hundred thousand for public defense, two hun., two hundred and seventy-two thousand for the Sheriff's Department and a hundred and fifty-thousand for the Jail Court. What does that total?

COMM. ARCAUTE Seven twenty-two, seven hundred and twenty-two thousand and forty, what did we say, four point six eight seven.

PAUL VAZALDUA Four million six eighty-seven two ninety-two eighty-one.

COMM. ARCAUTE I get five million four, oh, nine two, ninety-two subtract that from...

PAUL VAZALDUA From six million, seven seventy-three, eight sixteen.

COMM. ARCAUTE Okay...

COMM. GARCES I think the only thing that we're doing if we take action the way we're approaching it right now, the settlement, the only thing it's gonna do is probably crash some of the plans that somebody out there wanted to do this jail project in phases and use the tobacco money in intervals.

COMM. ARCAUTE Well, we know that that idea was ridiculous, Commissioner.

JUDGE CUELLAR That's not on the agenda, Commissioner.

COMM. GARCES We'll offer that as a tidbit.

COMM. ROSEL It'd never work, I mean...

COMM. ARCAUTE It leaves one million three hundred and sixty-four thousand five hundred and twenty-four.

PAUL VAZALDUA One million three hundred...

- COMM. ARCAUTE Sixty-four five twenty-four.
- PAUL VAZALDUA Okay. If we could, ah, if we could leave that one point three million in, in the General Fund balance to do expenditures and budget amendments in '99 and obligate the five point four of the tobacco money, we, that would relieve four point one million into our General Fund reserves. That, that would be my recommendation, as your pseudo..., as your pseudo-budget officer.
- JUDGE CUELLAR As what?
- PAUL VAZALDUA As you pseudo-budget officer.
- JUDGE CUELLAR You're, you're talking to him, he's right in front of you.
- PAUL VAZALDUA I was talking about, I was talking about Ms. Etnire.
- VALDE GUERRA Commissioners, Judge, with that, with, with that in mind, please also be informed that the County Auditor's Office has projected an estimated fund balance as of the end of this year, in indigent health care, a deficit of two million one hundred eighty-one thousand eighteen dollars and ninety-five cents; and again I stated at our last workshop that when I file, when the County Judge's Office filed the budget we could not file a deficit budget. We knowingly and willingly cannot ignore the deficit, okay. We allocated what we perceived to be the ten percent of four point one million dollars. The request was higher, but the approved was four point one, so we allocated and appropriated four point one. So we knowingly and willingly allocated the ten percent. Okay, and that left us with the same deficit fund balance. With us...
- COMM. GARCES Okay, before you go on, I'm getting confused here...
- VALDE GUERRA Okay.
- COMM. GARCES Valde...
- COMM. ARCAUTE We've always had that problem in this County.

- VALDE GUERRA Right, we've always had that problem...
- COMM. GARCES But I think...
- COMM. ARCAUTE (Inaudible)
- COMM. GARCES ...Commissioner Arcaute, I think that there is a, correct me if I'm wrong, Steve...
- COMM. ARCAUTE It's not a deficit...
- COMM. GARCES ...Crain, we cannot base a deficit on a projection on our financial statement to State, we discussed that before and I think we had our independent auditor come back and correct it this year, all right. Now, yes we have to take into consideration for the '99 budget, but as far as filing a physical, approval of budget, those projections cannot be included. Particularly with the indigent, 'cause we've gone that route before. Now, Lalo, do you remember that statement made by our prior judge, County Judge...
- COMM. ARCAUTE Huh-hum.
- COMM. GARCES ...that was our, our concern with it. So, yes we need to address it, but we cannot put into the figures on a hard copy.
- VALDE GUERRA And I understand that and, and I agree with that. I bring it up because...
- COMM. GARCES Bring it up, that's good.
- VALDE GUERRA ...because, right the Auditing Department.
- COMM. ARCAUTE Well, the, the reason for that is because, the indi..., the indigent health care budget has a different fiscal year than what we have.
- VALDE GUERRA Right.
- COMM. GARCES The State versus our calendar year.
- COMM. ARCAUTE That's the only reason.

- VALDE GUERRA So, so but on the books, on the books if we go the route that, that, that we've been discussing and we free up four million one hundred eighty-seven thousand two ninety-two eighty-one, we're going to deduct from that balance, the two million one eighty-one, which will leave us, roughly two million dollars fund balance.
- COMM. ARCAUTE And that's fine, because it comes back in '99. If we ---- it's just a pencil deal that auditors and accountants do.
- VALDE GUERRA We can do one of two, one of two ways, just transfer the monies needed to, to, to cancel the deficit or not transfer at all and carry that deficit over.
- COMM. GARCES Did everybody, you're accurate I'm just saying that what we draft up on hard copy ----- indicate that.
- VALDE GUERRA Well okay, let me just go over that one more time. Commissioners, Judge, just one more time. If we go the route then Court will, Court would be decide do we just transfer two point, do we transfer to indigent health care enough money to zero out that deficit, or do we just keep the four point one million dollars into the General Fund reserve and carry over that deficit as we've done in the past.
- COMM. GARCES If you wanted to address it accurately ----- you're addressing it now, all right but that's why I made that comment, Valde, that it's on a projection...
- VALDE GUERRA Right it's on a projection.
- COMM. GARCES All right...
- VALDE GUERRA So...
- COMM. GARCES It's all I'm saying.
- PAUL VAZALDUA And usually, Valde, don't we wait to see how much money the, the Medicaid reimbursements come in at, before we take, before we transfer all this money out of the General Fund we usually wait and see what the reimbursements are from the Medicaid Program and then we transfer the balance, which is usually only about twenty percent.

VALDE GUERRA Right, that is why we've only, in the past budgeted the ten percent. We've always had, if you look back two, three years, you'll always see a deficit figure in the indigent health care. That's always been carried over, which is, so, we'll just carry over the, ah, the deficit. You have the same scenario under Sanitary landfill.

COMM. ROSEL You want to try it again.

COMM. GARCES Yeah, well, you got a second...

COMM. ROSEL No.

COMM. GARCES You got a motion...

COMM. ROSEL I withdraw my motion.

JUDGE CUELLAR No, we, we didn't ever get it straight. What is the motion?

COMM. GARCES That's what I'm saying I have...

COMM. ROSEL Because..

COMM. GARCES You have a motion and a second, right, Jenny, but...

COMM. ROSEL I was headed down one alley they came out the other side, so...

COMM. GARCES Okay.

COMM. ROSEL ...let's find out if we can come out of the same side, but...

COMM. GARCES Okay.

COMM. ROSEL I make a motion at this time that we approve the annual, the budget for 1999 and with the salaries of elected officials and its employees with the noted changes of the tobacco money, which is six, six, six point seven million dollars approximately and that money will be distributed in the following manner: it's four million one hundred and eighty-seven thousand two hundred and nine-two dollars and eighty-one cents in health care, indigent

health care; plus the five hundred thousand dollars which will make it a total of four point six eight seven two hundred ninety-two eighty-one; also in addition to that there will be a three hundred thousand dollars for the public defense; and two hundred and seventy-two thousand for the Sheriff's Office; a hundred fifty-two..., a hundred fifty thousand for the Jail Court; I'm forgetting one, hold one, is that all the departments -----...

PAUL VAZALDUA Right.

COMM. ROSEL Okay, so that will be a total of five million four hundred and nine thousand two hundred and ninety-two dollars and eighty-one cents that would come out of the tobacco money. There will be a remainder of one point three million dollars, one million three hundred sixty-four thousand five hundred twenty-four dollars and nineteen cents which are to go into your, into your fund balance.

PAUL VAZALDUA Fine, and then you would transfer this from indigent health care, Commissioner.

COMM. ROSEL And then we would transfer the four point one million that we originally had in indigent care back to the General, General Fund.

COMM. GARCES I second the motion, but, ah, let me go ahead and if you'd, ah, consider a friendly modification on your motion, Commissioner, to include changes above the five percent and we'll adhere to, Mr. Cavazos, suggestion, verdad, that he go back and get a legal opinion on the exempt and non-exempt, let him, you know, come back to this Court later on.

COMM. ROSEL I'll accept it.

COMM. GARCES Okay. Second the motion.

JUDGE CUELLAR Motion made and motion seconded, is there a question on the motion? Is there a question on the motion? There being none all those in favor signify by saying aye.

COMMISSIONERS &
COUNTY JUDGE Aye.

JUDGE CUELLAR All those opposed. Ayes have it and so ordered.
(Applause)

COMM. GARCES Commissioner Arcaute, sir, you did good, you did real
good, Lalo...

JUDGE CUELLAR We couldn't have done that good without you, Lalo.

COMM. ARCAUTE Huh?

JUDGE CUELLAR We couldn't have done that good without you, Lalo. I
mean that.
(See Exhibit R)

ADD. 3. SET TAX RATE

The County Judge then indicated that the next item was for the setting of the tax rate. Commissioner Garces pointed out that the proposed tax rate was .4467 and Lisa Saucedo was asked to read the break down on the tax rate. A motion was then made by Commissioner Garces and seconded by Commissioner Arcaute to approve the tax rate as presented.

MOTION CARRIED.
(See Exhibit S)

ADD. 4. JAIL PROJECT STATUS REPORT

Paul Vazaldua, Administrative Assistant to the County Judge, gave a brief report on the status of the jail project. He stated on October 13, 1998 the Edinburg Planning and Zoning Committee denied the County's request for a special use permit for the location that was proposed for the adult detention facility. He also noted that the School district was also joining the committee in opposition for the special use permit. Mr. Vazaldua added that on November 3rd, the Edinburg City Council will consider the special use permit, but they may take the recommendation of the Planning & Zoning Committee. Steve Crain, the County legal counsel, stated that he was presenting in discussion with the City attorney for the City of Edinburg and he was requesting that this Court give him an additional week for his report. Mr. Vazaldua then asked the Joe Santopetro, the architect, to give a status report on the schematic design. After some discussion, no action was required on this item at this time.

NO ACTION.

There being no further business to come before the Commissioners' Court, a motion was made by Commissioner Handy and seconded by Commissioner Arcaute that said meeting be hereby adjourned.

MOTION CARRIED.

**There being no further business to come before said Court,
the meetings of the Commissioners' Court and the Drainage
District #1 Board are hereby adjourned.**

**RENATO CUELLAR _____
COUNTY JUDGE**

**SYLVIA HANDY _____
COUNTY COMMISSIONER, PRECINCT 1**

ABELARDO ARCAUTE _____
COUNTY COMMISSIONER, PRECINCT 2

JUAN ROSEL _____
COUNTY COMMISSIONER, PRECINCT 3

GUADALUPE GARCES, JR. _____
COUNTY COMMISSIONER, PRECINCT 4

Dated this the 8th day of December, 1999.

JUAN D. SALINAS, III, County Clerk
Hidalgo County, Texas

By: _____
Jennifer Castillo, Deputy

Minutes approved by the Commissioners' Court and the
Drainage District #1 Board on the 21st day of December 1999.