

AUGUST 20, 2018

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 20, 2018 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 4:15 P.M.

CITY COMMISSION PRESENT:

Sam Fugate, Mayor
Edna Lopez, Commissioner
Dianne Leubert, Commissioner
Hector Hinojosa, Commissioner
Arturo Pecos, 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
Bill Donnell, Public Works Director
Rudy Mora, City Engineer
Deborah Balli, Finance Director
Derek Williams, IT
David Solis, Risk Manager
Diana Gonzales, Human Resources Director
Susan Ivy, Parks Manager
Cynthia Martin, Downtown Manager
Janine Reyes, Tourism Director
Ricardo Torres, Chief of Police
Adrian Garcia, Fire Chief
Stacie Pena, Accounting Supervisor
Charlie Sosa, Purchasing Manager
Emilio Garcia, Health Director
Victoria Butler, Municipal Court Supervisor
David Bodiford, Accounting Manager
Linda Miller, Tech Services Librarian
Robert Rodriguez, Library Director
Jennifer Bernal, Community Appearance Supervisor
Jessica Storck, Legal Assistant
Andrew Lugo, Intern

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:15 P.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).¹

None.

III. Reports from Commission & Staff.²

“At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works- Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time.”

Mrs. Courtney Alvarez, City Attorney reported that there will be no special meeting for Tuesday. Budget workshops are scheduled for Wednesday, August 22nd, Monday, August 27th, Tuesday, August 28th, and if needed Wednesday, August 29th.

IV. Public Comment on Agenda Items.³

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

No public comments made.

V.

Consent Agenda

Notice to the Public

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

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

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

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. Review and discuss proposed fiscal year 2018-2019 budget for departments of the City of Kingsville. (City Manager).

Mr. Jesús Garza, City Manager gave a brief update on the schedule of events for tonight's meeting and what will be coming up in the next few days regarding budget workshops. With the cancellation of proposed Wednesday, August 21st meeting, those departments to have been heard on that day will be moved up to today's meeting. He further stated that the Commission will hear from Public Works Departments and the Utility Fund account on Monday, August 27th. On Tuesday, August 28th, the Commission will hear about miscellaneous funds such as debt service, Certificates of Obligations, etc., then go into budget wrap-up. Garza commented that the budget document has received the award from GFOA for distinguished budget presentational award, this is due to the Finance Department in making it a goal to work with a budget document that met all the GFOA requirements. Garza stated that the budget listing is included, which is the explanation for each line item, on the budget worksheet. This would make it easier for the Commission to see, verses having to turn from page to page. Garza further commented that the budget is built on the existing tax rate. With some confusion that was caused by last week's vote on the tax rate, it is important at to reiterate that the budget is built with the existing tax rate. There have also been some changes to the budget relating to the deficit. The deficit is due to expenditures that are incurred that year where the revenues don't come that year. For example, the CO 2016 Series Funds that were received in 2016, but being expended in 2017, 2018, and 2019 which will show on the expenditure side and not on the revenue side. This can make the budget look like its running deficit when it really isn't. This year's budget, staff separated operational expenditures verses capital; so in the budget summary of this year's proposed budget it has been differentiated. Garza further gave an example and stated that the overall expenditures verses revenues would show a deficit of \$4.4 million because we are spending more money than what we are receiving. He stated that once the city breaks out the capital with operational, the operational deficit is \$727,000. While there is still an operational deficit because of things that staff already knows, Golf Course, Parks, JK Northway, it's not in the millions of dollars as it would appear if not doing the breakout. The overall budget as a whole is \$2 million dollars less than last year, in term of expenditures which means that the city is spending down some of the money that were received in the past, such as monies from CO's 2016 Series or monies from street maintenance fund that have been expended as the city has had big projects. Garza further stated that overall, the overall budget in the two funds that require a fund balance, which is General Fund and Utility Fund, the city has met the 25%. Recently the City Commission approved the rate increase which allowed the utility fund budget, budget without requiring going into the reserves for the first time since 2011. In the General Fund, both Planning and Municipal Court revenues continue to decline, and continue to see this trend. Sales tax and Ad Valorem have increased due to valuation of properties going up slightly. Sales tax, for FY 19, staff is budgeting \$5 million dollars for sales tax revenue. Ad valorem tax

which is property tax, for FY 19, staff is budgeting in receiving \$5.8 million dollars in additional ad valorem revenue, which is about \$190,000 more than what staff expects to receive this fiscal year.

Commissioner Hinojosa commented that he feels that staff is being a little liberal with the sales tax of \$5 million dollars in the budget. He stated that in the past it was budgeted at 4.7 according to his figures and at the end of the year it will be 4.78. With staff having it at 4.8, he feels that staff is being too liberal with the sales tax of \$5 million dollars.

Mayor Fugate asked staff what a penny earned in ad valorem taxes gets the city? Mr. Garza responded that when staff looked at it last year, it was roughly \$80,000 to \$85,000.

Mr. Garza continued on with the presentation of each division's budget.

City Commission 100.0

The change in the City Commission's budget is a total of \$12,149. The highlights for this department are change description is personnel, due to health care coverage decrease. In operations there is an increase in communications and an increase in training and travel to budget the same amount for each Commissioner and increase budget for attendance at special events. Garza stated that during last year's budget, the Commission approved different amounts for training and travel for each Commissioner. There were two Commissioners that had \$6,000 while the other three received \$4,000. This year, we would like it to go back to making it even for each one of the Commissioners. This increase was done within the core budget, by budgeted more in one line item and less in another.

Commissioner Hinojosa commented that the current budget has \$24,000 in training & travel for all five Commissioners. Hinojosa stated that he would like to see is the amount of \$5,000 to decrease to \$4,500 for each Commissioner in training & travel. This would give staff an additional \$1,500 in the budget as the fund balance, at the end of the year the general fund is about \$607,000. This would be good for the City Commission to start that he wants to cut expenses, so this is what he would suggest. He further stated that it is his suggestion to budget \$4,500 for each Commissioner in training and travel.

Commissioner Leubert commented that she understands Commissioner Hinojosa's comment, but if each Commissioner does not use their entire money for training and travel, it does go back into the General Fund to be used elsewhere. Leubert further commented that she would like to see it budgeted at \$5,000 for each Commission member.

Commissioner Pecos also commented that he would like to keep at \$5,000 per Commissioner.

Mayor Fugate commented that even though he doesn't use all his training & travel money, he would like to keep at as it is being proposed, \$5,000 for each.

Commissioner Lopez commented that last year herself, Mayor and former Commissioner Pena, agreed on \$4,000 for training & travel with the other two at \$6,000. She stated that she is fine with the \$4,000 as she doesn't travel much, but she is fine with whatever the other Commission members agree to.

Mr. Garza stated that also within the Commission's budget, staff has the restoration and preservation of records project, spearheaded by the City Secretary. This project is in its third year or a five year plan. The amount budgeted for this project, for this year, is \$22,000.

Commissioner Lopez commented that no one can put a price on that, and stated that it is necessary.

City Manager's Office 101.0

In this department, there are two employees, City Manager and City Secretary. This department has a \$10,000 increase compared to last years. In personnel there is \$19,629 with operations decreasing by \$9,294. The total change for this department is \$10,335. The highlights for fiscal year 2019 are as followed, the change description in personnel include a COLA adjustment of 1% as proposed. There is a decrease in TMRS rate and workers compensation experience modifier rate. There is an increase in position salary and a change in health election coverage, due to the City Manager recently getting married. In the operations, there is a decrease in services and there was a removal of a supplemental for one-time purpose which was for professional services. This has since been removed.

Commissioner Hinojosa asked if in this budget, does staff need the \$1,000 that is being budgeted for printing and publishing? It has been averaging about \$225 per year.

Mr. Garza responded that the City Manager's budget is also shared with the City Secretary. Both the City Manager and City Secretary have certain things that need to be published which is paid from this line item. He further stated that in the past, what he has used this money for are to include inserts in the newspaper, for updates on certain projects.

City Special 103.0

This fund is utilized for miscellaneous expenditures. He stated that prior to creating a fund for Economic Development, the salary and personnel expenditures for the EDC Director were being paid out of this fund. This fund is utilized for things such as postage, freight expenses, festivals, as well as elections for the City. The budget highlights for this fund, is this fund as a whole is seeing a decrease of \$14,219. This is due to the City not having a Commission election in 2019. Garza commented that on Wednesday, staff will be discussing the potential of a special election, which will be coming out of a different fund rather than this fund. New expenditures for next year is \$16,200 for AV equipment in the Community Room. This will allow for live streaming and/or broadcasting of meetings. There is a correction that needs to be made, which is the \$2,000 increase for additional postage from this fund, but now it is being recommended to not be funded. The budget will show the additional \$2,000, but will be removed.

Human Resources 110.0

Mrs. Diana Gonzales, Director of Human Resources reported that her department consist of the Risk Manager, and two HR Specialist and including herself. In the highlights for this department, there is a COLA adjustment of 1%. A decrease in TMRS rates, which will be in everyone's budget, which will be going down to 8.85% for the city this year. The decrease in workers compensation experience modifier rate, the city received a decrease due to less accidents and claims filed. This department has a request to change the Administrative Assistant II position to HR Specialist, giving the department two HR Specialist. The cost for the reclassification is \$1,441. There is an additional request for \$500 in overtime, which in the past had only \$248 budgeted, which will be used for additional task of after-hours seasonal employee staff orientation, employee benefits open enrollments, employee benefit issues and front desk issues which will roll past the normal workday in order to provide employee customer service. There is an increase in professional services for Collective Bargaining. This would be for a third party assistance with upcoming negotiations as the collective bargaining agreement between the City of Kingsville and the Kingsville Law Enforcement Association which expires September 30, 2019.

Legal 140.0

Mrs. Courtney Alvarez, City Attorney, stated that her department consist of herself and the Legal Assistant. Other than the COLA adjustment being proposed, there is no changes to her budget from last year to this year.

Commissioner Hinojosa asked that within the Legal Department training & travel, there is a conference listed as Land Use. He asked what Land Use was.

Mrs. Alvarez responded that every year the University of Texas School of Law puts on a Land Use Continuing Education class which covers a wide variety of land use issues within the State of Texas. She stated that she has been attending this class for several years, and it has proven that six days to six months from her attending this class, something will come up with the City, which she then can refers back to what she has learned during her attendance at the class and uses it as a reference tool.

Planning & Development Services 160.0

Mr. Tom Ginter, Director of Planning & Development Services stated that in his department it includes, rezoning, Zoning Board of Adjustments, Joint Airport Zoning Board. Also included is the building services, Community Appearance, and Downtown Historic Preservation. As discussed regarding the decline in revenues, staff believes that by the end of this fiscal year it is project \$280,000 for revenues. The amount being proposed for next fiscal year is \$259,000. He stated that the significant revenue source is the R-1 building permits. He stated that if they can stay at 30, they can make the number.

Mr. Garza commented that there has been a difference in how this is trending downwards in revenues with the Planning Department. In fiscal year 2015, the activity was at \$390,000, in fiscal year 2016 it was at \$338,000; fiscal year 2017 at \$297,000 and 2018 projected at \$279,216. Garza stated that this is not good for the city, as this is the city's general fund revenue as well.

Commissioner Hinojosa asked about salaries going from \$120,000 to \$130,000, is this due to the 1% proposed and the \$10,000 increase, will this be able to be discussed on Wednesday.

Mr. Garza commented that this is already mentioned now. Under personnel there is a difference of \$10,000 which includes the COLA adjustment and the continuation of the graduate intern position from Texas A&M University Corpus Christi, which is a paid graduate intern that the city has.

Commissioner Hinojosa asked if the interns salary is within this line item. Mr. Garza responded yes.

Mr. Ginter continued with the operations of his department. There is an increase in services and have asked for a supplemental request Arc GIS License which will be specifically for the Administrative Assistant II. This individual has had this training before in concluding her degree at A&M Kingsville. This could be of help to the department by having this license.

Currently, no one within the department has this license. With this license, it could provide better customer service. This increase is for an amount of \$3,750.

Commissioner Hinojosa asked if the GIS fee is a one-time fee, as it is expensive.

Mr. Kyle Benson, Information Technology Manager responded that the GIS License fee is a recurring fee. He stated that the initial purchase is something that will be carried in his department's core budget, but the Planning Department will be taking over the \$3,750 which will be an annual recurring fee.

Mr. Garza commented that the Engineering Department did not have the full version.

Mr. Benson commented that what the Engineering Department had was a concurring license model, so the city had one floating license for the city. If there was a single person that needed to use GIS, they had a license and everything was fine. Once there was a second person that needed to utilize that, they would have to go find the first person and see if they had forgotten to close out then try and negotiate the use of that license. Benson further stated that by doing this, it would dedicate the license just for the Planning Department.

Commissioner Hinojosa asked if the Engineering Department would be having a license as well?

Mr. Benson stated that the city is licensed as a single organization, which will keep cost down, but if we were to split planning off, it would be an increase.

Mr. Ginter continued with his department and stated that there is also an increase of \$300 for membership to Kingsville Area Realtors Association. This would be for the Director of Planning. This will allow the Director to be a part of this association, attend monthly meetings and other activities. An increase of \$2,000 is being requested for KIP Scanner & Copier Maintenance, which was utilized by the Engineering Department. When the Engineering Department purchased the Canon, Planning Department took over the KIP. This will allow for plans to be scanned into Accela and also to make copies when needed. Ginter further stated that the position of Building Inspector will go unfunded due to slowdown of development. The key to having a Building Inspector is the timeliness of inspections for construction. At this time the department is averaging 30 residential building permits in a calendar year. The goal is to be at the job site within 48 hours to conduct the inspection. Since one residential house usually averages 10 inspections, that is where the increase workload will be. At this time, the department is able to meet the customer service goal. If and when the department get 45 to 50 residential building permits per year, then the department will need the building inspector position filled.

Commissioner Lopez commented that she would like to know if there is a plan in place should anything happen to the one staffed building inspector.

Mr. Ginter stated that there are two options that the city has. One is going with a private sector company named Bureau Veritas. The city can contract with them to do inspections. In the meantime, if the building officials has taken some days off, the city engineering has been utilized and some of his staff to do inspection. Ginter further stated that the City Engineering has experience from previous position in doing inspections. The city engineer has overseen the Building Official in a previous job. Ginter stated that he feels comfortable that if this occurs, there will be a timely inspection that will be done professionally.

Commissioner Hinojosa asked if a license was needed in order to do inspections?

Mr. Ginter responded that no. They have to do the license to do the work, but not to inspect it.

Commissioner Hinojosa commented that Plan B would be for Mr. Ginter to do the inspections. Mr. Ginter responded that he can do inspections as he has done it in his past previous positions.

Mr. Garza commented that although the comment about not needing a license for inspections, but it is typically who staff appoints as a building official has the ability to do that.

Commissioner Lopez thanked the City Engineer for taking on some of the responsibility, but he does have his own work to be done.

Community Appearance 160.3

Mrs. Jennifer Bernal, Community Appearance Supervisor reported that a few changes in her department start with personnel. This includes a COLA adjustment, with a decrease in TMRS rate and Workers Compensation Experience modifier rate. There is a change in health insurance coverage election. In operations, there are increases for postage for liens which is new to their budget. In the past this was being paid by the Utility Billing Department. The \$5,000 for processing liens was also being paid from Utility Billing, but is now placed into her budget.

Commissioner Leubert asked if the city seen any results from these liens. Is the property selling or are any of the liens receiving payment.

Mrs. Bernal responded that her office has been taking note of payments that are being made on those liens.

Commissioner Hinojosa asked how many employees and vehicles are within the Community Appearance Department.

Mrs. Bernal responded that there are seven employees total with four vehicles.

Downtown 160.4

Mrs. Cynthia Martin, Downtown Manager reported that in her budget as all others there is a COLA adjustment increase. For her operations, there is \$100 increase in postage and freight and \$200 catering for Imagine the Possibilities Tour. This would pay for food for annual event designed by and promoted on the Texas Historical Commission website to market downtown vacant buildings.

Mr. Garza commented that this is one of the items that was noticed to have been left out of the notebook once the budget was printed, which will be added to the change list.

Mrs. Martin commented that one building was sold already and another getting ready to be sold as well. This goes back to attribute to the Imagine the Possibilities Tour.

Mayor Fugate asked for the status on the Texas Theatre. Mrs. Martin responded that they have placed the marque sign already.

Finance 180.1

Mrs. Deborah Balli, Finance Director stated that there has been some changes to her organizational chart. The Finance Division normally had Finance Administration, Municipal Court, and Utility Billing Collections. Last year the Purchasing Department was merged into her department and this fiscal year, the Facilities Maintenance Division was added to the Finance Department. In the new fiscal year, the IT Department will be going under the Finance Department as well. Balli further stated that her department gained three divisions along with the employees that go under those divisions. As for the budget highlights for her department, there is an increase for COLA adjustment, a decrease in TMRS and workers compensation experience modifier rate. There was an approved supplemental request to reclassify the Accounting Assistant position from a Grade Level Change from 8 to 9. This is due to that position having more specialized work and knowledge that they need in order to meet the requirements of the position.

Mr. Garza commented that this position was in the same level as an Administrative Assistant, so in when you look at the organization and you think of an Accounting Assistant, that position would be at a higher level than an Administrative Assistant. He stated that when the Accounting Assistant position was available, there were Administrative Assistance II that were interested in applying as it would be a pay increase to go from an Administrative Assistance II to an Accounting Assistant, which was not the case as it is not how it was noted in the plan. By making this one level change it puts this position at a slightly higher level than an Administrative Assistant so that in the future when there is a vacancy we are creating projection towards the organization to give people and employees the opportunity to move up.

Commissioner Hinojosa asked what the Accounting Assistant position do?

Mrs. Balli responded that this position does the smaller bank reconciliations and assist with specific monthly journal entries. This position has to have some accounting knowledge on some of the duties. This position also puts together the reconciliation backup for the CMA packet, which is the main bank account for the City so that reconciliation can be accomplished. This position also works on all the expenditures, mailouts, budget transfers and recording it into the system.

Mr. Garza commented that this position also assist with keeping everyone within budget. Each department head receives and email from the Accounting Assistant with reconciliation of their expenditures for that month.

Commissioner Hinojosa stated that so he can better understand, in this department there is a Finance Director, Accounting Manager, and a Supervisor and three other positions for a total of six positions in this department. This is not including Purchasing and the Administrative Assistant.

Mrs. Balli responded that this was correct. One person is payroll and another is accounts payable. The Accounting Supervisor does all the reconciliations for the utility fund, which is a large reconciliation that they do. They also supervise the payroll and accounts payable position along with the Accounting Assistant. The Accounting Manager position is responsible for all the management of the systems such as doing the security for all the roles, doing budget amendments, journal entries and accounts reconciliations for the general fund and CO funds.

Commissioner Leubert asked if this is why this department is receiving awards for their work.

Mrs. Balli responded that because of the staffing that she has and the quality of staffing that she has they are able to do more work than what was done in the past as far as all the reconciliations. As it was seen in the audit report that was received, they were able to get rid of a decade old finding that was on there for many years and because all of the work that they have done on cleaning up all the reconciliations they were able to accomplish that. This could only be done with the right amount of staff and the quality of staff that is in her department.

Commissioner Hinojosa stated that he would like to compliment Mrs. Balli in receiving the budget award as it is not an easy award to receive.

Municipal Court 180.3

Ms. Victoria Butler, Municipal Court Supervisor presented the budget for the Municipal Court Division. In the proposed budget for this division there is a decrease of \$19,400.

Mr. Garza commented that similar to the Planning revenues, this division is also trending downward. The actual in fiscal year 14-15 was \$907,824 and continued to trend downward to the mid \$750,000.

Ms. Butler continued to state that as all other departments, her division has a COLA increase and decrease in TMRS and Worker Compensation Experience modifier rate. In operations, there is a decrease in supplies and services. There is an increase for professional services which will be used for interpreter services.

Commissioner Hinojosa asked how many employees this division has currently?

Ms. Butler responded that there are five employees within this division, including herself; four full-time clerks and one part-time clerk.

Commissioner Lopez asked about the translator services and further asked if this person would be present when needed.

Ms. Butler stated that her division is moving trials and setting bench trials every Thursday. There has been an increase in citation from outside the area such as the Brownsville and Houston area so there is a need for an interpreter. The interpreter will be available in person when needed. This would be done through a contract.

Mr. Garza commented that there are position information in the budget document within the budget notebook listing tenure full-time positions by division and a breakdown of number of position for fiscal year 2019.

Commissioner Hinojosa asked if this is where the interns are listed and showing what departments they are in. Mr. Garza's response was yes.

Facilities Maintenance 180.5

Mr. Garza mentioned that this division has some items that come from both General Fund and Utility Fund.

Mr. Charlie Sosa, Purchasing Director stated that within the General Fund, as everyone else's budget shows, there is an COLA adjustment, decrease in TMRS rate and Workers Comp Experience modifier rate. There has been an approved supplemental request for a full-time maintenance worker position. In the operations portion there is an increase in supplies and maintenance. There is a decrease in services; an approved supplemental request for repairs to city garage fuel tanks cathodic protection; approved supplemental request for additional supplies; approved supplemental request for additional maintenance supplies; and approved supplemental request for motor gas & oil. Within the Utility Fund, same change, increase for COLA Adjustment, decrease in TMRS and Workers Comp. There is an approved supplemental for new full-time Maintenance Worker split funded with division 180.6-General Fund. In the operations there is an increase in services. He stated that the plan is to hire a full-time maintenance worker for Facility Maintenance. Currently there are five part-time employees for this division; there are four staffed and one vacancy. Due to the amount of hours worked per day, four hours, it is hard to keep employees in these positions as not to many individuals only want to work four hours per day with no benefits. The plan is to make one of the part-time workers a full-time employee which will be responsible for providing supplies and maintenance to city buildings.

Commissioner Hinojosa asked if this will reduce the part-time employees. Mr. Sosa responded no, the plan is to remain with four part-time positions.

Mr. Sosa continued and stated that there is an increase of \$39,119 for an addition full-time maintenance worker, which will be split funded. Also, there is an increase of \$20,000 for supplies and maintenance. This will be for providing additional cleaning supplies and maintenance supplies to the Health, Recycling, Tourism, and Golf Course Departments. There is also an increase of \$6,250 for repairs to city garage fuel tanks. Due to unforeseen scheduled maintenance repairs to fuel tanks at Public Works that have been previously budgeted to building maintenance budget in past.

Commissioner Hinojosa asked how many vehicles are within this department. Mr. Sosa responded that there is one vehicle within this department, which came from the Meter Reader Department.

Mr. Garza commented that the plan is, that by not filling in the Inspector position within the Planning Department, they have two vehicles, one for the Building Official and one for the Building Inspector. Staff is looking at the possibility of shifting over one of those vehicles to the Facilities Maintenance to assist the new full-time employee.

Commissioner Lopez asked if the part-time positions under the direction of Israel Vasquez, Maintenance Facility Manager. Mr. Sosa responded that this was correct. Lopez further asked if the full-time position would also be under the responsibility of Mr. Vasquez. Mr. Sosa responded yes. Sosa stated that there are five positions with only four positions filled at this time and one vacancy. Staff has tried to fill the position, but has had no luck.

Commissioner Lopez asked if there will be three part-time and one full-time positions within this department. Mr. Sosa response was that there will five positions, one full-time and four part-time positions.

Mr. Garza stated that this does not include the position of the Maintenance Facility Manager.

Commissioner Hinojosa asked that in the Communication line item, there is \$37,000 for phones for the Cottage and further asked if there was a history? Mr. Sosa commented that this is the amount that had been budgeted in the past. Hinojosa asked what is it that is being spent as it is being spent on two different things.

Mr. Garza stated that this information can be provided to the Commission. He understands that it may look a bit confusing on the document. When staff over divisions to other divisions, it doesn't print the historical data. For the historical data, staff would have to go to a different section of the book. This information will be provided to the Commission at a later time.

Commissioner Hinojosa stated that he also looked at the water cost for the old City Hall, which was \$17,500, seemed quite high.

Mr. Sosa stated that this may be high due to a leak in the alley within that area. This leak had been going on for quite some time and was never detected. While renovations of the old city hall began, it was noticed that there was a water leak in the alley that was on the city's side.

Commissioner Hinojosa asked that the amount should be less for the upcoming year, since the leak has been fixed.

Ms. Stacie Pena, Accounting Manager commented that the water meter location are listed within the budget notebook. This will show the different locations for this line item.

Mr. Garza clarified that the money that is being allocated is not only for one building, it is also for eleven other locations.

Commissioner Hinojosa asked if \$5,000 for the City Hall landscape, is that amount enough.

Mr. Garza stated that staff will not be preceding at this time with the landscaping install around city hall, as staff would need to review the scope and bring it down a bit.

Mayor Fugate asked how much money is left to do the landscaping? Mr. Garza responded that there is \$520,000 for landscaping which will be coming from CO 2016 funds. The cost for the water from irrigation system would be coming out of this budget which staff has guessed that it would cost around \$5,000.

Commissioner Leubert asked if the plan was to still Xeriscape, water saving landscaping?

Mr. Garza suggested that it would probably be best that during a regular city commission meeting to re-present this information for the new commission that is in seat now.

Technology Services 180.6

Mr. Kyle Benson, Technology Services Manager presented the budget for this department. He stated that his division has the same increases as all other departments regarding personnel. The bulk of the increase is within operations and capital outlay. Under operations there has been an increase for supplies, services, and leases. This is for software license and upgrades. Notable changes and additions is \$1,100 for Kiosk API Maintenance which will be an annual recurring fee. This is for a proposed citizen payment kiosk for Municipal Court and Utility Billing, which will require ongoing support and maintenance agreement to ensure continued functionality with new iterations to the Incode ERP platform. Requested is also \$10,247 for remote support software. This is for IT staff to access city-owned endpoints and servers from remote locations. Remote support allows for a quicker response time to employee requests for service as well as the ability to perform after-hour updates and maintenance while not physically connected to the network.

Mr. Garza mentioned that prior to the new Commissioners coming onboard, staff had discussed an item regarding Barcom, which is a company that the city would be able to

outsourcing for IT support. It has now been decided not to continue with this due to not being able to fund the agreement. Originally the city was using on a trial basis. Therefore, this is the reason why staff is adding additional line items to the technology services to all existing staff to provide the proper assistance to staff.

Commissioner Lopez asked what the cost was for staff to utilize Barcom. Mr. Benson responded that the month-to-month was around \$37,000 annually.

Commissioner Pecos asked for the location of the kiosk. Mr. Benson stated that this will be located next to the north entrance off of 6th Street near Municipal Court.

Mr. Garza commented that the idea for the Kiosk is to be in the exterior of the building so that residents have access to pay their bill 24/7.

Commissioner Hinojosa asked for the cost of the kiosk. He further commented that he recalls seeing it in the budget but does not recall what department it is budgeted in or the cost.

Mr. Garza stated that it is split funded so it would be taking revenue from Municipal Court and Utility Billing, as it would be utilized by both departments.

Mrs. Alvarez reiterated what was said by Mrs. Balli, which her comment was not picked on the audio. Alvarez stated that what was said by Mrs. Balli is that the amount would be around \$35,000 to \$40,000 that was going to be the total cost split.

Commissioner Hinojosa commented that listed in this budget is replacement of computer hardware and asked staff if there is a list of all the computers and the timing as they are being replaced.

Mr. Benson commented that when he first started with the city, they were doing a 36 month refresh cycle, which he felt was excessive, so they have slowly being phasing into a 5 year. Beginning this October they will be doing a mass run of workstations in the Municipal Building and from that point go to a 60 month refresh.

Commissioner Hinojosa stated that he saw the \$11,000 for the Municipal Building but he's question was on about the \$44,000 for replacement of computer hardware. He further asked if staff had a schedule of the old computers that need to be replaced?

Mr. Benson responded yes, they plan on starting in October and can show this information to Commissioner Hinojosa at a later time.

Commissioner Lopez asked that with regards, the IT staff will be able to remote in, from City Hall and not out of City Hall, into someone's computer and fix the issues?

Mr. Benson commented that it would be housed at City Hall with the ability to access it from offsite primarily because when he or his assistant are out for a conference and if there is an emergency while they are both out, this would allow them to take care of it.

Commissioner Lopez asked about the security of it.

Mr. Benson responded that it would be best to discuss the security in closed session or on a one-on-one basis, as it would not be wise to discuss the security of the network in open session.

Commissioner Lopez stated that she would like to discuss this matter with him at a later time.

Commissioner Leubert asked if the network was secure such are firewalls in place. Mr. Benson responded that the network is secured.

Mr. Benson continued with his presentation of his departmental budget. He stated that there is \$4,985 for Autodesk Licenses. As the Engineering department does not currently have sufficient licensing to allow all the workstations to have full access to Autodesk or associated products such as AutoCAD. Providing these licenses creates efficiencies for the Engineering Department on any project involving drafting and design. There is \$3,804 for tie trunks for PD phone integration. This would allow 4 digit extension dialing between the VoIP Systems at KPD and the other City of Kingsville sites.

Commissioner Hinojosa asked if this was something that is needed rather than wanted.

Mr. Benson responded that this part of an ongoing 311 initiative from Mr. Garza.

Mr. Garza commented that this initiative had started prior to him arriving. They have been trying to transition to a more modernize telephone system. With the new system, it will allow for better connectivity and more resources for users. With everyone on this type of system, it will give the ability to create a phone tree system to which staff has discussed it being a 311 phone system. This would allow for citizens to call the 311 number and get the extensions they are trying to call.

Mr. Benson stated that there is \$9,792 for nimble array storage expansion lease. This is leased for 60 months at \$817.56 per month. The city must expand its current storage to accommodate the growing data demands presented by data intensive technologies such as Laserfiche document management. Benson further stated that there is \$11,978 for new

workstations for Municipal Building Employees; \$7,335 for replacement of end-of-life firewalls; \$4,000 antivirus software. Notable changes in capital outlay is \$48,946, recorded the initial lease requirement for nimble storage array. This is required practice for the Finance Department when taking on new leases.

Mayor Fugate called for a break at 6:00 p.m.

Meeting reconvened at 6:12 p.m.

Mr. Garza commented that the split of Health Department and Animal Control is not included within this budget. This is not being done in the City's or County's budget for the upcoming new year.

Mr. Emilio Garcia, Health Director stated that within his department, same increase and decreases in personnel as everyone else's budget. There is an approved supplemental request for \$12,841.75 for Animal Control Specialist Grade 1 to Grade 5. This request is due to them having to have a 12 hour basic training that is required as well as they will have to accumulate 30 hours of continuing education units within a three year period. Also approved is a supplemental request for \$12,157 for an additional part-time Kennel Attendant. This would be adding staffing to the maintenance and care of animals in the shelter. In the operations side, there is an increase in supplies and repairs with a decrease in services. Also approved is a supplemental request for two-way radios for the animal control units. This would be replacing the old radios.

Mr. Garza commented that one thing that he would like to point out is that staff is seeing an increase in the numbers that are being surrendered. This makes the Health Department full and requires more care of the kennels. Garza stated that it is staff's intention to increase minor vet care. Staff has seen a reduction under professional services for euthanasia. Historically it has been budgeted \$10,000 for each and for next year, it is being budgeted \$8,000 in professional services for euthanasia and bump up minor care to \$15,000 from \$10,000.

Mayor Fugate asked what the cost would be neuter a pet. Mr. Garcia responded that it would all depend on the Veterinary Clinic.

Commissioner Leubert commented that if you go to a low cost vet, it could cost around \$25.00 to \$75.00 for a cat or dog or if someone goes to the Veterinarian Clinic it could cost around \$125 to \$165.

Mr. Garcia stated that the University takes some of the animals and assist in the spay and neutering of animals.

Commissioner Hinojosa asked what is the County's portion.

Mr. Garza commented that it is supposed to be 50/50. This is what the agreement states.

Mrs. Balli commented that there are a few items, such as minor vet care, that the city pays 100%. She further stated that there are other line items that the city pays 100% of the cost, but everything else is a 50/50 split with the County.

Commissioner Hinojosa asked about income?

Mr. Garza responded that this is not split with the County. He stated that currently, when someone goes in to adopt an animal, those adoption fees go at a 100% to the County. This is something that staff would like to clear up by having a new agreement in place.

Mr. Garcia stated that since he has been Director for the Health Department, the fines that come in from animal control, should stay with the City of Kingsville, but they are being deposited to Kleberg County. This amount could range from \$35,000 to \$40,000 per year, that the County receives from the Health Department.

Mayor Fugate commented that the city would need to send the County a bill, billing them for half.

Mr. Garza commented that this could be done, or the City could just not deposit the money into their account. He stated that to clarify his comment, is that the existing agreement that is in place now states that the fees come to the City. Staff had done some research on this about a year ago and found that the original agreement is from the late 1960's and in 1990 was the furthest that staff could go back to document that the city receives that money. Garza further stated that after that, something happened in 1990, which is when it flipped, and all the money started going to the County. Garza stated that staff had had some conversations with the County, and they looked through their records and weren't able to locate anything either.

Mayor Fugate commented that he does understand what the problem is, the city can open up an account and deposit half the money into that account and the other half goes to the county.

Commissioner Leubert commented that a new agreement may need to be done.

Mr. Garza commented that he agrees that a new agreement may be needed, as the original agreement needs to be updated.

Mayor Fugate commented that he does understand what the problem is, the city can open up an account and deposit half the money into that account and the other half goes to the county. He further asked why does the city need a new agreement for that? He commented that the city would probably get a new agreement faster if the city kept half of the money.

Commissioner Hinojosa commented that the city should just keep all the money. Mayor Fugate agreed with Commission Hinojosa's comment.

Mr. Garza commented that staff would develop some options and have a meeting with the County Judge on this.

Mayor Fugate asked Mrs. Alvarez who would be entitled to the revenues.

Mrs. Alvarez responded that she would need to look at the agreement again, but she believes what the City Manager has represented is accurate. It has been over a year, since this issue has been last visited. She further commented that depending on what you determine certain ownership of assets to be, whenever you do a comprehensive update of the agreement, it's a little easier if you still have some cards to play.

Mr. Garza commented that it would be better to have a conversation with the county and see how this could operate.

Parks & Recreation Department 450.0

Mr. Garza stated that staff is budgeting to receive the same amount of money from the County in the amount of \$550,000. Highlights for the admin side for this department, there is the same increase as all other departments. He stated that staff is projecting \$627,650 in revenues.

Commissioner Hinojosa commented that the deficit that is in the fund balance for general fund is \$607,000, and it is the deficit that is in the Parks Department which is about \$613,000. He further commented that this is where the city is losing, which is on the Parks, based on his figures.

Mr. Garza stated that this is around \$607,000 to \$613,000 that staff calculated. He further stated that if staff increases these revenues, all it would do is decrease that number. It would not free up any to be utilized anywhere else, unless the Commission is comfortable deficit budgeting in a non-park related department. He stated that staff has taken the approach that they don't want to do that, they have taken the approach of simply creating the deficit budget specifically for the Parks, which is the way it has been done for the last couple of years. Mr. Garza stated that for the administration side of it, the personnel increase is the same as every department. In operations, there is a decrease in supplies and an increase in service.

Commissioner Hinojosa asked about the vacancy of the Parks Director position and asked if staff will be filling in this position.

Mr. Garza responded that it is his intention to fill the position, as it is in the budget to be filled. He stated that this position has not been filled as of yet due to some monies from this position being used to hire seasonal employees for the pool season. This fiscal year, staff has added the correct amount for seasonal employees, which will allow for staff to fill the director's position. Garza continued with the Parks budget. There are a few park related funds such as the General Fund, CO 2016 Series Funds, Park Maintenance Fund, and Golf Course Capital Maintenance Fund.

Golf Course 450.2

Mr. Garza stated that this department has the same personnel increases. In operations there is an increase in supplies, services, and leases. There is an approved supplemental request for increase in utilities due to renovation of greens and an approved supplemental for professional services for golf mechanic.

Commissioner Hinojosa commented that staff is being very optimistic in budgeting \$100,000 for green fees. He also stated that for alcohol sales, \$40,000 versus the cost of goods sold \$9,000, these would be some expensive beer being sold. He further commented that he doesn't understand this.

Mr. Garza explained that you will spend \$9,000 for goods and potential receive \$40,000 in revenue and net \$31,000.

Mrs. Balli commented that the amount that is being referred to is the cost of the alcohol purchases.

Commissioner Hinojosa asked for staff to revisit the \$9,000 and \$40,000 dollar amounts.

Mr. Garza explained the cost of goods with the sales received from previous year. He stated that he would not be comfortable in changes this number as previous year shows about the same amount being budgeted.

Commissioner Hinojosa asked if the Golf Course is part of TCAP. Mrs. Alvarez responded that it is her understanding that they are. She further stated that as each meter has an ESID number and when the consultant for TCAP did her audit earlier this year, submitted a list

of all the meters that they have currently listed for the city. Audit showed which meters are for facilities within the city limits as well as facilities outside the city limits, which several of them were for the Golf Course.

Commissioner Hinojosa further asked if this is what they came up with, 25 and 27.

Mrs. Alvarez responded that she would need to look back at the information that was submitted to see if she submitted the 25 or 27, but they did provide them with a list of all of the city's meters as well as a list of anticipated, based on prior usage cost for electricity for the upcoming fiscal year.

Ms. Pena commented that the \$27,000 is based on the irrigation system. They have recognized the increase for one month and they have estimated it and applied it to the next twelve months. The increase in the irrigation system didn't make a dramatic increase.

Mayor Fugate commented that the water is coming from a well. The electricity is being used for the pump which is where the cost is coming from. He further commented that he would like for staff to budget money for seeding. Mr. Garza responded that staff can allocate some money for seeding.

Ms. Pena stated that monies were budgeted under grounds and permanent fixtures for seed.

Mayor Fugate commented that with all the money that has been spent for this course, it doesn't make sense not to budget more money for these grounds.

Mr. Garza stated that staff will look into allocating more funds for seeding.

Parks Operations

Mrs. Susan Ivy gave some highlights on the Parks operation budget. In personnel, it is the same increase as all other departments. Some notable changes/additions are \$15,000 for new scag mower which will replace the old one. Also, \$35,500 rolled over dog park. This is to complete dog park per 2016 Parks Master Plan and per donations received, which were received this year. In Parks & Recreational Seasonal, there is \$38,9293.72 increase funding for pool & recreation staff. This will adequately fund seasonal staff to meet service delivery expectations. There is \$6,000 for pool chemicals. Additional chemicals needed due to kiddie pool and splash pad water treatments and \$2,000 for special events. This include parks department participation in downtown and community festivals. In parks maintenance fund, revenue \$25,000 transfer from General Fund for field repairs and irrigation repairs. In expenditures, \$25,000 for grounds and permanent fixtures and \$5,000 for Field 5 irrigation repairs.

Library 460.0

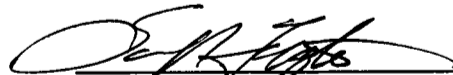
Mr. Robert Rodriguez, Library Director presented this budget. Same personnel changes as the other departments. Small reduction in this department due to turnover of employees and changes in health insurance coverage. Under operations, only vital necessities for daily operations have been increased which include books, office and computer supplies and other miscellaneous expenditures.

Commissioner Hinojosa asked that on expenditures under utilities, is this the only expenditure that the county pays. Mr. Rodriguez responded that the county pays a split of 50/50 for everything.

Mayor Fugate asked if this department has everything they need. Mr. Rodriguez responded that they have everything they need.

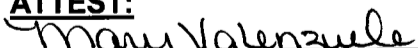
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:16 P.M.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, TRMC, CMC, City Secretary