

AUGUST 27, 2009

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON THURSDAY, AUGUST 27, 2009 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL/200 EAST KLEBERG AVENUE AT 5:30 P.M.

CITY COMMISSION PRESENT:

Sam R Fugate, Mayor
Al Garcia, Mayor Pro-tem
Charles E Wilson, Commissioner
Arturo Pecos, Commissioner
Stanley Laskowski, Commissioner

CITY STAFF PRESENT:

Carlos Yerena, City Manager
Edna S Lopez, City Secretary
Courtney Alvarez, City Attorney
Caron Vela, Accounting Manager
Al Lopez, Fire Chief
Ricardo Torres, Police Chief
Rudy Najera, Information Systems Specialist
Grace Garcia, Task Force Assistant Commander
Bill Donnell, Public Works Director
Dianne Leubert, Solid Waste Superintendent
Diana Gonzalez, Human Resource Director
Naim Khan, City Engineer
Yolanda Cadena, Health Director
Robert Rodriguez, Library Director
Vilma Castillo, Collections Manager
Dora Byington, Purchasing Director
John Garcia, Risk Manager
Joe Casillas, Water Production Supervisor
Frank Garcia, Wastewater Supervisor

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chambers at 5:30 P.M. and announced quorum as present.

Mayor Fugate called for public comments on all agenda items.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S) – Required by Law

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

NONE

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, Tax Increment Zone Presentation. No formal action can be taken on these items at this time.”

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. **ORDINANCE NO. ORD2009-22 Consider final passage of an ordinance of the City of Kingsville, Texas adopting Chapter V, Article 5, Sanitation and Sewer Controls Near Public Water Wells, providing for regulations regarding sanitation and pollution control of the areas in proximity to the City's public water supply wells and for penalties, repealing all ordinances in conflict herewith and providing for an effective date and publication. (City Attorney).**

Ms Alvarez stated nothing changed since the introduction on Monday.

Commissioner Garcia made a motion to approve the ordinance, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Wilson, Laskowski, Pecos, Garcia voting "FOR".

2. **Review and discuss proposed fiscal year 2009-2010 budget for departments of the City of Kingsville. (City Manager).**

City Manager Yerena stated the information was provided dated 8/27/09. Mr. Rushing discussed several items that increased the Street department budget. He stated the overall Profit and Loss, net receipts over disbursement of \$134,558 which is still in the black provided that \$232,000 for the street maintenance and use the same technique of last year. He stated the combined total would be \$168,000 in General Fund and \$232,000 in undesignated unrestrictive fund balance. Mayor Fugate called for questions.

Commissioner Laskowski asked how this affected the fund balance if Mr. Didzar comes through and the City has to come up with another \$200,000. City Manager Yerena stated the plan would be to get it from the undesignated unrestrictive fund. There was discussion on the amount of monies needed.

Mr. Rushing stated if that mechanism is pulled from fund balance some the \$232,000 would be deficit. He added this fund is in the black, \$134,000. He further explained the risk of pulling out from Fund 091. He stated the City would still be within the City's three month operating which would still be above the benchmark. Mayor Fugate stated Staff needs to earmark monies for the Paulson Falls project.

Upon a question from Commissioner Laskowski, Mr. Rushing explained the current budget year. He stated this is built on current overall tax rate, which is not going underneath rollback.

City Manager Yerena stated this budget has no increases for city employees, has a proposal to reclassify two positions, and changes a part-time Landfill employee to full-time as requested by TCEQ.

Mr. Rushing stated that under Utility Fund, net receipts and disbursements, \$38,143 is close to a balanced budget. He added this information has been submitted to Grady at HDR who dropped this into the model in order to look at what needs to be financed in 2011.

City Manager Yerena stated there is an agreement from the Department Heads on cutting back. Mr. Rushing stated this does not address General Fund Capital Outlay.

In reference to Healthcare numbers, Mr. Rushing stated the numbers are conservative. Commissioner Laskowski pointed out some concerns with the healthcare numbers adding numbers are all over the place. Mr. Rushing stated that monies generated are the amount needed to fund this next year.

Upon a question from Commissioner Garcia, Mr. Rushing replied the monies budgeted are to remodel the upstairs at Central Fire Station. Commissioner Garcia voiced his concern regarding the building that will be used by the Volunteer Fire Department. City Manager Yerena stated the Volunteers' main concern was the repair to the plumbing problem at that building. Chief Lopez addressed the Commission and stated he would meet with the Volunteers.

Upon a question from Commissioner Laskowski, Mr. Rushing replied that in order to get to a balanced budget a 2% and 4% was built in at a 98.5 expectation. There was lengthy discussion on the amount raised on sewer rates and water rates. Mr. Rushing stated that it was Commissioner Laskowski's idea to do a rate study. Commissioner Laskowski stated that just because there is a rate study, there doesn't have to be a rate increase for water and sewer. Mr. Rushing stated that Staff is only trying to provide the Commission with tools to make decisions.

There was lengthy discussion on Staff having built the budget on the assumption of following the rate study.

Mayor Fugate called for further comments or questions.

3. Discuss proposed water and sewer rate study for the City of Kingsville. (City Manager).

Mr. Rushing stated that factors of the model were provided by HDR. City Manager Yerena stated he would be happy to entertain any questions from the Commission. City Manager Yerena stated that Staff would work on bringing back the information without increases. Commissioner Laskowski replied he did not want Staff to spend a lot of time to do this because he was the only one that had a concern. Upon a question from Commissioner Pecos, City Manager Yerena stated there wasn't any capital outlay only if it is in Utility Fund. He stated that S&P is looking for the City to have a balanced budget due to the rerating in January 2011.

Mayor Fugate called for further questions or comments. Upon a question from Commissioner Garcia, Mr. Rushing replied a model would be flexible to make purchases and would help in making sure that the fund balance is not dropped below two months operating which is the City's policy.

Commissioner Wilson commented that times are tough and the budget is tight and the City has to be willing to engage in these debates and that he was not trying to defend Commissioner Laskowski, but he did not take Commissioner Laskowski's comment as personally charged. He added that Commissioner Laskowski was just trying to get an understanding of the how the budget was built. He continued to say that when they

come to a meeting and receive documents it is hard to be able to absorb all of it and that time is needed to think through it. Mayor Fugate stated he has no problem with tough decisions and tough discussions and if more time is needed to review the documents all they have to do is ask. Mayor Fugate stated that he is looking at Staff and when it becomes accusatory then he has to step in. He added that Staff has worked hard and diligently to get information and there is still plenty of time. Mr. Rushing stated the hike for water and sewer rates being proposed is 2 % and 4 %.

Regarding Emergency Management, Mayor Fugate stated that it was his idea that at the end of this budget year there would be a change in leadership by using our Emergency Manager to take over the position, but it is very difficult to depend on the County, which brings up the issue of going alone. He asked if the City had the necessary equipment and material to do the job. Commissioner Pecos stated that in the Emergency Management Plan the City and County are together, but by law the County has to come with the City, and added that half of the equipment belongs to the City. Mayor Fugate stated he believes there can be two emergency management programs. Commissioner Pecos stated during emergencies most participants are from the City. Commissioner Garcia stated the City funds the position 50%. Commissioner Pecos stated that Mr. John Garcia would be the Emergency Management Coordinator. Upon a question from Commissioner Laskowski, Ms Alvarez replied she would review the interlocal agreement to see if anything is written that it is the City's responsibility to pay 50%. Commissioner Laskowski stated the agreement is more of a gentleman's agreement. Mayor Fugate stated it is mechanism for appointing an Emergency Manager. Commissioner Laskowski stated the law allows both entities to do a joint but does not require it. Mayor Fugate asked that a budget be proposed for this position. Mayor Fugate stated that if there is a separation and he does not want to take anything from the Emergency Management office.

Upon a question from Commissioner Laskowski, City Manager Yerena replied a letter was sent to the County giving them until the 23rd to respond about the ambulance service.

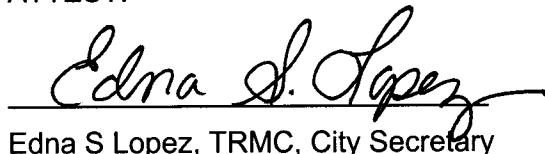
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:38 P.M.



Sam R Fugate, Mayor

ATTEST:



Edna S Lopez, TRMC, City Secretary