

AUGUST 29, 2017

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON TUESDAY, AUGUST 29, 2017 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 4:00 P.M.

**CITY COMMISSION PRESENT:**

Sam Fugate, Mayor  
Edna Lopez, Commissioner  
Al Garcia, Commissioner  
Noel Pena, Commissioner  
Arturo Pecos, Commissioner

**CITY STAFF PRESENT:**

Jesús Garza, City Manager  
Mary Valenzuela, City Secretary  
Courtney Alvarez, City Attorney  
Tom Ginter, Director of Planning & Development Services  
Diana Gonzales, Human Resources Director  
Sharam Santillan, Capital Projects Manager  
Kyle Benson, IT Manager  
Israel Vasquez, Facility Maintenance Manager  
Emilio Garcia, Health Director  
Jason Alfaro, Parks & Rec Director  
Derek Williams, Systems Specialist  
David Solis, Risk Manager  
Bill Donnell, Asst. Public Works Director  
Adrian Garcia, Fire Chief  
Charlie Sosa, Purchasing Manager  
Leo Alarcon, Tourism Director  
Deborah Balli, Finance Director  
Cynthia Martin, Downtown Manager  
Susan Ivy, Parks Manager  
David Bodiford, Finance Supervisor  
Jennifer Bernal, Community Appearance Supervisor  
Charlie Sosa, Purchasing Manager  
Manny Salazar, Economic Development Director  
Richard Flores, Golf Course Manager

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate opened the meeting at 4:00 P.M. with four Commission members present. Pecos arriving at 5:10 p.m.

**INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)**

The invocation was delivered by Mrs. Courtney Alvarez, City Attorney, followed by the Pledge of Allegiance and the Texas Pledge.

**MINUTES OF PREVIOUS MEETING(S)**

None.

**II. Public Hearing - (Required by Law).<sup>1</sup>**

None.

**III. Reports from Commission & Staff.<sup>2</sup>**

*“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, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, 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, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time.”*

Mrs. Courtney Alvarez, City Attorney reported that there will be a special meeting on August 30<sup>th</sup> at 4:00 p.m. She further reported that city offices will be closed on Monday, September 4<sup>th</sup> in observance of the Labor Day.

#### IV. Public Comment on Agenda Items.<sup>3</sup>

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

No public comments made.

#### V.

#### Consent Agenda

#### Notice to the Public

*The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.*

#### CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

*(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)*

Motion made by Commissioner Pena to approve the consent agenda as presented, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Pena, Garcia, Fugate voting "FOR". Pecos not present for vote.

1. Motion to approve final passage of an ordinance amending the zoning ordinance by changing the zoning map in reference to KT&I Co., Block 22, Lots 3 & 4, 1.15 acres, also known as area South of Chili's Restaurant on US77 Southbound Frontage Road from AG-Agriculture District to C2-Retail District, amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Director of Planning & Development Services).
2. Motion to approve final passage of an ordinance amending the Fiscal Year 2016-2017 budget to accept and expend a donation from the Kleberg County Sheriff's Association for the Parks Department. (Parks & Recreation Director).
3. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter XV, Article 6, zoning, amending Section 15-6-21 Definitions to add fairgrounds, rodeo grounds, farm, ranch, and orchard; and amending Appendix A-Land Use Categories to add fairgrounds, rodeo grounds, and farm. (Director of Planning & Development Services).
4. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Electric Code Sections 15-1-56-Definitions and 15-1-59-Qualifications and Registration. (Director of Planning and Development Services).
5. Motion to approve final passage of an ordinance adopting Article 8-Use of Public R.O.W.-Network Nodes & Support Structures, in Chapter V-Public Works; regulating the physical use, occupancy, and maintenance of City Rights-of-Way by wireless network providers; describing the purpose; providing for definitions; requiring compliance with the City Design Manual and applicable codes for the installation of network nodes and node support poles pursuant to Chapter 284 of the Texas Local Government Code; providing City procedures for applications for permits; establishing time periods for approval of permit applications; providing application fees and annual public Right-of-Way rental rates; providing restrictions on placement of network nodes and node support poles in municipal parks, residential areas, historic districts, and design districts; providing indemnity for the City. (Director of Planning and Development Services).
6. Motion to approve final passage of an ordinance approving a Design Manual for the installation of network nodes and node support poles; and approving a pole attachment agreement regulating the installation of network nodes on City service poles and utility poles. (Director of Planning and Development Services).

#### REGULAR AGENDA

#### CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

## VI. Items for consideration by Commissioners.<sup>4</sup>

7. Review and discuss proposed fiscal year 2017-2018 budget for departments of the City of Kingsville. (City Manager).

Mr. Garza reported that on some mutual aids that the City of Kingsville is assisting the community with. The Kingsville Police Department will be sending some police officers to Ingleside to assist that Police Department. The City of Corpus Christi has requested assistance from the City for our Vector Truck which helps pump out main line sewage lines. Kyle Benson, IT Manager went out to several of the communities to assist in getting their infrastructure back up, and will remain on call. Garza stated that he expect for more request to come in which he will keep the City Commission updated on. Garza went on to mention a few housekeeping item on the budget. He commented that one of the goals that he and the Finance Director have the budget process is it for to meet certain criteria with GFOA. Some of that criteria involves talking about goals and objectives sharing performance measures, talking about the departments, not only in writing but also through the workshops. He further stated that one way to think about it is that if a resident shows up to the workshop and has never been to a workshop before, they will be exposed to and understand what staff is discussing. This is why it is important to discuss what the departments do and what their goals are for the new year.

### Insurance Fund

Mr. Garza stated that staff will be looking into some options for the future but will not impact current employees. Garza went over a some graphs and numbers regarding the insurance fund. Graphs showed numbers of insured lives for the last fourteen years. He commented that in 2010 the average employee monthly enrollment was 260, with average enrolled lives of 606. In 2017 the average employee monthly enrollment was 263, with average enrolled lives of 663. This number makes up the number of our workforce. The number of employees doesn't change drastically but the average number lives insured increases. The next sheet Garza went over was on the Fund Balance with additional contribution. The graph shows that at the end of 2018, the fund balance will be \$377,089 with \$0.00 contribution. This fund balance has been less in other years, but when it comes to expenditures, it will not make a difference next year. The deficit in 2018 is scheduled to be \$615,530.00, in the last ten years, it's never been that amount. The closest is ever gotten to it was in 2014 for \$418,557.66, which is a significant difference of almost \$200,000.00.

Mayor Fugate asked staff estimates these numbers.

Mr. Garza responded that the historical numbers are not estimated, as they are facts.

Mayor Fugate stated that he is talking about the year 2018, as it was just mentioned that the city will have a \$615,530.00 deficit.

Mr. Garza commented that our insurance company takes a look at our data and the cases, which cannot be discussed, but some cases are more costly than others and make a projection on what our expenses will be for next year.

Commissioner Pena asked about the deficit and whether it was anticipated.

Mr. Garza responded that it was anticipated.

Ms. Sarah Parkey, Account Manager for Carlisle Insurance presented on the insurance. The projections are usually based on current high claims that may be ongoing, future procedures and treatments that will be coming up in the future for members. One of the high things is the cost for specialty drugs. The increase cost in specialty pharmacy has impacted all groups.

Mayor Fugate asked what is a specialty drug.

Ms. Parkey commented that a specialty drug are high cost drugs. A lot of them are injectables for illnesses such as MS or Hepatitis C and Cancer medication. A hepatitis C drug cost about \$90,000 for a 90 day supply. These are drugs that cannot be purchased at a local pharmacy, they have to be ordered through the insurance company which will be coordinated through the doctor or hospital. Parkey went over the some of the possible benefit plan changes and employee/employer contribution strategy. These are only idea and not recommendation. These are ideas on ways to do some cost shifting to help save the city money. Parkey went over the Health Plan Survey which is done by United Benefits Advisors (UBA) which Carlisle Agency is a member of UBA. What UBA does is that they take a survey of their entire book of business across the nation and do an average of what other employers, other cities of the size of Kingsville are doing. This survey will show us the comparison between National, Region, State, local and other municipalities. Parkey went over the spreadsheets that were provided to the City Commission. This information goes over general plan information. One thing to make note of is the offering of Health Savings Accounts (HSA) is pretty high. This is a high deductible health plan that allows you to set aside tax free dollars to pay for your medical expenses tax free. Both employees and employer can contribute to this. She expects this to be a large change from the current benefits directly to that, but is something that the city may need to consider and keep in

mind that a lot of groups are doing HSA's. As for employee contributions, this is one place that they wanted to focus on during this meeting. This shows the employees share of premiums so nationally a single pay would pay about \$152.00 per month for employee only coverage. Within our industry group it is about \$95.00 per month. Comparing that to other employers to our size pay \$134.00 per month for employee only coverage.

Mayor Fugate asked for our category.

Ms. Parkey stated that the City's employees only pay \$30.00 per month for employee only coverage and \$118.00 for employee/spouse/children/family coverage. This give the commission an idea what we stand as compare to the Nation Regional industry group averages.

Mr. Garza commented that the survey suggest different categories such as employee, employee/spouse, and employee/children, or employee/family. The City only has two categories which are employee only or employee/family.

Ms. Parkey stated that for an employee that just covers their spouse is paying the same as one that is covering their spouse and their children. Most groups have a tiered level of enrollment. Under plan design, the focus is in network benefits. Parkey further discussed the handout that was given to the City Commission regarding in Network deductibles. Currently the city has a monthly deductible of \$200.00 per month. Plan co-insurance was also looked at. Co-insurance is basically how much the insurance pays after you meet your deductible. Is someone was on this national average plan, after they met their \$1,500 deductible, the insurance would pay 80% of their claims and the patient would be responsible for the other 20% until the max out of pocket was met. Max out of pocket range from \$3,000 to \$5,000 for an individual. Parkey stated that basically the deductible, the co-insurance, out of pocket and the employee contribution were the main points of focus she wanted to point out from the survey. The survey does go in to what the average co-pay is and what the average co-pay is for pharmaceutical drugs is. Parkey further spoke about the potential savings from plan design changes which showed the family medical deductible of \$250.00 with city paying at 100% after deductible is met.

Mr. Garza commented that this information is based on actual claims for this fiscal year, so the city did pay out \$2 million dollars for the fiscal year we are in now.

Ms. Parkey stated that by increase by amount of the coinsurance that the employees are paying, so by doing the 90/10 split or the 80/20 split, that is where you start to see a good portion of potential savings. She stated that for calendar year deductible, what they did was took the \$250 month deductible and converted that to annual. She stated that a month deductible is fairly uncommon as far as benefits go, most people have a calendar year deductible as most benefits are designed that way. By simply moving the deductible to a \$3,000 calendar year deductible, keeping it at 100% coinsurance would result in a savings of \$246,000.000 or almost 12%. The largest savings that is shown on the plan design is \$4,000.00 calendar year deductible with the 80/20 split which will result in over \$350,000.00 or little over 17% in savings.

Mr. Garza commented that part of the goal is to provide this information to the Commission so that they can start thinking about some parameters to help staff narrow down the options. Staff would like direction from the Commission on what they would like to see regarding insurance. The plan is to make the new plan for new employees only and not current employees, but this is something that would need to be reassessed every year.

Mayor Fugate stated that the savings that is being projected does that take into consideration only new employees or everybody.

Mr. Garza commented that assumes everybody.

Mayor Fugate commented that it is important that all involved understand what is being said and thought of.

Commissioner Garcia commented that we offer the city employees a package when they are hired. In that package they are offered an hourly rate, retirement and medical coverage for themselves and their family. For those employees that are at the bottom rung, they start at \$10.00 per hour and with higher deductibles and copays, what is staff asking those employees to do, as they are barely getting along and then the city is asking them to do this. This presentation here, the commission is presented with what the industry does as far as group coverage, but not presented with the average pay of these employees that go into these averages as well. If you figure out averages from those industry those hourly rate could be a lot higher and when you compare these figures of what we are doing here. He thinks that if you are comparing a fair comparison, we should be asking not only this but an average pay of the industries that are compared in the survey so that we can get a better picture of what we have.

Mr. Garza commented that staff has that and was presented last year. The city had the third party company that did the salary compensation analysis. Garza stated that there has been an effort for the city to pay their employees better.

Mayor Fugate commented that we want to pay them better and at one point, the commission was looking at increase the starting pay to \$15.00 per hour. We want to be more than competitive, we want to pay better.

Ms. Parkey commented that she may be able to come up with some data as well, surveys done on employees on what their priorities are and what they expect from their employer. From reports that she has seen in the past, higher wages verses a lower deductible sometimes takes precedent to the employee. Office visit and prescription copay is what is used the most on a month to month basis. The deductible comes into play when you have a hospital stay or having some kind of treatment done. Parkey will get with Entrust and see if she can get a report on how many employees are meeting the \$250 month deductible. It may be possible that there isn't a large portion of the employees that impacted by deductible.

Mr. Garza commented that the city is not alone in this, as there is a lot of cities and organizations that are having the same conversations.

Ms. Parkey stated that the city could look at purely plan design changes alone, employee/employer contribution changes or a combination of the two. There are two separate section, one called maximum exposure and expected exposure. The expected exposure is where the insurance company expect you to fall, based on your current claim are and historical data. Parkey briefly went over a spreadsheet that was given to the City Commission that listed three options that are available to the City.

Commissioner Garcia asked Ms. Parkey if she knew what the city's medium age group is.

Mr. Garza asked if this was for employees or lives insured.

Mrs. Gonzales stated that she would need to run a report to get that information.

Mr. Garza asked why he was asking this question.

Commissioner Garcia responded that if you are having an aging group, it would be more costly.

Mr. Garza responded that we would need to look at lives insured then, as all of these costs are just more about employees, it's about the 663 lives the city insures.

Ms. Parkey stated that with the increasing age population, employees are no longer retiring at age 65.

Mr. Garza commented that some of the direction staff is looking for from the Commission is whether or not they would like to see more than the two tiers the city has at this time. These are all thing that the Commission would have to decide so that staff can put a proposal together that is more in tune with the Commission direction.

Mayor Fugate commented that the Commission would need direction from staff.

Mr. Garza commented that the options are endless which is why he is looking for direction from the Commission. Garza stated that one thing he will ask from the Commission is that his initial intent is to make changes that will only impact future employees. Not the City Commission has been provided with some information, it is also important to also consider making changes now verses making drastic changes to future employees. If the Commission would like to schedule another workshop, staff can do that.

Mayor Fugate commented that it's a lot of information and the Commission as well as staff need to reflect on it as well and another workshop may be needed.

Commissioner Garcia commented that as time goes on it doesn't get better. His concern is about the employees and their benefits and what their expectations are from the Commission.

Mr. Alvarez commented that presently the budget is based on existing employee health plan. The direction that is being requested would be for changes that could come up within the upcoming year perhaps for next year or during the year.

Mr. Garza asked for Mrs. Gonzales if the city's requirement is a 60 day notice, if the Commission decides to make any changes, it would require a 60 day notice to current employees, in order to make those changes. These are some changes that can occur throughout the year with a 60 days' notice, it doesn't have to be every fiscal year. Garza stated that his goal is to try and figure this out jointly within the next couple of months. As Commissioner Garcia suggested, this issue is not going to get any better as we go on. Garza stated that the can't get into the details, but based on some of the people that are insured we can pretty much guarantee, if nothing changes, it will not be a good situation next year. The city is currently paying form some of those that are insured that is very costly to the City. Having that information makes staff be very confident that we won't be able to afford the plan next year if changes aren't made.

Commissioner Garcia asked for samples that have happened within city's group without names.

Mrs. Gonzales commented that there is a large claimant report that is prepared that the city gets from Entrust when the city goes out for bids. This is available to anyone who would like to provide a bid to the City.

Commissioner Garcia stated that what would be more fitting to him is if he could get a scenario of what it intel of a high claim individual.

Mr. Garza commented that rather than given him scenario, staff can give him facts which is what is going on today.

Mrs. Gonzales commented that she wouldn't be able to give him the ages but on the large claimant report it indicates what the condition is and the diagnosis is and what has been paid already.

Mr. Garza asked if Ms. Gonzales had this information now. Mrs. Gonzales responded no.

Mrs. Gonzales commented that it is important to remember that even though we have the large claims, the city is responsible for the first \$75,000 of everybody on the plan. There could be a multiple number of people that a getting a \$50,000 claim a year and as that number is growing is where the claims go up, aside from the large claimants.

Commissioner Garcia asked what the city is paying for the high deductible, \$75,000.

Mrs. Gonzales commented that the city is paying \$75,000 per individual in claims.

Mr. Garza commented that part of the City's package is once.

Ms. Parkey commented that every here has a \$75,000 individual deductible that the city pays for the first \$75,000 out of their claims for each individual person. Then you have an aggregating specific, so after the \$75,000 then you have \$65,000 collective all together. If someone met their \$75,000 and kept going after that, she would fall into \$65,000. Once that \$65,000 is met for the group, then stop loss picks up after that.

Commissioner Garcia asked if this was changeable configuration. Ms. Parkey responded yes. Commissioner Garcia commented that he would be interested in what that would do.

Mrs. Gonzales stated that the higher it goes the lower some of the premiums and some of our stop loss is because the city is taking on more risk. The lower it goes than our stop loss goes higher in cost as they are taking more of a risk.

Commissioner Garcia commented that he would like to see that scenario samples of that would be as well.

Commissioner Pena commented that he not sure that the Commission has control on what happens with the employees. The Commission's task is what is going to be critical and important, and that task is to figure out what is appropriate in terms of the figures and what impact it will have on our employees.

### **Streets/Capital Improvements**

Mr. Garza stated that towards the end of the presentation there is a part that talks about a new capital improvements fund which will take \$1 million dollars from the fund balance, after preparation for today's conversation for health insurance, he is thinking about changing the recommendation on the budget and keeping the fund balance at 25% at least in the general fund. It concerns him that we may have to deep into that for next year to help cover the city's insurance fund if it takes us longer to figure it out.

Mr. Sharam Santillan, Capital Improvements Manager presented the budget for the Street Department. In this department, there are 19 full time employees with 41 units of machinery. Kingsville is made of 104 miles of asphalt streets and 9.5 miles of concrete streets. Storm drainage is 33 miles of storm drain lines which is equivalent to 173,00 linear feet. There are 853 storm inlets and 30 miles of curb and gutter. The street department is responsible for signs and markings, school zones and signals, lighting of the downtown area, traffic control for special events, sweeping of curb and gutters, and weed control. Street maintenance and improvements schedule for 2017 is 34 blocks to be completed; production rate of 1 block per week. In 2016, 45 blocks were completed. Maintenance and improvements for 2018; scheduled to do 41 blocks for maintenance activity, FDC 16 blocks, overlay 18 blocks, seal coat 5 and rejuvenation 2. Re-assessed street listing to target traveled areas. Existing road conditions have been inventoried to develop Pavement Condition Index (PCI). Overall assessments, 2013 City Engineer drove each block of Kingsville; 2017 reassessed 2018 list; verified existing data and updates, calculated value of each distress. Three elements in 20-year program are degradation rate about 2 miles a year, degradation rate .5 miles a year, and production rate 3 to 4 miles per year. The original plan was to be a 20-year maintenance plan with a maintenance activity every five year. First activity would be rejuvenation followed by crack seal and fog seal on year 15. The original street program is from 2013, which was a 20-year program with a cost of \$1.25 million per year. The revenues from the Street User Fee are not coming close this. It will take 25 years to bring every street in Kingsville to good condition. In fund 92, estimated revenues is \$812,000.00 based off of this number the new list cost is \$799.678.61. There

is a beginning fund balance of \$243,504.00, from streets not completed this year that will rollover to the new year.

Mr. Garza commented that one thing that is important is that last budget cycle, staff was anticipating revenues from this fund being at about \$900,000.00 and through experience of collecting the fee, staff has experienced that it is less than that, which is what staff only budgeted \$812,000.00 for next year. This will have a further impact on number of streets which is why the 25-year plan.

Mr. Santillan stated that the funds that are generated from the street user fee only fund city maintain roads, does not include private properties. Residential fee structure is single family \$5.00, multi-family of 2-4 living units \$5.00 plus 85% occupancy rate times \$5.00 times units after first, multi-family of more than four living units or mobile home \$5.00 times total number of units or mobile homes time .085. Residential exemptions are student housing and government housing. Non-residential fee structure is residential is base \$5.00. Equivalent Residential Units (ERU's) equal area of the type of facility. Trip generations as per the Institute of Transportation Engineers Handbook and Manual. The tier capping system has a maximum fee of \$150.00 and the lowest fee being \$10.00 per month, total yearly revenue is \$812,000.00.

Mr. Garza commented that non-profits such as lodges are exempt from the fee.

Mr. Santillan continue to state that the Street Department has other several responsibilities throughout the city, creek and ditch maintenance, street sweeper-curb and gutter, and maintenance of city's storm water network. Alleys and patching include 153 work orders alleys and 274 work orders for potholes. Staff did a pothole blitz from January through April for a total of 699 potholes. A second pothole blitz which will begin August 30<sup>th</sup>. The Street Department is also responsible for signs and markings. The street department has assisted in the Wayfinding signs, street parking marking in the downtown area and will be assisting in the La Colonia Mexicana project and the redesignation of Sixth Street.

Commissioner Garcia commented that there a lot of signs there are no parking signs, limited parking signs throughout the community that have faded. Is there any way that staff can do a survey and identify their condition or if they are even needed.

Mr. Santillan responded that this is something that can be looked into.

Commissioner Pena asked how of the 699 potholes were done by the propatch.

Mr. Avelino Valadez, Street Supervisor responded that half of those were through work order and half were done with the propatch.

Mayor Fugate asked if this included the pothole blitz. Mr. Garza responded no, it's the 699 plus the 274.

Mr. Santillan reported that the Street Department is also responsible for mowing and weed control. Other miscellaneous items are maintenance of the downtown area, Brookshire Pool and other maintenance projects.

Mayor Fugate asked where is the paving now. Mr. Santillan responded they are on 7<sup>th</sup> Street between Shelton and Miller.

Commissioner Lopez commented that the Street Department has a lot of responsibilities, and they get pulled too much to focus on other projects throughout the city. Lopez further thanked the Street Department for all their hard work.

Commissioner Garcia asked how often does the Street Department crew get pulled from doing street work to do other projects.

Mr. Donnell responded that not only the street department get pulled for other projects but crews form the Water Department, Wastewater Department. Donnell stated that what they do end up getting is quite a few special projects to assist with which is often.

Mr. Garza commented that some of these projects that they get pulled to do, is that staff is also trying to accomplish some of the other needs such as things associated with the golf course and parks which are important things to do as well.

Mr. Donnell commented that they also get pulled to a lot of curb and gutter drainage improvements.

Commissioner Garcia stated that its not to the extreme where these employees can't do their own duties.

Mayor Fugate commented that they can only do what they can do.

Commissioner Garcia commented that the may mission of these employees is streets. Are we pulling these employees to do other projects to where the streets are not being done like they should be?

Mr. Garza responded that it's all give and take. If the Commission wants them to solely focus on streets, that has consequence, which is paying someone else to do the work or

buying additional equipment to do some of the things they are helping the departments with.

Mr. Donnell commented that operating a piece of equipment is very different then just driving it.

Commissioner Lopez commented that the presentation just given was to focus on streets. This presentation shows that the Street Department has a lot more duties other than streets, which is a lot of work for that crew. Lopez stated that due to all the other projects that are handed to the Street Department, they are not able to focus on our city streets.

Mr. Garza commented that we need to keep in mind that amount of money staff has for the streets. The street department can't spend 100% of their time on streets as we don't have the money for them to do that.

Mr. Santillan stated that fund 68, comes from Certificates of Obligation 2013 (CO 2013). From this fund, it funds drainage improvements that include curb & gutter, valley gutter, storm lines, curb inlets, sidewalks and driveways. Santillan further stated that we also do concrete street improvement phases projects.

Mr. Garza commented that this specific funding source that staff utilizes only a little over \$2 million dollars in it. This fund in two to three years there will be no money for curb and gutter or drainage improvements. Garza stated that this is something that staff needs to start thinking about.

Commissioner Lopez commented that it's been a lot of bad news today.

Mr. Garza commented that it is staff's responsibility to inform the Commission on where the city stands.

Mr. Santillan stated that one of the funding projects for this is the drainage improvements, curb and gutter improvements which is in correlation with the city's street maintenance improvement program. Staff goes out and analyzes and surveys the street so that we have positive drainage along curb and gutter or if staff needs to do a new storm line replacement. This year staff is working on developing a storm inlet program. Staff has completed phase six of the concrete street improvement. The three projects that were funded were 4<sup>th</sup> Street and Richard Avenue intersection. There was also an upgrade from a grade inlet to a curb inlet as well. Staff also worked on Fire Station #1 improvements, and installed a curb inlet and new storm line. Staff also worked on the pad behind the Kleberg Bank Drive-thru on Kenedy. In the new fiscal year, staff is proposing a budget of \$200,000.00 for concrete street improvements phase #7.

Mr. Garza commented that on concrete streets, something that has been discussed with staff is that the SMIT Program only analyzes asphalt streets. Staff would like to develop a plan that also assess concrete streets, this way staff will know the condition of those streets. Garza further stated that conversations need to occur on which streets are to stay concrete and which should be asphalt as staff and the commission need to know the cost of this and see what the pros and cons of this would be.

Mr. Santillan further discussed sidewalks. This fiscal year staff applied for the Transportation Alternative Set Aside Program through the Texas Department of Transportation. The city had a total of seven projects prioritized which are South Armstrong from King to Johnston, as well as sidewalks leading up from 14<sup>th</sup> Street to Harvey Elementary School both on Lott and Kenedy and also on 17<sup>th</sup> Street and 20<sup>th</sup> Street which is the Westside of 20<sup>th</sup> Street to Eastside of Brookshire Pool. The total project value for this application \$1,016,195.00 with a cash match required of \$65,390.00. Santillan commented that staff received notice that we had passed the first review of consideration and now waiting on the second notice to see where the city will go from there. King Avenue will also have sidewalk improvements. The Texas Department of Transportation (TXDOT) will begin the construction of sidewalks on King Avenue from 14<sup>th</sup> Street to Highway 77 this fiscal year.

Mr. Garza commented that the last quarterly meeting staff had with TXDOT, they informed staff that they anticipated this happening in Spring 2018.

Commissioner Garcia asked if this was the north or south side of King. Mr. Garza responded that TXDOT is designing the project, therefore staff cannot answer that question.

Mr. Santillan commented that for this fiscal year, staff is being proactive. Staff is working on developing a sidewalk improvement program. This program will address poor condition sidewalks that lead up to targeted areas such as schools, churches, parks and other public facilities.

Mr. Santillan discussed the Capital Improvement Department. This department has had a change in personnel for an amount of \$8,000 which comes from health care cost increase from the 8.3% increase in health care cost for the employer and also from going from employee only to employee plus children. Under operations, there is an increase of \$618.00



for audit fees. The Capital Improvement Department goals are to provide professional level project management for public works capital improvement projects and procure outside resources as needed and provide contract administration. The department objectives are to plan, supervise and coordinate the activities and operations of assigned capital projects insuring timely, accurate and cost-effective completion of the projects. Also, to perform grant administration, project estimating and budget preparation and management for assigned projects. Some of the departments accomplishments for this year were that they provided project management for the fiscal year 15-16 CDBG Downtown improvements project, 15-16 CDBG Armstrong waterline improvement project, the old High School asbestos abatement/demolition project which was a partnership with the Facilities Manager Department, the Sixth Street overlay project, Brookshire pool project, concrete street improvements phase 6, the city wide and LE Ramey Golf Course drainage master plan, 2017 Santa Gertrudis improvement project, City Hall landscaping and irrigation project, and the City Landfill Sector 4 construction project. Santillan stated that his department has applied for the 2016-2017 CDBG grant for city wide manhole rehabilitation program and EDA public works program to fund downtown improvements. Santillan gave an update the downtown improvement CDBG project; staff still needs to complete striping of the parking spaces and the six additional parking spaces and install the handicap parking signs. Once this is done, staff needs to do a Texas Department Licensing Regulation Inspection to close out the project. The Armstrong waterline improvements project, there is \$34,000.00 remaining in grant funds so staff is proposing to use those funds to install three additional water valves and one additional fire hydrant in the area. Brookshire pool improvements, staff is finalizing site improvements. Engineering staff has been working on site improvements for this site to include an additional parking on the east side of the property, and a sidewalk trail that will connect the pool to the skatepark as well as public restrooms for the skatepark and kiddie pool with splashpad features.

Commissioner Garcia asked that as for the public restrooms for the skatepark, is staff planning on building new ones or incorporate the ones at the pool.

Mr. Santillan commented that staff is looking to rearrange the existing structure at the pool so that we can have an opening from the outside of the property into the pool. The city wide and LE Ramey drainage master plan has been completed. Phase 1 which was the LE Ramey drainage plan has been completed. Staff has been working with Golf Course manager and the Parks & Recreation Director to put the final plans together to start phasing out and getting the irrigation company to begin the work. Phase 2 which is the city-wide drainage improvements is set to begin in October where staff will have a public involvement meeting.

Commissioner Garcia asked if staff will be having a public forum on drainage. Mr. Santillan responded yes. Garcia further asked who will be invited.

Mr. Garza commented that it is his intention to get through the budget process then hire an engineer so that that individual can be a part of the public forum.

Mr. Santillan further commented that for the 2017 Santa Gertrudis street improvements, staff brought a recommendation to the Commission during last night's Commission meeting of which was approved for \$656,917.00. The project limits for that is from Sixth Street to Tranquitas Bridge. As it was mentioned last night, staff is hoping that in the new fiscal year, if there is additional funding, we could do the rest of that stretch from Tranquitas Bridge to 14<sup>th</sup> Street. For City Hall landscaping and irrigation, finalize the plans and contract documents. Staff will advertise for bids on September 9<sup>th</sup> and the 16<sup>th</sup> and open bids on September 26<sup>th</sup>. The CDBG city wide manhole rehabilitation, staff is waiting on the Texas Department of Agriculture on whether the city will be awarded or not. The EDA Public Works Assistance Program, if received and approved the environmental narrative report by LNV Engineering and we are expecting the preliminary engineering report by LNV to be completed by this week so that staff can review and submit to EDA.

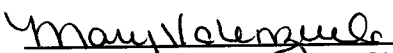
Mr. Garza showed a slide for a proposed fund 91. This fund is one that he does not recommend not having, because of recommend not changing the fund balance in the general fund.

## VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:43 P.M.

  
Sam R. Fugate, Mayor

### ATTEST:

  
Mary Valenzuela, TRMC, City Secretary