

AUGUST 28, 2008

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON THURSDAY, AUGUST 28, 2008 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL / 200 EAST KLEBERG AVENUE AT 6:00 P.M.

CITY COMMISSION PRESENT:

Sam R Fugate, Mayor
Charles E Wilson, Commissioner
Arturo Pecos, Commissioner
Stanley Laskowski, Commissioner

CITY COMMISSION ABSENT:

Al Garcia, Mayor Pro-tem

CITY STAFF PRESENT:

Carlos Yerena, City Manager
Edna S Lopez, City Secretary
Courtney Alvarez, City Attorney
Mark Rushing, Finance Director
Jennifer Vela, Code Enforcement Officer
Bill Donnell, Public Works Director
Al Lopez, Fire Chief
Armando Gutierrez, City Engineer
Frank Garcia, Wastewater Supervisor
Vilma Castillo, Collections Supervisor
Robert Rodriguez, Library Director
Yolanda Cadena, Health Director
Yolanda Vasquez, Municipal Court Supervisor
Macario Mayorga, Water Supervisor
Grace Garcia, Asst Task Force Commander
Anita Stewart, Secretary
Dianne Leubert, Solid Waste Superintendent
Joe Casillas, Water Production Supervisor
Diana Gonzalez, Human Resource Director
Caron Vela, Accounts Manager
Ricardo Torres, Police Chief

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chambers at 6:00 P.M., and announced quorum as present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by City Manager Yerena, followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Mayor Fugate announced there were no minutes for consideration.

II. Public Hearing - (Required by Law).¹

Mayor Fugate announced there were no minutes for consideration.

III. Reports from Commission & Staff.²

“At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Convention and Visitor’s Bureau, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, and Texas Municipal League.

Staff reports include the following: Building & Development , Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works- Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration – Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations. No formal action can be taken on these items at this time.”

City Manager Yerena announced the passing of Lt. Barry Blackstock and on the schedule of the City's Family Picnic.

Ms Alvarez extended her condolence to Ms Blackstock and the entire Police Department family; announced Friday's high school football game; and on a STAP meeting in McAllen, Texas.

IV. Public Comment on Agenda Items³

1. Comments on all agenda and non-agenda items.

Mayor Fugate called for comments on all agenda and non-agenda items. There were no comments.

V. Consent Agenda Notice to the Public

NONE

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. **Review and discuss proposed fiscal year 2008-2009 budget for departments of the City of Kingsville. (City Manager).**

City Manager Yerena stated this proposed budget has three scenarios for employee raises: (1) stipend of \$1,000 for all employees; (2) a 3% across the board cost of living; and (3) a hybrid would involve a \$1,000 stipend for hourly employees and a 3% raise for those employees that would get less than a 3% raise if they receive the stipend. He explained this would be mainly for salary employees. Mr. Rushing provided highlights for the proposed budget. He further explained the hybrid scenario. Mr. Rushing stated that Collective Bargaining units are excluded but Police are due a 3%. He explained the assumptions stating that in this budget the utilities and gasoline are at the expected 07-08 rates due to expected contract negotiations on electricity. He stated this is not factored in the numbers. He stated that the key factor is the group health insurance. He explained what occurred last year at the renewal process. He then explained the net difference amount being budgeted for the insurance. Mr. Rushing stated that the overall increase between budgets of fiscal year 07-08 and proposed for 08-09 for current property taxes is \$413,000 an increase revenues in this area. Mr. Rushing stated that there may be an increase in Alexander Billing revenues about 10%. He further explained several changes to revenues.

Mayor Fugate left the meeting at 6:20 P.M. and Commissioner Wilson presided over the meeting.

Mr. Rushing provided information regarding expenditures. He stated that capital outlay was not added to the budget.

City Manager Yerena provided information on additional personnel that has been added to several departments. He stated that the budget includes additional Equipment Operator II in several departments; and an additional employee for the Landfill and the Water Production Departments.

Commissioner Wilson asked the Commission how they would like to proceed. Commissioner Laskowski voiced his concern about the increase in healthcare not having the City's health insurance representatives visit the City and provide information. He pointed out several concerns regarding the amounts budgeted for insurance for several departments when the departments have the same amount of employees. Commissioner Pecos agreed with Commissioner Laskowski's concern regarding budgeted amounts for health insurance.

Commissioner Wilson stated he would like for HR and Legal to explore language that would allow the City to pay the employees in their first paycheck the \$1,000 minus everything that is deducted from that amount. He stated this is instead of spread the pay out in twelve months. Commissioner Laskowski explained his reason for proposing the \$1,000 raise for each employee.

There was lengthy discussion on health insurance premium and benefits; and property insurance premiums.

Upon a question from Commissioner Laskowski, Mr. Rushing explained how he derived at the calculations for motor gas and oil line items.

Commissioner Wilson requested that Mr. Rushing write down the methodology for the insurance calculations and on how it is arrived generally for the city.

Commissioner Laskowski requested going back to line item for motor gas and oil. He explained an issue with the Health department's line item for motor gas and oil. City Manager Yerena stated that Staff has requested a meeting with the County but they have not responded with a date.

Commissioner Wilson recommended that anything the County under funds, the City would under fund the Park. He stated that the citizens should stand up to the County and tell them to they will tolerate this anymore.

Mr. Rushing provided some clarity to the Police Department's line item for motor gas and oil. He explained the methodology for budget amendments.

Upon a question from Commissioner Laskowski, City Manager Yerena replied the City is counting on \$70,000 being committed to the line item for overtime in the Police Department. Chief Torres stated they are prepared to commit \$50,000. Commissioner Laskowski stated he would appreciate receiving monthly reports on a regular basis. Commissioner Wilson stated it would be helpful to have access to the same data at some level because the numbers are skewed and the Commission does not have the data. He added that without that data their numbers do not look correct. He specially asked for information on motor gas and oil, insurance, and on any departments in the City that have monies refunded to them. Commissioner Laskowski asked that monies be shown on the revenue side. Ms Vela provided information from the Auditor. Mr. Rushing explained this is not a common method. Commissioner Wilson asked that a summary is provided at the beginning. Commissioner Laskowski stated that a footnote can be provided in each department.

Upon a question from Commissioner Pecos, Mr. Rushing replied that the percentages for unemployment come from the state based on the whole pool of claims filed annually.

Commissioner Laskowski voiced his concern about the amount budgeted for street maintenance. City Manager Yerena stated that Staff is looking at the Unrestrictive Reserve account to provide an alternative to the Commission to restrict so of that funding. He stated he wants to put aside 3.5 months of operating expenditures and anything beyond that putting it aside as Restrictive account to be utilized if the per capital outlay for special projects. Mr. Rushing stated that 3.5 is the benchmark in the

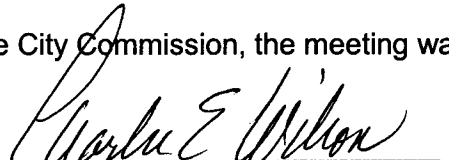
industry. He provided information on a Capital Project and Construction fund which would be funded from the fund balance.

Commissioner Laskowski stated that the City has to figure out how to start paying to fix streets with the monies from raised taxes. He stated the City is actually going up .8 cents. Mr. Rushing stated that the build up of the City's fund balance is by coming through the process through the years and that the City was not in situation that it did not have adequate fund balance. He stated that the Staff has built that up and has added a little more that is the benchmark in the industry. He stated that increment above should be allocated to the process of infrastructure rebuilding.


Mr. Rushing announced that Staff will be posting a preliminary working draft budget on website which is required by law by August 30th.

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:40 P.M.


Charles E Wilson, Commissioner

ATTEST:


Edna S Lopez, TRMC
City Secretary