

JULY 30, 2018

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JULY 30, 2018 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 6:00 P.M.

CITY COMMISSION PRESENT:

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

CITY STAFF PRESENT:

Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Tom Ginter, Director of Planning & Development Services
Bill Donnell, Public Works Director
Rudy Mora, City Engineer
Emilio Garcia, Health Director
Deborah Balli, Finance Director
Derek Williams, IT
Michael Krueger, Municipal Court Judge
Robert Rodriguez, Library Director
Pete Pina, Landfill Supervisor
Diana Gonzales, Human Resources Director
Susan Ivy, Parks Manager
Cynthia Martin, Downtown Manager
Ricardo Torres, Chief of Police
Adrian Garcia, Fire Chief
Vincent Murray, KPD Police Officer
Sharon Shaw, Collections Manager
Monica Longoria, Administrative Assistant
Jessica Montalvo, Health Department
Jason Torres, Health Inspector
Charlie Sosa, Purchasing Manager

I. Preliminary Proceedings.**OPEN MEETING**

Mayor Fugate opened the meeting at 6:00 P.M. 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)**Special Meeting – June 20, 2018****Regular Meeting – June 25, 2018**

Motion made by Commissioner Leubert to approve the minutes of June 20, 2018 and June 25, 2018 as presented, seconded by Commissioner Lopez and Commissioner Pecos. The motion was passed and approved by the following vote: Lopez, Hinojosa, Leubert, Pecos, Fugate voting “FOR”.

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, 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, Monthly Performance Report. No formal action can be taken on these items at this time."

Mrs. Courtney Alvarez, City Attorney reported that the next Commission meeting is scheduled for August 13th with the deadline to submit agenda items on Friday, August 3rd. She also reminded staff that there is a scheduled Agenda Review Meeting on Tuesday, July 31st at 11:00 a.m., for staff to discuss any items for the upcoming Commission meeting.

Mrs. Deborah Balli, Finance Director gave a brief presentation on the Investment Report and Quarterly Budget Report. Mrs. Balli reported that on the Quarterly Budget Report, the Finance Audit Committee met on Tuesday, July 17th where they went over the quarterly report. In the quarterly report, the general fund revenues it is running at 78.77%. The third quarter is at 75% of the fiscal year, which makes the city right on trend with general fund revenues. The \$15.7 million is higher than last year, at the same time as last year it was \$14.8 million. Balli stated that the overall revenues is running at 81.32% making above the 75% level and the overall expenditures is at 63.43% which is below the 75% level, so overall, the city is doing well.

Commissioner Hinojosa commented that one of the reasons that the city is at the 81% is because of the \$924,000 that was received on the seizure fund and asked if this was correct.

Mrs. Balli responded that this was correct.

Commissioner Hinojosa continued to state that there is \$924,000 versus the \$15,000 budget, which is why the city is at 81%. Hinojosa stated that he had met with staff earlier in today and last week with the City Manager and City Attorney, and he expressed his concerns on the way the sales tax was being reported on the quarterly report. He commented that he can see where staff is coming from but he doesn't agree with it. He stated that he had had a discussion with Mrs. Balli that hopefully during the budget process staff can discuss it some more. Hinojosa commented that Mrs. Balli had mentioned that she could change it to reflect the way he wanted, do it both ways. He further stated that it could wait until the budget process is done and it could be discussed at that time. He also commented that on the fund balance, staff is using the budgeted amount versus the actual.

Mrs. Balli commented that this is what for what is in the report and it is clarified that way as well.

Commissioner Hinojosa commented that he is aware of this, but they are discussing the fund balance on the insurance fund where it shows \$556,000 as fund balance but if you go to the actual, it comes out to \$938,000. He stated that maybe during the budget process, they can discuss the format in which these reports are presented.

Mrs. Balli commented that on the sales tax that Commissioner Hinojosa is alluding to is the fact that, for the quarterly report it is reported on a cash basis, based on when the revenue is actually when its received versus when its earned. At the end of the year, we always suggest for it to show what's earned rather than when its received. Balli stated that it is really confusing to report this on a regular basis as people know that the city receives sales tax every month. If it is reported based on when its earned, the first quarter only reports one month of revenues. This is a misleading for those who don't understand accrual versus cash based accounting.

Mayor Fugate asked how long has staff been doing like it is being done now.

Mrs. Balli responded, that for as long as she has been here, it's been done this way; almost five years.

Mayor Fugate also asked if this is an accepted accounting procedure and is it a preferred method for accountants?

Mrs. Balli responded yes. This is just for report purposes. It's just a matter on how you would like to show it to your residents and what makes sense to them.

Mayor Fugate commented that why would anyone not want to do something that is a preferred method.

Commissioner Hinojosa commented that to him it is misleading as it is including two months from the previous year and comparing to the budget. He further stated that at the end of the year it all evens out, but during the quarterly reports it is not even.

Mayor Fugate stated to Mrs. Balli, that she just needs to continue doing it the way she has been doing it. She is doing a great job for the city and thanked her for that.

Commissioner Hinojosa commented that he knows that Mr. Pecos had brought up the smoke-free ordinance and asked for a status on that.

Mrs. Alvarez responded that there was discussion item on this and from her understanding, that there were going to be some meetings with the Chamber of Commerce and different community and other civic organizations to try and let business owners know and receive feedback on what the Commission was looking at. This way, she could receive direction with regards to the ordinance formulation, how the Commission would want to tweak the one that the city already has. She stated that she is not aware of all those meetings and public awareness input has been received to help formulate the smoking ordinance.

Mayor Fugate commented that this might be a questions for the City Manager once he returns.

Mayor Fugate commented that he would like to ask the Commission, as stated in the ordinance that you ask to be recognized before speaking. He will not deny anyone the opportunity to speak about anything they wish to speak about, but it makes for a more orderly meeting, also Mrs. Mary Valenzuela, City Secretary would appreciate it as well as she is trying to keep a record of the meetings. He asked the Commission to ask him if they want to speak, he will not deny them the opportunity to speak.

Commissioner Hinojosa commented this is do noted.

IV. Public Comment on Agenda Items.³

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

Ms. Susan Luthenbacher, 111 S. Co. Rd 1040, Kingsville. She commented that she is speaking on behalf of agenda item #12. She stated that this is something that the city would benefit from. It would give rescue groups a better chance in helping with the animals. This would be a more welcoming environment for the volunteers and give them the opportunity to assist. She stated that this is something that she cares very deeply about and feels that it needs to be separated.

Kathryn Villarreal, 2420 S. 6th Street, commented that when it comes to rescuing animals, she doesn't beat around the bush. She educates and does the best that she can to do what needs to be done for these animals. She is here today to help get animal control to be known as Animal Care Services. Separating Animal Control from the Health Department opens a realm of possibilities. The Health Department has so much on their plate, and they would also like some wiggle room to save some lives. She further stated that they want to reshape their efforts and offer low cost spay and neutering, increase their adoption rates by bringing in more help to assist these animals and be able to come in to clean and wash them. She stated that they want the Health Department to focus on their agenda as they would like to focus on theirs as well.

Ms. Anlizia 600 E. General Cavazos, commented that she is a pet owner and a pet foster for the previous that have come up. She stated that she adopted an animal from the Animal Control Department and her dog was severely emaciated as she was dealing with tons of infections. She stated that she understands it is common for this to happen when you are adopting from a Pound. She stated that she does not agree the way her pet was covered in fleas. She stated that her dogs quality of life has significantly grown since she's been with her. She further stated that the animals that the Animal Control has will greatly increase their quality of life if the change was to happen.

Ms. Pennel, 600 E. General Cavazos commented that she adopted a puppy from the Animal Control Pound about a month ago. Due to distemper, she had to put him down which could have been preventable if the Pound were vaccinating the animals as they are being brought into the Pound. This would increase adoptions and extend the lives of those animals.

Jose Villarreal, 1104 Kellam Street, Robstown, TX commented that he used to be a certain kind of person that used to think who cares about animals. He stated that these people that are here today commenting on this, are people that care about animals. He has been taught a lot about animals and they deserve to be treated fairly and correctly and with care. He stated that if the Commission listens to these people and do what they say, the city could do a lot of good and help a lot of animals that need it.

Marshall Watson, 2420 S. 6th Street, commented that he fosters animals and is a Kingsville animal advocate. He stated that as the rest of the individuals have stated, they are not here to bash anyone. Everyone is doing their best, and they understand this. He further stated that one of the biggest things that can be improved is saving a lot of lives. He is in support in separating animal control into its own department, as it would provide better services for the animals.

V.

Consent Agenda

Notice to the Public

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

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

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

Motion made by Commissioner Lopez to accept the consent agenda as presented, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".

- 1. Motion to approve final passage of an ordinance amending the FY 17-18 budget to include the body armor and carrier replacement project for the Kingsville Police Department not completed in FY 16-17. (Police Chief).**
- 2. Motion to approve final passage of an ordinance amending the FY17-18 Budget to upgrade the Kingsville Police Department telephone system. (Finance Director).**
- 3. Motion to approve final passage of an ordinance amending the Fiscal Year 2017-2018 budget to accept and expend an Edward J Byrne Memorial Justice Assistance Grant-Local Solicitation (2017) for the purchase of KPD equipment. (Police Chief).**
- 4. Motion to approve final passage of an ordinance amending the FY17-18 Budget for additional medical supplies for the Kingsville Fire Department. (Fire Chief).**
- 5. Motion to approve final passage of an ordinance amending the FY17-18 Budget for additional vehicle maintenance for the Kingsville Fire Department. (Fire Chief).**
- 6. Motion to approve final passage of an ordinance amending the FY17-18 Budget for emergency repairs required at the South Wastewater Treatment Plant. (Public Works Director).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

- 7. Consider options for City of Kingsville employee Health Insurance plan design benefits, especially employee contributions and deductibles. (Human Resources Director).**

Mrs. Diana Gonzales, Human Resources Director, stated that during the last meeting, options and different plan designs were handed out to the City Commission for their review and consideration. She further stated that Carlisle Insurance conducted an analysis of RFP's received and assisted the City with the different options presented for the Commission's consideration. While the Stop Loss of \$100,000 Specific was selected at the July 16th Commission meeting, the plan design scenarios were only introduced for discussion. A Task Force comprised of employees was established. In addition, several employee meetings were conducted both during working hours and in the evenings to allow for employee input. A survey was also distributed at the meetings and to all employees for their opinions on possible health plan changes. The survey was used to gather information as to what was the priority: premiums, cost, deductible, etc. Representatives from Carlisle Insurance were available at each of the employee meetings to answer questions. Carlisle presented to employees and City Commission the results of a separate survey they conducted as well as the internal employee survey. The additional financial impact, as they were offering First Health Services in

the Corpus Christi area which is detailed in the memo (attached as Exhibit A) that is included in the agenda packet.

Mayor Fugate commented that since they just received the information, it would be a bit difficult to make a decision today as they will need some time to review the additional information. Fugate stated that he doesn't feel that City Commission should have to act on it during tonight's meeting.

Commissioner Hinojosa commented that staff has given them some options, but he doesn't see an option, as they were given the new rates and leaving the employee contributions the same. He had discussed this with Mrs. Balli and Mrs. Alvarez during a meeting earlier today.

Mrs. Gonzales commented that she has had the opportunity to put some numbers together as to what this would intel.

Mrs. Alvarez commented that the information was sent over by Mrs. Gonzales. She commented that if you are to keep the \$250 monthly deductible, it would impact the City where it would have to put in an additional \$115,000 into the health plan. If they decided to go with the \$750 annual deductible with a \$1,500 family annual and kept the rest as presented in the scenarios that was in the memo (Exhibit A), the plan would get a credit of approximately \$35,669. If the Commission decides to go with the higher annual deductibles, \$1,350 for individual and \$2,700 for family, which is not something that staff is recommending in the memo, there would be a credit to the plan of \$194,872.

Commissioner Hinojosa commented that this is not what they discussed. What he was looking at was the \$100 Specific Stop Loss where there is \$150 family monthly deduction, 100%, where they have the new rates, but then in the employee contribution, he stated, what he was saying is to use the \$30.00 that is above the \$118 that is listed on the various tiers and see what kind of impact it would have. Commissioner Hinojosa is referring to Exhibit B, attached to these minutes.

Mrs. Gonzales responded that if using the same numbers, as the bottom line numbers does not change.

Mrs. Gonzales refers to Exhibit B, during her discussion, which was information that was included in the packet in past Commission meetings.

Mrs. Gonzales stated that what is being looked at is Scenario A on the second page of Exhibit B; \$750 individual annual deductible/\$1,500 family annual deductible. In this scenario, if everything was to remain the same as in premiums, there would be a credit to the plan of \$35,000.

Mayor Fugate commented that this is not the amount that is being shown on Exhibit B.

Commissioner Lopez asked that instead of the \$39,000 it would be \$35,000.

Mrs. Alvarez commented that what is being said, is that Commissioner Hinojosa's question was that with the \$100,000 Specific Stop Loss, which would be the first sheet on Exhibit B, and were to keep the \$250 family monthly deductible with 100% Co-insurance, and keep the employees monthly contributions the same at \$30.00 for employee only and the \$118 for everyone else, the city's monthly contribution will still go up by \$115,000.46 that would need to be going into the plan.

Commissioner Hinojosa asked if this would be the total amount? Mrs. Alvarez's answer was yes. Commissioner Hinojosa further asked how much of the difference would the employee be contributing to? This would make a change on the cost of the city and the cost to the employee if those figures are used, Hinojosa stated.

Mrs. Gonzales displayed a table with figures, which is labeled as Exhibit C on these minutes. She commented that the total cost of the plan does not change. For employee family it will remain at \$1,500 and \$30.00. If the employee keeps paying the same \$118.00, then the city will pay \$1,412.00 per month. She stated that on the current budget, based on numbers, there is \$3,187,000.00 budgeted and with the new fiscal year plan, the city would be short \$115,000, according to scenario labeled at Exhibit C. In the scenario of \$750 individual and \$1,500 family and 100% co-insurance, employees premiums remain the same with a credit to the plan of \$35,669.64. Gonzales stated that the intention is to try and build up the reserves. The employees contribution is \$291,000 per year.

Commissioner Hinojosa stated that as Mrs. Gonzales is the only one that sees all the claims that are submitted, what he was looking for is the breakdown on claims for employees only, employee/spouse, employee/children, and employee/family, currently what is the breakdown? He asked if Mrs. Gonzales would know this information. Mrs. Gonzales response was that she didn't know this information.

Mrs. Gonzales responded also that this is based on enrollments. For the plan, the city would need \$3,442,000.00. This is at maximum funding to start building the reserves up. She further stated that this is with keeping the employees premiums the same. There is no building of tiers, which is one of things that was spoken about. Those that

have employee/family, is was talked about those having to pay more versus those that have employee/child or employee/spouse in the plan. Gonzales also stated that the original proposal had been that employee/child, for their premium to be reduced, in the scenario that was being proposed. In the memo, Exhibit A, shows the proposed increase would be, if the premiums were increase for the employee and how much is projected for the city to pay. This is subject to change, but if the employees premiums are set, the part that would change is the part on the employer side. The city would not receive a firm number, until 30 days out.

Commissioner Leubert asked if that Mrs. Gonzales had done another survey with the employees. Mrs. Gonzales responded that a second survey was not done with the employees. Only the original survey was done. Leubert asked if the original survey, were the employees ok with the tiers or was there a problem? Mrs. Gonzales responded by stating that the original survey, which they had two surveys done. One, Carlisle presented a survey that was across the State industry and employers our size. Also, there was focus group meetings which resulted in the city's survey. She stated that one question was, would you prefer to have more money deducted from your paycheck for medical insurance coverage and pay less for medical services, when you visit the doctor; 66 yes and 97 no.

Commissioner Leubert asked what was the consensus of Mrs. Gonzales after receiving all the information. Does she think the employees ok with the tiers or are they against the tiers.

Mrs. Gonzales responded that during the focus group meetings and during the Task Force, most of them were in agreement with the tiers.

Commissioner Leubert commented that she keeps hearing from employees that they like that. She hasn't heard from a large group of them, but just a few.

Mrs. Gonzales commented that during the focus group, there were comments about that and there was comments during the Task Force meetings.

Commissioner Hinojosa asked for a copy of Exhibit C be forwarded to the Commission. Mrs. Gonzales responded yes. Commissioner Hinojosa stated that he needs this information as it is another proposal that he is bringing up. He stated that he doesn't know if the rest of the Commission members would go along with this.

Mayor Fugate commented that it would be premature for the Commission to act on this tonight, as there is additional information that the Commission needs to look at.

Mrs. Gonzales commented that staff is looking at a timeline, and usually if there is a change, it is a minimum of 60 day notice to the employees. If there is not a decision now...

Mayor Fugate commented that staff is not going to get a decision now.

Mrs. Gonzales finished her comment by stating that if a decision is not made now, the start date of the plan would have to be moved down.

Commissioner Hinojosa commented that if there is a will, there is way. If staff needs to get them signed up as quickly as possible, it can be done.

Mrs. Gonzales stated that the 60 day notice is a requirement to the employees. There has to be time to do the plan document and have time for the meetings. She further stated that the first premium payments made by the employees for the new plan year, would have taken place on September 1st. This is due to the city deducting one month ahead for the premiums, in October. Everyone in September is paying for October. If the timeline is moved down, then the city would have to decide, it's going to start on a certain date or we would have to get the employees to pay the difference later during the year.

Mayor Fugate commented that this is something that they would have to decide on when they come to the decision.

Mrs. Gonzales commented that she only wants to make sure that she gave this information.

Commissioner Pecos asked for a clarification if the employees decided to go with the \$250 deductible or the \$750 deductible?

Mrs. Gonzales responded that there was not a vote by the employees for one of these three plans, (Exhibit B). Based on the information and based on surveys and what is financially possible, that was what was used to develop these scenarios. Staff received assistance from Carlisle, which is the city's broker, they are very familiar and gave staff options. These were the most viable options without having to increase premiums for the employees or reduce benefits. The current plan still keeps 100% co-insurance. She stated that they tried to address the prescription situation. She stated that one of the issues was the First Health Network, which they have tried to address this. She stated

that the city can pay a fee per month, per employee and the employees can utilize the First Health Network within the Corpus Christi or Christus Spohn area.

Commissioner Lopez commented that she was part of the Task Force group and the most important thing to the employees was the premiums. Since they haven't received a pay increase in a long time, that was what was important to them, the premiums.

Mayor Fugate asked what was a long time, cause increases have been given.

Commissioner Lopez commented to Mayor Fugate that if the city is going to take money away from the employee, it's a long time. The city did not give any increases last year. Mayor Fugate commented that he understands this. Commissioner Lopez further commented that this is what was important to them, which was the premiums; they didn't want the premiums to increase.

Mrs. Gonzales commented that they were not oppose to having the tiers. Commissioner Lopez commented a higher deductible.

Mayor Fugate commented that the higher deductible may not be a higher deductible. It will be a lesser deductible, depending on what a person's treatment is. He stated if someone is working over a month, three months or over a year and paying \$250 a month, you pay about \$3,000 in deductibles, if someone has an extended health issue.

Mrs. Gonzales stated that one of the questions that had come up on deductible, was how many times was it met? Entrust did some research on this.

Commissioner Lopez asked for clarification on what was met. Mrs. Gonzales responded how many times an employee met their deductible.

Mrs. Gonzales passed out a document showing the Health Deductible History, which is attached to the minutes at Exhibit D. She stated that this document shows how many people met their deductible in the past year to date. She stated that whether it is a \$750 or \$1,350 deductible, it will depend on the individuals health.

Commissioner Lopez asked for the updated information to be given to the City Commission. Mrs. Gonzales responded that it will be forwarded to them.

8. Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Water, providing for an increase in water rates, repealing all ordinances in conflict herewith and providing for an effective date and publication. (Finance Director).

Mrs. Balli mentioned that the memo that is included for the water rate increase has to do with the maintenance projects and the CIP Project plan that was put together by staff, for the next ten years. Balli stated that the rates have not been increased since 2013. The 2% that is being recommended would bring in \$94,000 of the \$706,000 that is needed to do the maintenance projects.

Motion made by Commissioner Pecos to approve the ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Water, providing for an increase in water rates, repealing all ordinances in conflict herewith and providing for an effective date and publication as recommended by staff, seconded by Commissioner Leubert.

Commissioner Leubert stated that she wants to go on record and stated that it's \$.50 per month for 5,000 gallons of water use. She further commented that there are times in the Commission where they don't have a choice as they have to make the right decision. She stated that she feels that this is the right decision, for the water, because the city has to maintain its water.

Commissioner Hinojosa commented that he was hoping to wait until the budget process to take a look at expenses of fund 51. He further commented that there are some capital expenditures that may not be going into the following year. He stated that this would also give them the bigger picture then what they are getting now.

Mrs. Balli stated that she responded to Commissioner Hinojosa's question concerning the capital outlay for fund 51, and as of right now, there is nothing in the proposed budget for any capital outlay items other than the \$706,000 projects that is proposed, should the city get increases on the utility rates. These would be in fund 54 with a transfer from 51. Balli continued to state that other than those projects, there is no other capital outlay in 51, in the proposed budget.

Commissioner Hinojosa stated that if he understood correctly, there is \$96,000 on a camera that is going to be moved over. He further stated that there is \$96,000, \$130,000 asked if these have been purchased already.

Mrs. Balli responded that the camera will not be purchased and the \$130,000 is for the ground storage tank which is part of the proposed projects.

Commissioner Hinojosa asked if this was going to be moved over to fund 54?

Mrs. Balli responded that if we got the increase on the rates, it is part of the \$706,000 projects that is being proposed. The other \$93,000 would not be proposed for next year.

Commissioner Lopez stated that as Commissioner Hinojosa had mentioned, she understood that the Commission would wait until the proposed budget was out to see if this needed to be done. Lopez further stated that this is what she thought was decided on the last time.

Mayor Fugate commented that this was not the decision. He further commented to the Commission to vote accordingly, and asked for a roll call vote.

The motion was passed and approved by the following vote: Pecos, Leubert, Fugate voting "FOR". Lopez and Hinojosa voting "AGAINST".

9. Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewers, providing for an increase in sewer rates, repealing all ordinances in conflict herewith and providing for an effective date and publication. (Finance Director).

Mrs. Balli stated that this is similar to the water rates and that this supports the \$706,000 worth of projects that were on the CIP 10 year project plan. The 18% that is being recommended would bring in the other part of the \$706,000, which would be \$612,000. The two rates combined would pay for the \$706,000 maintenance projects that were proposed in the upcoming budget. This would raise a person who has 5,000 gallons of usage would be \$3.63 per month, for an 18% increase.

Commissioner Leubert commented that she doesn't know anyone that uses 5,000 gallons per month, maybe 1,500 to 2,000, and asked if it would be \$3.63 per 5,000?

Mrs. Balli responded that this is the scenario that Grady Reed of HDR ran when he did the model. This is what he has given staff to base the discussion on.

Commissioner Leubert stated that she has some heartburn on, and knows that the rates haven't been increased in many years, they probably should have so it doesn't hurt so bad, but 18% is a large increase for most people. She further asked staff if the city could live with a smaller percentage? She stated that she knows that this needs to be done for the equipment and maintenance or the city would have to get it from general fund to fix things that need to be done. She further stated that sometimes they don't have choices, and asked if the city can live with a smaller percentage of increase?

Mrs. Balli commented that the way the plan is developed, staff would like to do \$500,000 worth of maintenance type of projects, which stills leaves with the big ticket items that will require other type of funding through either CO's, when the city gets that capacity. Or there may be funds through the Texas Water Development Board which would allow us to do the more expensive type projects. She further stated that to keep staff from having to have more of those types of projects, regular maintenance needs to be done on a regular basis. When staff looked at the CIP Plan and in order to be able to this, the city has to come up with about \$500,000 worth of maintenance type projects. This year, because the \$130,000 ground storage tank wasn't done, it added to the \$500,000. Balli stated that whatever rate the Commission decides to adopt, would then dictate of the \$706,000 in projects, how much staff can do for those projects. Staff would have to go back and scale back those projects and make a determination based on what revenues the increase rates would bring and what can be done with those funds.

Commissioner Leubert asked what projects can be cut back on and still maintain wastewater and water? She further stated that the 18% will be hard for families to handle.

Mr. Bill Donnell, Public Works Director commented that they have been running with band-aids for a long time. With over \$60,000,000 worth of treatment plants, not counting lift stations, they are over 40 years old in a very corrosive environment. There is water wells that have well exceeded their expected life of 25 years, based on engineering standards. The city has wells that are between 30 to 50 years old, that water is still being pumped into them, through maintenance. Donnell stated that to say if you can cut out a project, staff can cut out anything the Commission wants, but in the backend, it will come back to hit us.

Mayor Fugate commented that it will hit us with TCEQ. He further commented that if they put this off, this is an area where we will have problems that will need to be reported which could cause some violations, then the city has to pay fines. Fugate further stated that if the Commission doesn't want to do this, they need to get ready.

Commissioner Leubert commented that she thinks all the Commission needs clarification as some of them will have to explain this to the public.

Mayor Fugate commented that we are dealing with a situation that if the maintenance is not done, the city will have a breakdown and when there is a breakdown it needs to be reported to TCEQ then you will have fines because the city didn't do what they were supposed to be doing. Fugate stated that this is a tough decision, but it needs to be done.

Commissioner Leubert commented that this is why she is asking the questions, so that she can understand, but she doesn't want to vote for this increase as it is a larger increase. She stated that she feels as if she doesn't have a choice as the city needs to provide water and wastewater to the citizens.

Commissioner Hinojosa commented that he understands that eventually the city will need to increase the rate, but what he is saying is to wait and go through the budget process and see where they can cut. He stated that one more month will not make that much of a difference, as there are people out there on a fixed income.

Commissioner Lopez and Commissioner Leubert commented that they agree with Commissioner Hinojosa. Lopez further commented that 18% is a large increase.

Mayor Fugate stated that this is an action item, and if anyone would like to make a motion to move forward its fine, or decide to table the item. This is up to the Commission. He further stated that sooner or later it's going to have to happen. In his opinion, it is better sooner than later. It is up to the Commission to make a motion to approve or they consider to table the item.

Commissioner Pecos stated that presently there are some pending infractions that due to what happened to the South Wastewater Plant. TCEQ is looking at the city and if the city does not get the money to be able to bring this to par, we will be paying for it later. He further commented that what difference would it make what the budget is going to do, as the city would still need to come up with the money. He stated that this is an action item, and it needs to be voted on.

Motion made by Commissioner Pecos to approve the ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewers, providing for an increase in sewer rates, repealing all ordinances in conflict herewith and providing for an effective date and publication as recommended by staff, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Leubert, Pecos, Fugate voting "FOR". Lopez and Hinojosa voting "AGAINST".

10. Consider appointment of Larry T. Garcia as an alternate member of the Zoning Board of Adjustment. (Planning & Development Director).

Motion made by Commissioner Lopez to approve the appointment of Mr. Larry T. Garcia as an alternate member of the Zoning Board of Adjustment, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".

11. Consider out-of-state travel for one firefighter to attend the SERTC and Union Pacific's Crude by Rail Emergency Response Training in Pueblo, Colorado on October 22-24, 2018. (Fire Chief).

Mr. Adrian Garcia, Fire Chief commented that this travel is for one Firefighter to attend the Crude by Rail Training at the Security and Emergency Response Training Center in Pueblo, Colorado on October 22-24, 2018. The Crude by Rail Training is a Union Pacific (UP) & SERTC sponsored course which provides comprehensive instruction to First Responders in basic knowledge, skills, and abilities to respond to rail incidents. The UP & SERTC sponsored program covers all associated course costs to include, airfare, rental car, and course registration, which will be reimbursed at the conclusion of the course. The only cost not covered is the for the participant is luggage fees and per-diem, which is being estimated at \$400.00.

Commissioner Hinojosa asked for the name of the Firefighter that will be attending this training.

Chief Garcia responded that the Firefighter attending this training is Christopher Loudon.

Commissioner Hinojosa further asked if there was enough money in the department for to cover the \$400, as the last time, if he recalls, there was about \$600, and asked if there was enough money in the budget now.

Chief Garcia responded that there wasn't enough now, but there will be in October, as the travel takes place in the new fiscal year.

Commissioner Hinojosa apologized for the mistake.

Motion made by Commissioner Pecos to approve out-of-state travel for one firefighter to attend the SERTC and Union Pacific's Crude by Rail Emergency Response Training in Pueblo, Colorado on October 22-24, 2018, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Hinojosa, Fugate voting "FOR".

12. Discussion regarding the potential creation and process for establishing an Animal Care Services Department. (Commissioner Leubert).

Commissioner Leubert commented that she is part of a group and has gotten more involved in rescuing animals, strictly from the Pound, as ARK is another organization that assist in the community. She further commented that this is no reflection and negative manner on the Health Department as they do a good job and hardworking and have a lot on their plate with everything else that they do. She further stated that she feels like at this point, and everyone has heard from all the people that work to keep these animals safe. She stated that looking at the history, the euthanasia has decreased and the rescue rate has increased. She stated that they have 133 dogs adopted and 440 rescued and 97 euthanized. She commented that Commission Hinojosa will probably ask where the money would be coming from, because what they need to do is separate it and become a City Department so that these people won't have to depend on and have so many boss's.

Commissioner Hinojosa commented that this did cross his mind.

Mayor Fugate commented that the question crossed his mind as well. He further asked if this was a City/County project?

Commissioner Leubert commented that this would be a city project, a standalone department with a contract with the County, for services such as mosquito spraying. She stated that the Animal Technicians can still spray for mosquitos with the contract, they will be making the extra money, which anybody needs extra money. She stated that there are ways and means on getting this done. Leubert further commented that if this is a standalone, it is more animal friendly, more rescue friendly and more volunteer friendly, it would be a lot easier. She stated that she has received a list at 10:10 a.m., today, of 12 animals that will be euthanized on Wednesday, when they usually have 24 hours, but it's getting a little bit better. It may sound as if it's only 12 animals but, the rescue groups have to find a rescue, pull the animal and take it to a veterinarian then find a foster home for it for at least two weeks and this is a lot of work. This is done every day. She stated that they get the euthanasia rates because people fill up the Pound. She stated that this is not any reflection on Animal Control, but we can do better. She commented that you can't save them all, but this is why it is important to have the animal control services. She stated that they can get these animals out and rescue them quicker by putting better care on these animals and do a lot better of a job because as of today, as some people will hear this for the first time, they are a 501 (3c). This gives them more options to receive funding and get people to assist them. She stated that they are really restricted right now, as they are only allowed to go in 1 to 2 people, as they can't train the people. She stated that it needs to be upgraded to the 21st Century and with these staff being busy enough, we can be a more rescue base. She stated that this is what she is asking for, and further stated that the County is open to it.

Mayor Fugate asked if they were? Commissioner Leubert' s response was yes they are.

Commissioner Pecos asked if this was going to be manned by volunteers.

Commissioner Leubert responded no, as it would be a City Department. The people that are working there now, are interval to this. They would still have to pick up animals and confine them. It would be more of a rescue friendly and volunteer friendly bases. The people who are working there could work with the rescues during the day. She stated that all the volunteers are either going to school full-time, mothers, fathers, and students; they are doing this on their own time. She commented that this is a 24/7 job. She commented that she delivered two dogs to Driscoll this morning before 8:00 a.m., to save their lives. She stated that this is what her group does and they are happy to do it, but it takes a toll on people. There is a dedicated group of people that want to

assist. They have people and charities that want to give them money, but any money that goes out there goes to the County's general fund; which they will not get money that way. Leubert stated that what she is asking for this Commission to do is support having a standalone department of animal care services and get with the program as most other places have done; educate spay and neuter. She stated that they are sending animals up North as their laws are strict and they want our animals, which we have to many down here as people do not take care of them.

Commissioner Pecos asked that if the city was to create the Animal Care Services Department, would the Commission need to see a budget?

Mayor Fugate commented that this is something that will need to be addressed in the budget.

Commissioner Leubert commented that she agrees, and this is why it's being brought up to now, so that we have time to work on this as it will not happen overnight.

Mayor Fugate asked if Commissioner Leubert has spoken to the City Manager about this. Commissioner Leubert responded that she has spoken with the City Manager and he is very supportive of it and he was the one that came up with Animal Care Services.

Commissioner Pecos asked if Mr. Emilio Garcia, Health Director has been involved in this.

A comment from the back of the room was made by Mr. Emilio Garcia, Health Director, stating very briefly.

Commissioner Leubert stated that Mr. Garcia is the Health Director. She stated that they did talk about it and let him know that they were doing this.

Mr. Garcia made some comments from the back of the room that were not picked up on the audio recording.

Commissioner Leubert commented that this is something that is hard to talk about, as you need to make sure that you have the support for it first.

Commissioner Hinojosa commented that they would need to ask first.

Commissioner Leubert commented that it would be off his plate and be able to concentrate on all the other health duties.

Commissioner Hinojosa asked if this would require another Director position?

Commissioner Leubert responded yes. It would require a Director of Animal Care Services.

Commissioner Hinojosa asked if this would be one more person that the city needs to hire? Commissioner Leubert's response was yes.

Mayor Fugate commented that this is something that will need to be figured out on how to do it.

Commissioner Leubert commented that if you look at the euthanasia rates and multiply that by twenty, it is about a round figure that it would cost to euthanized a dog or cat, which is half of the bill. She further commented that if they aren't out there, the cost will increase by euthanasia and will not look very good. She stated that there is a lot of that money there plus money from grants, charities, and other things that can help fund it.

Mayor Fugate commented most grants don't like to pay for employees.

Commissioner Leubert commented that animal care services is a different type of grant.

Mayor Fugate commented that this is something that needs to be looked at and have the City Manager comment on this.

Commissioner Hinojosa commented that the Mr. Emilio Garcia, Health Director needs to be involved in this as well, as it seems to him, that Mr. Garcia is out in the cold and needs to be part of this conversation.

Mayor Fugate agreed with Commission Hinojosa.

Mr. Emilio Garcia made a comment from the back of the room that was not picked up on the audio.

Commissioner Lopez commented that she knows that Mr. Garcia will be very helpful on this issue.

Commissioner Leubert commented that Mr. Garcia and everyone else that works at the Health Department would not be affected by this. This would not make any difference in their status or their pay. It will only be one less thing for them to do, such as when the brush crew was taken away from them and place it under Code Enforcement.

Mr. Garcia commented that his department never had a brush crew, they had high grass abatement crew. The brush crew is part of the Sanitation Department.

Commissioner Leubert commented that she would like to rephrase her comment and commented the high grass people, but there were people that went out and cleaned out properties.

13. Executive Session: Pursuant to Section 551.074, of the Texas Open Meetings Act, the City Commission shall convene in executive session to deliberate the evaluation & duties of the Municipal Court Judge and the City Attorney. (Mayor Fugate).

Mayor Fugate read and convened the meeting into closed session at 7:00 P.M.

City Commission called in Mr. Michael Krueger, Municipal Court Judge into executive session for his evaluation at 7:09 P.M.

Mr. Krueger exited out of executive session at 7:21 P.M.

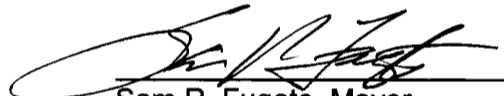
City Commission called in Mrs. Courtney Alvarez, City Attorney into executive session for her evaluation at 7:21 P.M.

Mrs. Alvarez exited out of executive session at 7:24 P.M.


Mayor Fugate reconvened the meeting back into open session at 7:25 P.M.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:25 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, TRMC, CMC, City Secretary