

JUNE 20, 2018

**A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON WEDNESDAY, JUNE 20, 2018 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 9:00 A.M.**

**CITY COMMISSION PRESENT:**

Sam Fugate, Mayor  
Edna Lopez, Commissioner  
Dianne Leubert, Commissioner  
Arturo Pecos, Commissioner  
Hector Hinojosa, Commissioner

**CITY STAFF PRESENT:**

Jesus Garza, City Manager  
Mary Valenzuela, City Secretary  
Courtney Alvarez, City Attorney  
Kyle Benson, IT Manager  
Tom Ginter, Director of Planning & Development Services  
Rudy Mora, City Engineer  
Deborah Balli, Finance Director  
David Solis, Risk Manager  
Diana Gonzales, Human Resources Director  
Susan Ivy, Parks Manager  
Cynthia Martin, Downtown Manager  
Jeanine Reyes, Tourism Director  
Ricardo Torres, Chief of Police  
Adrian Garcia, Fire Chief  
Marco Jimenez, Water Supervisor  
Joe Casillas, Water Production Supervisor  
Frank Garcia, Waste Water Supervisor  
Stacie Pena, Accountant Manager  
Pete Pina, Landfill Supervisor  
Charlie Sosa, Purchasing Manager  
Jennifer Bernal, Community Appearance Supervisor  
Linda Miller, IT-Library  
Emilio Garcia, Health Director  
Avelino Valdez, Street Supervisor  
Vincent Murray, Police Officer  
Arturo Perez, Garage Supervisor  
Richard Flores, Golf Course Manager

**I. Preliminary Proceedings.****OPEN MEETING**

Mayor Fugate opened the meeting at 9:00 A.M. with all five Commission members present.

**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, Utilities Billing Update; Police-Communications Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works; Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street*

*Downtown, Chapter 59 project, Financial Advisor, Landfill Update, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation, Demolition Update, Planning Development Update, Golf Course Update, Municipal Court Update. No formal action can be taken on these items at this time."*

Mrs. Courtney Alvarez, City Attorney reported that the next City Commission meeting is scheduled for June 25, 2018.

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

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

No public comments were 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.<sup>4</sup>**

##### **1. Conduct a workshop regarding Goal Setting for the City of Kingsville and consider priority list. (City Manager).**

Mr. Jesús Garza, City Manager commented that it is important for staff and the Commission to come together every year and have a conversation about goals and objectives. The previous two budget years that he has been involved with, wasn't as robust as we will experience this year. Garza further commented that with the items that will be discussed in this workshop, it is important that it be done in a position of information and being informed. As items are discussed, both himself and staff will be giving some input on particular items that may come up during this workshop, in order to catchup the new Commissioners on some of the items that may come up or just simply educate them and provide some background on these items.

Mr. Garza introduced the facilitator for this workshop, Ms. Toby Futrell. Ms. Futrell is an experienced in City Management field. She has over 32 years of experience in Public Administration; 17 of those years she has spent as Assistant City Manager, Deputy City Manager, and City Manager for the City of Austin. Ms. Futrell resides now in the Corpus Christi area and serves as a Professor for Texas A&M University-Corpus Christi.

Ms. Futrell stated that what this workshop is for, is to come into an agreement as a government body on the top vital few priorities that the Commission may have for the next two years. The question is, if you can accomplish three to five things over the next two years, what would they be? Why are we doing it? We are doing because in our form of government, the Commission needs to give policy to the City Manager. By the Commission giving the City Manager their priorities, they are giving him policy guidance on how to use their policy into operations. How we are doing it? She stated that she is using what she calls the 3 D's, Discover, Discuss and Decide. She stated that a little over two weeks ago, they started the discovery process. Each Commission member has facilitated one-on-one questions and answers, where they talked about everything each one of them saw that was necessary in order to make this city's organization a success; but with the focus on what were the three to five priorities that the Commission had for the next two years. She stated that they also revisited the City's Mission and Values.

Ms. Futrell passed out a handout to the Commission titled "Inventories of Priorities". This document is attached as "Exhibit A" to this set of minutes. This is a list of all the

Commissions priorities that were mentioned through a two day one-on-one facilitating meeting with Ms. Futrell. There are eighteen items listed on this list.

Ms. Futrell commented that today is when the discussion begins about the three D's. This discussion will take place one each other as a governing body, on how the Commission can come into an agreement on the three to five priorities.

At this time, Ms. Futrell asked the City Commission to speak on what three to five priorities are important to them and why.

Mayor Fugate stated that his top priority is leakage, as he sees it as the number one problem. He states that if everyone that worked in Kingsville and lived in Kingsville, there would be 10,000 more people. He further states that there is staff that work here but live elsewhere. He stated that a lot of what is listed on the list would help solve some of that. He further stated that civic pride is also important. He as a longtime resident of Kingsville, born and raised, he is very proud of his community. At times, individuals lose this sense, and need to regain it. Fugate commented that this was one of the motivating factors for the new City Hall. The building was an old abandoned school, and anyone coming into Kingsville would say who would want to live here. As a community, these are general issues that we have as a community that need to be solved. Fugate stated that the city does a lot of good things. One of the big issues this community had was housing. Not enough housing was the issue five years ago. Now we have efficient housing. One thing that is under the Commission's watch is curb appeal. Beautification of our community gets done through Code Enforcement, Streets Dept., Animal Control, and quality of life initiatives. Infill is another issue this community has. This is something that needs to be looked into. The other issue is Kingsville Independent School District (KISD). New citizens come into this community and choose not to send their children to Kingsville Independent School District. They choose to send them to Santa Gertrudis Independent School District or Bishop Independent School District. He stated that just in his neighborhood, the children that reside there do not attend Kingsville Independent School District.

Mrs. Futrell commented that she took some notes to make sure that what the Mayor just commented on was actually covered under the eighteen item on the Inventory of Priorities (Exhibit A). She stated that as a question, how can the city help the school district? It is a separate entity, but how can it help improve quality of life. She further asked Mayor Fugate that for number 4, on Exhibit A, leakage through economic development, does he want that to stand alone or is it ok to be tied with building the tax base?

Mayor Fugate commented that those go hand-in-hand, no reason what they can't be tied together.

Commissioner Lopez commented that wages and benefits for the employees, is important to her, as the city needs to keep its employees and not lose them to the oil fields. The city streets in important, especially now. The city can say that they have done so much with streets, but the citizens still don't see any improvements being made. She stated that the city needs to have a crew to focus only on streets and not have them working on other projects that have nothing to do with street improvements. She further commented that the city also needs to focus on the health insurance, which will be an issue that will be coming up in the next few weeks. Staff needs to consider the employees that earn lower wages and consider the cost of health insurance for them. She stated that she has had to meet a \$250 deductible for the last six months, which was tough for her. She knows that employees earning lower wages, will be hard to meet deductibles, if they are raised. She further commented that streets is a big problem. No matter how many streets have been done, the citizens are still not satisfied and stated that the city has to do better. She stated that the city needs to make sure that the streets are drivable. She commented that she is on Facebook all the time and her friends from out of town are always joking about out streets, but she knows they are not. She stated that another goal that she had was building a third fire station on the southside, as that area is growing. She stated that the city needs to focus on that more and go with the NFPA Standards with the amount of employees that are needed. If the city does not have the right amount of employees, it could cause the insurance to increase. She further commented that police is also important. The city needs to see if maybe they are under staffed; public safety is top priority. As for the KISD, she is an employee of KISD and she has just heard that they have received scores and at her school was a four star and there scores were not as good as last years. She stated that a lot of the focus is, well the city needs to have a better communication with KISD Board. She further stated that she had asked a friend of hers if they could join them at the parade honoring Santa Gertrudis ISD Girls Softball Team winning State, and the individual flat out told her no. She commented that all entities in this community need to work together as they are servicing the same people, as they all pay taxes to each entity. She stated that as for economic development, staff focuses too much on restaurants, but she would like to see something for the kids to do; which is another reason why people don't live in Kingsville. There is nothing for the kids to do, which she

is not talking about Parks stuff, as they have good programs for the kids. What she is talking about is things for the entire year. She would like to see a bowling alley in the community, which will give something for the younger age kids to do.

Mrs. Futrell commented that she has noted everything that was mentioned by Commissioner Lopez. There is one item that she did not note on Exhibit A, is improving communication with other governmental agencies.

Commissioner Hinojosa commented that his concern is streets and employees. Streets need to be improved as they are in bad shape. He further stated that the pie is just so big that trying to get the money to fix the street is if the city ask for a bond election. Hinojosa commented that before taking care of the streets, the city needs to take care of the employees. Employee wages need to be looked at as well as have a good health insurance. He stated that these are his two concerns. The third concern is for the city to improve its financial transparency. Meetings need to be televised so that the public can see what the city is doing. He also stated that the citizens need to be informed on how much money the city has and where it comes from. He further commented that there are a lot of things that Mr. Garza will have to do in the next six months, which will be the time when the Commission will be doing his evaluation. Hinojosa commented that the other thing he would like done, is for Mr. Garza to be more involved with the public as well as with Commission. He needs to keep them all informed and not just three of them. Hinojosa commented that at one time, those three may turn around, so he needs to keep all of them informed.

Mrs. Futrell stated she tried to separate some items, such as budget items, such as stronger communication between the Commission and the City Manager. Those kind of issues, she will pass feedback to the City Manager, so that staff can follow-up amongst themselves over the next few weeks.

Commissioner Hinojosa commented that he does not know if the city has any drug problems. He stated that he doesn't see where the city is out there going after the drugs, not only the city but also the county. Hinojosa commented that they are not transparent. Hinojosa further commented that he is aware that only so much information can be let out, but the city is not saying anything.

Mayor Fugate commented that he can state, that as an attorney, he can address some of the comment that was made. Fugate stated that the Kingsville Police Department, through their SLOT Team, they do a lot of work in Kingsville. This team takes down a lot of drug dealers in the community.

Commissioner Hinojosa commented that he is aware that there are certain things that can be said and other that cannot be said, but the public is not informed.

Mayor Fugate commented that another problem that we have here in Kingsville, is how do you communicate; no one reads the Kingsville Record. Fugate further stated that some of the work that the Kingsville Police Department, is work that they don't want any publicity on, as it could be work that needs to be done undercover. Fugate commented that the department does a lot of good work for this community.

Mrs. Futrell commented that once the Commission is done with the roundtable discussion, the City Manager has staff present that can address some of the Commissioners concerns. Futrell also commented that what the Commission is to do, is identify the problem and how you are doing on that problem, which staff can probably answer.

Commissioner Leubert commented that if we don't have our employees, we don't have a city. She stated that the city needs fair cost for insurance. Someone making \$10.00 an hour, should not be paying the same amount as someone making \$100,000. She stated that this can be done, it can be done on a percentage, done on a fair market. She stated that most insurances have employees, employee/spouse, employee/children, and employee/family; which are things that the city hasn't been doing. She stated that this would be one step. She further stated that if an employee is making \$100,000 and that employee is paying a certain amount of money for insurance, and someone else is making \$10.00 to \$15.00 an hour, and they are paying the same amount as someone making \$80,000 to \$100,000, she asked "how is this fair?" Leubert stated that the other thing is fair wages. She stated that they did a really good job bringing up the starting wages up to \$10.00. She further stated that it has already been proven that if you give people fair wages, they will spend their money in their home. She stated that numbers 4 and 9 on the Inventories Priority List go together. The leakage tax base, she knows that economic development is already working on this and there is money going into it, she commented that the city needs a tax base as it is killing the residents. Taxes and fees are increasing as well as monthly payments and it is hurting the residents. Leubert stated that if the city starts with a good economic tax base, this will bring in all different types of businesses. She further commented that the City does have a lot of employees that do not live in Kingsville; with the tax payers paying their wages but they are not helping out themselves, the city. Leubert stated that

as listed number 5 on the Inventory Priority List, animal control. She stated that she spends half of her week working on getting animals out of here so that they are not killed. She further stated that eight animals were euthanized the other day, which may not mean much to a lot of people, but it means a lot to her and a whole lot of others in this community, and it doesn't make the city look good. She stated that in her opinion, the city needs to let the Health Department do their job, which is the septic systems and restaurants. She stated that animal control is now the trend nationwide is standalone. She further stated that the city needs to get someone in there and work with the rescues and assist in getting these animals out of here. Leubert commented on infrastructure. She commented that there are grants and low cost loans that are available that the city needs to pursue them and get them. She stated that she attended a conference regarding grants. There are a lot of grants that are ready for cities to go out and get. She further commented on Code Enforcement. She stated that they are out there doing a sweep now, but it may need to be done more often than every few years, as people are not taking advantage. She stated that there is not one place in Texas or any other place that she may be aware of where the city comes and picks up brush every six weeks as well as white goods. She stated that people move out and dump out all their trash in front of their houses. They are taking advantage of the landlords. Leubert commented that the city is doing the sweep but we also need to make the people responsible. She spoke about infill. She stated that nobody needs to live in a 1,200 sqft house. People can live in smaller homes and still be happy. With the city having some small lots that citizens can place a tiny home and be able to infill those areas. She also commented that Commissioner Hinojosa is correct, the city needs transparency. She stated that the city also needs financial policy as the city is using up its money. She further stated that the members of this community need to want to know this information. She stated that as for KISD, there are things that the city may be able to do, but they are not bad and it is their responsibility to take care of. There are citizens that don't send their children to KISD, but that is their choice. She further stated that the public has to care as well. They should want to know what exactly the city is doing. She commented that the Police and Fire Departments are one of the best. They don't give out to much information, but there is some information that cannot be said.

Mrs. Futrell commented that the comments that were made by Commissioner Leubert sounded like she would like to combine Financial Sustainability and Financial Transparency.

Commissioner Pecos commented that number 2 on the list talks about the infrastructure of the buildings, street maintenance program. He stated that the departments need more staff. The question was where to get money. Everything that has been spoken about takes money. How will the city gain its money, by raising taxes? With economic development, there is an improvement now. What is needed is money in order to encourage companies to come to Kingsville. Pecos commented that the city needs to apply for grants to assist with infrastructure. As for what was mentioned by Commissioner Hinojosa regarding a bond, that would need to be taken to the voters to vote on, which he feels would not be approved by the voters. Pecos commented that the city has some certificate of obligations that need to be paid off. He further commented that the City's Financial Advisor is working on a way to get money that would assist the city to fix things that need to be fixed. With the City acquiring the parks in the past few years, the city has invested a large sum of money in order to make them better for the children of Kingsville. He stated that all the city needs is money in order to fix things that are needing to be fixed. It is hard to do things when there is not enough money to do things. He further stated that inflation is on the rise, which makes it difficult for all communities. With everything that the City would like to do, it all boils down to having the money to do it.

Commissioner Hinojosa commented that the city is receiving \$550,000 from the County. With the County about to receive a good audit report, the city should think about giving the parks back to the County.

Commissioner Pecos responded that if the city returns the parks to the county, most of the parks are within the city limits. If the city wants to improve quality of life, it will not happen.

Commissioner Hinojosa commented that if he recalls it was half and half.

Commissioner Pecos commented that the city was giving \$200,000, for many years which is why they are in the condition they are today. He further stated that the County is hurting right now.

Commission Hinojosa commented that they will be getting a good audit report.

Mrs. Futrell commented that now that the City Commission was able to voice their opinions, where the main comment was that everyone has a price, and there is a trade off when you make priorities. She stated that one of the reason about limiting this from 3 to 5 is that we know the city is not sitting on a huge pot of money. She further stated that the Commission needs to give their city manager a policy guidance showing where

they want him to focus on and what are the commissions strongest outcomes. All cities are struggling with this, between taxes, sales tax, fee base services which is the largest growing city budgets today. Futrell stated that the commission points where taken which is the reason she is asking them to narrow their priorities to give the city manager a fighting chance to bring them a working plan.

Mr. Garza commented that even though the goal is to develop a list of 3 to 5, does not automatically mean that the rest will get ignored. Regardless of which 3 to 5 come out as the top priority ones, does not mean that the rest are irrelevant, it just means that the amount of time that is spent depends on how the pie is split up.

Mrs. Futrell stated that the bulk of the budget is for operations as it is for most cities.

Mayor Fugate asked how specific the commission needs to be as far as their goals for the city?

Mrs. Futrell, commented that the commission needs to tell the city manager are the most important things to accomplish in the next two years. In return, the city manager will then come back in the next steps with options, plan, and what it could look like and what it will cost. It is the beginning part of the discussion that will give the city manager a roadmap. She stated that it is up to the Commission to set the policy and for the city manager to turn that policy into operations and keep the commission informed as he goes through it.

Commissioner Leubert asked that she is looking at all the items that she spoke about, economic development, leakage and downtown, which they spoke about putting those together, which would be number 1 as it will bring in the money the city needs. Number 2 would be infrastructure, which is ongoing but there's the grants and low cost loans. Leubert further stated that number 3 is employees, as we have to have the employees but we can't help the employees without one and two, economic development and infrastructure. She further commented that all the other things that are on the list, they are little things that can be done. She stated that in her opinion, there is a lot of things on the list that staff can do but allow the City Manager to work on the big issues.

Mrs. Futrell commented that this doesn't mean that nothing else on this list happens, or pull away from any of the basic operations. It is basically something where the commission is trying to say that on the margins, where do we want to put our focus time and energy. The City Manager will then come back to the Commission with a very detailed work plan with options so that they know what the cost and what the tradeoff is. Futrell commented that when the Commission votes their 3 to 5, it is not saying that everything on this list is not important, it is saying where does the Commission want to put its focus on.

Mr. Garza commented on that there are some items on the list that may need to be reworded or even removed from the list. He stated that from his perspective, it is important to have some specifics. In an ideal world, there would be additional revenue coming in to be able to add staff or add resources in whatever the priority areas that the Commission would like for staff to focus on. The reality is redirecting resources that would occur, which is why it is important for the policy direction to be specific. He further commented that he will be putting a proposal together for the Commission on how he can communicate better with the public. If there are cost implications with this, the city manager will be sure to mention that to the Commission.

Commissioner Hinojosa commented that he understands that the City Manager is looking for direction and doesn't know how the rest of the Commission feels, but with regards to balancing the city's budget, he would not like to see staff use the fund balance to balance the budget. He stated that this has been done for the last two years. This is his personal feeling, that staff does not need to use the fund balance to balance the budget. He stated that he is aware that staff has a task in front of them, there are transfers from fund A to B to C to D and back to A, stop that and good luck!

Mr. Garza commented that he hasn't been shy in the two and a half years that he has been here about the areas that run in the red. Garza gave an example of a deficit that this particular department brings, the Golf Course. The deficit with the Golf Course is budgeted at about \$270,000. Staff estimates that at the end of this year it will be at about \$340,000 to \$350,000 more or less. He commented that staff budget that utilizing fund balance in order to keep it running. For example, if staff was to bring a budget to the Commission that doesn't account some creativity on how staff moves monies or utilize the fund balance, this would mean staff cutting \$270,000 from the budget, which would be the equivalent of cutting out the entire Community Appearance Division to balance the budget. There would be some significant negative impacts to the operation of the city if staff wasn't creative or trying to leverage savings to continue running the operation. Garza stated that this is the way the city has operated in the past, utilizing fund balance from previous years to assist in the kickoff of the following year. This is not necessarily an uncommon practice, this is how from a management perspective staff determines whether to put a hiring freeze. Garza further commented that if the

policy direction from the entire Commission is to literally provide a budget that does none of what was mentioned which was no fund balance and no creativity with transfers, it's going to mean a severe reduction of services of what the city currently offers. If this is the policy direction from the Commission, this is what staff will do.

Commission Hinojosa commented that he understands that staff has a hard job, but another thing that he has heard is that the city is top heavy on the city employees, which is all he is going to say at this point, until staff goes through the budget process.

Mrs. Futrell made some comments that were not picked up on the audio as she stepped away from the microphone.

Mayor Fugate commented that he understands Commissioner Hinojosa's concern regarding using fund balance. With the City just going through an audit, the auditor gave the city an A+. The city did not receive any demerits and it is in good financial stability.

Commissioner Hinojosa's response was that this can be done. You can still transfer money and receive a good audit report. Hinojosa further commented that he is worried about the future.

Mayor Fugate commented that the city complies with all the requirements of a government. There are sufficient funds in the reserves and the city is financial stable. Fugate further commented that this city doesn't have the problems that some other local government entities may have.

Commissioner Hinojosa asked how long is the city going to continue to do this.

Mr. Garza commented that he hasn't been shy about communicating to the Commission about accounts being in the red. With the presentation that was done on the 10 year CIP Plan that was done at the last meeting, which was provided to Commissioner Hinojosa as he wasn't present at that particular meeting. Part of that is to continue the conversation that ultimately is going to revolve around revenues in the utility fund as it will be the only way to close that gap. He commented that he would like to clarify on the difference on what is budgeted and what actually happens. For example, if staff budgets, utilizing the city's reserves, doesn't necessarily mean that the city ends up utilizing that reserve. When the auditor comes in and audits the city's financials, he is basing it off of true information which is why, whenever the city goes through its audit process, he comes back and reports that the city's fund balance is at 30% or 32%. Even though it was budgeted at 25% in the general fund and now at 20% in the Utility Fund, it doesn't end there because in the actuals, the city doesn't really spend that much money as it is suggested. When the city goes through the budget process, it is a guess, but it doesn't necessarily end up ending up the way it was budgeted as there is a difference where the city ends up at the end of the year.

Commissioner Hinojosa commented that this is correct, as it was budgeted \$7.6 as a loss and staff came up \$1.3 in the General Fund, which is what the audit report states.

Mrs. Deborah Balli, Finance Director commented that the \$7.5 is not just general fund. It was every single fund which included the CO projects which will always be a negative for those types of funds; so it wasn't just for general fund.

Commissioner Hinojosa commented that he understands this and the budget is just a guess, but once it's in the budget, we tend to spend what's in the budget, which is controlled by us. He further commented that when you budget something it is there for you to spend as it has been approved. He stated that we don't give our self some time to see if the revenues are coming in because we are making budget amendments right after the Commission approves the budget, such as last year. He stated that to him, if you have a budget, don't mess around with that budget. Wait until at least six months before making any adjustments, but it's easier said than done.

Mayor Fugate commented that he disagrees. The Commission can't limit the City Manager to six months and not allow him to move monies around. If it is justified, it needs to be done.

Commissioner Hinojosa commented that this is why you have a budget process. You can discuss all these items during the budget process.

Mayor Fugate commented that there are a lot of things that are unforeseen that come up and the City Manager needs that flexibility.

Mrs. Balli commented that there are some budget amendments that have to be done right after the budget is adopted which are for projects that need to be rolled over as staff doesn't know where they will end up, specifically at the end of September 30<sup>th</sup>. Staff may have undershot on the budget because they thought it would be done on the previous year, but didn't; now staff has to roll the project information over to where it will be spent now in the next fiscal year. Balli stated that there will always be a budget amendment for rollover projects at the beginning of the fiscal year.

Mayor Fugate asked that the last two years, has there been budget surplus's at the end of the year?

Mrs. Balli responded there has been surplus's.

Mayor Fugate commented that he is happy, although the city could be more transparent. He further commented that he disagrees about the public. If the public really wants to know what's going on in city government, it is there for them. If they really want to know they can attend the City Commission meetings or go to the city website as everything is there for the public.

Mrs. Futrell commented that budgets are a professional guess. You don't know what your revenues are going to be and you don't know what your expenditures are going to be when you build that budget.

Mayor Fugate commented that when he first came into the city, he realized that building a budget for a city, there is a lot of stuff out there that is the unknown. He further stated that it would be remised as the responsibility of the Commission to restrict the City Manager from being flexible on how he finances the city, in his opinion. He further commented that maybe we need to be more transparent, which is fine, but we have to let him do his job.

Mrs. Futrell commented that the Commission's starting place is where the Commission understands all the changes that are happening and then go from there.

Mr. Ricardo Torres, Chief of Police made a quick PowerPoint presentation on the crime activity in Kingsville. In a period of five years, since 2013, there have been 180 drug related arrest. The report will show that males ranging in ages 18 to 25 are the drug users which proves historical across all five years of the data. There has been an increase of arrest in the last five years because of the particular techniques that the interdiction officers have brought into the city and using in the city when they make contacts while out on the field. He further showed graphs showing arrest in the past 5 years. Torres stated that most of the arrest are either domestic or drug related arrest. Drugs that are trending in the city are synthetic marijuana, cocaine, zanix, heroin and other high narcotics. The fastest growing drug that is being used in the community is crystal methamphetamine. There is one arrest per day involving crystal methamphetamine. He stated that up to six months ago, the department had not seen any methamphetamine. He stated that there is some information that cannot be released to the commission or the public due to the profile of the case.

Mayor Fugate asked how many of the arrest are done on the highway as oppose to in town.

Chief Torres commented that the majority of the arrest dealing with drugs are done in town, at least 98% of them. They do get some arrest on Stonegarden and Borderstar, but they work particular operations with that where they actually turn in reports to their partners from the State so that they can continue to receive funding. He stated that \$96,000 and \$200,000 a year is what they receive from Stonegarden and Borderstar. Torres displayed the crime rate from five years ago to now. He stated that the city is 45 points less than the US average for the crime index; he commented that this is a safe community.

Mayor Fugate commented that the SLOT Team do a tremendous job in the community on drugs. They have a system in place where they start in one place and go a long ways in other cases. Fugate further commented that Kingsville is a safe city and it is all due to the hard work that out law enforcement does for our community.

Commissioner Hinojosa commented that he is aware that the Police Department is doing a good job, he just wants to be informed as to what their activities are. He stated that he understands that not much information can be told, but the information that can be told, is what he would like to know.

Commissioner Leubert commented that a lot of this information cannot be told to the public as they will begin to panic. She stated that if you do go out and catch a litter everyone in a while, you will get all the publicity you want, as people are happy about that.

Mr. Garza commented that on the monthly progress report there is some data on violent and property crime that goes back five years, which gets updated every month. Information on drug related crime can be added to this report if this is something the Commission would like to see.

Mrs. Futrell stated that the Commission will be voting on what they feel is most important to the community.

Mr. Garcia stated that it is not a surprise that street and infrastructure are a priority. Garza gave a quick background on street and infrastructure and how we got to where we are now. He mentioned that with the street user fee that our residents pay. The program started in 2013 by the previous City Engineer. An assessment of all the streets



was done by grading them as poor, fair, good. There was a very specific system that was used to develop the plan five years ago. This plan was inclusive of several things such as complete reconstructions, sealcoats, overlays, and rejuvenations. The plan that we have in place touches all these four ways on how to maintain a street. This is something that the Street Division is tasked with. Garza stated that on the monthly report, there is table showing all the streets to be done each year as well as their progress with each street. Due to the budget, staff has looked at the list to see which streets will be tackled this upcoming fiscal year. Garza commented that there is a plan in place but the challenge of it is the implementation of the plan that staff is working through. He commented that recently staff put out an RFP to have someone on board to supplement the efforts of the Street Division. This RFP closed yesterday and received two bids, which staff will be reviewing soon.

Mayor Fugate convened the meeting into a ten minute break at 10:32 a.m.

Mayor Fugate reconvened the meeting at 10:45 a.m.

Mr. Garza commented on the drainage master plan done by Kimley Horn. He stated that where we are today, after the hundred year flood that occurred two years ago, staff made a recommendation to the Commission to utilize some of the drainage funds to fund a drainage master plan. The purpose and intention of the drainage master plan was to identify several locations across the city that collectively through a public engagement process and conversation with the Commission were the areas that were impacted the most and necessitated plans. Garza also said that the benefit of us having the plan give the city the opportunity to apply for grants from the State. Garza stated that Kimley Horn will be making a presentation to the City Commission in the next month or two. He stated that one of the areas that is being looked at is the Circle Drive area off of Carlos Truan. Garza went on to show what the plan would look like.

Mr. Rudy Mora, City Engineer spoke about the plan graph that was displayed for the City Commission. A copy of this plan was not given to staff.

Commissioner Hinojosa asked if staff would be able to use monies from drainage to fix the street?

Mr. Garza commented that presently staff uses the money from drainage funds for curb and gutter and has also utilized this money for concrete streets. Garza further mentioned things that were listed on the priority list, such as the Animal Shelter. The Animal Shelter, the City has the agreement with the County, which the city is not the only entity that would be able to move things around within this department as it would necessitate potential changes to the agreement and working with the County on any changes that may need to be made. Any changes wanting to be made to the Health Department and Library would also need to be taken to the County, as both entities fund these two departments.

At this time, Mrs. Futrell asked for the Commission to vote on their top five off the priority list. List is attached as "Exhibit B".

Mrs. Futrell commented that the Commission all voted on almost the same five priorities. She went over each one, but her comments were not picked up on the audio.

The Commission's top five priorities were infrastructure, tax base, employees, code enforcement, and quality of life.

Mr. Futrell commented that she will do a summary of what transpired during today's workshop and will forward that information to the City Manager. The City Manager will then build a two year plan dealing with their five top priorities.


Mr. Garza commented that some of these issues are issues that staff is already working on. It is important for himself to put something more specific in writing for conversation with the Commission to make some of those recommendations on some of the items. There are some items that he can work on a work plan that can be done quickly, but there are others that may take a little longer. As staff will be working on the budget process, some of these items will be kept in the forefront which will help him on how to adjust the budget and how to restructure the city. Garza commented that while going through the budget process, he will be having conversations with the commission on the objectives that the commission has listed as their priority and tie in the recommendations into the budget and how they correlate to these items, therefore creating synergy between the policy direction from Commission and the options in the proposed budget that staff is looking at putting together.

Mrs. Futrell thanked staff for inviting her to do this workshop.

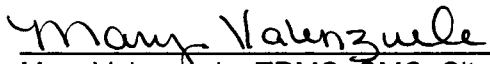
Mayor Fugate thanked staff for being at attendance at this workshop. He further thanked the City Manager and Commissioner Hinojosa for putting this together. He commented that the Commission as a whole is looking at what is best for the community. Mayor Fugate thanked Mrs. Futrell for facilitating this workshop.

## VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 11:05 A.M.

  
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Sam R. Fugate, Mayor

**ATTEST:**

  
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Mary Valenzuela, TRMC, CMC, City Secretary