

The City of Galena Park

City Commission Meeting

Date: January 8, 2016

A special meeting of the City Commission of the City of Galena Park was held at City Hall in the Council Chambers, Friday at 12:00 P.M. on January 8, 2016.

Present were:	Esmeralda Moya	Mayor
	Cruz R. Hinojosa, Jr.	Commissioner
	Maricela Serna	Commissioner
	Juan Flores	Commissioner
	Mayra Gonzales	City Secretary
	Robert Pruett	City Administrator
	Jim DeFoyd	City Attorney
Absent:	Danny Simms	Commissioner

Item # 1- Mayor Moya called the meeting to order.

Item # 2- Mayor Moya called on Commissioner Hinojosa for the invocation.

Item #3- Consider awarding and approving a proposed contract and resolution for warrant services for the municipal court. Mayor Moya asked if they had both contracts there and if they were the same ones she revised. Ms. Gonzales stated yes. Mayor Moya asked the council if they had any questions. Commissioner Flores stated that they had a special meeting Monday and they discussed a lot of it already. Mayor Moya stated that based on the contracts they have right now, she thinks the better agency for the city would be Perdue. Mayor Moya stated her reason for that is that they don't have much of a commitment, they have 30 days and if they decide to cancel there are no consequences in terms of what they have to pay back. Mayor Moya stated opposed to the other contract where they do have to give them notice and there are consequences in terms of paying them back. Mayor Moya stated that Perdue after termination is asking us to give them 6 more months free of charge to finish wrapping up what they need to collect. Mayor Moya asked Commissioner Serna's thoughts. Commissioner Serna stated that the contract from Linebarger outlines everything that they want and the contract from Perdue is very small. Commissioner Serna stated that when it comes to contracts they usually like to see everything in writing. Mayor Moya stated that she agrees with that and her and Commissioner Hinojosa had an opportunity to meet with and address a lot of those questions. Mayor Moya stated that in her opinion she doesn't want to waste more money during the aftermath. Mayor Moya stated that they did get a chance to cover everything. Commissioner Hinojosa stated that when Commissioner Flores and himself met with Linebarger, he thought they were more detailed than Perdue. Commissioner Hinojosa stated that he has worked with Perdue, and they are a good firm. Commissioner Hinojosa stated that Linebarger is a larger firm with a lot more resources. Mayor Moya stated that it concerns her that they are a larger firm, because they deal more with the cities like the City of Houston and they will be concentrating on them. Mayor Moya stated that we needed something a bit smaller in size, because they will be concentrating on us a bit more, as opposed to Linebarger that has so many clients. Mayor Moya stated that they should go with Perdue, because they have a 30 day contract. Mayor Moya asked why would you need more days to prove yourself if you have confidence in your agency. Commissioner Hinojosa stated that he recalled both companies stating that 30 days was not enough time to do anything but send a letter out. Commissioner Hinojosa stated that he did not think we were going to see much results in 30 days, if they see any results at all. Mayor Moya stated that she agreed with him on that, but if we did decide to cancel one of the firms was going to cost the city money. Commissioner Flores and Commissioner Hinojosa stated that they did not see

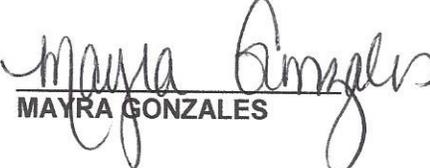
that. Mayor Moya stated that it was not in the contract with Linebarger, but when they asked them they stated that we would have to pay them for everything that had already been sent out. Mayor Moya stated that she asked Linebarger what the consequences were if they decided to break the contract. Mayor Moya stated that Linebarger told them that they would have to pay for the upcoming months and everything they already had processed. Mayor Moya stated that she had her notes and when they met with Perdue she asked the same question and they told her that the city would owe them nothing, only for the things that they had already processed. Mayor Moya stated that she is just trying to save the city money. Mayor Moya stated that Perdue sounds more enticing and when she called around about the companies, Perdue seems to have a good history. Mayor Moya stated that if they went with Perdue they have nothing to lose and if they go with Linebarger they still have to pay after. Commissioner Flores stated that both companies can be let go with notice and he likes the idea of giving the companies more time. Commissioner Flores stated that initially he was in favor of the three year contract, but now he is willing to give them a year and give them a shot. Mayor Moya stated that she did not want to be tied down to something that they are going to regret later. Mayor Moya stated that 30 days is okay, if they like them and they are communicating with them, then they can give them another 30 days and up to that year. Commissioner Hinojosa stated that he did not hear that and it does not state that in the contract. Commissioner Hinojosa stated that in the Linebarger contract it states in Article 6- # 4 states that whether the agreement expires or is terminated the firm shall be entitled to continue to collect any items and to pursue collection of any claims that were referred to or placed with the firm by the client prior to the termination or expiration date. The client agrees that the firm shall be compensated as provided by article 3 of any such item or pending matters during the 90 day period. Commissioner Serna stated that both contracts say the same thing, Perdue contract states that upon termination they shall have an additional 6 months. Mayor Moya stated an additional without cost. Commissioner Serna stated no, it then states and will be entitled to compensation from such accounts if collected. Mayor Moya stated that is not what they told them. Commissioner Serna stated that you never go with what they tell you, everything has to be in writing. Mayor Moya stated that they need to go back to them and ask them what is their compensation, because when they asked they stated zero. Mayor Moya stated that whomever they decide to go with must have in the contract the compensation in writing. Commissioner Serna stated that the compensation is 30%. Commissioner Flores asked Mr. Defoyd if it was common practice that if they cut ties with the companies, is it normal for one company to receive compensation and not the other. Mr. Defoyd stated that it is a normal contract with any of the warrant services, if they have letters that are outstanding that they have been aggressively pursuing they will have a time period, normally 60 days of those warrants that they have outstanding that they would be paid on. Mr. Defoyd stated that anything they have not look at would be cut off immediately. Mayor Moya asked Mr. Defoyd what his experience was working with Perdue. Mr. Defoyd stated that he did not have a problem with Perdue or Linebarger and they both do a good job. Mr. Defoyd stated that Perdue does Jacinto City's and they do a good job with Jacinto City. Mayor Moya stated that is why she was asking him, because he has had experience with them. Mr. Defoyd stated that Linebarger does work for the City of Houston and he couldn't say anything bad about either one of them. Mayor Moya asked Mr. Defoyd since Perdue is a smaller agency and Linebarger is a bigger agency in his opinion...Mr. Defoyd stated that he did not think it mattered and Perdue is expanding and it is just a matter of time before they are the same size as Linebarger. Mr. Defoyd stated that Perdue is new into the warrant collection business and Linebarger has been at it longer. Mayor Moya asked Mr. Defoyd how long has he worked with Perdue. Mr. Defoyd stated that Jacinto City has had them for a year. Mayor Moya stated that she feels more comfortable with Perdue, because has worked with them in Jacinto City. Mr. Defoyd stated that he doesn't have anything bad to say about either one of them. Commissioner Flores stated that he was able to work with Linebarger in the Greater Retail Management and the two years he worked with them there they were always very efficient in what they did. Commissioner Flores stated that he knows that they have worked the City of Houston, but they have also done work for other small cities. Commissioner Flores stated that they were both equal and it is just a matter of what they feel comfortable with. Mayor Moya stated that she felt more comfortable with Perdue. Mayor Moya stated that she would like to go back and ask Perdue about the compensation, because when she asked them it was not

30%. Commissioner Flores asked if they can call them to verify. Commissioner Serna stated that Linebarger's contract states 30%, so they would need to verify with Perdue. Commissioner Flores stated that Perdue's number is at the end of the contract. Mayor Moya asked if Mr. Defoyd knew the name of the attorney from Perdue. Mr. Defoyd stated that he knows a lot of attorneys from Perdue. The council tried to get a contact number for the attorney at Perdue. Commissioner Hinojosa stated that it would be the same for either contract. Commissioner Flores asked if they wanted to get a vote to see who is leaning for who. Mayor Moya stated that she is supporting Perdue. Commissioner Flores and Commissioner Serna stated they are leaning towards Linebarger. Commissioner Hinojosa stated that he was going to go with Linebarger. Commissioner Serna stated that the contract for Linebarger is more detailed. Mr. Pruett stated that he would like to make a suggestion and to him it doesn't matter who the council decides to go with. Mr. Pruett stated that he would suggest they get in writing before approving the contract any discrepancy they have. Mr. Pruett stated that if they do have any discrepancies, they should not decide on the contract today. Mr. Pruett stated that if it is not in writing, it doesn't mean squat. Mayor Moya stated that she agreed and they should wait and verify. Mr. Pruett stated that both contracts are basically the same, they are both going to let you off with a 30 day notice and they are both going to want to collect what they have out there. Mr. Pruett stated that if they get beyond what is in the two contracts, he suggest they put it off if they are not comfortable with it. Mayor Moya stated that now she recalls, that Perdue stated that they were going to charge whatever they collected after termination, but they were not going to charge a termination fee. Mr. Pruett stated that there are no penalties from either one of the companies, they are just saying that if you give ample notice they are entitled to collect what they have out there currently. Mayor Moya stated that she asked Linebarger and they stated there was a fee for termination. Mr. Pruett stated that if that was not in the contract it was not enforceable. Mayor Moya stated that is why she does not feel comfortable making that decision. Commissioner Flores stated that he read the contract with Linebarger and is comfortable with it, but whatever the rest of the commission decides he will go with them. Mayor Moya stated that she wanted Perdue and nobody else wants them, she knew that was going to happen, but decided to give it a shot. Commissioner Hinojosa stated that in the Perdue contract he didn't see anything in reference to what happens when the contract expires. Commissioner Serna stated section 7 termination of contract. Mayor Moya stated that the representative for Perdue was Doug Calamay. Commissioner Hinojosa stated that Perdue wants 6 months to complete the work and Linebarger wants 90 days to complete the work. Mayor Moya stated that Linebarger still has the year contract. Commissioner Flores stated that they both did. Mr. Pruett stated that the 30 days was the termination notice and they shouldn't get the termination notice days confused with the extension of collection of their money. Mayor Moya stated that she did not see the length of service in the Perdue contract. Commissioner Hinojosa stated that Perdue contract states when both parties mutually agree. Mr. Pruett stated that when he read it, it was basically a month to month contract. Mayor Moya stated that is what she liked about Perdue. Commissioner Flores asked if Linebarger was the same. Mayor Moya stated no Linebarger is a year contract. Commissioner Flores stated that you could still give a 30 days' notice to get out of the contract. Mr. Pruett stated either one you could. Commissioner Serna asked why they were thinking two or three months, they are not going to be able to see the work in two or three months. Commissioner Serna stated that it could take a year or two to see the work. Mayor Moya stated that you would be able to see what they are doing and how hard they are working, because they will be in communication with the city secretary. Commissioner Flores asked Ms. Gonzales how long was the city with the previous warrant enforcement company. Mr. Pruett stated that they were not a law firm and they were a private enterprise and the city should have never entered into it. Mayor Moya asked Ms. Gonzales what is her take on this, she is the one that is going to be dealing with the companies. Ms. Gonzales stated that both contracts are basically the same and both companies are going to be receiving 30%. Ms. Gonzales stated that the only difference is that one contract is for 30 days and the other is for a year. The reason Linebarger stated they wanted a year is so they could recuperate the cost that they put out for sending the letters and postage. Mr. Pruett stated that the biggest cost that either company is going to have is the online cost to tie into our computer system. Mr. Pruett stated that once the court department enters the warrants in the system, whichever company the council selects will have access to that

information and that will take some money to be able to do that. Mr. Pruett stated that the companies will put that cost upfront and that is why they want to recoup their losses, and it's understandable. Mr. Pruett stated that this decision is totally up to the mayor and council. Commissioner Flores stated that he respects the Mayor's opinion, but he hopes that she can call for the question to see if it passes or not, unless one of the commissioners wants more time. Commissioner Flores stated that they have already spent a lot of time getting where they are right now. Mayor Moya stated that she was not happy with the contract with Linebarger and thinks that they should have more time and not make a decision on it yet. Mr. Pruett stated that it was a collective majority and the majority needs to decide or go back to the drawing board. Commissioner Flores made a motion to accept Linebarger as the city's warrant collection agency. Commissioner Serna, 2nd... Mayor Moya stated that even after they made the phone calls and that's what the council wants to do, it's not anything she didn't expect. Commissioner Flores stated that the council met on Monday, had a discussion and took the contracts home for review. Mayor Moya stated that she also did her research and made phone calls. Mayor Moya stated that it is about saving the city money. Commissioner Serna stated that in the long run the city is going to be able to collect money that was lost. Mr. Pruett stated that the contract is not a lifelong thing and in a few months they decide that they don't want them they can change their minds. Mayor Moya stated that if that is what the council wants there is nothing that she can do, it is always the opposite of what she thinks. Commissioner Flores stated that if today he would have been out voted then he would understand. Mayor Moya stated that he is never out voted and they are always on the same boat. Vote: 3 Ayes... 1 Nay (Mayor Moya).

Commissioner Flores moved to adjourn the meeting. Commissioner Serna, 2nd Vote: 4 Ayes...Motion Carried.

Meeting adjourned: 12:35 p.m.


MAYRA GONZALES


APPROVED