

AUGUST 30, 2017

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON WEDNESDAY, AUGUST 30, 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
Arturo Pecos, Commissioner
Noel Pena, Commissioner
Al Garcia, 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
Kyle Benson, IT Manager
Sharam Santillan, Capital Projects Manager
Israel Vasquez, Facility Maintenance Manager
Emilio Garcia, Health Director
Jason Alfaro, Parks & Rec Director
Derek Williams, Systems Specialist
Adrian Garcia, Fire Chief
David Solis, Risk Manager
Bill Donnell, Asst. Public Works Director
Deborah Balli, Finance Director
Frank Garcia, Wastewater Supervisor
Richard Flores, Golf Course Manager
Charlie Sosa, Purchasing Manager
Ricardo Torres, Police Chief
Pete Pina, Landfill Supervisor
Stacie Pena, Accounts Manager
Joe Casillas, Water Production Supervisor
Marco Jimenez, Water Supervisor
Avalino Valadez, Street Supervisor
Leo Alarcon, Tourism Director

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:00 P.M. with four Commission members present. Commissioner Pecos arriving at 5:17 p.m.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

These proceeding were waived.

MINUTES OF PREVIOUS MEETING(S)

None.

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, 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.”

IV. Public Comment on Agenda Items.³

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)

None.

REGULAR AGENDA**CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:****VI. Items for consideration by Commissioners.⁴**

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

Compensation

Mr. Garza stated that as the city has collective bargaining, the compensation plan has anniversary increases. Both of these things are mandated expenses that the city has for compensation. On the collective bargaining side, it has a budget impact of \$102,000.00 that's in the budget in order to meet the city's commitment to both Fire and Police as well for anniversary increase for the employees which is an additional \$61,000.00, for a total of \$163,000.00. Garza stated that last year, the city hired a company to do a compensation analyses for the city. They looked at the exempt and non-exempt positions and presented their finding to the city. Several positions received raises last year that were falling behind with market rate salary and were brought up to where they needed to be. Last year, some commissioners expressed concern that the city may not have enough money to continue the three-year plan, which is a fact. This year the city will not be able to fund year 2 of the plan as presented last year. The fall back plan for this year is to consider a Cost of Living Adjustment (COLA) for all employees which would have a budget impact of \$125,000.00 to do this, but we didn't have enough money to give the COLA this year either. Garza stated that what staff did was selecting a handful of positions and recommending changing to those positions. Garza mentioned the changes that are being recommended, those being the re-class of Lead Telecommunications Operator from Class 8 to Class 11; rename of Help Desk Coordinator to Help Desk Technician, still under Class 9; the addition of Facilities & Events Specialist under Class 17, which will be a part-time position under the Tourism Fund; change City Engineer/Public Works Director to City Engineer still under ML1; change Assistant Public Works Director to Public Works Director and move from ML4 to ML2, which is an increase in the level; change Police Communication Supervisor to Communications Supervisor which stays at ML7; and remove Sanitation Supervisor and consolidate it to the Landfill Supervisor.

Commissioner Lopez asked for the difference in salaries for the Assistant Public Works Director to the Public Works Director.

Mr. Garza responded that the difference is around \$10,000.00.

Commissioner Garcia asked if the Sanitation Supervisor is going to be directed by the Public Works Director now. Mr. Garza responded that the Public Works Director will oversee all Supervisors within the Public Works Department.

Mr. Garza went over the summary of compensation plan regarding the changed positions, which are documents that were passed out to the City Commission. Garza stated that there is a salary proposal to increase the Police Chief of close to \$5,000.00 which is something that was mentioned to the commission last year. Reason for the singling out the Police Chief position only is that in analyzing the internal organization the Police Chief is getting to a point where his salary is consistent with the work chart.

Mayor Fugate asked Mrs. Alvarez that when she was Interim City Manager if she had made this recommendation for the Police Chief raise.

Mrs. Alvarez responded that she believes that this position was included in that.

Mayor Fugate commented that one of the main reasons it was turned down was that this Commission wanted the new City Manager to review those raises and hear his/her recommendations.

Mrs. Alvarez commented that some of the positions that were recommended for the fiscal year 15-16 budget, were addressed last year and year one of the three plan. This position was one of the positions that was not included in year one of the plan but was included in year two.

Mr. Garza commented that year one saw increase to the HR Director, City Secretary, and other Supervisors positions but not an increase for the Police Chief position. Garza further commented that this is pretty much the position to be determined, other than himself, City Attorney or Municipal Court Judge. Staff will accommodate whatever the Commission decides regarding those three positions. Garza commented that for his position, he plans on discussing it with the City Commission in the Fall through a negotiation of a two-year contract. He asked the Commission not to discuss it today and wait until the Fall.

Mayor Fugate commented that as the City Manager just mentioned, the City Commission hires and fires the City Manager, City Attorney, and Municipal Court Judge. He stated that he is looking at the City Attorney position, and asked if the position was at the mid-level in that position.

Mrs. Alvarez commented that she is not aware if one has been run this year for either of the two positions.

Commissioner Garcia commented that there was an adjustment made last year.

Mayor Fugate commented that for the City Attorney the minimum is \$93,513 to a maximum of \$133,185.00 with a midpoint of \$113,349.00. He asked Mrs. Alvarez if she was at \$111,000.00.

Mrs. Alvarez commented that she had a fifteen-year position anniversary with a 2% increase and the Commission did a \$2,000 adjustment last year bringing her salary to \$115,000.00.

Mr. Garza commented that the mid-point is only a point of reference. A lot of these figures don't consider years of service, it is simply to serve as a guide.

Public Works Department

Mr. Donnell, Public Works Director reported that his department is here to provide service customer in the most efficient possible. The Public Works Administration include the Engineering Department. He further discussed the budget and numbers for this department, which was presented in a handout form. The Service Center which will be getting a new roof and finished by Friday at a cost of \$107,518.00. In this budget, the Service Center budget, there is a \$12,822.00 increase; this is due to the new phone system. The Garage Division has eight full-time employees and maintain and repair approximately 400 units, they monitor the Storm Water Pollution Plan and monitor the fuel pumps for TCEQ compliance and maintain certification. They also maintain service center and wash rack maintenance and do wheel mounting and balancing services. They manage network fleet GPS and vehicle & equipment maintenance inventory supplies and other special projects as assigned. Performance measures for this department in fiscal year 2016-2017 are as followed, 245 oil changes, 600 tire maintenances, 455 scheduled service repairs, and 1,071 not scheduled repairs. The Garage Department, the City Manager offered new equipment such as a tire pressure system to repair and reset tire sensors, maintenance software, advanced diagnostics and reprogramming, new fleet diagnostics training for employees, and radio receivers.

Commissioner Garcia asked how many mechanics are in this department.

Mr. Donnell responded that here are four mechanics.

Commissioner Garcia also asked about turnover rate in this department.

Mr. Donnell responded that it's been good so far. Donnell continued with the Sanitation Division. This department has twice a week residential garbage service and commercial up to six times. This department also covers the city every eight weeks, remove illegal dumping on rights-of-way as well. The Sanitation Department also assist with property abatements and demolitions as well as rollout & dumpster maintenance and dumpster enclosures. Donnell commented that for this fiscal year, there has been 652 damage rollouts through July, at a cost of \$55.00 to replace.

Commissioner Garcia asked if some of the damage is being caused by the equipment being used to pick them up. Mr. Donnell responded yes and some of it is caused by the driver. Garcia further asked if staff is pressuring the driver to cut down on time. Mr. Donnell responded that they do it on their own, but they don't promote lagging, but need to do it within a reasonable time.

Mr. Donnell further reported that in expenditure increases for the Sanitation Department they have the radio receivers, roll-out containers, increase in vehicle maintenance, and 3 & 4-yard dumpsters. There has been a decrease in motor gas & oil of \$4,999.00; decrease in catering-appreciation of \$300.00, decrease of \$900.00 in laundry, and \$3,085 decrease in vehicle maintenance. The Landfill Division has 8 full-time employees. The main function of the landfill is to maximize airspace and stay within TCEQ regulations. They manage the drainage and erosion control, litter control, brush disposal, and commercial haulers. Biggest project staff is working on is the permit modification. Donnell stated that he and Landfill Supervisor went up to Austin to meet with TCEQ on a drainage issue to which they were in favor of the plan of the engineer to work forward through that and that should be submitting that amendment within a month. The department strives for TCEQ regulated reporting and facility compliance. To operate this facility, it requires a Class A Municipal Solidwaste license which is obtained by two employees. Total brush dumped at the landfill in fiscal year 16-17 is 2,557 tons. There is an issue with the compactor but staff has been calling to get this resolved. In expenditures for this department there is a one-time increase of \$20,000.00 for the 550 JD Dozer.

Mr. Garza commented that under the Utility Fund, the Mayor asked a question last week regarding the need to reassess fees and asked why the city is in the situation it is today. Garza reminded Commission about the rate model that was done in 2010 which is an increase proposal for water increase between 1% to 2% and sewer between 3% and 4%. This model took into account future expenses and growth and fiscal year 2013 was the last time the Commission approved rates to water and sewer rates. Fiscal year 14 and 15 did not receive the increase that the rate model recommended as well as no increase in fiscal years 16 and 17. Looking back at some of that information, the policy decision that was made in fiscal year 13, was that there was a health fund balance at that time so policy decision and direction that was given at that time was to use some of the money in the fund balance at the rate conversation would be pushed out due to the health of the fund balance and the utility fund. From fiscal year 14 to fiscal year 17, \$2.5 million dollars has been taken from fund balance and moved over to fund 51 of the Utility Fund. Over the last five years, that fund balance has continued to decrease. In fiscal year 16, the fund balance was at \$3.5 million dollars and the budget for next year it will drop down to \$2.1 million dollars. A lot of this is related to our operations. The Utility operation hasn't seen any significant changes. Staff hasn't added any additional positions in the utility operation or drastically changed anything. Garza stated that after stating all this, it leads us into the situation we are in today where we don't have any more fund balance to rely on the fund balance to get us through. This is the reason for the recommendation to lower the fund balance from 25% to 20% for the utility fund, because the \$400,000.00 that it equates to will budgeted to be spent on equipment and ground storage tanks.

Mayor Fugate commented that this is a short-term solution. We need to have a solution for the long-term.

Mr. Garza commented that Mr. Donnell will be making recommendations to fee changes, fees and not rates. Staff has money in the budget for another rate study to be conducted this Fall. Staff doesn't have a choice at this time other than increasing fees and rates as it was done in 2009 and 2010. Staff is planning on outsourcing to a third party to do a new rate analysis for the city and hoping that it could occur in October and having conversations in November/December about starting those rates in January 1st. There is no capacity for additional Certificates of Obligations, so that alone increasing rates and increasing fees is not going to solve all of our problems as staff still has to figure out how some of the city's needs will be funded, especially capital needs.

Mrs. Deborah Balli, Finance Director reported on the budget for Collections and Meter Readers Department. Balli stated that the Collections does all the billing for all utilities and does the accounts receivable for the liens and EMS. In the Collections Department, the change in the utility budget for this department was \$26,045.00 which is a result of \$10,800.00 for personnel due to the health care coverages and health care cost increase of 8.3%. Operations increased by \$15,326.00 which is due to the allocation of audit fees and property insurance. There is a new copier lease and gave an increase in training & travel and a one-time reduction as well. This department had a challenging year which is what Municipal Court has had as well. The department converted the system from Incode IX to Incode X, which was quite challenging. Staff is currently working on doing the same upgrade on their accounts receivable system. Also added was the PSN payment service network third party payment to offer different methods that our customers can use to make their payments with the city. Balli further reported on the Meter Reader Division. The budget highlights for changes on this department, there was an \$8,297.00 decrease which was \$27,236.00 for personnel which was due to the temporary meter reader that was placed in the budget last year to get the city caught up on the fixed meters. As of today, staff is caught up with the fixed meters for the exception of 33 meters. Those 33 meters are meters that cannot be located which has required the assistance of public works to locate these 33 meters. The plan is to, as they fail, meters will be fixed, and try to keep up with it. The failing meters are still under 100% warranty coverages.

Commissioner Garcia asked that comparing last year income from water sales to this year, what does that look like.

Mr. Garza responded that staff increased it slightly, it was increased by \$50,000.00 compared to last year. Not that staff is caught up with the meters, staff is hopeful that revenues will continue to increase as they were higher as one point.

Mr. Donnell continued with his presentation. He continued with Water Construction Division. This department has 13 full-time employees. They manage and maintain 117 miles of water lines, 801 fire hydrants, two customer line extensions as needed. They are also responsible for the hydrant testing program, water taps, line locates, and also assist with special projects. On expenditure increase for this department, there is a slight increase in vehicle maintenance for a one-time increase of \$1,500 radio receivers. Budget adjustments had a slight decrease. Water Production Division has four full-time employees. Their system maintains the Superior Water Quality which is TCEQ regulated. They conduct 30 monthly compliance samples and do daily monitoring of water systems to assure its quality. We have seven water wells with the pumping capacity of 3.351 million gallons per day capacity and booster pumps for those wells with 8.15 million gallons per day. We have the South Texas Water Authority which average use is 0.348 million gallons per day and a pump capacity of 6.48 million gallons per day. This Supervisor is also responsible for maintaining this system with SCADA, supervisory control and data acquisition, and he holds, as required, TCEQ licenses. The total well production through July 850 million gallons and STWA is 816 million gallons. As for expenditure increase, there are a few increases for HDR Engineering 5-year Water/Waste Water UF model, HDR and Water Rate Study. Budget adjustments has some slight decreases. Waste Water Treatment Division has nine full-time employees. There are 2 treatment plants a 3mgd and 1mgd, 9 lift stations. They do daily & quarterly monitoring and monthly reports. We are averaging about 2.2 million gallons through both plants. Both plants have generators in case of power outages.

Commissioner Garcia asked that on the power generators in case the power goes out, are they at ground level? Mr. Donnell responded no. Donnell commented that the one at the North Plant is high on the side of the plant. The one at the South Plant is kind of low, it's at ground level. Donnell further commented that there is a fuel tank at the bottom so there is about three feet to the bottom of the generator and the fuel cap is located on the top.

Commissioner Garcia asked for staff to remember what happened to Houston when they received over 50 inches of rain.

Mr. Donnell commented that staff has taken a lot of notes and putting in new SOP's from that storm that went through Houston. Donnell continued with his presentation by stating that this division also has license requirements as required by TCEQ. As for expenditure increases, there is some maintenance that needs to be done. Some of this maintenance is required at the plants can be very extensive. With the clarifier becoming deteriorated, staff had to drain it and do some maintenance to it. They will keep pushing the clarifier to its limit as it is very expensive to replace. Budget adjustments for this division stayed about the same, some slight decrease throughout.

Commissioner Lopez asked that under the insurance line item, was there anything budgeted before. Mr. Garza responded that this is more from where money is coming from. One of the things that is in the budget is spreading out those expenses.

Mrs. Balli commented that before it was all budgeted to 1030, and the auditors asked that we attach it to specific departments, which was done every year during the audit, so staff went ahead and moved for this new year.

Mr. Donnell continues to report on the Wastewater Collections Division which has eight full-time employees with 96 miles sewer mains and has over 1,900 manholes throughout the city. We are still in a SSO program which is Sanitary Sewer Overflow Program that was started eight years ago. This program comes to an end in 2019, but staff is looking to extend this. Staff also does smoke testing and rehabilitations which needs to be submitted to TCEQ. This division has two lift station generators. Quality influent water, it is staffs job to make sure that wastewater comes into the plant in a healthy status. They operate this and the treatment plant with a SCADA system as well. As for budget expenditures, there are some increases in some line items. Budget adjustments has some decreases. Master Fee Schedule. It is proposed to increase the Adopt-A-Truck fee from \$12.99 to \$50.00 for residential and from \$36.06 to \$75.00 for commercial. Bulk while goods and brush special waste service, which has no cost now, and proposing to charge \$200 per truck. Water tap fees to increase as well; 4" tap fee from \$450.00 to \$650.00; 6" tap from \$450.00 to \$700.00; 8" tap from \$450.00 to \$750.00 and 12" tap from \$450.00 to \$800.00. It is also proposed to increase the tapping fee & meter for a 5/8" and 3/4" from \$265.00 to \$553.00; 1" from \$350.00 to \$757.00; and 1 1/2" to 2" from \$575.00 to \$1,652.00. Staff does about an average of 60 new taps per year. The new fee will bring in an additional \$17,000.00 per year.

Commissioner Lopez commented that she is concerned about the increase of the Adopt-A-Truck as it may turn people away from using this program. It could cause trash to sit on properties.

Mr. Garza stated that this is a service that is not offered in a lot of other cities. But with this fee being the same for a long time and the city keeps paying for the service.

Commissioner Garcia asked what the average use of these trucks is. Mr. Donnell commented that it is 96 times per year, Mondays and Fridays, when it's no holiday, two trucks for each day. When you get it on Friday's, you get it the whole weekend. There is also the free dumping of 300 pounds at the landfill per day and the 1,000 pounds twice, they have bulky items and white goods and brush zones every two weeks and free brush pickup every eight weeks. The city gives a lot of free services to the community.

Mr. Garza stated that the stormwater fee was from a recommendation that was done in 2012. The purpose of this fee is to pay for debt service from a CO that is specific for drainage. Currently at \$1.25, it generates \$225,000.00, however the debt service payment is around \$300,000.00. Some of the presentations on stormwater fee that were done in 2012, it recommended increasing that stormwater fee in fiscal year 16-17, but did not happen. What staff is now proposing is increasing that fee by \$1.00, from \$1.25 to \$2.25. This would generate about \$400,000.00 for the city which is enough to pay for the debt service payment. It will also assist with other things such as a street sweeper that helps clean curb and gutter. Garza further stated that currently at a \$1.25 has an impact of \$15.00 per year and by increasing it to \$2.25, it will be \$27.00 per year. Garza further stated that by recently changing our payment company that was utilized for the utility payments, we actually eliminated a service charge of \$1.25, which was a charge from the company the city used before. For those that pay online and pay with their credit card are no longer paying that fee.

Commissioner Lopez asked how many customers pay online.

Mr. Garza stated that annually has about 22,000 credit card transactions per year. The old system doesn't allow staff to run analytics that will show how many pay online, as sometimes customers pay online one month and sometimes come in person.

Commissioner Lopez asked the rate monthly.

Mrs. Balli stated as the city has some customers pay on more than one account it would be hard to say how many customers pay online.

Commissioner Garcia stated that two pickups per week is customary for Kingsville, but staff needs to think about going to one pickup. He suggested to look into the volume of all trashcans and dumpster and compare it with what is being dumped, recorded at the landfill and see what that looks like.

Mrs. Alvarez commented that they are 90-gallon container, and by giving customers two pickups per week, it totals out to 180 gallons of trash per week, which is a lot. People who live out in the county have a 90-gallon container with one pick up per week.

Fire Department

Mr. Adrian Garcia, Fire Chief reported on the Fire Department budget. Chief Garcia stated that the departments strategic vision is dedicated to the improvement of professional emergency services in our community through continuous public fire education, fire prevention code enforcement, emergency planning & preparedness, fire & EMS response and staff development activities for career and volunteer fire fighters. The mission of the department is to plan prepare and safely respond to fire. Medical and other emergencies and make available public safety education and prevention programs in efforts to protect our community because we care. The department is responsible for fire operations, EMS operations, Fire Marshall Office, Kingsville Volunteer FD, and Office of Emergency Management. The values of the department are professional excellence, health & safety, diversity, teamwork & shared leadership, effective communication, integrity, community service & involvement, and innovation. Chief Garcia went of some of the goals and objectives for the department. Performance measures for the department are measured in call volumes. EMS received 2746 call is in 2017, fire calls were 581 for a total call volume in the two was 3327. The department's averaging responds time is about 4 minutes and 35 seconds. Some of the departments accomplishments include Station 1 improvements in the way of dorm renovations, restroom/shower repairs, security fence, and concrete departure zones. Other accomplishments are fleet replacements of engine 2 and MICU. Garcia that other accomplishments, the department did pass the Texas Commission on Fire Protection State inspection with flying colors. Just renewed their EMS provider license. They implemented their consolidated dispatch and replaced FD radio equipment. The department has also placed AED's at city buildings. Operational improvements include increased minimum staffing from 7 to 8 personnel and increase frontline units from 3 to 4 units. By going from 3 to 4 units it will allow us to keep a structural engine and ambulance on either side of the railroad tracks. Because we are running on a minimum of 8 we are able to staff those as well as an opportunity to make sure that when

we do respond to a structural we have at least the two and two out to begin offensive operations once we get everybody on scene. Garcia spoke about Training accomplishments which include 2 fire officers 1, 3 fire inspectors, 1 driver/operator, 2 EMT paramedics, and 2 KVFD fire fighter IV certified.

Commissioner Lopez asked that the frontline units, there is one ambulance on the westside and one on the eastside, she thought they had three ambulances.

Chief Garcia commented that they still have three.

Commissioner Lopez asked where the third one was located. Chief Garcia responded that the third one is located at Station 1 as a reserved ambulance. Commissioner Lopez further asked if staff was still running the third ambulance. Chief Garcia responded that he does not have the staffing to run it in the frontline. Commissioner Lopez further asked what staff is doing when they receive a third call. Chief Garcia responded that at that time staff reaches out to their mutual aid and call in a private ambulance to cover and run the first responder program utilizing their engines. Chief Garcia also commented that some future plans are to upgrade their first responded program going to ALS engines which will add additional medications and provide the ALS medical treatment. He stated that this is a process and needs to be taking one step at a time.

Chief Garcia stated that he was going to continue to evaluate and identify the best way to respond, but this is giving them the equipment on both sides of the track and the response. Garcia mentioned the 2018-year focus. The focus is to increase overall staffing, reorganization, improve the Fire Marshall's Office inspection rate, talk about a private ambulance ordinance, and fleet replacement. Garcia stated that the department is currently on the sixth round of the SAFER Grant, these meaning that we have not been rejected. Over the past 30 years, call volumes have increased but staff has remained the same. If the department receives the SAFER Grant, the department will be able to hire three fire fighters which will be one per shift and meet the departments goal and this will increase their overall shift from 10 to 11 which will give them a one three-man company. The SAFER Grant will cover the first and second year 65% and the third year 25% and the fourth year, the city will be responsible for the whole 100%. If the SAFER Grant does not come through, one of the changes within the budget is that they are asking to hire one fire fighter and slowly increase over the next three years in order to get to 11.

Commissioner Garcia asked if the shift personnel overtime and not overtime pay.

Chief Garcia responded no. He continued by discussed his organizational chart for the department. One of the things he has been working with on with KVFD Chief Rick Salinas is unifying the department resources. One of the things the department faces is that there is two separate entities that are still responding to the same fires which creates some safety issues and accountability issues. Garcia stated that they feel that there is an opportunity to bring the two departments back together where they can start operating under one set of SOP's and unify their training. If this is done, KVFD will become a division under the Fire Department. Chief Salinas would oversee the KVFD and manage their own proceedings and the other things that they do now. The only difference is that when it comes to operational issues, everything will run through the chain of command. Other focus is on the Fire Marshall Office inspection rate. This office has a 38% inspection rate for FY 2016. The fire prevention code states that we should do 100% rate inspection, which for one person it is very challenging. The city has over 800 businesses and growing everyday with more businesses coming to Kingsville. After an extensive evaluation, they were able to get it at 47% inspection rate for 2017 of which their goal is 50% and is confident that they will be able to get that additional 3% this month. Garcia stated that they implemented a company inspection program. What this program means is that fire fighters, lieutenants, captains that are inspectors on duty, are assisting the Fire Marshall. They go out and do some of the overall inspections, not big stuff such as fire sprinklers, fire alarms, but they are going out and doing the smaller inspections for businesses. This is the reason for having three fire inspectors certified this year. The other thing being used is technology. Five years ago, the fire department purchased emergency reporting system software. Within this software it has a module that has occupancy and inspections that was not being utilized. A lot of training has been done and pilot programming and have gotten to the point now where they are piloting it out into the field now. The other thing that was purchased was two iPads. One thing that is helping them is that their current process is all done by paper, and when you go out into the field the inspection is done on paper then go back to the office and retype the same document then go back out to the business and have them sign then fax it, email it, or hand deliver to the Planning Department. With this software you are able to fill-in the same document and upload them to the software and take it onsite. You are also able to take pictures and upload them, they then sign it and submit it to the occupant and Planning Department gets whatever they need. Some of the things that are being proposed for 2018 is to hire a part-time customer service representative which will be able to issue the permit, take payment, and schedule the inspection through the ERS Software. Also, being proposed is the use of remote payment for fire inspections, and FMO Inspection Guide. The private ambulance ordinance, this is

an ordinance that has fallen off track. During this past year, it was realized that this was something that was his responsibility, so he is in the process of implementing the program. He stated that he has conducted a stakeholder meeting and in the process of revamping the program and aligning the ordinance to the program. Garcia commented that he is still trying to find ways to make sure that we are able to enforce the program. As there was only one person doing inspections, he is trying to enforce the ordinance as well. The ambulance inspection form has been built into the ERS software, so now it is digitally where they can go out and do these inspections. This will be something the part-time representative will do as well so when ambulance agencies come in, they can submit their application it can be implemented into the system where they can capture owner's name, address, and other contract information. Garcia stated that the software sets reminders as well, so when their expiration date is coming up, it will staff that a particular inspection is coming up for a renewal. Some of the other things they are wanting to implement is because they don't have enough people to go out there, the individual doing the inspection is also an engineer and part of operations, so he doesn't always have a lot of time to go out and hit a lot of these places. He stated that they are going to utilize all of the fire fighters and anyone that can assist them. One of the other things that will be done is the department will be having compliance stickers for every ambulance that passes inspection. Each compliance sticker will have a unique number that will be added to the inspection form. These will be stick on one time, so if you remove it not going to be able to use it for any other year. Assorted color stickers will be obtained to distinguish that year for the inspection. The other thing the ordinance requires is that every driver attendant that works for these companies will have to register with the City. This will allow the city to know who they are and make sure that they aren't a felon. Each driver attendant will receive an ID, issued by the city, that states that they are registered through the City of Kingsville. Garcia stated that his department is partnering up with the Parks & Recreation as they have purchased an ID printer that is not being utilized and will be loaned to the Fire Department and get this program going. The ID Cards will also be color coded as well.

Mr. Garza stated that staff will be looking at making changes to the ordinance as some things on the ordinance that don't make sense such as charging private ambulance a fee for traveling city roads. The intention is not to eliminate the ordinance but simply revamp it to work for both the city and the private ambulance companies.

Commissioner Garcia asked if the city currently has a fee that is charged to private ambulances.

Chief Garcia responded yes.

Commissioner Garcia stated that he has heard complaints about individuals that when they get picked up by an ambulance, they give insurance information but is never processed. Garcia commented that he is not sure if this is being done through the city's ambulance service or private ambulance.

Chief Garcia commented that he will look into this, as the city's ambulance service is done through Intermedix.

Mrs. Alvarez commented that if it's done through a private service, the city has no control how quickly the billing process can get done.

Commissioner Garcia commented that he would like to remind the Commission that one complaint is too much.

Commissioner Lopez commented that she was the one that brought up the private ambulance fee that wasn't being charged. She stated that staff needs to make every effort to make sure that they are in compliance and that our staff is in compliance as well, as we know what we have but don't know what's out there. Our citizens that are being transported need to be sure that they receive the service that they are supposed to get. She commented that there was incident where they scheduled for an inspection and what they were doing was borrowing equipment from each other in order to pass inspection. This is a big red flag for the department. Lopez recommended doing surprise inspections, and she is aware about the staffing of the department, but we need to think about our citizens.

Chief Garcia commented that this is why it is important to revise the ordinance and close those gaps as well as use the stickers and utilize existing staff to catch those that are out of compliance. He stated that staff will do random inspections as well.

Mr. Garza commented that it will obviously be very difficult to foolproof that, because if someone wants to scam the system, it may be difficult to catch that.

Chief Garcia commented that his staff is trying to make this as foolproof as possible and that we are doing right.

Commissioner Lopez commented that she is only thinking about the citizens and their safety.

Mr. Garza went over the document he provided the commission regarding some of the budget changes for the Fire Department. Under private ambulance permit there is \$5,000 in anticipated revenue due to the ambulance inspection program. There is also \$330,000.00 for other income lease purchase, which is a financial recording for equipment that was purchased this year. Under salaries and overtime, there is a significant change as the original budget for 2016 was \$1,430,000.00 and the proposed amount for 2018 is \$1,537,367.00. This is because after the processing and evaluating the financials money was placed under this line item which was really meant to be used for overtime. Once numbers were looked at, staff decided to move that money to overtime. Garza stated that for the rest of the budget, there are no other significant changes.

Commissioner Lopez asked if staff was still doing callbacks.

Chief Garcia responded that callbacks are being done only on major events such as what happened during the downtown fire on July 29th.

Commissioner Lopez asked if this is the reason why the third ambulance is not running, as callbacks are not being done.

Chief Garcia responded that when this was being done, they were shutting down a structural vehicle. He stated that they were shutting down one vehicle or another as they weren't able to run everything, it was a total of three units. Now they are running four units, two structural and two ambulances. Before there were times that if you ran three ambulances, you were leaving the City unprotected for fire, because you would have all of the staff on ambulances. Garcia stated that he is trying to keep a balance.

Commissioner Lopez asked that if those running the third ambulance be the callbacks.

Chief Garcia responded not all the time.

Commissioner Lopez stated that this is why she is asking, is staff not calling people.

Chief Garcia commented that it's not being done the way the system was running before.

Commissioner Lopez commented that she knows that in the past the money collected from billing was used for the overtime. She further asked what is the money being used for now if it's not being used for overtime which was being used for callbacks.

Mr. Garza commented that this money is going into the general fund budget. The Fire Department is not an enterprise fund so anything going through general fund comes back to general fund.

Commission Lopez asked if staff was doing callbacks and needing that private ambulance service.

Chief Garcia commented that they are using the callbacks but being done differently. Instead of calling for every single call that comes in, like it was done before, now they are calling for major incidents, major accidents with entrapment, structure fires and mass casualties. If there is a critical call that requires additional people, the Captains on duty have the authority to call in for additional assistance.

Commissioner Pecos asked if we are lucky to get the three-additional staff, will the department reduce overtime.

Chief Garcia responded that as he didn't have data before to be able to compare it, he is unable to answer this question. He stated that over the past five years, he was able to obtain some information there was a 40% increase in overtime with just doing callbacks on a regular basis. Chief Garcia commented that the key here is increase service and quality for our citizens. He stated that now he is capturing that data now and able to identify drivers which was implemented in May. He stated that over the holidays, one thing that he noticed that there is some leave that is not being utilized correctly. He will be working closely with Human Resources to see if they can change the policy to try and reduce the overtime.

Debt Service Fund

Mrs. Balli stated that fund 11 is the general fund debt service. This will show that we have revenues of \$1.2 million dollars which is from property taxes which are generated from I&S rate allocation of the total tax rate, which in the budget is proposed at .15165 of the \$.84220 tax rate. Expenditures are \$1.5 million and the reason for the revenues being less than the expenditures is because we are using part of our fund balance to pull that down and for fund 87, Solidwaste Capital Projects, we are not transferring that money from that fund because we are going to allot the buildup of that fund to pay that debt service payment which is \$124,450.00. The other thing done this year is drawing down the fund balance further and using \$150,000.00 in fund balance also to allow our M&O tax rate allocation to be larger where it gives our property taxes in the general fund. Because we had \$702,000.00 in the fund balance at the beginning, we had that capacity in order to be able to use the fund balance to pay some of our debt service fund so that we could generate more tax revenues in general fund. In Utility Fund, in fund 12, the revenues and

expenditures are identical, this is due because all the funds that have debt service they pay into fund 12 the amount of their debt service. This is an in and out and don't collect any other additional revenues for this. The estimated ending fund balance is \$334,000.00 which remains constant. Balli commented that we don't have the same capabilities that we do in the general fund debt service to offset some of that other funds transferring in, so it needs to stay that way.

Mr. Garza wrapped on the budget workshop. He would like to for Commission to give staff some direction on a few items. One item is the request for additional money for City Commission travel & training. Some of the fees that were discussed would also need some direction from the Commission on whether they support the changes or not support the changes. The change in the fund balance for the general fund to keep it at 25% is another item that needs direction from the Commission. Currently the utility fund is dropping the fund balance to 20%, so staff needs clear direction if that's ok.

Mayor Fugate commented that he would like to start with the reserve rates, fund balance. He commented that he can't speak for the Commission, but he doesn't have any objections to what is being proposed by keeping the general fund at 25% and dropping the utility fund to 20%, but this is a short-term solution as staff will have to come up with a long term plan as it will come with the fees.

Mr. Garza responded that this was correct, and the City Commission will have to support those changes.

Mayor Fugate continued to comment that the Commission needs to reflect on this and have the fee schedules.

Mr. Garza stated that on the fee schedule, the increases to the tapping fees, the increase to the adopt a truck, the funding that will be generated by those increase was not taken into account in the budget. Staff did not want to the budget to depend on those fees needing to be approved. The one fee that is dependent on the budget being balanced is the stormwater fee which is the increase from \$1.25 to \$2.25. Garza stated that the direction for that fee needs to come from the Commission, the other fees, staff and the Commission can continue to dialogue on those fees.

Mayor Fugate asked if the city had a study done and the recommendation was to raise that stormwater fee but we missed the opportunity.

Mr. Garza responded that this was correct.

Mayor Fugate further commented that this fee needs to be adjusted but there is also a lot of other things that need to be looked at including at the insurance as well. Fugate further asked if staff needed to have an answer before the budget is adopted.

Mr. Garza responded that staff would definitely need an answer for the stormwater fee as the budget is built on that.

Mayor Fugate asked that if the Commission makes a decision now, could it potentially be a violation of the open meeting act?

Mrs. Alvarez responded that the Commission will not be taking a vote, but each Commissioner can express their preferences, then the City Manager can get a consensus what the will of the Commission is without the commission taking a formal decisionary action.

Commissioner Lopez asked about the stormwater fee that missed last year, was that the only year that was missed?

Mr. Garza responded that it was scheduled to increase in 2015 and 2016, but of those years were missed. It was adopted at a \$1.25 in 2013 and has been that ever since.

Commissioner Pena commented that they weren't missed, they were voted down, based on the matrix presentation that was presented to the Commission in the past.

Commissioner Pecos commented that whenever the city applies a fee it's more like a tax to him. But he is aware that those monies are needed in order for staff balance the budget. Going from \$1.25 to \$2.25 in the stormwater fee, and when you look at your water bill all the fees that are charged is in there. The consumption of water is less than anything else on that bill, so he is reluctant on the increase, but it's something that is needed therefore he is in favor of the increase. Pecos commented that he wishes this was done two years ago as it should have been done, which could have been done in small increments, but it wasn't done. Pecos commented that he is in favor of it and doesn't feel that we have any other choice than to do the increase. He commented that the tax payers will not like this and the Commission and staff will receive some concerns from citizens. Staff will have to explain that for two years they hardly paid anything and it's unfortunate that now they are being charged. Once again, Pecos stated that he is in favor of the increase.

Commissioner Lopez commented that after being told that they voted it down and she thought that they had missed it. Lopez commented that she is not in favor of the increase.

Mayor Fugate commented that the city is not meeting its financial obligations right now.

Mr. Garza commented that the payment is \$300,000.00 and the revenue being brought in is \$225,000.00. So, if nothing changes the difference would come from the Utility Fund and as we aware, it has its own issues.

Mayor Fugate commented that he would support the increase.

Commissioner Garcia stated that it's a user fee and at least we know where the money is going to go to. It's obvious that we need to build a fund or were going to be short as has been stated by staff. Whether they voted down as the matrix before, the matrix is one thing and reality is another. The reality is that we are short on funds. Garcia commented that he is in favor of the increase. He knows that the tax payers will be displeased but they will understand.

Commissioner Pena commented that if we don't do it today, it will need to get done sometime in the future or the city will continue to fall behind. He stated that he voted it down last time, but he agrees with the other Commissioners and need to move forward. Pena commented that he is in favor of the increase.

Mr. Garza commented that all the other fees that were proposed on not dependent on balancing the budget. Those other fees can be discussed at a different time during the year.

Mayor Fugate commented that this Commission needs to come to a consensus on the Health Insurance Plan which is a critical subject. He further commented that he expects to see both of those issue on the agenda no later than November 2017. This includes rates on the Utility side and health insurance. It is important for staff to address those two issues.

Mr. Garza commented that staff will have workshop from now until then to provide progress updates and make sure that it's a combination product.

Mayor Fugate commented that he tells people all the time that he invites them to look at the budget, which is available online. It will show that the city doesn't have enough people to do what is needed to be done. Fugate commented that there isn't a lot of cushion in this budget. With things costing more today than they did yesterday, the city needs to keep up with it and make some hard decisions.

Commissioner Pena commented that on the fee schedule that was proposed by the Mr. Donnell, Public Works Director, should be acted on. It shouldn't be put off as it's additional revenue for the city. Pena further commented that Mr. Donnell has provides some comparisons with other cities on these fees and showed how our city is falling behind on these fees as well. Now if staff wants to be specific about some of the proposed fees, such as the one that Commissioner Lopez was concerned about, adopt the truck.

Commissioner Lopez commented that her concern regarding the other fees is the increase of the adopt of truck.

Mr. Garza asked for the Commissions input on Commission training & travel.

Mayor Fugate commented that the decision would be between the amounts of \$5,000 or \$6,000 per commissioner.

Mr. Garza commented that the budget already has it to increase from \$4,000 to \$5,000 per commissioner. But there was a request for an additional \$1,000 per commissioner.

Commissioner Pena that this would be an increase of \$10,000 for all five Commissioners. Last year it was at \$4,000 per commissioner and now we are talking about \$6,000 per commissioner.

Mr. Garza stated that this was correct.

Commissioner Pena further commented that it was erroneously put into the budget a \$5,000 increase which it is a \$10,000 increase.

Mr. Garza responded that what's in the budget is only \$5,000 as it is an additional \$1,000 per commissioner which is \$5,000 total. He further commented that it's not in the proposed budget overall being \$10,000, it would be \$10,000 if there is consensus to increase it another \$1,000.

Mayor Fugate asked for the Commission comments on the issue of the Commission's training & travel budget.

Commissioner Pena commented that consistently for the last five years, he doesn't do out of state travel and doesn't need all the money he has in his budget. Some of the other Commissioners do more travel than he does and doesn't believe that he needs as much education as some of them do. Pena stated that he would like for the amount to stay at \$4,000 per commissioner. He commented that the City of Corpus Christi has an amount of \$3,000 per Commissioner. He commented that he has asked the City Manager to do a comparison on that, but it wasn't done.

Mr. Garza commented that he wasn't able to find some of those details as a lot of these budgets are grouped.

Commissioner Pena stated that his recommendation is to stay at \$4,000 per Commissioner.

Commissioner Pecos commented that if Commissioner Pena wants to reduce his budget, he can do so. Pecos stated that he wants the increase because he wants to attend these conferences for professional development, therefore he is in favor of the increase.

Mayor Fugate commented that the Commission knows where Commissioner Garcia stands on this issue. He further asked Commissioner Lopez for her comments.

Commissioner Lopez commented that she agrees with Commissioner Pena. She commented that she doesn't need to attend conferences out of state. She has received all the education that she needs. Lopez commented that she is not in favor of the increase.

Mr. Garza commented that with an election in May 2018, and the fiscal year runs through the end of September 2018. With that said, it could be possible that the election could change the Commission.

Commissioner Garcia commented that as far as education, every day we go through life and things change around us every day. Technology improves, different way of thinking improves, society improves and there's no way that he can say that he has all the education that he needs, because of changes that occur around us. To say that he doesn't need to attend conferences because he knows everything or have all the experience that he needs, is not correct. He further commented that he believes in the staff development as stated by Commissioner Pecos has stated. He promotes for staff to continue with their education. Garcia commented that because one receives a diploma or a degree or a PhD doesn't mean that one knows it all, as things continue to change and we have to keep up with change and the only way to do this, is to continue to learn.

Mayor Fugate commented that he took a look at this, and travel has really increased as far as expense. He is not sure that \$6,000 will get you to the National conference and the TML Annual Conference. Fugate stated that it going to come to a point, because of cost, that the Commission will have to pick one to go to if you also want to attend TML Annual Conference. Fugate commented that \$4,000 is not enough and he is willing to go along with what staff's recommendation is, which is \$5,000.

Mr. Garza confirmed that the Commission is ok at the general fund balance staying at 25% and on the utility fund we are ok with it continuing at 20%, however the commission stills wants to rethink it and possibly change it.

Mayor Fugate commented that this is fine and he thinks that the consensus of the Commission is that they want to get these improvements done that the city is committed to, which means dropping it to 20% on the utility side.

Commissioner Pecos asked if that means dropping it from 25% to 20%.

Mr. Garza responded that this was correct. It would free up about \$420,000 for staff to do some projects.

Commissioner Lopez asked if this included streets. Mr. Garza and Mayor Fugate responded that this was only utility fund. Garza continued to comment that we could do that or we can split it and do it at 22% or 23%, but regardless if what we do, staff will work on building it back up to 25%. He further commented that some of the projects that would be funded from this money, can be delayed for a while which it is an option to drop it to 22.5% and the budget can be adjusted towards that. Garza commented that another option is, which is not a popular option to staff, but we are investing money in the renovation of the Municipal Building which is about \$700,000 from utility fund for that renovation. This is not a popular option for staff, but one option is not doing the renovation and keeping the utility fund at 25%, which will give the city the money to do the projects that have been funded. Garza commented that the Commission has heard it for themselves, staff is looking forward to the renovation of the first floor of the Municipal Building, which is why it wouldn't be a popular option.

Commissioner Garcia commented that the third option that was presented to dropping it and rebuilding it, which is what he is in favor of.

Mr. Garza asked if it was the Commission consensus to drop the utility fund and then rebuild it.


Mayor Fugate responded yes.

Mr. Garza stated that on Tuesday, September 5th, there is a special meeting at 6:00 p.m. At that meeting, staff will bring forward the 2nd public hearing for the tax rate, which is the same tax rate we have currently, as well as the official public hearing on the proposed budget and any changes on the budget will also be presented.

Mrs. Alvarez commented that there will be some ordinances that will be introduced at the meeting on September 5th. The budget ordinance will be introduced on September 5th as it has to be in order to be voted on September 11th. The tax rate ordinance will be on the 5th as well.

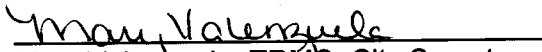
VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:30 P.M.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, TRMC, City Secretary

