City of Kingsville, Texas

AGENDA CITY COMMISSION

MONDAY, SEPTEMBER 24, 2012 REGULAR MEETING

HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL/200 EAST KLEBERG AVENUE 5:00 P.M.

I. Preliminary Proceedings.

OPEN MEETING

INVOCATION / PLEDGE OF ALLEGIANCE - (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S) - Required by Law

- II. Public Hearing (Required by Law).1
 - 1. None.
- III. Reports from Commission & Staff.² (City Manager's Staff Report Attached).

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

- 1. Presentation regarding City's Group Health Insurance Plan.
- 2. Presentation regarding City Ambulance Billing Rates.
- 3. Presentation regarding potential application to Community Development Block Grant Program for water improvements.
- 4. Presentation regarding potential 2013 CO projects.

IV. Public Comment on Agenda Items.3

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

٧.

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being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon.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)

- 1. Consider final passage of an ordinance amending the Fiscal Year 2011-2012 Budget for the City of Kingsville for deficit accounts. (Finance Director).
- 2. Consider approval of a resolution authorizing the City Manager to enter into an engagement letter agreement between the City of Kingsville, Texas and John Womack & CO., P.C. for the 2011-2012 Fiscal Year Audit. (Finance Director).
- 3. Consider approval of a resolution accepting communication letter from Independent Auditor John Womack & CO., P.C.; Authorizing the Mayor to execute the letter on the City's behalf. (Finance Director).
- 4. Consider approval of a resolution authorizing the City Manager to execute a Training and Development Agreement with Del Mar College for the City of Kingsville Specialized Crimes and Narcotics Task Force. (Task Force Commander).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.4

- 5. Consider a resolution approving the City of Kingsville's 2012 Tax Roll as submitted by the Kleberg County Tax Assessor-Collector pursuant to the Texas Property Tax Code, Chapter 26, Section 26.09(e). (Finance Director).
- 6. Consider a resolution of the City Commission of the City of Kingsville, Texas, authorizing the submission of a Texas Community Development Block Grant Program application to the Texas Department of Agriculture for the Community Development Fund (for water improvements); and authorizing Mayor Sam Fugate to act as the City Executive Office and authorized representative in all matters pertaining to the City's

participation in the Texas Community Development Block Grant; repealing all conflicting resolutions and providing for an effective date. (City Engineer/Public Works Director).

- 7. Discuss and consider authorizing the Mayor to sign the application for the Texas Community Development Block Grant Assistance, Standard Form 424, for the Texas Community Development Block Grant Program for water improvements. (City Engineer/Public Works Director).
- 8. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter XI, Article 2, Ambulance Service, providing for the ambulance billing rates for services provided by the City (Finance Director).
- 9. Consider a resolution authorizing the City Manager to execute a contract extension with Entrust, Inc. for the third party administration services of the City of Kingsville Employee Benefit Plan Trust. (Finance Director).
- 10. Consider a resolution authorizing the City Manager to execute a contract with Kleberg First National Bank of Kingsville for the Bank Depository Contract with the City of Kingsville. (Finance Director).
- 11. Consider a resolution approving the City of Kingsville, Texas Policy for the Lapsing-of appropriations at the end of the City's fiscal year, and establishing the treatment of encumbrances outstanding at fiscal year-end. (Finance Director).
- 12. Consider a resolution to commit moneys to cover the adopted budget deficit by drawing down the surplus in the reserve account of the General Fund. (Finance Director).
- 13. Discuss potential projects for proposed Certificate of Obligation Series 2013. (City Manager).
- 14. Consider a resolution declaring intent to reimburse certain expenditures with borrowing proceeds. (Finance Director).

VII. Adjournment.

- No person's comments shall exceed 5 minutes. Cannot be extended by Commission.
- 2. No person's comments shall exceed 5 minutes without permission of majority of Commission.
- Comments are limited to 3 minutes per person. May be extended or permitted at other times in the meeting only with 5 affirmative Commission votes. The speaker must identify himself by name and address.
- 4. Items being considered by the Commission for action except citizens comments to the Mayor and Commission, no comment at this point without 5 affirmative votes of the Commission.

NOTICE

This City of Kingsville and Commission Chambers are wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 361/595-8002 or FAX 361/595-8024 or E-Mail mvalenzuela@cityofkingsville.com for further information. Braille Is Not Available. The City Commission reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Section 551-071 (Consultation with Attorney),

551-072 (Deliberations about Real Property), 551-073 Deliberations about Gifts and Donations), 551-074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551-086 (Certain Public Power Utilities: Competitive Matters), and 551-087 (Economic Development).

I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board in the City Hall, 200 East Kleberg, of the City of Kingsville, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time:
September 21, 2012 at 4:00 P.M. and remained so posted continuously for at least 72 hours preceding the schedule time of said meeting.
Mary Valenzuela City Secretary City of Kingsville, Texas
This public notice was removed from the official posting board at the Kingsville City Hall on the following date and time:
By: City Secretary's Office City of Kingsville, Texas

MINUTES OF PREVIOUS MEETING(S)

SEPTEMBER 17, 2012

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, SEPTEMBER 17, 2012 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 6:00 P.M.

CITY COMMISSION PRESENT:

Sam R. Fugate, Mayor Al Garcia, Commissioner Dianne Leubert, Commissioner Noel Pena, Commissioner Arturo Pecos, Commissioner

CITY STAFF PRESENT:

Vincent J. Capell, City Manager Mary Valenzuela, City Secretary Courtney Alvarez, City Attorney Mark Rushing, Finance Director Diana Gonzalez, Personnel Director Yolanda Cadena, Health Director Frank Garcia, Wastewater Supervisor David Mason, Purchasing Director Roel Carrion, Interim Fire Chief Willie Vera, Task Force Commander Melissa Perez, Risk Manager Dionicio Perez, Building Official Arturo Moreno, Account II Mike Kellam, Director of Development Services Bob Trescott, Director of Tourism Tony Verdin, Computer Technician Naim Kahn, Public Works Director Diana Medina, Collections Manager Ricardo Torres, Chief of Police

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chamber at 6:00 P.M. and announced quorum as present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

Mayor Fugate asked if there was any objection from staff or public to waive the preliminary proceedings as he would like to go directly into the meeting. No objection was made by staff or the public.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Mayor Fugate called for consideration of the minutes for the special meeting on Tuesday, September 5, 2012 and regular meeting on Monday, September 10, 2012. Commissioner Pecos made a motion to accept the minutes, as presented, second by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

II. Public Hearing - (Required by Law).¹

1. None.

III. Reports from Commission & Staff.² (City Manager's Staff Report Attached).

"At this time, the City Commission and Staff will report/updateon 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, Convention and Visitor's Bureau. 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, 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, PublicInformation, Hotel Occupancy Report, Quiet Zone. Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor. No formal action can be taken on these items at this time."

Vince Capell, City Manager, stated that at the next Commission meeting there will be four presentations he will be bringing before the City Commission. He thanked all those who assisted at the Trash Off which was held on Saturday, September 15, 2012.

Courtney Alvarez, City Attorney, reminded staff that the next regular scheduled meeting will be Monday, September 24, 2012 at 5:00 p.m.

Public Comment on Agenda Items .3

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

None

Mayor asked for a motion to approve the consent agenda as presented. Commissioner Pecos made a motion to approve the consent agenda as presented, second by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

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.

<u>CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:</u>

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

- 1. Motion to approve final passage of an ordinance of the City Commission of the City of Kingsville, Texas amending the fiscal year 2011-2012 budget for donation of \$500 to the Kingsville Police Department. (Finance Director)
- 2. Motion to approve out-of-state travel for Task Force Special Agent Mike Tamez to attend the Commercial Motor Vehicle Criminal Interdiction course on September 26-28, 2012in Denver, Colorado, with DIAP assuming travel expenses and per diem. (Task Force Commander).
- 3. Motion to approve expending funds from the City of Kingsville Employee Benefit Plan Trust for the City Health Fair (for employees and eligible dependents). (Human Resources Director).
- 4. Motion to approve out-of-state travel for City Commission and Staff to attend the National League of Cities Congress of Cities and Exposition on November 28-December 1, 2012, in Boston Massachusetts. (City Manager).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.4

- 5. Consider resolution authorizing the City Manager to enter into a Second Amendment to Article VII of the Interlocal Cooperation Agreement between the City of Kingsville and Kleberg County relating to Parks and Recreation Department. (City Manager).
- Mr. Capell stated that as discussed during the budget workshops, City Commission preference is that the City of Kingsville provide \$25,000 water credit to the Kleberg County, so long as that the \$25,000 was spent in infrastructure in this case for the soccer field. The interlocal agreement was updated to reflect that and be in consistent to what Commission requested.

Mrs. Alvarez stated that she had spoken to Susan Ivy and the County has approved this item at their County meeting.

Mayor Fugate stated that he would like to have a workshop with the County regarding the Parks Department. He would like to get a comprehensive plan in action.

Motion made by Commissioner Garcia to approve this resolution as presented, second by Commissioner Pecos. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia, Fugate voting "FOR".

6. Consider resolution authorizing the Mayor to enter into a new Interlocal Agreement between the City of Kingsville, Texas and Kleberg County for the L.E. Ramey Golf Course. (City Manager).

Mr. Capell stated that this continues the payment for the last couple of years of \$35,000 that became annually.

Mayor Fugate asked if this was contingent on the County side as well.

Mrs. Alvarez stated yes it was contingent with the County.

Motion made by Commissioner Garcia to approve this resolution as presented, second by Commissioner Pecos. The motion was passed and approved by the following vote: Pena, Garcia, Leubert, Pecos, Fugate voting "FOR".

7. Consider final passage of an ordinance of the City Commission of the City of Kingsville, Texas, amending Chapter V Public Works of the Code of Ordinances of the City of Kingsville, Texas by amending Article 6 entitled "Stormwater Utility System", as amended, by adding "Stormwater Utility Fees", to establish monthly stormwater utility fees for the purpose of funding the Stormwater Utility System; providing a cumulative clause; providing a severability clause; Providing a savings clause; and providing an effective date. (City Manager).

Commissioner Pecos asked if the City had a five year plan.

Mayor Fugate stated yes there is a five year plan.

Mr. Capell stated that it can be terminated after five years.

Commissioner Garcia asked, if it goes for five years and it's renewed, is it renewed in five year increments.

Mrs. Alvarez stated that once it's in place, like most ordinances, it stays until amended. If the Commission wanted to rescind it, you could not rescind it until five years had expired.

Motion made by Commissioner Pecos to approve this ordinance as presented, second by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

8. Consider final passage of an ordinance adopting the City Manager's annual budget as amended of the City of Kingsville, Texas, and appropriating funds for

the fiscal year beginning October 01, 2012 and ending September 30, 2013 in the particulars hereinafter stated. (City Manager).

Mr. Capell stated that there is one adjustment that was made to the annual budget, that being an increase of \$3,000 for the Municipal Court Judge.

Mr. Rushing stated that the adjustment was for \$3,000 increase for the Municipal Court Judge. This would increase the budget to \$37,909,525.

Mayor Fugate stated that after speaking to the Municipal Court Judge, the problem the Judge has is that Judge Hernandez has placed him in the rotation for magistrate and setting bonds. One week out of five weeks, he is on call and it's taking a lot of his time.

Commissioner Garcia asked how this compares with other Municipal Court Judges in the area.

Mayor Fugate stated that this judge is the lowest.

Motion made by Commissioner Garcia to this ordinance as presented, second by Commissioner Pecos. The motion was passed and approved by a 4/1 vote: Pecos, Pena, Garcia, Fugate voting "FOR". Leubert voting "AGAINST".

9. Discuss and consider ratifying the property tax increase reflected in the 2012-2013 Annual Budget of the City of Kingsville. (Finance Director).

Mr. Rushing stated that this rate comes to \$0.84220.

Motion made by Commissioner Pecos to accept the property tax as ratified in the property tax increase reflected in the 2012-2013 Annual Budget of the City of Kingsville, second by Commissioner Garcia. The motion was passed and approved by the following vote: Pecos, Pena, Garcia, Leubert, Fugate voting "FOR".

10. Consider final passage of an ordinance establishing and adopting the ad valorem tax rate for all taxable property within the City of Kingsville, Texas for the fiscal year beginning October 01, 2012 and ending September 30, 2013, distributing the tax levy among the various funds, and providing for a lien on real and personal property to secure the payment of taxes assessed. (Finance Director).

Motion made by Commissioner Pecos to approve the property tax rate be increased by the adoption of a tax rate of \$0.84220, which is effectively a 1.29% percent increase in the tax rate, second by Commissioner Garcia. The motion was passed and approved by the following vote: Pena, Garcia, Leubert, Pecos, Fugate voting "FOR".

11. Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter III, Article 7, Personnel Policies (Comp Plan for FY2012-2013). (Human Resources Director).

Diana Gonzalez, Personnel Director, stated that and update was made to page 5 to accurately reflect information in the City Manager's Budget message. The position of Director of Development Services is changed to Planning &

Development Services Director. It was in Management Level 2 and now moved to Management Level 1.

Commissioner Garcia asked a question regarding Management Level 4, Downtown and Volunteer Manager, are we going to have volunteers.

Mr. Capell stated that this position will coordinate volunteers for the Tourism Department. The Downtown Manager's job expanded to include coordinating volunteers. These positions are funded by Hotel/Motel money.

Motion made by Commissioner Pecos to approve this ordinance as presented, second by Commissioner Garcia. Motion was passed and approved by a 4/1 vote: Garcia, Pecos, Pena, Fugate voting "FOR" Luebert voting "AGAINST".

12. Consider introduction of an ordinance amending the Fiscal Year 2011-2012 Budget for the City of Kingsville for deficit accounts. (Finance Director).

Introduction item only. No action needed.

VII. Adjournment.

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

	Sam R. Fugate, Mayor
ATTEST:	
Mary Valenzuela, City Secretary	

PUBLIC HEARING(S)

PETITIONS, GRIEVANCES & PRESENTATIONS

CONSENT AGENDA

AGENDA ITEM #1

ORDINANCE NO. 2012-

AN ORDINANCE AMENDING THE FISCAL YEAR 2011-2012 BUDGET FOR THE CITY OF KINGSVILLE FOR DEFICIT ACCOUNTS.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures.

1.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2011-2012 budget be amended as follows:

CITY OF KINGSVILLE DEPARTMENT REVENUES AND EXPENSES BUDGET AMENDMENT

Dept. Department No. Name:	Account Name:	Account Number:	Budget Increase	Budget Decrease
Fund 001 Genera	l Fund			
Revenues 180 Finance TOTAL General Fund	Sales Tax d Revenues	211.10	\$12,265 \$12,265	
Expenses 100.0 Commission 100.0 Commission TOTAL General Fundament	Group Health Insurance	120.00 116.00	\$6,350 5,915 \$12,265	

[To pay for additional Commission Car Allowance and Group Health Insurance cost due to City Commission turnover.]

11.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

Ш.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.
INTRODUCED on this the <u>17th</u> day of <u>September</u> , 2012.
PASSED AND APPROVED on this the 24th day of September, 2012.
EFFECTIVE DATE:
Sam R. Fugate, Mayor
ATTEST:
Mary Valenzuela, City Secretary
APPROVED AS TO FORM:
Courtney Alvarez, City Attorney

AGENDA ITEM #2

R	ES	0	L	U	TI	0	N	١	10),	20	1	2	-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN ENGAGEMENT LETTER AGREEMENT BETWEEN THE CITY OF KINGSVILLE, TEXAS AND JOHN WOMACK & CO., P.C. FOR THE 2011-2012 FISCAL YEAR AUDIT; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

١.

THAT the City Manager is authorized and directed as an act of the City of Kingsville, Texas to enter into an Engagement Letter Agreement Between John Womack & Co., P.C. and the City of Kingsville, Texas for the 2011-2012 Fiscal Year audit in accordance with Exhibit A hereto attached and made a part hereof.

11.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

111.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED	by a majority	vote of the C	City Commission	on the
24th day of <u>September</u>	<u>,</u> 2012.			

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

JOHN WOMACK & CO., P.C. CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. WOMACK, CPA

JOHN R. WOMACK, CPA MARGARET KELLY, CPA P. O. BOX 1147 KINGSVILLE, TEXAS 78364 (361) 592-2671 FAX (361) 592-1411

September 14, 2012

City of Kingsville P.O. Box 1458 Kingsville, Texas 78364

We are pleased to confirm our understanding of the services we are to provide City of Kingsville for the year ended September 30, 2012. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of City of Kingsville as of and for the year ended September 30, 2012. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement City of Kingsville's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Kingsville's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1. Management's Discussion and Analysis.
- 2. Budgetary comparison schedules.
- 3. GASB required supplementary pension information and
- 4. OPEB.

We have also been engaged to report on supplementary information other than RSI that accompanies City of Kingsville's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- 1. Schedule of expenditures of federal awards.
- 2. Combining statements for the CAFR and
- 3. Individual Fund Statements and Supporting Schedules.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of City of Kingsville and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified (unmodified), we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that City of Kingsville is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for

financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements, related notes and depreciation schedules using your assigned life and depreciation method. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements, related notes and depreciation schedules prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual, with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Kingsville and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported, on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit

procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Kingsville's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Limitation on Liability

In the event that John Womack & Co., P.C. is found to be negligent in provision of any services covered by this agreement which results in damage to the City, John Womack & Co., P.C.'s liability to the City will be limited to actual damages or losses incurred by the City. John Womack & Co., P.C. will not be liable to the City for any consequential and/or punitive damages.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City of Kingsville; and, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of John Womack & Co., P.C. and constitutes confidential information. However, pursuant to authority given by

law or regulation, we may be requested to make certain audit documentation available to cognizant agencies or their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of John Womack & Co., P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately October 29, 2012 and to issue our reports no later than March 31, 2013. John L Womack is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We estimate that our fees for these services will be \$45,000 for the audit, \$2,500 for the Task Force, \$20,000 for the GASB 34, 45 and 54 and GFOA report presentation, \$7,500 for fixed assets, and \$6,900 for the Single Audit (if needed). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2010 peer review report accompanies this letter.

We appreciate the opportunity to be of service to City of Kingsville and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

John Womack & Co., P.C.

Vorock 6, Po.

RESPONSE:
This letter correctly sets forth the understanding of City of Kingsville.
By:
Title:
Date:

Page 8

MARLOW C. HUNTER, P.C.

5200 Keller Springs Road, Suite 914
Dallas, Texas 75248
214.207.6958
www.marlowhuntercpa.com

SYSTEM REVIEW REPORT

March 26, 2011

To the Shareholders

JOHN WOMACK & CO., P.C.

And the Peer Review Committee of the

Texas Society of Certified Public Accountants

I have reviewed the system of quality control for the accounting and auditing practice of JOHN WOMACK & CO., P.C. (the "firm") in effect for the year ended August 31, 2010. My peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under <u>Government Auditing Standards</u>.

In my opinion, the system of quality control for the auditing practice of JOHN WOMACK & CO., P.C. in effect for the year ended August 31, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail.

JOHN WOMACK & CO., P.C. received a rating of pass.

Marlow C. Hunter, P.C.

AGENDA ITEM #3

RESOLUTION	NO. 2012-	

Α	RESOLU'	TION	ACCEPTI	NG	COMI	/IUNI	CATIC	N L	ETT	ER	FRO	M I	NDE	PEND	ENT
Αl	JDITOR JO	V NHC	NOMACK	& C	O., P.	C.; A	UTHO	RIZI	NG	THE	MAY	OR	TO	EXEC	UTE
TH	IE LETTER	R ON T	THE CITY'S	BEI	HALF.										

WHEREAS, the new auditing standards and SAS 114 require open and clear communication between auditors and "those charged with governance";

WHEREAS, the received a letter from its independent auditor John Womack & Co., P.C., regarding certain matters related to the planned scope and timing of his audit of the City of Kingsville's financial statements as of and for the year ended September 30, 2012;

WHEREAS, the communication letter needs to be executed by a designated representative of the Commission and returned to the auditor;

NOW, THEREFORE BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

THAT the City accept the communication letter from John Womack & Co., P.C.

11.

THAT the Mayor is hereby authorized to execute the communication letter upon its completion, so that it may be returned to the auditor.

141

THAT this Resolution shall be and become effective on or after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the 24^{th} day of September, 2012.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

JOHN WOMACK & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. WOMACK, CPA

JOHN R. WOMACK, CPA MARGARET KELLY, CPA P. O. BOX 1147 KINGSVILLE, TEXAS 78364 (361) 592-2671 FAX (361) 592-1411

September 14, 2012

City of Kingsville P.O. Box 1458 Kingsville, Texas 78364

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of the City of Kingsville's financial statements as of and for the year ended September 30, 2012.

Communication

Effective two-way communication between our Firm and the Commission is important to understanding matters related to the audit and in developing a constructive working relationship.

Your insights may assist us in understanding the City of Kingsville and its environment, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, illegal acts that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.



Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, without our permission no partner or professional employee of John Womack & Co., P.C. is permitted to own any direct financial interest or a material indirect financial interest in a client or any affiliates of a client. Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with Firm policy. In addition, our policies restrict certain non-audit services that may be provided by John Womack & Co., P.C. and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how the City functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of the City. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of business objectives, strategies, risks, and performance.

We will obtain an understanding of internal control to assess the impact of internal control on determining the nature, timing and extent of audit procedures, and we will establish an overall materiality limit for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error.

We will use this knowledge and understanding, together with other factors, to first assess the risk that errors or fraud may cause a material misstatement at the financial statement level. The assessment of the risks of material misstatement at the financial statement level provides us with parameters within which to design the audit procedures for specific account balances and classes of transactions. Our risk assessment process at the account-balance or class-of-transactions level consists of:

- An assessment of inherent risk (the susceptibility of an assertion relating to an account balance or class of transactions to a material misstatement, assuming there are no related controls); and
- An evaluation of the design effectiveness of internal control over financial reporting and our assessment of control risk (the risk that a material misstatement could occur in an assertion and not be prevented or detected on a timely basis by the city's internal control).

We will then determine the nature, timing and extent of tests of controls and substantive procedures necessary given the risks identified and the controls as we understand them.

The Concept of Materiality in Planning and Executing the Audit

In planning the audit, the materiality limit is viewed as the maximum aggregate amount of net asset misstatements, which if detected and not corrected, would cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results.

Our Approach to Internal Control Relevant to the Audit

Our audit of the financial statements will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Our review and understanding of the City's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

Timing of the Audit

We have scheduled preliminary and final audit field work for October 2012 and January 2013. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to the City of Kingsville.

This communication is intended solely for the information and use of the Commission and is not intended to be and should not be used by anyone other than these specified parties.

JOHN WOMACK & CO., P.C.

John L Womack, CPA

AGENDA ITEM #4

RESOL	LUTION	#2012-	

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A TRAINING AND DEVELOPMENT AGREEMENT WITH DEL MAR COLLEGE FOR THE CITY OF KINGSVILLE SPECIALIZED CRIMES AND NARCOTICS TASK FORCE; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kingsville Specialized Crimes and Narcotics Task Force has proposed to enter into an agreement with Del Mar College for training and development using a seized tractor-trailer;

WHEREAS, the College will be fully responsible for the tractor trailer while it is being used for those purposes but needs to be issued temporary title to insure the vehicle;

BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

١.

THAT the City Manager is authorized and directed as an act of the City of Kingsville, Texas to execute the Training and Development Agreement with Del Mar College, in accordance with Exhibit A hereto attached and made a part hereof.

П.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the <u>24th</u> day of <u>September</u>, 2012.

Sam R. Fugate, Mayor
ATTEST:
Mary Valenzuela, City Secretary
APPROVED AS TO FORM:
Courtney Alvarez, City Attorney



KINGSVILLE SPECIALIZED CRIMES AND NARCOTICS TASK FORCE P. O. BOX 213

KINGSVILLE, TEXAS 78364

tfadmin@kingsvilletaskforce.com

(361) 595-5778 Fax (361) 595-5781



To:

Vincent J. Capell, City Manager, City of Kingsville

From:

Guillermo Vera, Commander, Kingsville Task Force

Date:

September 13, 2012

Subject: Training and Development Agreement between the City of Kingsville

and Del Mar College

The Training and Development Agreement between the City of Kingsville and Del Mar College has expired and needs to be renewed. The Kingsville Task Force and Del Mar College would like to extend the same agreement into the 2012 – 2013 fiscal year. There are no changes to any of the verbiage in the agreement, only the dates of the yearly term.

A copy of the new agreement will be attached for your review, Please note Page 2, Section 3 of the submitted agreement contains last year's dates and will be corrected by Del Mar College prior to the date of the City's Commissioners Court session.

If this request is approved, can it be placed on the City's Commissioners Court Agenda for Monday, September 24, 2012? Your kind consideration to this request is greatly appreciated.

Cc:

Ken Starrs, Assistant Commander Courtney Alvarez, City Attorney Mary Velenzuela, City Secretary File

Attachment

DEL MAR COLLEGE Mail: 101 Baldwin Blvd. Corpus Christi, Texas 78-104-3897 www.delmar.edu Transportation Training Services Division of Business, Professional and Technology Education phone (361) 698-2707 • fax (361+698-2708

TRAINING AND DEVELOPMENT AGREEMENT

DATE:

August 8, 2012

GENERAL:

This Agreement is entered into by and between Del Mar College and City of Kingsville Specialized Crimes & Task Force in consideration of the mutual promises contained herein.

SECTION I.

AGREEING PARTIES

A. The Performing Party:

Del Mar College 101 Baldwin Corpus Christi, TX 78404 B. The Receiving Party:

The City of Kingsville Specialized Crimes & Narcotics Task Force P.O. Box 213 Kingsville, TX 78364

SECTION II.

TERMS OF AGREEMENT

- A. This document shall be considered as a proposal for services until signed by both parties.
- B. Services provided by this Agreement will begin September 1' 2012 and will end August 31, 2013.
- C. The Receiving Party agrees to pay for services received within 30 days from receipt of invoice.
- D. Either party has the right to cancel services or training specified by the Agreement for failure of the other party to perform in accordance with the terms outlined herein or in attachments or changes hereto. Such cancellation requires written notice three days prior to such cancellation. If services are deleted or cancelled, payment shall be due for all past services performed and any costs incurred providing those services, as agreed upon in Section III, Statement of Services To Be Performed. Services can be rescheduled if agreed to by both parties.
- E. Neither party shall be responsible to the other for personal injuries, losses, claims, or demands caused by the acts or omissions, if any, of such party or its agents, employees, invitees, or subcontractors. The liability, if any, of either party shall be that prescribed by the laws of the State of Texas.
- F. It is the responsibility of the Receiving Party to declare if any employees are brought in from out-of-state by the company for the sole purpose of taking this course.

If an employee is brought in from out-of-state, an out-of-state tuition will be charged for these employees.



Det Mar College Mail: 101 Baldwin Blvd. Corpus Christi. Texas "8404-380" www.delmar.edu

Transportation Training Services
Division of Business, Professional
and Technology Education
phone (361) 698-2707 • fix 361 698-2708

G. Contact persons are:

The City of Kingsville Specialized Crimes & Narcotics Task Force
Attn: Ken Starrs
361-595-5778 361-595-5781 (fax)

Transportation Training Services
Del Mar College
Attn: John Rojas
361-698-2707 361-698-22708 (fax)

SECTION III.

STATEMENT OF SERVICES TO BE PERFORMED

Del Mar College will:

Provide Professional Truck Driver training for The City of Kingsville Specialized Crimes & Narcotics Task Force. Del Mar College agrees to waive tuition costs to The City of Kingsville Specialized Crimes & Narcotics Task Force, In return The City of Kingsville Specialized Crimes & Narcotics Task Force agrees to provide a tractor/trailer (auction valued at around \$14,000 combined) that will temporarily be assigned to Del Mar College for training purposes under this agreement. The City of Kingsville Specialized Crimes & Narcotics Task Force will temporarily issue the title of the tractor/trailer under Del Mar College for the length of this agreement. Del Mar College will be allowed to convert the tractor/trailer into a training vehicle by making sleeper area a mobile classroom by adding bucket seats with seat belts for student observation and will be responsible for providing insurance, maintenance, repairs, and fuel for tractor/trailer while it is under loan to us. Del Mar College agrees to insure the tractor/trailer at its own expense for the period of use under this agreement and agrees that it will not sell or donate the vehicle to any third parties. The City of Kingsville Specialized Crimes & Narcotics Task Force may send up to 6 employees for training effective September 1, 2012 through August 31st 2013. When Del Mar College finds the tractor/trailer unusable for training purposes, the tractor/trailer will be returned and title issued to The City of Kingsville Specialized Crimes & Narcotics Task Force.

All training costs are calculated with the intentions of performing all training in Corpus Christi.

SECTION IV.

SERVICE COST

\$2,320.00 (waived) \$400.00 (waived) \$25.00 (waived) \$50.00 (waived) \$60.00 \$20.00 \$50.00
\$99.50

Note: The City of Kingsville Specialized Crimes & Narcotic Employees will be responsible to pay \$229.50 for CDL License, M.V.R., Books, & D.O.T. Physical and Drug screen.



Del Mar College Mail: 101 Baldwin Blvd. Corpus Christi, Texas 78404-3897 www.delmar.edu

TRANSPORTATION TRAINING SERVICES DIVISION OF BUSINESS, PROFESSIONAL AND TECHNOLOGY EDUCATION phone (361) 698-2707 • fax (361) 698-2708

AGREEMENT SECTION V.

This Agreement constitutes the entire Agreement between the parties and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Agreement. This Agreement shall be construed under and in accordance with the laws of the State of Texas.

SECTION VI.	CERTIFICATION OF BASIC AGREE	MENT
RECEIVING PARTY	<u>r</u>	PERFORMING PARTY
The City of Kingsvill	e	Del Mar College
By: Authorized SignateVincent J. Capell_ NameCity Manager Title	ure	By: Authorized Signature Mark Escamilla, Ph.D. Name President Title
Date Signed		Date Signed

REGULAR AGENDA

AGENDA ITEM #5

RESOL	LUTION NO. 2012-	

RESOLUTION APPROVING THE CITY OF KINGSVILLE'S 2012 TAX ROLL AS SUBMITTED BY THE KLEBERG COUNTY TAX ASSESSOR-COLLECTOR PURSUANT TO THE TEXAS PROPERTY TAX CODE, CHAPTER 26, SECTION 26.09(E).

WHEREAS, the duly appointed Kleberg County Tax Assessor Collector has submitted the 2012 Tax Roll for the City of Kingsville; and

WHEREAS, the City Commission has reviewed the appraisal and tax rolls, and set the tax rate at the level necessary to support the approved budget of the City of Kingsville.

NOW THEREFORE BE IT RESOLVED by the City Commission of the City of Kingsville, Texas that:

"The 2012 Tax Roll for the City of Kingsville is hereby approved pursuant to Section 26.09 (e) of the Texas Property Tax Code".

PASSED AND APPROVED by majority vote of the City Commission on the <u>24th</u> day of September 2012.

Sam R. Fugate, Mayor
ATTEST:
Mary Valenzuela, City Secretary
APPROVED AS TO FORM:
Courtney Alvarez, City Attorney
Odditing Mivardz, Oity Milothicy

SUBMISSION OF THE 2012 TAX ROLL FOR THE CITY OF KINGSVILLE PURSUANT TO SECTION 26.09(e) OF THE TEXAS PROPERTY TAX CODE

The 2012 Tax Roll for the City of Kingsville is hereby submitted for approval at the next regular scheduled meeting of the City of Kingsville Commissioner's Court. The 2012 Tax Roll is submitted for approval under Section 26.09(e) of the Texas Property Tax Code and was calculated in compliance with the same code by multiplying the values from the Certified Appraisal Roll plus/minus any changes in value approved by the Kleberg County Appraisal Review Board by the tax rate adopted by this governing body for the 2012 tax year. Values and taxes are at a ratio of 100% of appraised value. The 2012 Tax Roll for the City of Kingsville is stored in the Kleberg County Tax Office in compliance with the State Records Retention guidelines. A copy of the tax roll for reference purposes and convenient availability is filed with the Kleberg County Clerk's Office.

I, Melissa T. De La Garza, RTA – Kleberg County Tax Assessor-Collector, hereby certify the figures from the 2012 Tax Roll as reflected on the attached summary page taken directly from the 2012 Tax Roll. I certify that the foregoing information, and the roll it represents is accurate and correct to the best of my knowledge. Certified and submitted this 18th day of September 2012.

Melissa T. De La Garza, RTA

Kleberg County Tax Assessor-Collector

	ITY - CITY	OF KINGSVILLE	TAX ROLL RUN	PAGE 3
09/18/2012 AT 11:13				
Improvements: Homesteadable New Homesteadable Non-Homesteadable New Non-Homesteadable	Number 4,203 158 4,043	Amount 263,650,977: 935,575 : 273,594,406 : 0:	Impr. Total 538,180,958:	
Land: Homesteadable Non-Homesteadable Acres 7,563.429	Number 4,122 5,069 8,705	Amount 37,866,179: 78,156,314:		Total Market 767,857,081
Productivity: Agricultural Market Timber Market Agricultural Use Value Timber Use Value Exempt Agricultural Market Exempt Agricultural Value	Number 149 149		Productivity Mkt: 9,919,480:	Total Accounts
Other: Minerals Personal Property Market	Number	Amount 0: 103,734,150:		1516171870203
Miscellaneous: Homestead Market Value Homestead Cap Value Tax Increment Zone Market Tax Increment Zone Base	Number 4,173 4,173	Amount 300,786,796 300,095,499 0 0	France Constitution of Constit	RECEIVED SEP 2012
Deductions: Exemption Constitutional Exempt	Number 369	Amount 44,369,640		FINANCE DEPT.
Productivity Loss	149	9,352,851		180 2 1005 6160 T
Homestead Cap Loss	105	691,297		The day
Homestead Homestead Frozen Homestead Local Homestead Local Frozen Homestead Local % Homestead Local % Frozen		0 : 0 : 0 : 0 : 0 :	Homestead Total O :	
Over 65 8,400 Over 65 Frozen Over 65 Local Over 65 Local Frozen	1,522	12,560,654 0 0 0	: Over 65 Total : 12,560,654	; ;
Disabled Person Disabled Person Frozen Disabled Person Local Disabled Person Lcl Frzn		-	: Disabled Person : 0	
Disabled Veteran HS Full Disabled Veteran Disabled Veteran Frozen	49 211	3,790,337 1,964,825 0	: : Disabled Veteran : 5,755,162	: : :
Abatements Pollution Control Freeport HB366 Prorated Exempt	77	21,320 0	: Other Exemptions : 1,694,245	Net Taxable
Other	8	1,672,925	•	693,433,232
Frozen Taxable Value Loss Frozen Limit (CAD Original) Frozen Limit Adjusted (Transfers) Frozen Tax Levy Used Late Agricultural Penalty Late Correction Penalty Late Rendition Penalty	1 339	.00 .00 .00		Net Taxable Less Frozen 693,433,232
Total Tax Levy 0.0084220	0	Actual Levy 5,847,412.25		Calculated Levy 5,847,411.36

Calc sequence: DV Tot HS,Dis Vet,Ovr 65,Ovr 65 Lcl,Hmstd,Hmstd Lcl,Disabled,Disabled Lcl,Other. Apply Ownership Interest to Hmstd, Over 65, Dis Person, Hmstd Lcl %, Hmstd Lcl, Hmstd Min, Dis V Apply Disabled Veteran exemption to Non-Homestead then to Homestead values.

8/2/2012

CITY OF KINGSVILLE							
Values	Real Estate	Personal	Minerals	CAD Total	NETD Total	Difference	
				707 057 004	767 857 081	0	
Market Value	767,857,081	0	0	167,637,001	0.353.851	0	
Productivity Loss	9,352,851	0	0	9,352,651	3,552,051		
HS limited value Loss	691.297			691,297	691,297	0	
Constitutional Exempt	44 369 640	0	0	44,369,640	44,369,640	D	
Taxable before Exempt	713,443,293	0	0	713,443,293	713,443,293	0	
Exemptions		-					
				0	0	0	
Homestead	0						
0.065	12,543,854						
OV65S	16,800				1		
Sixtv-five	12,560,654			12,560,654	12,560,654		
Disability	0			0	O	7	
DV1	595,525						
DV1S	40,000						500
DV2	476,250						3) 32.
DV3	407,260						
DV3S	10,000						
DV4	346,600						
DV4S	 						SEP 2012
DVHS	3,						TANANOL DEDT
SSHAQ	260,550			7777	E 755 183		S ESBARA BLANCE TO
Disabled Vet	5,755,162	0		201,667,6	20,100,100		
HO	409,360						031-12
EX(Prorated)	0						
EX366	21,320						
H	1,263,565						
PC	0				7 000 4		
Other	1,694,245				1,034,243		
Total Exemptions	20,010,061	0	0	20,010,061	20,010,02	P	
					603 433 232	0	
Net Taxable Value	693,433,232	0	0	095,455,252	030,400,400		

AGENDA ITEM #6

RESOLUTION	#2012-
------------	--------

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF AGRICULTURE FOR THE COMMUNITY DEVELOPMENT FUND; AND AUTHORIZING MAYOR SAM FUGATE TO ACT AS THE CITY'S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Kingsville desires to develop a viable community, including decent housing and a suitable living environment and expanding economic opportunities, principally for person of low-to-moderate income; and

WHEREAS, certain conditions exist which represent a threat to the public health and safety; and

WHEREAS, it is necessary and in the best interest of the City of Kingsville to apply for funding under the Texas Community Development Block Grant Program;

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

- 1. THAT a Texas Community Development Block Grant Program application for the Community Development Fund is hereby authorized to be filed on behalf of the City with the Texas Department of Agriculture.
- **2. THAT** the City's application be placed in competition for funding under the Community Development Fund.
- **3. THAT** the application be for \$300,000.00 of grant funds to provide water improvements.
- 4. THAT the City Commission directs and designates Mayor Sam Fugate as the City's Chief Executive Officer and Authorized Representative to act in all matters in connection with this application and the City's participation in the Texas Community Development Block Grant Program.
- **5. THAT** it further be stated that the City of Kingsville is committing \$15,000.00 of in-kind services of construction activities of the water improvement project.
- **6. THAT** all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

- **7. THAT** this Resolution shall be and become effective on and after adoption.
- 8. THAT this Resolution was considered, passed, and approved at a regular meeting of the City Commission of the City of Kingsville, Texas at which a quorum was present and which was held in accordance with Chapter 551 of the Texas Government Code, and Chapter 102 of the Texas Local Government Code.

PASSED AND APPROVED by a majority vote of the City Commission on the 24th day of September , 2012.
Sam R. Fugate, Mayor
ATTEST:
Mary Valenzuela, City Secretary
APPROVED AS TO FORM:
Courtney Alvarez, City Attorney



Engineering Department

361-595-8007 361-595-8035 Fax

DATE:

September 19, 2012

TO:

City Commission through City Manager

FROM:

Naim Khan, Director of Public Works/City Engineer

SUBJECT: Community Development Block Grant

SUMMARY

This item will authorize the staff to apply for \$300,000 Community Development Block Grant to install new/replace old water lines in the City.

BACKGROUND

Lot of old water lines in the City are Asbestos Cement (AC) and Cast Iron pipes. These pipes are very vulnerable to crack and break due to old age and severe weather condition in this area. Some pipes are undersized. Replacing these pipes with proper size PVC pipes is the best solution. Grant money will be used to replace these old water lines or to install new lines.

The grant is through the Texas Department of Agriculture. This particular grant (TDA has many different grants) is called Texas Community Development Block Grant Program, Community Development Fund Application (2013-2014). The maximum amount we can apply for is \$300,000.00.

There is a 5% match, either \$15,000.00 or in-kind. Engineering design will be done in-house which will fulfill the requirement for in-kind. There is an administrative fee of \$40,000 which will be paid through this grant. Total \$260,000 can be used for the Pipe, Fire Hydrant and Valve installation.

RECOMMENDATION

The staffs recommend applying for the Grant.

FINANCIAL IMPACT

No financial impact

Approved

Vincent Capell, City Manager

AGENDA ITEM #7



Engineering Department

361-595-8007 361-595-8035 Fax

DATE:

September 19, 2012

TO:

City Commission through City Manager

FROM:

Naim Khan, Director of Public Works/City Engineer

SUBJECT: Community Development Block Grant

SUMMARY

This item will authorize the staff to apply for \$300,000 Community Development Block Grant to install new/replace old water lines in the City.

BACKGROUND

Lot of old water lines in the City are Asbestos Cement (AC) and Cast Iron pipes. These pipes are very vulnerable to crack and break due to old age and severe weather condition in this area. Some pipes are undersized. Replacing these pipes with proper size PVC pipes is the best solution. Grant money will be used to replace these old water lines or to install new lines.

The grant is through the Texas Department of Agriculture. This particular grant (TDA has many different grants) is called Texas Community Development Block Grant Program, Community Development Fund Application (2013-2014). The maximum amount we can apply for is \$300,000.00.

There is a 5% match, either \$15,000.00 or in-kind. Engineering design will be done in-house which will fulfill the requirement for in-kind. There is an administrative fee of \$40,000 which will be paid through this grant. Total \$260,000 can be used for the Pipe, Fire Hydrant and Valve installation.

RECOMMENDATION

The staffs recommend applying for the Grant.

FINANCIAL IMPACT

No financial impact

Approved

Vincent Capell, City Manager

AGENDA ITEM #8

ORDINANCE	NO.2012-	

AMENDING THE CITY OF KINGSVILLE CODE OF ORDINANCES CHAPTER XI, ARTICLE 2, AMBULANCE SERVICE, PROVIDING FOR THE AMBULANCE BILLING RATES FOR SERVICES PROVIDED BY THE CITY; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING FOR AN EFFECTIVE DATE AND PUBLICATION.

WHEREAS, the City of Kingsville operates an ambulance service through the Kingsville Fire Department;

WHEREAS, the rates for providing this ambulance service have not been updated in several years, yet the cost for the services and supplies has increased thereby necessitating this rate revision ordinance;

WHEREAS, this Ordinance is necessary to protect the public safety, health, and welfare of the City of Kingsville.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

١.

THAT Section 11-2-28 through Section 11-2-29 of Article 2: Ambulance Service of Chapter XI, Business Regulations, of the Code of Ordinances of the City of Kingsville, Texas, shall be amended to read as follows:

ARTICLE 2: AMBULANCE SERVICE

General Provisions

§11-2-28 AMBULANCE BILLING RATES FOR SERVICES PROVIDED BY THE CITY OF KINGSVILLE AMBULANCE SERVICE. PENALTY.

Any violation of the terms of this article shall be subject to a fine of not exceeding two hundred dollars (\$200.00) per day.

The fee for services provided by the City of Kingsville Fire Department ambulance service shall be as approved by the City Commission. A copy of the

. . . .

current fees (approved in October 2012) is available from the City Secretary and incorporated herein by reference.

§11-2-29 PENALTY.

Any violation of the terms of this article shall be subject to a fine of not exceeding two hundred dollars (\$200.00) per day.

11.

THAT all ordinances or parts of ordinances in conflict with this ordinance are repealed to the extent of such conflict only.

Ш.

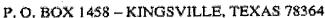
THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose

IV.

THAT this Ordinance shall be codified and become effective on and after adoption and publication as required by law.

INTRODUCED on this the 24 th day of September, 2012.

PASSED AND APPROVED on this the	th day of <u>October</u> , 2012.
Sam R. Fugate, Mayor	
ATTEST:	
Mary Valenzuela, City Secretary	
APPROVED AS TO FORM:	
Courtney Alvarez, City Attorney	







September 21, 2012

Vincent Capell
City Manager
City of Kingsville
P.O. Box 1458
Kingsville, Texas 78364

Re: Ambulance Rate Study

Mr. Capell,

During the FY 2010-11 Budget Review and Adoption process we discussed the need to study the City of Kingsville Ambulance Charges. As a result, the attached Ambulance Rate Study has been provided for your review and consideration. A summary of the City billing and contract history is as follows:

- 1. Ambulance Rates were increased February 26, 1996 (see ordinance attached) which went into effect on March13, 1996.
- 2. Current ambulance rates are higher than those approved by the Commission in 1996, but staff is unable to identify precisely when or by how much the rates were subsequently increased and staff is unable to locate any ordinance passed by the Commission approving such increases. Staff believes the current rates have been in effect since 2006.
- 3. The City of Kingsville contracted Alexander Billing back in 2001 to handle all EMS billing and then on March 1, 2006, the City of Kingsville renewed the contract with Alexander Billing and Consulting Inc. (now Intermedix). Recently the City of Kingsville renewed the contract with Intermedix on June 13, 2012.
- 4. Ambulance Revenues have increased by \$203,658.93 over the past 7 years as follows:

	<u>Increase</u>	Annual Revenue
FY04		\$285,654.82
FY05	\$3,658.25	\$289,313.07
FY06	\$38,496.38	\$327,809.45
FY07	\$74,397.31	\$402,206.76
FY08	\$40,871.97	\$443,078.73
FY09	\$14,681.53	\$457,760.26
FY10	\$23,872.25	\$481,632.51
FY11	\$7,681.24	\$489,313.75

Over this same period of time the Fire Department overall expenditures have increase in the General Fund from \$2,241,398.53 to \$2,544,750.99 or 13.53 %. Keep in mind, the overall Fire





Department includes expenditures for Fire and Ambulance Services. But these increased costs are relative to the ambulance portion of the analysis. In FY 07-08, when the full implementation of the new rates came into effect, the General Fund Fire Department expenditures were \$1,827,771.77 more than revenue. In FY 10-11, the General Fund Fire Department expenditures were \$2,054,682.89 more than revenue. This is an overall net increase in the Departmental Operating Loss of \$226,939.12 or 12.42% loss increase.

Costs associated with recent Certificates of Obligations C.O. 2007 of \$789,315 was incurred for the purchase of a ladder truck, radio and equipment for the ladder truck. Amortizing these costs over the expected useful lives of these assets increases the Fire Department loss an additional \$52,621. Adding C.O. 2011 of which \$595,987.00 was incurred for equipment, ambulance replacement, computers for the ambulances, fire rescue equipment, and roofing and remodeling of the fire station increases the loss. If we exclude the roofing and building remodeling that leaves \$451,842 in fire and ambulance equipment over a weighted Expected Useful Life (EUL) of 10 years, using the more conservative EUL, this increases the Fire Department loss an additional \$45,184. Together this totals an overall annualized Fire Departmental loss of \$2,152,487.89.

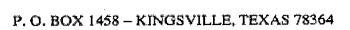
It is important to note the following at this point: The City's ambulance fees have historically been market based rather than cost reimbursement based. In other words, the City of Kingsville attempts to keep its ambulance fees comparable with those charged by other comparable cities leaving the City with unreimbursed ambulance service delivery costs in the Fire Department. To the extent that the City does not cover 100% of its ambulance service delivery costs, those costs must be covered from other General Fund revenue sources including, but not limited to sales tax, property tax and franchise fees.

Section 2 - Collections Agency Process (CSII)

Intermedix does have a higher probability of collecting most of the fees when insurance is involved and with Medicaid and Medicare.

Through Intermedix, the process is to try and collect payment by the first 120 days. Once the insurance portion has been collected, outstanding account balance invoices are mailed out. A customer must receive three statements with the exception of return mail. All accounts that have an auto carrier or an attorney present can stay open for as long as two years due to settlements. Accounts over two years with little or no payment can go to the collection agency, CSII (Credit Systems International Inc.). CSII is a secondary collection agency for the bad debts that failed to be collected by Intermedix. CSII is not a Credit Rating agency.

Beginning fiscal year 2012-2013 Intermedix will send the City of Kingsville Collections Department a list of those outstanding bills ready for collection for our review before they are submitted to CSII. Once that list is approved by the Collections Department Manager and the Finance Director, they are forwarded to CSII. Once CSII receives and acknowledges the collection file, they will advise Intermedix how many accounts and total balance that was sent over. At this point, accounts are written off the total A/R. When CSII collects payments through



وكالمال المناجع المناج



out each month, a detailed invoice will be sent to the City of Kingsville and the CSM (customer service manager) at Intermedix. This detailed invoice will be reviewed and all accounts will be verified that payments and postings are correct. All accounts that are written off are not reported to any credit reporting agency at this time.

Section 3 - Rate Survey

The City of Kingsville tracks it rates to other comparable ambulance service providers, which in our case are providers that average 2,200 to 2,500 runs per month. Rates for these other provider agencies are available for your review, but are not included in this packet due to the volume and complexity of the information. The other agencies that we consider most comparable to the City of Kingsville are listed as follows:

- 1. City of Mexia (located 40 miles East of Waco)
- 2. Pecos County (located in West Texas)
- 3. Nueces County Rural Fire District #4 (services Robstown Rural area and is in the process of raising their rates)

Section 4 - Medicare and Medicaid Industry Changes

Medicare will pay their allowable rates based on the city's locality. However, if the city's charges are close or under the Medicare allowable, it becomes an issue therefore the City fees should always be above the Medicare Fee Schedule. If City fees are less, then the City is losing money and could possible raise the issue of an audit, in which Medicare will match our fee and this will cause for a loss of monies for other EMS agencies within the city's locality. With the exception of raising the City's mileage fee, the City will get no more monies out of Medicare and Medicaid, but will receive additional monies from private insurances. An email to all Medicare providers stating that they would be holding payments for the month of January 2012, due to an issue on their end. For Medicaid, it read as follows - Effective for dates of service on or after January 1, 2012, the following claims submission and processing guidelines will change for Medicare crossover claims:

• Coinsurance and deductible reimbursement will change for professional and outpatient facility crossover claims in accordance with cost containment reductions included in H.B. 1, 82nd Legislature, Regular Session, 2011.

For Part B and Part C (noncontracted MAPS only) professional and outpatient crossover claims, Texas Medicaid will reimburse the lesser of the following:

- The coinsurance and deductible payment
- The amount remaining after the Medicare payment amount is subtracted from the allowed Medicaid fee or encounter rate for the service.

If the Medicare payment is equal to or exceeds Medicaid allowed amount or encounter payment for the service. Texas Medicaid will not make a payment for coinsurance and deductible.





The good news however is that as of August 29, 2012 effective for dates of service on or after September 1, 2012, Texas Medicaid will reimburse the full amount of the Medicare coinsurance and deductible for the following Part B and Part C.

Section 5 - Projected Revenue Increase

Attached is a spreadsheet that will present two rate increases for the City of Kingsville EMS. One is for a medium rate increase and one is for a higher rate increase.

Definitions/Abbreviations

ALS1 - Advance Life Support

ALS2 - Advance Life Support

BLSE - Basic Life Support Emergency

BLSNE - Basic Life Support Non-Emergency

Medium Rate Increase

The charges that are being looked at for rate increased are as follows:

- a. ALS1 raising the rate from \$625.00 to \$855.00
- b. ALS2 raising the rate from \$625.00 to \$900.00
- c. BLSE raising the rate from \$500 to \$787.00
- d. BLSNE raising the rate from \$450.00 to \$787.00
- e. Mileage raising the rate from \$6.50 to a minimum of \$7.06 (Suggested mileage rate is between \$10.00 to \$15.00).

If these Medium Rate Increases are adopted, the following is projected to occur: (This is with the estimated start date of October 2012 and an average monthly trip average of 161). The projected annual fiscal year revenue will increase from \$547,754 in FY12 to \$578,029 in FY13, the first full year of projected new rate revenue. This is a projected \$30,275 or 5.53% increase in annual ambulance revenue.

Higher Rate Increase

The charges that are being looked at for rate increased are as follows:

- f. ALS1 raising the rate from \$625.00 to \$940.50
- g. ALS2 raising the rate from \$625.00 to \$990.00
- h. BLSE raising the rate from \$500 to \$865.70
- i. BLSNE raising the rate from \$450.00 to \$865.70
- **j.** Mileage raising the rate from \$6.50 to a **minimum** of \$7.06 (Suggested higher rate is 16.50).

If these Higher Rate Increases are adopted, the following is expected to occur: (This is with the estimated start date of October 2012 and an average monthly trip average of 161). The projected annual fiscal year revenue will increase from \$547,754 in FY12 to \$633,571 in FY13, the first full year of projected new rate revenue. This is a projected \$85,816 or 15.67% increase in annual ambulance revenue.



P. O. BOX 1458 - KINGSVILLE, TEXAS 78364

Staff Recommendation

The rates and charges presented are based on market rates and allowable industry standards put forth by the reimbursing insurance and governmental agencies. A full recovery of the actual costs incurred by the City of Kingsville Ambulance Services is not the intent of this study and/or sole basis of recommended rates and charges. The increase in rates and charges is intended to help offset the increasing cost of the delivery of these services to the public.

After review of the Medium and Higher Rate survey, study and comparisons, it is staff's recommendation to phase-in the medium rates for FY13, effective October 1, 2012, followed by an observation.

Thank you for your consideration in this matter. If I can be of further assistance, please give me a call at (361) 595-8009.

Sincerely,

Mark A. Rushing

Finance Director City of Kingsville

Enclosures:

(1) Power Point Presentation

Mark A. Rushing

- (2) Itemized Drug List Medium and High
- (3) EMS Billing Rates Medium and High

ADPI-ITELETES.



EMS Rate Increase Study City of Kingsville





Two Projects of Importance

2. EMS Rate Study Medicare

Revalidation - Continued

- The revalidation process began in February 2012 The application and all requested paperwork and supporting documentation comes to around 88
- Medicare wanted something changed 8 times and with each change new signatures had to obtained.
- The last part of the revalidation requires an on-site visit. This is not a scheduled visit. This process usually takes 30 days, but with the mass requests of revalidations, it pushed the 30 day deadline to 45 days.
- (Vendor to Medicare) lost the contract and Novitas took over. The on site At the time of the on-site visit schedule in June 13, 2012. Trailblazers visit was rescheduled as of July 3, 2012. At this time the City of Kingsville's revalidation packet got "lost" in the transition.
- It took several complaints to CMS and the process of bringing in your district congressman and state senator.
- visit was done and the application was approved as of September 4, 2012. Without Notification and constant monitoring CMS stated that the on site



Revalidation - Conclusion

- Medicare has issued The City of Kingsville a new EMS #.
- There are 642 claims that will be resubmitted
- All claims go through one clearing house instead of
- Intermedix is in the process of enrolling The City of Kingsville
- Clearing house should be ready to submit all the Medicare claims within 25 days or sooner



EMS Rate Study

When considering the possibility of a rate increase. It was requested of Intermedix to select other Intermedix clients.

Those clients were as follows:

Nueces County ESD#4

City of Mexia

Pecos County EMS

Several issues has to be considered while doing this study:

How does a rate increase effect the City of Kingsville EMS?

How does a rate increase effect the surrounding EMS agencies?

How does a rate increase effect the patients.

EMS Rate Study - Continued

At the current rates:

- How does a rate increase effect the City of Kingsville EMS
- Is the EMS department able to cover their cost of covering each trip?
- Is the EMS department able to meet the payment obligation of restocking supplies and drugs?
 - How Often is Kingsville EMS being used more as a "Taxi" or minor situations such treatments and not transported?



EWS Rate Study - Continued

At the current rates:

- How does a rate increase effect the Surrounding EMS agencies?
- this happens, this means that your Medicare allowable rates has the lowest fees and do an average of the remaining. If the locality will be looked at by each EMS agencies charge When Medicare does their yearly fee schedule evaluation, master. Medicare will base their fees on the agency that could go down.
- Medicare if the biggest payor in Texas and EMS agencies cannot afford the cuts.



INS RATE SILCY - CONTINUE

At the current rates

How does a rate increase effect the patients?

personnel with possible cuts if their budget is not enough to meet If Medicare lowers their fees, it hurts the EMS department the cost of the one trip.

if your Medics are working extensive longer or more hours and the area....sounds good, because it increases trips...but it won't help, If other agencies around you close due to funds, those areas are going to have to look to find an EMS agency who can cover their City is having to invest more monies to restock all supplies resources.



What are your Medicare allowable:

- An Allowable is the most that can be collected from Medicare or even Medicaid
- Here is the City of Kingsville's Medicare Allowables:
- 4402 99 A0425 Mileage \$7.10
- 4402 99 A0426 ALS Non Emergency \$248.76
- 4402 99 A0427 ALS Emergency \$393.86
- 4402 99 A0428 BLS Non Emergency \$207.30 4402 99 A0429 BLS Emergency \$331.67
- 4402 99 A0433 ALS 2 \$570.07
- 4402 99 A0434 Specialty Care Transport \$673.71
- Highlighted in Green is the most common types of trip that the City Of Kingsville EMS does.
- What is the City of Kingsville EMS average payment from Medicare: \$373.53 To close to the allowable and does it cover the transport?



Current Fees For The City of Kingsville

HCPC Code	<u>Description</u>	<u>Fee</u>
A0427	ALS1 EMER TRANSPORT	\$625.00
A0426	ALS1 NON EMER TRAN	\$600.00
A0433	ALS2 TRANSPORT	\$625.00
A0429	BLS EMER TRANSPORT	\$500.00
A0428	BLS NON EMER TRAN	\$450.00
A0998	TREATMENT/NO TRANSPO	\$125.00
A0425	MILEAGE EMERGENCY ALS	\$6.50
A0425	MILEAGE NON-EMERG BLS	\$6.50



Medium Rate Increase

ALS1 Emergency

\$855.00

ALS Non Emergency \$855.00

ALS2

\$900.00

BLS Emergency \$7

\$787.00

BLS Non Emergency \$787.00

Mileage

\$7.06 (minimum)

(Suggested mileage rate is between \$10.00 to \$15.00).



High Rate Increase

ALS1 Emergency

\$940.50

ALS Non Emergency \$940.50

ALS2

\$990.00

BLS Emergency

\$867.70

BLS Non Emergency \$867.70

Mileage

\$ 7.06 (minimum)

increase for the mileages are a minimum of \$7.06. Please note that on both Medium and High rate (Suggested higher rate is 16.50).



Differences of the the City of Kingsville raites vs. the Medium and High Rate Increase - Continued

Medium Rate Increase:

	\$230.00	\$255.00	\$275.00	\$287.00	\$337.00	Fee is within range	\$ 0.56
Current Fee	\$625.00	\$600.00	\$625.00	\$500.00	\$450.00	\$125.00	5 \$ 6.50
	ALS1 EMER TRANSPORT	ALS1 NON EMER TRAN	ALS2 TRANSPORT	BLS EMÈR TRANSPORT	BLS NON EMER TRANSPORT	TREATMENT/NO TRANSPORT \$125.00	MILEAGE EMERGENCY ALS/BLS \$ 6.50
HCPC Code	A0427	A0426	A0433	A0429	A0428	A0998	A0425

from Medicare or Medicaid, but will see an increase in private Insurance Please keep in mind that the city will not receive any extra cash revenue and some self pay.



Differences of the the City of Kingsville rates vs. the Medium and High Rate Ingrease

High Rate Increase:

	\$315.50	\$315.50	\$365.00	\$367.70	\$417.70	Fee is within range	\$ 0.56	
Current Fee	\$625.00	\$600.00	\$625.00	\$500.00	\$450.00	\$125.00	\$ 6.50	-
Description	AI S1 EMFR TRANSPORT	ALST NON FMER TRAN	AI S2 TRANSPORT	BIS FAFR TRANSPORT	BIO NON FAFR TRAN	TPEATMENT/NO TRANSPORT	MILEACE EMERGENCY ALS/BLS	
HCPC Code	A0477	A0427	A0420 A0433	A0433	A0427	A0420	A0990	A0423

from Medicare or Medicaid, but will see an increase in private Insurance Please keep in mind that the city will not receive any extra cash revenue and some self pay.



Payor Mix

Payor Mix for fiscal year 2010/2011:

•	Insurance Type Count		
	Self Pay -	341	-
	Private Insurance	289	
a	Medicare -	740	4
	Medicaid -	308	1
	Total trips -	1678	

Payor Mix for Fiscal Year 2012/2012 (As of August 2012):

	23%	17%	44%	15%	
	t	I	ı	I	
	443	329	826	293	1891
Insurance Type Count	Self Pay -	Private Insurance -	Medicare -	Medicaid -	Total Trips -
_				_	_



Payment Percentage Increase with Wedium Rate Increase.

increase from \$457,142.67 in FY 11, the last full year of current rate revenue, to \$541,590.76 in FY 13, the first full year of projected new rate with the estimated start date of October 2012 18.48% increase in annual ambulance revenue. The projected annual fiscal year revenue will and an average monthly trip average of 161). If these Medium Rate Increases are adopted, the following is projected to occur: (This is revenue. This is a projected \$88,449.09 or



Payment Percentage Increase with Higher Rate MCTGASES

fiscal year revenue will increase from \$457,142.67 in FY new rate revenue. This is a projected \$122,865.73 or estimated start date of October 2012 and an average \$580,008.40 in FY 13, the first full year of projected monthly trip average of 161). The projected annual 11, the last full year of current rate revenue, to following is expected to occur: (This is with the If these Higher Rate Increases are adopted, the 26.88% increase in annual ambulance revenue.





End of the Rate Increase presentation

Questions and Answers

City of Kingsville EMS - 2011 and 2012 Out-standing Medicare Claims as of August 2012

Row Labels Count of CallDispo Sum of Payments Sum of Balance Medicare 703 \$ mof Balance 426,936.50 Dead on scene 9 \$ 4,500.00 DNR, no transport 1 \$ 5 4,500.00 Nubbrechuterny afortransport # \$ 410,359.00 Transport and treatment 4 \$ 410,359.00 Transport, no treatment 4 \$ 2,296.00 Transport and treatment 4 \$ 426,936.50 Transport and treatment 4 \$ 426,936.50	Values Count of CallDispo Cene 703 cene 9 ansport 1 each no treatment 628 no treatment 628 current of treatment 4 current of treatment 4 current of treatment 4			
Count of CaliDispo Sum of Payments Sum of Balance cene 703 \$ - \$ 4. cene 9 \$ - \$ 4. ensport 1 \$ - \$ 4. and treatment 628 \$ - \$ 4. no treatment 4 \$ - \$ 4. contraction 20 \$ - \$ 4. contraction 20 \$ - \$ - 4. contraction 20 \$ - \$ - 4. contraction 20 \$ -	Count of CallDispo 703 cene 9 ansport 1 each nour assignment 628 no treatment 628 up treatment 4 the reassignment 4 the reassignment 4	Values		
cene 703 \$ 4 ansport 9 - \$ 4 and treatment 628 \$ - \$ 4 in treatment 4 \$ - \$ 4 4	ansport and treatment no treatment functional retitions	Count of CallDispo	Sum of Payments	Sum of Balance
cene 9 \$ - \$ ransport 1 \$ - \$ and treatment 628 \$ - \$ 4 in orteatment 4 \$ - \$ 4 in orteatment 4 \$ - \$ 4 in orteatment 40 \$ - \$ 4 \$ - 4 \$ - \$ 4 \$ - \$ 4 \$ - \$ 4 \$ - \$ - \$ 4 \$ - \$ - \$ - \$ 4 - - \$ - \$ - \$ - - \$ - - - 4 - <td>transport intensional solutions of the solution of the soluti</td> <td>202</td> <td>\$</td> <td>\$ 426,936.50</td>	transport intensional solutions of the solution of the soluti	202	\$	\$ 426,936.50
ransport 1 \$ \$ teach lighter lighted 628 \$ - \$ and treatment 4 \$ - \$ in trensport reliase 10 \$ \$ in trensport reliase 10 \$ \$ Total Sport reliase \$ \$	iransport itment tment Sport		- \$	\$ 4,500.00
early four any year 628 \$ - \$ and treatment 4 \$ - \$ in treatment 4 \$ - \$ in treatment 40 \$ - \$ in treatment 70 \$ - \$	iransport itment tment byour		\$	\$ 500.00
and treatment 628 \$ - \$, no treatment 4 \$ - \$ the treatment 40 \$ 5 5 the treatment contraction 10 \$ 5 5 The treatment contraction 7703 \$ 5 5	(ESD)	1308900n		
in treatment 4 \$ - \$ (in transport efficiency) 10 \$ \$ (in transport efficiency) \$ \$	Transport, no treatment 4 \$ Transport, no treatment Transport, no treatment Transport, no treatment		\$	\$ 410,359.00
10 (1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	Transfer of the remission of the stransfer of the stransf	nent 4	\$	\$ 2,296.00
h menspon retuse: 10 5 - 5 5 5	S Theelifinatis trenspore catase			
\$ - \$		00 - 32 (GS3)	G	1) 331 · (5)
	Grand Total	703	- \$	\$ 426,936.50

These of strategisma real snem noils. Astronomia promitta Wishberra

Estimation on cashrevenue on the our standing 642 datios ar an average Medicarcipa (mentrof 8878) 59

\$373.53 Mcare Avg Pmt 2011	642 Out-Standing Medicare Trips	
\$373.53	642	\$239 80626

6243 IH-10 West, Suite 555 • San Antonio, Texas 78201 Ph: (210) 344-9555 • Fax: (210) 344-9777 • Toll Free (800) 867-0944

September 17, 2007

Mr. Carlos Yerena City Manager City of Kingsville 200 East Kleberg Kingsville, TX 78364

Mr. Yerena:

It my understanding that the City of Kingsville is exploring the possibility of increasing the charges for the City's Emergency Medical Services (EMS) in hopes to increase revenue from EMS operations. If the City chooses to move forward with a charge increase, Alexander Billing and Consulting recommends the following charges be implemented:

Description	Current Charges	Proposed Charges
Mileage	\$6.50	\$16.00
ALS1 Non-Emergency Transport	\$600,00	\$905.00
ALS1 Emergency Transport	\$625.00	\$90,5.00
BLS Non-Emergency Transport	\$450.00	\$805.00
BLS Emergency Transport	\$500.00	\$805.00
ALS2 Transport	\$625.00	\$1,005.00
Specialty Care Transport	\$625.00	\$1,005.00

While an increase in charges will increase reimbursements, reimbursements will only increase from the commercial payors. Currently, commercial insurance accounts for roughly 15% of the payor mix. Medicare and Medicaid will not increase their reimbursements based on a charge increase; they will continue to pay the same amount for each trip billed. Therefore, the City will also see an increase in their contractual write-offs for Medicare and Medicaid. These increased contractual write-offs will drive down the City's gross collection rate.

While I believe that a charge increase will have a positive impact on reimbursements from your commercial payors, I wanted the City to be aware of how this will affect your other payors as well. If you have any questions regarding the proposed charges, please feel free to contact me at 1-800-867-0944.

Sincerely,

Melissa Hunt

Director of Client Relations & Compliance

Alexander Billing & Consulting, Inc.

Naison Hunt

ITEMIZED CURRENT AND PROPOSED CHARGES

reduitilivimen	Item Description - Drugs	UO Current	Current Cost Price	20% Increase	Medium Price	30% Increase over Curren	High Price
			! }	Price	Current w/	Price	30%
					20% increase		increase)
では かんしい	A DENOCADO 12AG AMI ANSVE SYRINGE 1002C	EA \$2434	\$ 88.75 \$	17.75	\$ 106.50	\$ 26.63	3 \$ 115.38
371755	*DC-LISE 371715 * NAI OXONE- NARCAN 0.4MG 1ML AMPULE	EA 5834	\$ 3.33	0.67	\$ 4.00	\$ 1.00	433
607113	WATER CTERILE FOR IRRIGATION SOOM! 18/CS	EA	\$ 1.22 \$	0.24	\$ 1.46	\$ 0.37	7 \$5.57 1 59
377497	NIEFDIPINE/PROCARDIA 10MG CAP 100/BT 2105	BT ST NGC TO	\$ 69.66 \$	18.74	\$ 112.43	\$ 28.11	1 \$ 121:80
0376-25	DIPHENHYDRAMINE SOMG/ML 1ML SDV 2035 - BENADRYL 25 VIALS/TRAY	EA 1 00	\$ 1.26 \$		\$ 11.51	\$ 0.38	3 \$ 164
374904	LIDOCAINE 2% 100MG 5ML LIFESHIELD SYRINGE 1026A	EA	\$ 2.77 \$		\$ 3.32	\$ 0.83	3.60
374921	EPINEPHRINE 1:10000 LIFESHIELD SYRINGE 1019A	EA 153,00	\$ 3.14 \$		\$ 3.77		4 \$ 4.08
379501	ALBUTEROL 2.5MG, 0.83MG/ML, 3ML UNIT DOSE, INDIVIDUALLY WRAPPED 30/BX	BX \$7.500	\$ 5.80		\$		1 5 7 54
371109	C4 MIDAZOLAM **VERSED** 1MG/ML 5ML VIAL 10/BOX CS09	BX SE	\$ 16.15 \$		\$= 19.38		9
0517113001	EPINEPHRINE 1:1000 30ML MDV 2044	EA GINE NGC	\$ 3.85 \$		\$ 4.62	\$ 1.16	\$
601323	SODIUM CHLORIDE 0.9% 500ML 24EA/CS BAXTER 281323Q	EA THE WOOD STATE	\$ 1.00 \$	0.20	1.20	\$ 0.30	\$
371907	PROCAINAMIDE 1GM 10ML VIAL 2103	EA SE 40	\$ 8.57 \$	1.71		\$ 2.57	\$
00300-65	Nitroelycerin Lingual Spray, 400mcg/spray, 60 doses 12ea/cs	EA (\$5,400)	\$ 154.65 \$	30.93	\$ 185.58	\$ 46.40	\$ 20
372171	TETRACAINE 0.5% 15MI BOTTLE 2.12.1	EA CE SENICON SENIOR	\$ 10.11 \$	2.02	\$ 42.13	\$ 3.03	3 \$ 14
370178	C7 MORPHINE 10MG 1ML SDV 25/BX CS25	BX SNGG SNGG SN	\$ 24.23 \$	4.85	\$ 29,08	\$ 7.27	7 \$ 31.50
351027	INTRAVENDITS (IV) ARMBOARD REUSABLE 3 IN X 18 IN 50/CS	EA STATION GENERAL	\$ 1.87 \$	0.37	\$ 2.24	\$ 0.56	5 \$ 2.43
3713-17		BX STATE OF THE ST	\$ 35.57 \$	7.11	\$ 42.68	ļ	\$
00000145001	GLICAGON 1MG LILLY KIT RED BOX 2050A	EA THE NECESSARY	\$ 129.09 \$	25.82	\$ 154.91	\$ 38.73	3 \$ 167.82
0186062501	FILENSEMINE ATMER AMI ANSYR SYRINGE 1020C	EA NEGRETA	\$ 3.41 \$	0.68	\$ 4.09	\$ 1.02	2 \$ 2443
0431-44	VECIRONIUM 10MG 10ML VIAL	EA NOGEL	\$ 14.21 \$	2.84	\$ 21.05	\$ 4.26	5 \$ 18.47
371775	DEXTROSE 25% 10MI ANSYR SYRINGE 1041	EA CIT NGG TO	\$ 3.69 \$	0.74	\$ 43	\$ 1.11	1 \$ 4 80
571773	SOULTIM CHLORIDE 0.9% FOR IRRIGATION 500ML 18/CS	EA CHE NGC TO	\$ 1.23 \$	0.25	\$ 7.48	\$ 0.37	7 \$ 1.60
300-65	*DC-115F 00300-65 * NITRO SPRAY 0.4MG 4.9GM 60 DOSES	EA LA NEGA	\$ 154.61 \$	30.92	\$ 185.53	\$ 46.38	3 \$ 200.99
377515	DEXTROSE 50% 50ML ANSYR SYRINGE 1013C	EA 14 20 00	\$ 3.65	į	4.38		3 \$ 475
0087-17	ATROVENT INHALER 17MCG 12.9GM	EA CT NEO	-	.,	.\$	4	7 \$ 206.14
464631	INSTA-GLUCOSE 31GM 2064 12/CS	EA 77 15 53 50			\$ 4,12	1.03	3 \$ 46
371905	DOPAMINE 400MG/5ML SDV	EA			5 2 32	0.73	3 (\$ 3.16
0300-65	*DC-USE 00300-65 * Nitrolingual Pumpspray 0.4 mg, 4.9 gm, 60 doses 12ea/cs	EA SECTION OF SECTION			\$ 137 lp	'	143.17
601324X	SODIUM CHLORIDE 0.9% 1000ML 14EA/CS	EA NEC TO			\$ 148 48 48 48 48 48 48 48 48 48 48 48 48 4		A STATE OF
501100	RESTRAINT STRAPS LIMB DISPOSABLE DELUXE ADULT 48PR/CS	PR ANGELER			5 7 4.21		
0074190301	*MFG B/O * PROCAINAMIDE 500MG/ML 2ML VIAL	EA NGG	-		\$ 8.92	\$ 2.23	3 \$ 1.9.66
374911		EA 32 2 210 00	\$ 3.36 \$		\$ 4.03	1.01	2
375016	ASPIRIN CHILDREN'S CHEWABLE ORANGE FLAVOR 81MG 36/BT 24BT/CS 2019	BT TO STANGE OF THE	\$ 0.84 \$	0.17	\$ 01.01	\$ 0.25	2 \$ 100
6070-25	C2 Morphine 10 mg, 1 ml SDV 25/bx	BX STATE NECES	\$ 24.23 \$	4.85	\$ 29.08	\$ 7.2	31.50
375204	QUELICIN 200MG 10ML VIAL*REFRIGERATION REQUIRED*	EA F # NGC F F	\$ 2.53				\$
371651	THIAMINE 100MG/ML 2ML MDV 2122	EA P. A. INGC.	\$ 14.07 \$	2.81	\$ 16.88	\$ 4.22	18.29
	NCC = Not Currently Charged				Terrespondent and all the second		Specificamental programment of the

and desired the second of the	NOLLAND SAN TWACKER	A STON STOR		SEE NOTE A	A		Current	New Rates	New Rates		
PROPOSED DESCRIPTION	Kingeville Charges	SECTION SEC		2000		-	t	High Range	Med Range	Diff./high	Diff./med
AI SI Emarmency Rose Rate	ALSI EMER TRANSPORT	625.00	06					897.75	855.00	272.75	230.00
AI SI Non-Emergency Base Rate	ALSI NON EMER TRAN	00.009	00				600.00	897.75	855,00	297.75	255.00
ALS2 Base Rate	ALS2 TRANSPORT	625.00	.00				625.00	945.00	900.00	320.00	275.00
BLS Emergency Base Rate	BLS EMERGENCY TRANSPORT	500.	00				500.00	826.35	787.00	326.35	287.00
BLS Non-Emergency Base Rate	BLS NON EMER TRAN	450.00	90				450.00	826.35	787.00	376.35	337.00
SCT Emergency Base Rate	SPECIALTY CARE TRAN	625.00	00			+	625.00	1746.11	1662.96	1121.11	1037.96
Treatment / No-Transport	NO TRANSPORT/EMER TREAT	125.00	26				125.00	367.50	367.50	242.50	242.50
ALS Emergency Mileage	MILEAGE EMERGENCY ALS	6.50	02			+	05.50	C/.CI	15.00	3.60	8.50
ALS Non-Emergency Mileage	MILEAGE EMERGENCY BLS	9	05.0			+	0.00	13.73	13.00	7.45	0.00
BLS Emergency Mileage	MILEAGE NON-EMERG ALS	6.50	96			+	6.50	13.73	15.00	9.25	8.50
BLS Non-Emergency Mileage	MILEAGE NON-EMERG BLS	6.50	$\overline{}$				6.50	15.75	15.00	57.6	8.50
ALS Supplies - Routine Disposable	NOT CURRENTLY CHARGED	N/C	N/C	N/C	N/C	N/C		55.12	52.50	N/A	N/A
BLS Supplies - Routine Disposable	GLOVES Sterile/Non		3.00 GOGGLE	10.00		9	25.00	55.12	52.50	42.12	39.50
Dispatch Fee	NOT CURRENTLY CHARGED	NC	N/C	NC NC	N/C	J.C	00 07	98.70	26.00	10.0c	1//A
Disposable Linen Kit	SHEET & PILLOW CASE	10.00					10.00	26.25	20,73		10.25
Emergency Rate	NOT CURRENTLY CHARGED	N/C	N/C	NC) (3)	9	98./0	34.00		14/A
Oxygen, Administration, & Supplies / hr	ADULT NONREBREATHER MASK	9	6.50 OXYGEN	40.00	MADULT CANNULA	3.00	40.00	124.95	119.00	70.33	07,20
Pulse Oximeter	PULSE OXIMETER	20.00			Ç	1		23.04	34.50		/4.50
Ambulance Wait Time (30 min)	NOT CURRENTLY CHARGED	N/C	N/C	NC.	INC	14/1	30.00	13.04	31.00	6.00	10.00
Extra Attend - 300+ lb Patient	EXTRA ATTENDANT	20.00	3,5	City	Six	J/N	20.00	154 35	147.00	N/A	N/A
Extra Attend - CPR	NOT CURRENILY CHARGED	N/C	14/C	1VC	O'N	200	20.00	05 696	250.00	N/A	N/A
Extra Attend - Heavy Extrication	NOT CURRENTLY CHARGED	אַנע	אוער	N/C	O/N	O'N	20.18	42.00	40.00	Y.X	N/A
Extra Attend - Long Stairs	NOI CURRENILY CHARGED	11/10	MC	J. V.	ON CONTRACT	J/N	25.00	88 70	84.00	N/A	N/A
Night Call (8p - 8a)	NOT CURRENILY CHARGED	ייני ו	INC.	14/0	200	C/N	0000	02.00	84 00	N/A	N/A
Weekend Call	NOT CURRENTLY CHARGED	NC.	N/C	10 m	INC	ייי גיני		07.00	94.00	N/A	N/A
ALS Supplies - Airway Management	NOT CURRENILY CHARGED	14/5	INC	7/2		J/N		495 71	472.10	N/A	N/A
ALS Supplies - Autopulse	NOI CURRENILY CHARGED	אַנ	N/C	N/C	C/X) /\Z		163.80	156.00	NA	N/A
ALS Supplies - Capnography	NOT CURRENTLY CHARGED	N.C.	N/C	C/N	J/N	U/N		220.50	210.00	N/A	N/A
ALS Supplies - Delibrillation	NOT CURRENTLY CHARGED	NIO.	O.S.	J/N	JA	J/N		38.59	36.75	N/A	N/A
ALS Supplies - EKG Pads	NOT CURRENILL CHARGED	7/V	J/N	J/N	N/C	N/C		220.50	210.00	N/A	N/A
ALS Supplies - External Pacing	NOT CURRENT V CHARGED	2/2	J/N	J/N	J/N	N/C		105.00	100.00	N/A	N/A
ALS Supplies - Intubation	NOT CIPRENTY V CHARGED	J/N	N/C	N/C	N/C	N/C		275.36	262.25		N/A
ALS Supplies - 10 Intusion	11/01 CONNECT ALL CHANGES		40 00 IV CATHETER	11.00	10 TOURNIOUET	5.00		270.90	258.00	06	202.00
ALS Supplies - IV Incrapy	NOT CHERENTLY CHARGED	J/N	N/C		N/C	N/C		44.10	42.00	N/A	N/A
ALS Supplies - Mast Attousers	NOT CHRENTLY CHARGED	N/C	NC	N/C	N/C	N/C		33.08	31.50	N/A	N/A
AI S Supplies - NG Tube	SHARP CONTAINER	15.00				_	-	92.40	88.00		73.00
ATS Supplies - Surgical Airway	NOT CURRENTLY CHARGED	N/C	N/C	N/C	N/C	N/C		330.49	314.75		N/A
Biosite Cardiac Marker	NOT CURRENTLY CHARGED	N/C	N/C	N/C	N/C	N/C		126.00	126.00	NA	V/V
BLS Supplies - Defibrillation (AED)	NOT CURRENTLY CHARGED	N/C	N/C	N/C	N/C	NC		44.10	42.00		N/A
BLS Supplies - Morgan Lens	NOT CURRENTLY CHARGED	2.00		27.5	C.S.	7/1X		27.72	35.00		N/A
BLS Supplies - Scoop Stretcher	NOT CURRENTLY CHARGED	N/C	IN/C	INC.	INC	7 2		20.12	45.64		. 4/14
BLS Supplies - Stair Chair	NOT CURRENTLY CHARGED	NC	N.C.	N/C	INC.	و ا		302.75	26.036	V/V	N/A
EZ IO	NOT CURRENTLY CHARGED	NC	N.C.	אַנייַ	IVC NO	ر چ	-	05.550	250.00		N/A
Bone Injection Adult	NOT CURRENTLY CHARGED	N/C	INC	N/C	NO.	202		167 50	250.00		N/A
Bone Injection Pedi	NOT CURRENTLY CHARGED	NC XVC	N/C	N/C	J)A	אַנע		2.36	2.25		N/A
Drug - Acetaminophen 3 mL	NOT CURRENTLY CHANGED	7/2	C/N	2/2	J/N	J/N		13.12	12.50		N/A
Drug - Activated Charcoal 20cc PU	NOT CHRISTILY CHANGED	N/C	J/N	J/N	N/C	N/C		69.95	66.62	N/A	N/A
Drug - Adenosine 6mg	NOT CORRESPONDE CHARGED	1,00		2			2.00	20.82	19.83	18.82	17.83
Drug - Albuterol (.83%) 3 mL	ALBU LEROL 108376/2.3ML	7/N	C/N	JIN	J/N	J/N		37.80	36.00	N/A	N/A
Drug - Albuterol/Ipratropium	NOT CHEBENTY V CHABCED	J/N	J/N	J/K	N/C	Z/C		92.66	92.66	N/A	N/A
Drug - Aminophylin 230 mg	NOT CHRENTLY CHARGED	J/N	N/C	N/C	N/C	N/C		352.50	335.71	N/A	N/A
Drug - Amiodarone IICI ISU mg/3 mL	NOI CORRESTALL CHANGE	1111	2//*	2							

		,	90				1.00	2.20	14.69	1.20	13.69	_
Drug - Aspirin Chewable 81 mg	ASPIRIN 325MG	1:	1,00				11.00	15.42	14.69	4,42	3.69	
Drug - Atropine Sulfate 0.3 mg	ATROPINE SULFATE LUMG			2/1%	C	C/2		68.25	65.00	N/A	N/A	
Drug - Benztropine 1 MG	NOT CURRENTLY CHARGED	N/C	INC	11/15	O'N	J.Z		63.00	60.00	N/A	N/A	
Drug - Butorphanol 2 mg	NOT CURRENTLY CHARGED	N/C	N/C	N/C	100	יייי ני		20.00	28.80	N/A	N/A	,
Drug - Calcium Chloride 1 gm / 10 mL	NOT CURRENTLY CHARGED	NC	NAC	אַנט	N.C.	U/N	-	11 55	11.00	N/A	N/A	
Drug Clonodine 0.1 mg	NOT CURRENTLY CHARGED	N/C	N/C	אָט	200	U/N		46.20	44.00	N/A	N/A	,
Drug - Dexamethasone 4 mg	NOT CURRENTLY CHARGED	N/C	N/C	אַנט	7/2)/X	20 00	30.98	29.50	N/A	N/A	
Drug - Dextrose 25% (D25)	NOT CURRENTLY CHARGED	N/C		ווער	201			19.82	18.88	-0.18	-1.12	
Drug - Dextrose 50% (D50)	DEXTROSE 50%50CC		20.00	0/12	Ciz	U/N		27.54	26.23	N/A	N/A	_
Drug - Diazepam 5 mg	NOT CURRENTLY CHARGED	NC	NC	1/V	C/N	N/C		64.97	61.88	N/A	N/A	_
Drug - Diltiazem HCL 5mg	NOT CURRENTLY CHARGED	100	MC	7,2	C/2	J/N		16.6	9.44	N/A	N/A	
Drug - Diphenhydramine 50 mg	NOT CURRENTLY CHARGED	NC.	INC.	אַנ	JAN Z	J/N		57.28	54.55	N/A	N/A	-,
Drug - Dobutamine, per 250 mg	NOT CURRENTLY CHARGED	N/C	N/C	2/1	2/2	J/N		57.75	41.70	N/A	N/A	
Drug - Dolasetron 10 MG	NOT CURRENTLY CHARGED	N.C	J.V.C	אַע נ	J/N	J/N		23.13	22.03	N/A	N/A	
Drug - Dopamine 400mg/250cc bag of D5W	NOT CURRENTLY CHARGED) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1	N/C	2/2	2/2	J/N		46.20	29.52	N/A	N/A	
Drug - Enalaprilat 5 mg	NOT CURRENTLY CHARGED	ָּ אַנ) III	201		3.00	9.79	9.32	6.79	6.32	
Drug - EPI I mg/10 mL IV	EPI 1:10,000		3,00	2/2	J/N	N/C		16.53	15.74	N/A	N/A	_,
Drug - EPI 1 mg/cc IV	NOT CURRENTLY CHARGED	אָני	JVC VVC	J/N	J/N	N/C		63.00	00'09	N/A	N/A	
Drug - EPI Pen 1 dose	NOT CURRENTLY CHARGED	7/10	O/N	J/N	N/C	N/C		63.00	60.00	N/A	N/A	
Drug - EPI Pen Pedi	NOT CURRENTLY CHARGED	יונט	2/2	2/2	J/N	N/C		35.25	33.57	N/A	N/A	_,
Drug - Etomidate 20mg/vial	NOT CURRENTLY CHARGED	١١/١ : نور	N/C	202	C/X	J/N		63.00	60.00	N/A	N/A	
Drug - Flumazenil 0.5mg	NOT CURRENTLY CHARGED	JAN.	IVC	O'N	C/N	N/C		21.76	20.72	N/A	N/A	,
Drug - Furosemide 20 mg	NOT CURRENTLY CHARGED	JWC	INC	2/2	UN	J/N		143.20	136.38	N/A	N/A	_
Drug - Glucagon 1 mg	NOT CURRENTLY CHARGED	NC.	NI/C	יאנ	C/X	N/C		27.56	27.56	N/A	N/A	
Drug - Haloperidol 5 mg	NOT CURRENTLY CHARGED	N/C	וויר	100	Cin	J/N		44.72	42.59	N/A	N/A	_
Drug - Hydrocortisone 100MG	NOT CURRENTLY CHARGED	N/C	INC STO	ייינ	O'N	C/X		67.20	64.00	N/A	N/A	_
Drug - Hydromorphone 4 MG	NOT CURRENTLY CHARGED	N/C	N/C	1V/C	N. C. S.	C/Z		2.36	2.25	N/A	N/A	_
Drug - Ibuprofen for Children 4 oz	NOT CURRENTLY CHARGED	NC NC	N/C	1WC	O'N	2/2		5.51	5.51	N/A	N/A	_
Drug - Ipecac 5 cc	NOT CURRENTLY CHARGED			N/C	IV.C	2001		5.51	5.25	3.51	3.25	,
Drug - Ipratropium Bromide .18 mg	ATROVENT 0.02%/2.5ml		2.00	55.5	O'N	C/Z		22.03	20.98	N/A	N/A	_
Drug - Isoproterenol HCl. 5 %	NOT CURRENTLY CHARGED	NC	NC.	עיני	Z/X	N/C		50.40	48.00	N/A	N/A	
Drug - Ketorlac 15 mg	NOT CURRENTLY CHARGED	J.	N/C	J/N	C/X	N/C		46.82	44.59	N/A	N/A	
Drug - Labetolol 10 mg	NOT CURRENTLY CHARGED	100	O'N	J/2	J/N	N.C		55.12	52.50	N/A	N/A	
Drug - Lidocaine Drip 1 gm / 25 mL	NOT CURRENTLY CHARGED	1WC	N/V	J/N	J/N	NC		27.54	26.23	N/A	N/A	
Drug - Lidocaine HCI (2%) 50 mg	NOT CURRENILY CHARGED	2,10	202	C/X	J/N	N/C		45.16	43.01	N/A	N/A	-,
Drug - Lorazepam 2 mg	NOT CURRENILY CHARGED	100) V	J/N	J/N	NC		19.95	19.00	N/A	N/A	-,
Drug - Maalox 5mL	NOT CURRENTLY CHARGED	3,0	2007	U/2	J/N	N/C		23.13	22.03	N/A	N/A	
Drug - Mag Sulfate, per 500 mg	NOT CURRENTLY CHARGED) 	100	יאני	0.00	J/N		110.16	104.91	N/A	N/A	
Drug - Mannitol bag	NOT CURRENTLY CHARGED	N/C	N/C	100	200	D/N	-	37.78	35.50	N/A	N/A	
Drug - Meperidine HCL 100 mg	NOT CURRENTLY CHARGED	N/C	N/C	INC.	N.C.	J/N		43.51	41.44	N/A	N/A	_
Drug - Methylprednisolone 125 mg	NOT CURRENTLY CHARGED	NC	N/C	J NC	INC	2 2		44.06	41.96	V/N	N/A	
Drug - Midazolam HCl 1 mg	NOT CURRENTLY CHARGED	N/C		NC NC	N/C	TAY.		69 19	58.75	58.69	55.75	_
Drug - Morphine Sulfate, 10 mg	MORPHINE SULFATE 10MG		3.00		93	2/2		25.88	25.88	N/A	N/A	_
Drug - Nalbuphine HCl 10 mg	NOT CURRENTLY CHARGED	N/C	N/C	NC	IN/C	7,77		200				1

	TOTAL CHINAGATION OF A CHANGE	C/X	J/V	Z/X	N/C	N/C	1	13.28 12.65			/ A /
Drug - Naioxone 1 mg 1V	NOT CURRENTLY CHARGED	J/N	J/N	D/N	N/C	N/C	8	84.00 80.0	00 N/A		V /
Drug - Nitrous Oxide gas	NOI CURRENILLY CHARGED	202	O'N	C/N	J/N	N/C	6	99.14 94.42			/A
Drug - Norcuron 10 mg	NOT CURRENILY CHARGED	INC	4.00	2			7.00				2.99
Drug - NTG Spray 0.4 mg SL	NIIROGLYCERINE SERAL	2/12	UN	5/2	J/N	NC					N/A
Drug - Ondansetron 1 mg	NOI CURRENILY CHARGED) (V	C/N	J/N	N/C	N/C		_			/A
Drug - Oral Glucose Gel 15 g	NOT CURRENTLY CHARGED) (V	2/2	J/N	J/N	NC	7		93 N/A		N/A
Drug - Oxytocin 10 unit/1mL	NOI CURRENILLY CHARGED	2 2	ON.	C/N	J/N	J/N	4				W/
Drug - Procainamide HCl, 1 g	NOT CURRENTLY CHARGED) V	J/N	D/N	N/C	NC		_			N/A
Drug - Promethazine, 50 mg	NOT CURRENTLY CHARGED	2/2	J/N	Z/X	N/C	N/C	4				/A
Drug - Proparacaine Opth gtts	NOT CURRENIES CHARGED	J/N	N/C	N/C	N/C	NC		_			/A
Drug - Propranolol HCI I mg	NOT CURRENTLY CHARGED) (<u>.</u>	J/N	J/N	J/N	N/C	4	47.25 45.00			/A
Drug - Racemic Epi Neb	NOI CURRENILI CHARGED	ָּבְּיִבְּיִבְּיִבְּיִבְיִבְּיִבְיִבְיִבְיִבְיִבְיִבְיִבְיִבְיִבְיִבְ	O'N	O/N	J/N	N/C	9				N/A
Drug - Revex 100 mcg	NOI CURRENILY CHARGED	יייי	ON S	O'IN	O'N	J/N	2				Y /
Drug - Rocuronium/Zemuron 50mg/5ml	NOT CURRENTLY CHARGED	N/C	IV/C	יייי	CIN	J/N		8.13 7.74			*
Drug - Sodium Bicarbonate 50 CC	NOT CURRENILY CHARGED	11/1	JAN	N.V.	CX	J/X					(A
Drug - Sublimaze ImL	NOT CURRENTLY CHARGED	NC NC	N.C.	N/C	CIN	2/2	-				N/A
Drug - Succinylcholine 20 ml	NOT CURRENILY CHARGED	אַנע	ON S	C/Z	N/C	NC					//
Drug - Terbutaline Sulfate 1 mg	NOT CURRENILY CHARGED	ָּגָנָטָ גַּנְטָ	202	C/Z	J/N	N/C	-	20.48 20.4			/A
Drug - Tetracaine gtts	NOT CURRENTLY CHARGED	ייט	2/12	ייינ	O'N	2/2	-				\ A /
Drug - Thiamine 100 mg IV	NOT CURRENTLY CHARGED	אָני	N.C.	C/Z	CIN	J/N	192	157.50 150.00			/A
Drug - Tridil Drip	NOT CURRENTLY CHARGED	NC:	N.C.	אונ	O'N	J/N	ir.				/A
Drug - Vasopressin 40 units	NOT CURRENTLY CHARGED	SC	IN/C	7/1/2	OW.	J/N	=				¥,
Drug - Vecuronium 10 mg	NOT CURRENTLY CHARGED	NC.	N/C	2,10	N.O.	2/2		63.00 60.00			N/A
Drug - Verapamil 2.5 mg	NOT CURRENTLY CHARGED	N/C	N/C	3,57	NY C	C/N	-	-			*
Drug - Xopenex 1.25 mg	NOT CURRENTLY CHARGED	N/C	N/C	200	INC	JAN.) ("	37.50			A /
ETCO2 Bulb Adult	NOT CURRENTLY CHARGED	NC	N/C	NC.	INC	200	9 6	-			N/A
ETCO2 Bulb Pedi	NOT CURRENTLY CHARGED	N/C	N/C	NC	N/C	N/C	7				V/V
Nu-/OnickTrake Suro Airway	NOT CURRENTLY CHARGED	N/C	N/C	N/C	N/C	N/C	- F	1			4
IV - 5% Destrose/NS 500CC	NOT CURRENTLY CHARGED	N/C	N/C	N/C	N/C	N/C	4	-		Ĭ	N/A
TV DEW 1000CC	NOT CURRENTLY CHARGED	N/C	N/C	N/C	N/C	N/C	2	50.14 47.75			*
TOO ON THE PERSON OF THE PERSO	NOT CHRENTLY CHARGED	N/C	N/C	N/C	N/C	N/C	2	+			N/A
IV - DOW ZOUCO	NOT CHERENTLY CHARGED	N/C	N/C	N/C	N/C	N/C	4	44.10 42.00			N/A
1V - D3 W 300CC	NOBMAT SALINE 1000cc		10.00					1			37.75
TY - Normal Saline Loude.	NOT CHRENTLY CHARGED	NC	N/C	N/C	N/C		10.00	41.58 39.60	60 N/A		N/A
TY NOTHER SAME ASSOCIATION AND THE WAY	NOT CTRRENTLY CHARGED	N/C	N/C	N/C	N/C			-			¥);
1V - Normal Same 43000	NOBWAT SATINE 500CC		9,50 N/C	N/C	N/C		9.50 4		90 34.50		2.10
IV - Normal Saline Souce	NOT CHEBENTY V CHARCED	J/N	N/C	N/C	N/C	N/C	5				N/A
IV - Kingers Lactate 1000CC	nevranceriy		10.00 LANCELET		5.00 GLUCO FILM STRIP	3.00	4				27.64
Blood Glucose Test	13 TEAD MONITOD		60.00 CARDIAC MONITORI	10	100.00 EKG PAPER	5.00	27		.00 108.00		95.00
EKG Interpretation	NOT CHIPPENITY V CHAPCED	J/N	J/V	N/C	N/C	N/C	7				N/A
IV - Blood Draw Procedure	NOT CURRENTLY CHAPCED	J/N	J/N	N/C	N/C	N/C	-	19.69 18.75			/\\
IV - Collection Tubes	NOI CORRENTED COMPANY	201	TE OU COLLAD	30.00	DISPOSABLE HEADBLOCK	27.00	15.00 19	193.72 184.50	.50 121.72	.72	12.50
Spinal Immobilization	6 INCH LONG BACKBOARD		13.00 C-COLLAN	20.05	The state of the s						
	PLOOD PRESSIER MACHINE		15.00								
	2X2 STERIL E/NON STERILE		2.00								
	4X4 STERILE/NON STERILE		3.00						,		
				NOTE A:	PART OF THE BUNDLE FOR THE CURRENTLY PROPOSED	E CURRENTLY I	PROPOSE	_			

NOTE A: PART OF THE BUNDLE FOR THE CURRENTLY PROPOSED RATES, ONLY PRIVATE INSURANCE PAYS FOR THIS. NOT MEDICARE/MEDICAID

IV THERAPY DRIP SET 25.00
IV THERAPY EXTENSION SET 25.00
IV THERAPY VENI GUARD 5.00
IV THERAPY ALCOHOL PREP 1.00

AGENDA ITEM #9

JTION #2012-
J I I UN #20 12-

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT EXTENSION WITH ENTRUST, INC. FOR THE THIRD PARTY ADMINISTRATION SERVICES OF THE CITY OF KINGSVILLE EMPLOYEE BENEFIT PLAN TRUST; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kingsville has established the Employee Benefit Plan Trust to provide health insurance to its employees and has an Administrative Services Agreement with Entrust, Inc. to provide third party administration services in relation to the Employee Benefit Plan Trust;

WHEREAS, the third party administration services contract with Entrust, Inc. is up for renewal and the City would like to continue with this contract;

NOW THEREFORE, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

١.

THAT the City Manager is authorized and directed as an act of the City of Kingsville, Texas to execute the contract extension with Entrust, Inc. for third party administration services of the City of Kingsville Employee Benefit Plan Trust, in accordance with Exhibit A hereto attached and made a part hereof.

11.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

111.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the <u>24th</u> day of <u>September</u>, 2012.

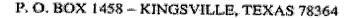
Sam R. Fugate, Mayor

ATTEST:

Edna S. Lopez, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney





September 21, 2012

Vincent J. Capell City Manager City of Kingsville P.O. Box 1458 Kingsville, Texas 78364

Re: Entrust Inc. Contract Extension – FY13

Mr. Capell,

Staff is recommending the City of Kingsville extend the current contract with Entrust Inc. of Houston Texas as Third Party Administrators of the Kingsville Employee Benefit Plan Trust for Fiscal Year 2012-13. Preliminary renewal rates are indicating justified increases over the previous year's planned costs of Administrative and Fixed Cost. In addition, the labor cost of re-bidding the services in such a volatile market place are contributing factors in this recommendation. This will extend the current contract ending FY12 for an additional year.

The City of Kingsville has had a long standing relationship with Entrust Inc. of Houston Texas as Third Party Administrators. They have proven to be efficient, effective and financially feasible for the City of Kingsville. Updated renewal rates and quotes will be provided by Entrust at the Commission Meeting on Monday September 24, 2012.

Consistent with our discussion concerning proposed changes to the policy coverage, staff is recommending proceeding with some of the proposals submitted by ENTUST for Generic Drugs, Brand Drugs, and Aggregate Stop-Loss Options as referenced on the attached Summary of Proposed Medical Insurance Plan Changes 2012-2013. The Out-of-Area Coinsurance is not being recommended by City of Kingsville Staff for consideration at this time. Each of the potential costs to plan have been projected and included in the attached document submitted by ENTRUST representative Mr. David Jacobson, Vice President of Sales and Marketing. Mr. Jacobson is still in the process of updating his recommendations.

Your consideration in this matter is appreciated.

Sincerely,

Mark A. Rushing

Mark A. Rushing

City of Kingsville

<u>Summary of Proposed Medical Insurance Plan Changes</u> 2012-2013

Overview: The cost of the City of Kingsville Employee Benefit Plan has remained consistent for the past eleven years. The main reason we continue to be able to offer an attractive benefit program is the stability of medical expenses when utilizing Christus Spohn Health Network providers. Within the past three years, the plan has experienced a trend increase in costs mainly when utilizing providers outside the Christus Spohn Health Network service area. Additionally, Prescription Drug costs have continued to escalate despite the high usage of Generic Drugs due to the creation of new high dollar Brand Name drug prescriptions. In an attempt to manage future plan expenses, Entrust and Carlisle Insurance Agency are suggesting that the City of Kingsville consider slight changes to our current program.

<u>Out-of-Area Coinsurance:</u> In order to continue encouraging plan participants to utilize services within the Christus Spohn Health Network service area whenever possible, we recommend changing the coinsurance level for First Health Network Providers to 75%/25% with a cap of \$20,000 in billed charges or \$5,000 out-of-pocket maximum to employees. Since the plan generally realizes a 75% discount off of billed charges within the Christus Spohn service area and an approximate 50% discount off of billed charges in all other network service areas, the suggested coinsurance change should encourage use of local providers. *The projected savings to the plan by implementing this change totals* \$120,267 annually assuming the current increased usage of out-of-area providers.

<u>Generic Drugs</u>: In the past, the City of Kingsville has reviewed the advantages of offering a Pre-Paid Generic Drug Card Program versus self-funding Generic Drugs. Changing to a Pre-Paid Generic Drug Program does not change the current Generic Prescription Copays; but, changes the manner in which the City of Kingsville pays these claims. Currently, the plan is experiencing 72% utilization of Generic Drugs. *The projected savings to the plan by implementing this change totals \$47,384 annually assuming the current generic usage.*

Brand Drugs: The cost for Brand Name drugs has decreased in recent years. Additionally, the percentage utilization of Brand Drugs versus Generic Drugs has decreased. However, the cost of high dollar Brand Name Drugs (Bio-Med) has increased resulting in a few instances of significant high dollar Brand Name claims situations. In an effort to manage the costs of these high dollar drugs to assure that all potential areas of cost savings have been achieved, the plan would like to limit the purchase of Brand Name drugs on the drug card to \$10,000 annually per individual. Individuals can pay for the drug after \$10,000 and submit the prescription for reimbursement pending Case Management Review. Upon review, Case Management may approve the prescription to be purchased on the Rx card if deemed financially appropriate to the plan. The projected savings of implementing this additional layer of case management review on Brand prescriptions totals \$26,688 due to the projected low level of frequency on these drugs.

Aggregate Stop-Loss Options: This year, the City of Kingsville Benefit Plan is projected to exceed the Aggregate Stop-Loss limit of claims resulting in a reimbursement to the City. Due to current year claims utilization, the current stop-loss carrier, Standard Security, adjusted the Aggregate Claims Limit. When requesting the changes outlined above, Standard Security provided very little credit to their renewal claims number under a 24/12 contract. However, Standard Security offered a credit of approximately \$399,000 by accepting the requested plan changes and implementing a 12/12 Aggregate Contract. Since Aggregate Run-In Claims are projected to total \$298,077, electing the 12/12 aggregate contract should provide a lower overall claims exposure to the City of Kingsville. The projected aggregate claims liability savings for claims below the specific deductible totals \$101,000 based on current claims utilization.

2010 2010 2011 2011 2011 2011 2011 2011				
	incurred	24 incurred	12 Incurred	12 Incurred
	Paid	12 Paid	15 Paid	12 Paid
	12			
	Specific Contract Term	Aggregate Contract Term	Specific Contract Term	Aggregate Contract Term
	Specific Contract Term	Aggregate Contract Term	Specific Contract Term	Aggregate Contract Term
	FY 12 Current Policy	FY 12 Current Policy	FY 13 Likely Renewal	FY 13 Likely Renewal
	FY 12 Current Policy	FY 12 Current Policy	FY 13 Likely Renewal	FY 13 Likely Renewal

Self-Funded Program Cost Projections Plan Effective Date: October 1, 2012 (Quotes based on current census data provided) <u>CITY OF KINGSVILLE</u>

Plan Year Plan Type		ZO11//ZO15/PPLANNYEAR R. SEU FRUNDED		2012/2013 PLANYEAR SELF-FUNDED		P <u>LAN</u> YEAR UNDED
Benefit Option		EXPIRING PIANA EXPIRINGE PLANTE	<u>RENEWAL-</u>	PLANA RENEWAL - PLAN B	RENEWAL-PLANA FRENE	RENEWAL - PLAN B
Insurance Carrier or TPA		ONITION THE PROPERTY OF THE PR			ENTRY OF THE PROPERTY OF THE P	SECTION CO.
Stop-Loss Carrier Specific Deductible		\$15,000		\$75,000	\$75,000	000
Specific Contract Term		12/15		12/15	12/15	/15
Benefits Covered Under Specific		MEDICAL & RX	N N	MEDICAL & RX	MEDICAL & RX	AL & RX
Aggregating Specific		\$65,000 \$775,000	\$75.0	\$65,000 \$75,000.0r.\$175,000	\$85,000 \$75,000 or \$175,000	5175,000
Aggregate Contract Term		24/12		12/12	24/12	/12
ggregate		MEDICAL & RX	M.	MEDICAL & RX	MEDICAL & RX	1L & RX
Aggregate Run-In Limit		20	-	05	7	000
Minimum Claims Attachment Point Terminal Liability Option		\$2,032,166 Not Included	or Z	\$2,252,199 Not Included	\$2,649,637 Not Included	y,b3/ cluded
Fixed Cost:	ALL	PLAN A PLAN B	PLANA	PLANB	PLAN A	PLANB
Only 102	103	\$84.26 \$84.26	\$89.54	\$89.54	\$90.21	\$90.21
Employee & Spouse 32 0	32		\$186.27	\$186.27	\$186.94	\$186.94
n 26	9 %	\$158.74 \$158.74	\$186.27	\$186.27	\$186.94	\$186.94
imy	31 8		¢3¢ 338 E0	73 88 ×	\$36.494.66	\$90.21
Monthly Total: 248 1	249	\$31,//U.56 \$31,//U.56	. 9	Ser Service	, 010 CE 3	
Annual Fixed Costs: Percentage Adjustment		\$382,257.84 N/A	2.4 	5437,U1548 14.33%	3439,010.4	1.0.44 15%
Maximum Exposure A B	ALL	PLANA	PLANA	PLAN B	PLANA	PLANB
Employee Only 102 1	103	\$445.60 \$530.56	\$524.03	\$620.28	\$592.02	\$705.10
Employee & Spouse 32 0	32	\$1,100.07 \$1,329.97	\$1,286.26	\$1,539.57	\$1,466.17	\$1,764.29
، 26	26	\$1,100.07 \$1,329.97	\$1,286.26	\$1,539.57 <1 539.87	\$1,466.17	\$1,764.29
mıly	8 8		CO 1961 067 02	\$500.38	\$274.468.86	\$705.10
Monthly Total: 248 1	249	Sacia del Crestion de consequente en management a section de				
Annual Maximum Exposure Aggregating Specific Liability		\$2,479,367.76 \$65,000:00	\$22 \$	\$2,902,647,57 \$65,000.00	4 / 80.205, 54 565,000.000	55,300,000 565,000,000
Laser Liability Adiisted Annual Maximum Cost:		\$ <u>200</u> ,000.00 \$2,744,367.76	52,	\$0,00 \$2,967,647.37	\$0,00 \$3,367,087.49	00 087.49
Percentage Adjustment		NA.		8.14%	22.69%	9%
Expected Cost A B	ALL	PLAN A PLAN B	PLANA	PLAN B	PLANA	PLAN B
Employee Only 102 1	103	\$445.60 \$530.56	\$426.92	\$474.03	\$426.92	\$474.03
32	32		\$1,067.28	\$1,192.97	\$1,067.28	\$1,192.97
Employee & Children 26 0	2e 88	\$1,100.07 \$1,329.37	\$1,067.50	\$1,193.18	\$1,067.50	\$1,193.18
	249	. 7	\$199,387.75	\$474.03	\$199,387.75	\$474.03
Annual Expected Cost		\$2,479.367776	\$2,	\$2,398,341.32	\$2,398,341.32	341.32
Aggregating Specific Liability		\$65,000.00		50.00	00.05	00
Laser Liability		\$200,000 00.	6	50.00 \$7.398.341.32	\$9,00	341.32
Adjusted Allinasi Experted Cost. Percentage Adjustment		N/A		12.61%	-12.61%	12%

BREAKDOWN OF PLAN EXPENSES

October 1, 2012 Plan Effective Date:

RENEWAL PLAN A -- 12/12 AGGREGATE

5.90

5.90

5.90

5.90

Employee & Family

Employee & Children

Employee & Spouse

Employee Only

154.92

\$ 154.92

\$ 154.92

160.82 \$ 160.82

160.82 \$

60.79 61.19

2.50 \$ 5.50 \$ 5.50 \$ 5.50

\$ 69.59 \$ 166.32 \$ 166.32 \$ 166.32

Plan Option:	Benefit F	Benefit Highlights	
Plan Year Maximum:	\$2,00	\$2,000,000	
Deductible (Individual)	\$200 FMD	Not Covered N/A	Premium Breakdown:
Deductible (Family)	\$200 FMD	Not Covered N/A	Aggregate Premium:
Type of Service:	Network	Non-Network	Aggregate Advance:
Coinsurance	100%	Not Covered	Specific Premium:
Annual OOP (Excludes Ded)	\$0 Per Family	Not Covered Per Family	Total Stop-Loss Premium:
Physician Office Services	\$15 Co-pay	Not Covered Not Covered	•
Diagnostic Testing	\$15 Co-pay	Not Covered Not Covered	Stop-Loss Underwriting Fee:
Inpatient	Deductible then 100%	Not Covered Not Covered	
Outpatient	Deductible then 100%	Not Covered Not Covered	Premium Allocation:
Emergency Room	\$75 Co-pay	Not Covered Not Covered	
Urgent Care Center	Deductible then 100%	Not Covered Not Covered	
Prescription Drug Benefits	\$5 Generic	25% Brand Names	
			Administration Breakdown.

Stop-Loss Policy Provisions:	
Stop-Loss Carrier	STANDARD SECURITY
Specific Deductible	\$75,000
Specific Contract Term	12/15
Benefits Covered Under Specific	MEDICAL & RX
Aggregate Contract Term	12/12
Monthly Aggregate Accommodation	No
Benefits Covered Under Aggregate	MEDICAL & RX
Aggregate Run-In Limit	\$0
Minimum Claims Attachment Point	\$2,246,424
Additional Risk Considerations:	
Aggregating Specific	\$65,000
Named Aggregating Specific	N/A
Higher Individual Specific Deductible:	\$75,000 or \$175,000
Higher Individual Specific Deductible:	N/A
Additional Risk Liability:	\$65,000

Administration Breakdown:								
Plan Administration:	\$	16.00	\$	16.00	s	16.00	❖	16.00
COBRA / MED D / HIPAA:	❖	3.95	\$	3.95	₩	3.95	s	3.95
Brokerage Compensation	*		\$	•	⋄	•	₩.	
General Agent	٠,		÷	1	\$	ŧ	\$	•
1								
Administration Allocation:	\$	19.95	\$	19.95	ş	19.95	\$	19.95
Claims Expense Breakdown:								
Aggregate Stop-Loss Factors:	\$	384.99	❖	1,013.24	❖	1,013.24	\$	1,013.24
PPO Network:	\$	3.25	<>	3.25	Ş	3.25	43	3.25
Interface EAP	٠,	2.55	\$	2.55	÷	2.55	❖	2.55
Outlook Vision	❖	0.25	4	0.50	47	0.50	\$	0.75
Ask-A-Nurse/Utilization Review	٠,	2.50	⋄	2.50	*	2.50	\$	2.50
Rx Carve-Out:	\$	28.00	\$	65.00	❖	65.00	\$	65.00
Claims Expense Reserve Funding:	s	12.95	\$	12.95	۰	12.95	\$	12.95
Claims Expense Allocation:	\$	434.49 \$	\$	1,099.99	\$	1,099.99 \$ 1,099.99 \$ 1,100.24	٠,	1,100.24

	Employee	a	Employee	Employee	Employee
	Only	Ĩ	& spouse	& Cilliariell	& ralliny
Proposed Enrollment	102	Ī	32	26	88
	-	00 00	\$ 186.77	186 27	186.27
Funding to Fixed Cost:	2	47.50	7.001		
Funding to Maximum Exposure:	\$	524.03	\$ 1,286.26	\$ 1,286.26	\$ 1,286.51
Funding to Expected Cost:	\$	426.92	\$ 1,067.28	\$ 1,067.28	\$ 1,067.50

Special Considerations: QUOTES ARE CONTINGENT UPON A SIGNED & APPROVED
CARRIER DISCLOSURE STATEMENT ALONG WITH AGGREGATE & LARGE CLAIMS
THROUGH THE 11TH MONTH OF THE CURRENT CONTRACT PERIOD.

\$4,000.00	\$0.00	\$7.50
Annual Maintenance Fee:	Implementation/Set Up Fee:	Transaction Fee:

BREAKDOWN OF PLAN EXPENSES

October 1, 2012 Plan Effective Date:

RENEWAL PLAN B -- 12/12 AGGREGATE

Plan Option:	Benefit I	Benefit Highlights
Plan Year Maximum:	\$2,00	\$2,000,000
Deductible (Individual)	N/A CYD	\$750 CYD
Deductible (Family)	N/A CYD	\$1,500 CYD
Type of Service:	Network	Non-Network
Coinsurance	80%	%09
Annual OOP (Excludes Ded)	\$3,000 Per Individual	\$6,000 Per Individual
Physician Office Services	\$20 Co-pay	Deductible then 60%
Diagnostic Testing	\$20 Co-pay	Deductible then 60%
Inpatient	Deductible then 80%	Deductible then 60%
Outpatient	Deductible then 80%	Deductible then 60%
Emergency Room	\$75 Co-pay	Deductible then 60%
Urgent Care Center	Deductible then 80%	Deductible then 60%
Prescription Drug Benefits	\$5 Generic	25% Brand Names
Stop-Loss Policy Provisions:		
Stop-Loss Carrier	STANDARI	STANDARD SECURITY
Specific Deductible	\$75	\$75,000
Specific Contract Term	12,	12/15
Benefits Covered Under Specific	MEDIC	MEDICAL & RX
Aggregate Contract Term	12,	12/12
Monthly Aggregate Accommodation	2	No
Benefits Covered Under Aggregate	MEDIC	MEDICAL & RX
Aggregate Run-In Limit	v	\$0
Minimum Claims Attachment Point	\$5,	\$5,775
Additional Risk Considerations:		
Aggregating Specific	\$65	\$65,000
Named Aggregating Specific	Z	N/A
Higher Individual Specific Deductible:	o 000'52\$	\$75,000 or \$175,000
Higher Individual Specific Deductible:	Z	N/A
Additional Risk Liability:	\$9\$	\$65,000

	5	Employee	ω	Employee	ŭ	Emptoyee	ŗi	Employee
		Only	ø	& Spouse	∞	& Children	8	& Family
Premium Breakdown:								
Aggregate Premium:	⋄ >	5.90	s	5.90	\$	5.90	❖	5.90
Aggregate Advance:	₩)	⋄	•	\$	ı	s	•
Specific Premium:	₩.	61.19	\$	154.92	\$	154.92	₩	154.92
Total Stop-Loss Premium:	٠	67.09	\$	160.82	٠	160.82	\$	160.82
							l	
Stop-Loss Underwriting Fee:	\$	2.50	*	5.50	۰	5.50	\$	5.50
	L		Ĺ		Ĺ		L	
Premium Allocation:	٠,	69.59	Ŷ	166.32	<u>~</u>	166.32	ς.	166.32
Administration Breakdown:								
Plan Administration:	❖	16.00	٠,	16.00	Ś	16.00	۰	16.00
COBRA / MED D / HIPAA:	<>>	3.95	÷	3.95	Ś	3.95	₩	3.95
Brokerage Compensation	⋄		•^	١	⋄	1	s	•
General Agent	₩.	•	Ś	•	❖	·	⋄	
Administration Allocation:	\$	19.95	<u>^</u>	19.95	۰	19.95	\$	19.95
Claims Expense Breakdown:								
Aggregate Stop-Loss Factors:	❖	481.24	٠,	1,266.55	⋄	1,266.55	s	1,266.55
PPO Network:	⋄	3.25	s	3.25	\$	3.25	Ś	3.25
Interface EAP	٠	2.55	ς,	2.55	\$	2.55	⋄	2.55
Outlook Vision	₩	0.25	s	0.50	<>>	0.50	\$	0.75
Ask-A-Nurse/Utilization Review	s	2.50	Ś	2.50	٠,	2.50	₩.	2.50
Rx Carve-Out:	s	28.00	\$	65.00	❖	65.00	❖	65.00
Claims Expense Reserve Funding:	\$	12.95	\$	12.95	*	12.95	~	12.95
Claims Expense Allocation:	ş	530.74	\$	1,353.30	\$	1,353.30	\$	1,353.55

	E	Employee	Employee	<u> </u>	employee	ahee	empioyee	ee/
	0	Only	& Spouse		& Children	dren	& Family	iľ
Proposed Enrollment		1	0		0		0	
Funding to Fixed Cost:	\$	89.54	\$ 18	186.27	\$	186.27	\$	186.27
Funding to Maximum Exposure:	\$	620.28	Į,	1,539.57 \$		1,539.57	\$ 1	1,539.82
				İ				
Funding to Expected Cost:	\$	474.03	\$	1,192.97	\$	1,192.97	\$	1,193.18

CONFIDENTIAL

Special Considerations: QUOTES ARE CONTINGENT UPON A SIGNED & APPROVED CARRIER DISCLOSURE STATEMENT ALONG WITH AGGREGATE & LARGE CLAIMS THROUGH THE 11TH MONTH OF THE CURRENT CONTRACT PERIOD.
--

10.00	\$0.00	\$7.50
ance Fee: \$4,000.00		in
Annual Maintenance Fee:	Implementation/Set Up Fee:	Transaction Fee:

BREAKDOWN OF PLAN EXPENSES

October 1, 2012 Plan Effective Date:

RENEWAL PLAN A -- 24/12 AGGREGATE

Plan Option:	Benefit H	Benefit Highlights	
Plan Year Maximum:	\$2,00	\$2,000,000	
Deductible (Individual)	\$200 FMD	Not Covered N/A	Pren
Deductible (Family)	\$200 FMD	Not Covered N/A	Aggr
Type of Service:	Network	Non-Network	Aggr
Coinsurance	100%	Not Covered	Spec
Annual OOP (Excludes Ded)	\$0 Per Family	Not Covered Per Family	Tota
Physician Office Services	\$15 Co-pay	Not Covered Not Covered	
Diagnostic Testing	\$15 Co-pay	Not Covered Not Covered	Stop
Inpatient	Deductible then 100%	Not Covered Not Covered	
Outpatient	Deductible then 100%	Not Covered Not Covered	Pren
Emergency Room	\$75 Co-pay	Not Covered Not Covered	
Urgent Care Center	Deductible then 100%	Not Covered Not Covered	
Prescription Drug Benefits	\$5 Generic	25% Brand Names	
			Adm
Stop-Loss Policy Provisions:			Plan
Stop-Loss Carrier	STANDARD	STANDARD SECURITY	COB
Specific Deductible	\$75,000	000	Brok
Specific Contract Term	121	12/15	Gent
Benefits Covered Under Specific	MEDICAL & RX	AL & RX	
Aggregate Contract Term	24/	24/12	Adm
Monthly Aggregate Accommodation	Z	No	
Benefits Covered Under Aggregate	MEDICA	MEDICAL & RX	
Aggregate Run-In Limit	•	\$0	
Minimum Claims Attachment Point	\$2,642,852	2,852	Clain
Additional Risk Considerations:			Aggr
Aggregating Specific	\$65,	\$65,000	PPO
Named Aggregating Specific	N	N/A	Inter
Higher Individual Specific Deductible:	\$75,000 or \$175,000	r \$175,000	Onti
Higher Individual Specific Deductible:	N/A	/A	Ask⊹
	ÇEE	¢er nn	2

	ū	Employee	ū	Employee		2000		חסוסגעני
	ij.	hioyee	1	hioyee	<u>.</u>	Lilpioyee	1	- inprojec
		Only	8	& Spouse	ૹ	& Children	~	& Family
Premium Breakdown:								
Aggregate Premium:	₩.	6.57	↔	6.57	₩.	6.57	\$	6.57
Aggregate Advance:	s	,	\$	ı	\$	•	٠,	•
Specific Premium:	٠,	61.19	\$	154.92	❖	154.92	₩	154.92
Total Stop-Loss Premium:	s	67.76	s	161.49	\$	161.49	\$	161.49
	Į				Į			
Stop-Loss Underwriting Fee:	\$	2.50	٠,	5.50	<u>۰</u>	5.50	٧,	5.50
Premium Allocation:	٠	70.26	Ŷ	166.99	۰	166.99	8	166.99
Administration Breakdown:								
Plan Administration:	s	16.00	⋄	16.00	⋄	16.00	⋄	16.00
COBRA / MED D / HIPAA:	₩	3.95	Ś	3.95	\$	3.95	\$	3.95
Brokerage Compensation	⋄	•	٠,	•	₩.	١	₩	,
General Agent	\$		₩	-	w	-	\$,
Administration Allocation:	_	19 95	Ý	19.95	<u>~</u>	19.95	\sqrt{\sq}\}}}}}}}} \end{\sqrt{\sq}}}}}}}}}}} \end{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sq}}}}}}}}}}}}} \end{\sqrt{\sqrt{\sqrt{\sq}}}}}}}}} \end{\sqrt{\sqrt{\sqrt{\sq}}}}}}}} \end{\sqrt{\sqrt{\sqrt{\sqrt{\sqrt{\sq}}}}}}}}} \end{\sqrt{\sqrt{\sq}}}}}}} \end{\sqrt{\sqrt{\sq}}}}}} \sqrt{\sqrt	19.95
	·		<u>.</u>		<u>.</u>		<u>.</u>	
Claims Expense Breakdown:								
Aggregate Stop-Loss Factors:	❖	452.31	٠	1,192.48	⋄	1,192.48	\$	1,192.48
PPO Network:	⋄	3.25	٧,	3.25	₹	3.25	↔	3.25
Interface EAP	⋄	2.55	⋄	2.55	\$	2.55	٠	2.55
Outlook Vision	\$	0.25	s	0.50	\$	0.50	Ś	0.75
Ask-A-Nurse/Utilization Review	⋄	2.50	\$	2.50	\$	2.50	4	2.50
Rx Carve-Out:	s	28.00	÷	65.00	₩	65.00	s	65.00
Claims Expense Reserve Funding:	w	12.95	\$	12.95	s	12.95	S	12.95
					L		L	
Claims Expense Allocation:	₩	501.81	Ŷ	1,279.23	۰	1,279.23	ş	1,279.48

		Employee Onfv	E &	Employee & Spouse	Employee & Children		Employee & Family
]						
Proposed Enrollment	L	102		32	26		88
]]						
Funding to Fixed Cost:	\$	90.21	\$	186.94	\$ 186.94	34 \$	186.94
Funding to Maximum Exposure:	<u></u> \$\displaystyle{\pi}{\pi}\$	592.02	\$	1,466.17	\$ 1,466.17	\$ 17	1,466.42
]]						
Funding to Expected Cost:	<u></u>	426.92	\$	1,067.28	\$ 1,067.28	\$ 8	1,067.50
]						

N/A \$65,000

Additional Risk Liability:

CARRIER DISCLOSURE STATEMENT ALONG WITH AGGREGATE & LARGE CLAIMS THROUGH THE 11TH MONTH OF THE CURRENT CONTRACT PERIOD. Annual Maintenance Fee: \$4,000.00 Implementation/Set Up Fee: \$0.00

CONFIDENTIAL

BREAKDOWN OF PLAN EXPENSES

Plan Effective Date: October 1, 2012

RENEWAL PLAN B -- 24/12 AGGREGATE

Employee Employee Employee

Plan Option:	Benefit H	Benefit Highlights	
Plan Year Maximum:	\$2,00	\$2,000,000	
Deductible (Individual)	N/A CYD	\$750 CYD	Prer
Deductible (Family)	N/A CYD	\$1,500 CYD	Aggi
Type of Service:	Network	Non-Network	Aggi
Coinsurance	%08	%09	Sper
Annual OOP (Excludes Ded)	\$3,000 Per Individual	\$6,000 Per Individual	Tota
Physician Office Services	. \$20 Co-pay	Deductible then 60%	
Diagnostic Testing	\$20 Co-pay	Deductible then 60%	Stop
Inpatient	Deductible then 80%	Deductible then 60%	
Outpatient	Deductible then 80%	Deductible then 60%	Pren
Emergency Room	\$75 Co-pay	Deductible then 60%	
Urgent Care Center	Deductible then 80%	Deductible then 60%	
Prescription Drug Benefits	\$5 Generic	25% Brand Names	
			Adn
Stop-Loss Policy Provisions:			Plan
Stop-Loss Carrier	STANDARD	STANDARD SECURITY	800
Specific Deductible	\$75,	\$75,000	Brok
Specific Contract Term	121	12/15	Gen
Benefits Covered Under Specific	MEDICA	MEDICAL & RX	
Aggregate Contract Term	24)	24/12	Adn
Monthly Aggregate Accommodation	Z	No	
Benefits Covered Under Aggregate	MEDICA	MEDICAL & RX	
Aggregate Run-In Limit	\$	\$0	
Minimum Claims Attachment Point	.9\$	\$6,785	Clair
Additional Risk Considerations:			Aggı
Aggregating Specific	\$65,	\$65,000	Odd
Named Aggregating Specific	Z	N/A	Inte
Higher Individual Specific Deductible:	\$75,000 00	\$75,000 or \$175,000	Ond
Higher Individual Specific Deductible:	2	N/A	Ask
Additional Risk Liability:	\$65	\$65,000	SX.
			1

		Only	٥	o spouse	•	& Children	٩	ox railility
Premium Breakdown:								
Aggregate Premium:	₩.	6.57	s	6.57	\$	6.57	❖	6.57
Aggregate Advance:	s	,	\$,	\$	1	\$	•
Specific Premium:	45	61.19	*	154.92	\$	154.92	8	154.92
Total Stop-Loss Premium:	\$	67.76	\$	161.49	\$	161.49	s	161.49
Stop-Loss Underwriting Fee:	\$	2.50	٠	5.50	S	5.50	\$	5.50
Premium Allocation:	₩.	70.26	\sqrt{\sq}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}}	166.99	٠	166.99	Ŷ	166.99
Administration Breakdown:								
Plan Administration:	s	16.00	s	16.00	Ś	16.00	÷	16.00
COBRA / MED D / HIPAA:	*	3.95	Ś	3.95	⋄	3.95	Ŷ	3.95
Brokerage Compensation	٠,	•	₩.	•	₩.	٠	\$,
General Agent	w		\$		\$		∽	•
	_	20.05	Ľ	40.00	Ŀ	10.01	Ŀ	10.05
Administration Allocation:	'n	19.95	실	19.35	<u></u>	CE:ET	'n	8.2
Claims Expense Breakdown: Apprecate Ston-Loss Factors:	٠٨	565.39	√ ∧	1,490.60	•>	1,490.60	•^	1,490.60
DDO Notucelle	, 0	275		3.25		3.75	·	3.75
Interface FAP	* *	2.55	٠ ٧	2.55	٠ ٧	2.55	٠,	2.55
Outlook Vision	•	0.25	• ◆	0.50	· v	0.50	<>	0.75
Ask-A-Nurse/Utilization Review	₩.	2.50	Ŷ	2.50	v	2.50	₩	2.50
Rx Carve-Out:	\$	28.00	⋄	65.00	\$	65.00	s	65.00
Claims Expense Reserve Funding:	\$	12.95	8	12.95	\$	12.95	w	12.95
Claims Expense Allocation:	\$	614.89	\$	1,577.35	<u> </u>	1,577.35	\$	1,577.60

	ü	Employee Only	Employee & Spouse	Employee & Children	Employee & Family
Proposed Enrollment	L	T T	0	0	0
Funding to Fixed Cost:	\$	90.21	\$ 186.94	\$ 186.94	\$ 186.94
Funding to Maximum Exposure:	\$	705.10	\$ 1,764.29	\$ 1,764.29	\$ 1,764.54
Funding to Expected Cost:	\$	474.03	\$ 1,192.97	\$ 1,192.97	\$ 1,193.18

Special Considerations: QUOTES ARE	Special Considerations: QUOTES ARE CONTINGENT UPON A SIGNED & APPROVED
 CARRIER DISCLOSURE STATEMENT ALI	CARRIER DISCLOSURE STATEMENT ALONG WITH AGGREGATE & LARGE CLAIMS
THROUGH THE 11TH MONTH OF THE CURRENT CONTRACT PERIOD.	CURRENT CONTRACT PERIOD.
 Annual Maintenance Fee:	\$4,000.00
Implementation/Set Up Fee:	\$0.00
Transaction Fee:	\$7.50

Prepared by Entrust Research Department 7/23/12

City of Kingsville Summary of Paid Medical Claims by Network Incurred From 10-1-2009, Paid as of 6-30-2012

Incurred Between 10-1-2009 and 9-30-2010

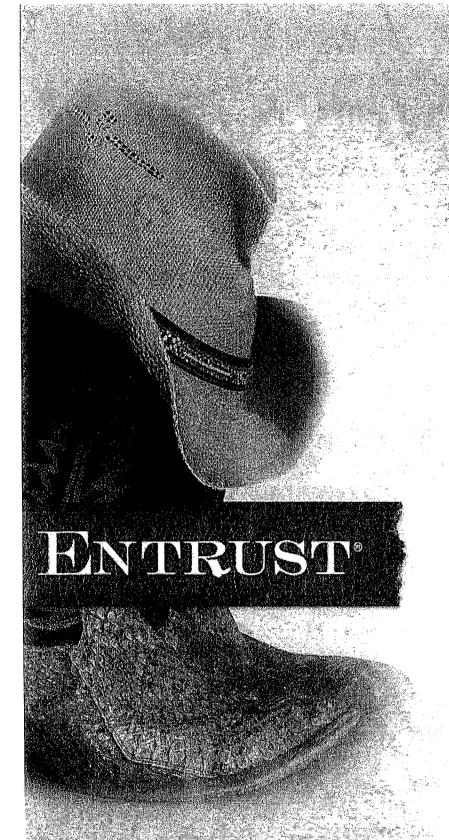
				ずになるかけるようなおのではないないというない	STATES TO STATE STATES TO STATES AND ADDRESS OF THE PARTY.	はこうないからない かんしゅう かんしゅ かんしゅう かんしゅう かんしゅう かんしゅう かんしゃ かんしゅう かんしゅう かんしゅう かんしゅん かんしゃ かんしゃ かんしゃ かんしゃ かんしゃ かんしゃ かんしゃ かんし		
						Total		Total Medical
Network	SPOHIN	1110	RAMP	ADD		Network		
e e	3 795 445 67	\$ 554 776.09	\$ 178,683.48	\$ 10,569.01	-	\$ 4,539,474.25	\$ 1,253,119.06 \$	\$ 5,792,593.31
9 6	1 175 662 11 6		4	4	-	\$ 1,411,950.84	\$ 12,714.36	\$ 1,424,665.20
Allowed	3 1,17,5002.11 3		\$ 69 950.64		8	8 65 701 1 80	.\$ 12,526.97	\$ 1,207,066.83
	65 57%	0.28%	3.08%	0.18%	0.00%	78.37%	21.63%	100.00%
% Dinea of Total	87.57%	10.75%	5,46%	0.37%	0.00%	99.11%	%68.0	100.00%
% Authern by 10um	80.91%	12.00%	5.80%	. 026%	0.000%	%96.86	1.04%	200000

Incurred Between 10-1-2010 and 9-30-2011

		5,137,321.56 \$ 1,031,489.08 \$ 6	\$ 1,912,431.63 \$ 27	3] [-S. 11650,680,54] [-S. 116209,45] S. 11	83.28% 16.72% 100.00%	98.56% 1.44% 100.00%	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
Network	Table Table	\$ 115,676,90 \$ 44,708.00 \$ 49,074.63 \$	· 6	S 96.787.747 S 99.866.69 S	1.88% 0.72% 0.80%	3.78% 1.31% 0.77%	4.130%
	SPOHEN F	\$ 4.491.001.00 \$ 436.861.03	. .	9	77 80% 7 08%		
Network Type	Network	D. 11.	Billed	Allowed	Cald Control of Total	% Differ of 10tm	MOVE ON TOWN

Incurred From 10-1-2011 and Paid as of 6-30-2012

	SAN SECTION SE	P. C. Contract Contra	の大きないというできた。 では、 では、 では、 では、 では、 では、 では、 では、		的形式的现在分词形式的现在分词。			
Network Type			Net	work				
				9.00	L	Total		
Network	\$15(O)45\$		KAF			\mathbf{z}		
	\$ 3.025.571.07	\$ 91.361.14	\$ 67,154.91	\$ 24.49	\$ 900,461.75 \$	\$ 4,084,523.31	\$ 155,896.03	€
Billed	20.120,020,0) (. 64	\$ 537,405.32	\$ 1,657,178.17	\$ 22,344.69	\$ 1,679,522.86
Allowed	\$ 1,041,122.29	6	CHARLESCONIA CONTRACTOR		のないないないというないのできませんでき	NO USBY ASSESSMENT OF THE PARTY OF	9 1 1 C	SCHOOL SECTION AND ADDRESS OF THE PERSON AND
Pica	S 7 929 571 01	S 32,752,72	53,764.03		ZC:C/IC:OCC	でのできることのできる	Contract of the second	
LAID A CT I	71 35%	2 15%	1.58%	%00.0	21.24%	96.32%	3.68%	100.00%
% Dinea of Loun	786.67	۲ 100٪	2 10%	%00 0	32.00%	98.67%	1.33%	100.00%
% Allowed of Total	07.3870	2.1270	2/01/7		(0 L2 I L C C C C C C C C C C C C C C C C C C	7075.80	2017 Is a second	
Pullation and	- 29.78%	2417%	2	No. of the last of	0/10140	いった。これでは、これのことのことのできた。	The second secon	





EMPLOYEE
SUMMARY OF
BENEFITS
COVERAGE
EXPLANATION

GROUP # 566000

EFFECTIVE DATE: OCTOBER 1, 2012

A GRANDFATHERED PLAN

MEDICAL, EAP, MENTAL HEALTH, VISION, AND PRESCRIPTION DRUGS

CITY OF KINGSVILLE SUMMARY OF BENEFITS PLAN A

TO OBTAIN IN-NETWORK BENEFITS YOU MUST USE CHRISTUS SPOHN HEALTH NETWORK PROVIDERS IN THE GREATER CORPUS CHRISTI AREA AND FIRST HEALTH IS THE NETWORK OUTSIDE THE SPOHN NETWORK AREA

(THIS IS A SUMMARY OF BENEFITS. YOU MUST REFER TO YOUR PLAN DOCUMENT FOR ACTUAL BENEFITS!)

	NETWORK PROVIDERS	Non-Network Providers		
FAMILY MONTHLY DEDUCTIBLE (Co-payments do not apply)	\$200	Not Covered		
Coinsurance	100%	Not Covered		
MAXIMUM OUT OF POCKET COINSURANCE (Excludes deductible and co-pays)	\$0	Not Covered		
	OUT-OF-POCKET EXPENSE F	· · · · · · · · · · · · · · · · · · ·		
NON-NETWO	RK PROVIDERS IS NOT COM	BINED		
LIFETIME MAXIMUM BENEFIT	Un	ILIMITED		
Annual Maximum Benefit	\$2.	,000,000		
COVERED SERVICES	Network Providers			
		work Providers will be the contracted discounted amount. A ses to Non-Network providers where applicable.		
		Based on the Non-Network Allowable Amount		
PHYSICIANS OFFICE VISIT Includes all related services performed plus allergy testing, treatment, x-rays, laboratory tests and in-office surgery.	\$15 Co-pay then covered at 100% up to a maximum of \$200 per visit then 100% after deductible	Not Covered		
PREVENTIVE CARE SERVICES				
Includes annual physical exam, prostate exam, colon cancer screening, gynecological exam, mammograms, pap smear, x-rays, laboratory tests, well baby check ups and immunizations after age 6.	\$15 Co-pay then covered at 100% up to a maximum of \$300 per Calendar Year	Not Covered		

COVERED SERVICES	NETWORK PROVIDERS	Non-Network Providers
ROUTINE IMMUNIZATIONS To age 6	Covered at 100%	
OUTPATIENT DIAGNOSTICS, LABORATORY AND/OR RADIOLOGY (Hospital and Freestanding Facility) (Includes CT Scans, MRI and PET Scans) (Excludes Emergency Room)	\$15 Co-pay then covered at 100% up to a maximum of \$150 per visit then 100% after deductible	Not Covered
NOTE: The Allowable Amount for Net		
mmted fee schedu	te appnes to an ivon-ivetwork	Based on the Non-Network Allowable Amount
EMERGENCY ROOM Hospital & Physician Services Medical Emergency/Accidental Injury (The Co-pay is waived if admitted as inpatient)	\$75 Co-pay then covered at 100% up to a maximum of \$300 per visit then 100%	Not Covered
URGENT CARE FACILITY Charges must be on the same bill as the visit charges and incurred at the same time as the visit	Covered at 100% after deductible	Not Covered
CONVENIENCE CARE CLINICS NOTE: ALL CHARGES MUST BE ON THE SAME BILL AND INCURRED ON THE SAME DAY OF SERVICE	\$10 Co-pay then covered at 100% up to a maximum of \$100 per visit	
Maternity Services (Female Employees and Dependent Spouses Only)	Benefits will be the same as those stated under each COVERED SERVICES category	Benefits will be the same as those stated under each COVERED SERVICES category.
HOSPITAL SERVICES Inpatient/Outpatient Daily Room and Board limited to the charges up to the semi-private room rate Intensive Care Unit limited to the Hospital's ICU charge	Covered at 100% after deductible	Not.Covered
SURGERY Inpatient Hospital Outpatient Hospital Outpatient Surgical Facility	Covered at 100% after deductible	Not Covered

COVERED SERVICES 34 - raid (2)	NETWORK PROVIDERS	Non-Network Providers
MENTAL HEALTH/SUBSTANCE	manufacture customer report, photosic or and communication of the section of the communication of the communicatio	Section See See Commen
ABUSE STUDIES STEET	Benefits will be the same	5 Sec. 64
 Inpatient Hospital 	as those stated under	Not Covered
Outpatient Hospital	each COVERED	ACH HENT DIAGNOSTRING
 Office Visit 	SERVICES category	10.000 10.000 (10.00) (10.00) (10.00)
CHIROPRACTIC SERVICES	Covered at 50% up to a maximum of \$500 per	color la departe est belle en gro de la la la MM lenger TO est de la la conoNot Coyered
a the section of the contraction of the section of the section of the section of the section of	Calendar Year (deductible waived)	to the same of the
ALL OTHER COVERED SERVICES		Not-Covered
much the state of	deductible	FORM CONTRACTOR

Vision Benefit

remarks are a series

	Vision Bene	egre for Albany in Salar FIT - Salara Salara Salara Salara ar Kabu	
COVERED SERVICES Vision Benefits		NETWORK PROVIDERS PROVIDERS	
Note: Allowed one (1) vision The benefit is limited to \$50.0 other services are provided a Outlook Vision Discount Netw 800-342-7188 www.outlookvisi	0 per Calendar year. All t a discount through the ork	Covered at 50% Up to a maximum of \$50 per Calendar Year (deductible waived) (not subject to non-network allowable	
Q: What do I do if my optometrist does not accept the ENTRUST card for my vision exam or only gives me the Outlook Vision Discount? A: You are responsible for the balance and then can file your claim through the health insurance at the Human Resources office by filling out a claim form and submitting a copy of your receipt.		amount)	

CITY OF KINGSVILLE SUMMARY OF BENEFITS PLAN B

TO OBTAIN IN-NETWORK BENEFITS YOU MUST USE CHRISTUS SPOHN HEALTH NETWORK PROVIDERS IN THE GREATER CORPUS CHRISTI AREA AND FIRST HEALTH IS THE NETWORK OUTSIDE THE SPOHN NETWORK AREA

(THIS IS A SUMMARY OF BENEFITS. YOU MUST REFER TO YOUR PLAN DOCUMENT FOR ACTUAL BENEFITS!)

	NETWORK PROVIDERS	Non-Network Providers
CALENDAR YEAR DEDUCTIBLE		•
	,	Φ 7 .50
Per Individual	\$0	\$750
Per Family	\$0	\$1500
(Co-payments do not apply)		•.
COINSURANCE		
and the second s	80%	60%
MAXIMUM OUT OF POCKET		
COINSURANCE		
Per Individual	\$2,000	\$C 000
Per Family	\$3,000 \$6,000	\$6,000 \$12,000
en e	\$0,000	\$12,000
(Excludes deductible and co-pays)		
	OUT-OF-POCKET EXPENSE F	
	WORK PROVIDERS IS COMBIN	
THE CALENDAR YEAR DEDUCTIBLE	; WILL BE WAIVED FOR ALL S LESS OTHERWISE STATED•	ERVICES WITH A CO-PAYMENT,
LIFETIME MAXIMUM BENEFIT		ILIMITED
Annual Maximum Benefit	\$2,000,000	
NOTE: The Allowable Amount for No limited fee sched	etwork Providers will be the cule applies to all Non-Network	
COVERED SERVICES	NETWORK PROVIDERS	Non-Network Providers
		Based on the Non-Network Allowable Amount
PHYSICIANS OFFICE VISIT		
Includes all related services performed plus allergy testing, treatment, x-rays, laboratory tests and in-office surgery.	\$20 Co-pay then covered at 100%	Covered at 60% after deductible

COVERED SERVICES	NETWORK PROVIDERS	Non-Network Providers		
NOTE: The Allowable Amount for Network Providers will be the contracted discounted amount. A limited fee schedule applies to all Non-Network providers.				
PREVENTIVE CARE SERVICES Includes annual physical exam, prostate exam, colon cancer screening, gynecological exam; mammograms, papsimear, x-rays, laboratory tests, well baby check, ups and immunizations after age 6.	\$15 Co-pay then covered	Covered at 60% after		
ROUTINE IMMUNIZATIONS To age 6	TVVAT 190 WT 17 - Cover	ed at 100%		
OUTPATIENT DIAGNOSTICS, LABORATORY AND/OR RADIOLOGY (Hospital and Freestanding Facility) (Includes CT Scans, MRI and PET Scans) (Excludes Emergency Room)	\$20 Co-pay then Covered at 100%	Covered at 60% after deductible		
• NOTE: The Allowable Amount for Network Providers will be the contracted discounted amount. A limited fee schedule applies to all Non-Network providers.				
		Based on the Non-Network Allowable Amount		
EMERGENCY ROOM Hospital & Physician Services Medical Emergency/Accidental Injury (The Co-pay is waived if admitted as inpatient)	\$75 Co-pay then covered at 100% to a maximum of \$300 per visit then 80% after deductible	Covered at 60% after deductible		
URGENT CARE FACILITY Charges must be on the same bill as the visit charges and incurred at the same time as the visit	Covered at 80%	Covered at 60% after deductible		
CONVENIENCE CARE CLINICS NOTE: ALL CHARGES MUST BE ON THE SAME BILL AND INCURRED ON THE SAME DAY OF SERVICE		l at 100% up to a maximum of per visit		
Maternity Services (Female Employees and Dependent Spouses Only)	Benefits will be the same as those stated under each COVERED SERVICES category.	Benefits will be the same as those stated under each COVERED SERVICES category.		

COVERED SERVICES	NETWORK PROVIDERS	Non-Network Providers	
NOTE: The Allowable Amount for Network Providers will be the contracted discounted amount. A limited fee schedule applies to all Non-Network providers.			
HOSPITAL SERVICE- Inpatient/Outpatient Daily Room and Board limited to the charges up to the semi-private room rate Intensive Care Unit limited to the Hospital's ICU charge	Covered at 80%	Covered at 60% after deductible	
SURGERY Inpatient Hospital Outpatient Hospital Outpatient Surgical Facility	Covered at 80%	Covered at 60% after deductible	
MENTAL HEALTH/SUBSTANCE ABUSE Inpatient Hospital Outpatient Hospital Office Visit	Benefits will be the same as those stated under each COVERED SERVICES category.	Covered at 60% after deductible	
CHIROPRACTIC SERVICES	Covered at 50% up to a maximum of \$500 per Calendar Year		
ALL OTHER COVERED SERVICES	Covered at 80%	Covered at 60% after deductible	

VISION BENEFIT

COVERED SERVICES	NETWORK Providers	Non-Network Providers
Vision Benefits Note: Allowed one (1) vision exam per Calendar year. The benefit is limited to \$50.00 per Calendar year. All other services are provided at a discount through the Outlook Vision Discount Network 800-342-7188 www.outlookvision.com Q: What do I do if my optometrist does not accept the ENTRUST card for my vision exam or only gives me the Outlook Vision Discount? A: You are responsible for the balance and then can file your claim through the health insurance at the Human Resources office by filling out a claim form and submitting a copy of your receipt.	Up to a maximum (not subject to no	ed at 50% of \$50 per Calendar Year on-network allowable nount)

TOTAL - THE THE BUTSTOTT

الأومر أحرر حوراجان

galaga kan

incirculus Thering a

MENTAL BELLETHISSOUST VALT

X20日本1000年上月日2日 181日 1

moreon will be

Water Walter

PRESCRIPTION DRUGS (CVS/CAREMARK)

PLANS A & B

	30 DAY SUPPLY	- 1	*RETAIL 90
GENERIC	\$5 Co-pay		Sie de la constant de la company de la compa
Brand Name of the 1918 of 1	. This bure (a)		Letter of the special control of the control of the special control of the contro
	25% Co-pay	1 _	25% Co-pay w suit C

^{*} Retail 90 allows you to purchase a 90 day supply of maintenance drugs at participating CVS pharmacies 42

Caravo doco Divini de Asio

KOND DOME SON, EL

PLANS A & B

Other Services Available to You

If You Are Participating in 1 of the Medical Plans

INTERFACE Employee Assistance Program (EAP)

Up to 6 Free Visits for each Emotional Situation
"EMPLOYER PAID - NO COST TO YOU"

Benefits only available by contacting INTERFACE Behavioral Health

This benefit is personal and confidential:

- Counseling Services
- Legal Services
- Financial Services
- Online Work/Life and Wellness Resources

You must contact INTERFACE @ (800) 324-4327 prior to any treatment.

Want to know more go to: www.4eap.com



"PERSONAL ATTENTION, PROFESSIONAL ASSISTANCE"

Registered Nurses are available 24 hours a day, 365 days a year to answer your healthcare questions and to provide assistance

on available treatment options and potential costs of services.

1-877-463-3435

AVAILABLE AT NO ADDITIONAL COST TO YOU!!!

PLAN A
COST TO PARTICIPATE PER MONTH:

Medical	Employee	Employer
Employee	\$0	\$501.11
Employee + Spouse	\$74.10	\$839.23
Employee + Child(ren)	\$74.10	\$839.23
Family	\$74.10	\$839.48

PLAN B
COST TO PARTICIPATE PER MONTH:

Medical	Employee	Employer
Employee	\$64.91	\$501.11
Employee + Spouse	\$223.50	\$839.23
Employee + Child(ren)	\$223.50	\$839.23
Family	\$223.39	\$839.48

How Your Plan Works!

(THIS IS A SUMMARY OF BENEFITS. PLEASE REFER TO YOUR SUMMARY PLAN DESCRIPTION (SPD) FOR ACTUAL BENEFITS) Billippical Househall

At the City of Kingsville, we value each employee and realize the importance a quality benefit plan is to you and your family. Effective October 1, 2012, The City of Kingsville made a decision to continue our self-funded benefit plan administered by Entrust. We believe you will appreciate the way our plan design covers both routine health care services and enables a covered family to budget for their deductible exposures. Our self-funded plan is called the City of Kingsville Employee Benefit Plan Trust. The trust will be the provider of our Medical, Mental Health, Prescription Drug, EAP and

Vision benefits.

WHO TO CALL FOR QUESTIONS!

Entrust: Our benefit program will be fully administered by Entrust, a professional contract administration firm. To assure quality service and communications, Entrust will be handling all claims and benefit questions. Claim forms, envelopes and instructions for filing claims will be made available in our office; however, you will be responsible for filing your own claims directly with Entrust. PPO providers should send claims directly to Entrust; however this depends entirely on the physician you choose. Please make sure you keep a photocopy of your bills before mailing them to Entrust in the unlikely event they are lost in the mail. You may contact Entrust at:

ENTRUST *

P O Box 441588 Houston, TX 77244-1588 In Corpus Christi: (361) 814-7878 In Houston: (281) 368-7878 Toll Free: (800) 436-8787

Please refer to your plan's group number when requesting assistance: #566000

PPO Networks: In the greater Corpus Christi area, we will be utilizing the Christus Spohn Health Network to obtain Network benefits. While traveling outside the Spohn area you will access the First Health Network. Both networks offer our plan and its participants significant discounts when visiting contracted PPO physicians! Although

you may go to any provider that you like, it should cost less and benefits will be increased when using network approved providers. For questions about the Christus Spohn Health Network, you may contact customer service at (361) 881-3280 or look up their website at www.christusspohnhealthnetwork.org. (for a look at the latest compiled directory, or visit www.christusspohn.org and select Spohn Network providers to search for specific network providers.) For questions about the First Health Network you may access the directory on the Internet at www.myfirsthealth.com or telephone them toll free at (800) 226-5116. There is no guarantee that your current provider participates in the network, so you must talk to your physician prior to utilizing their services to assure their network affiliation.

Medical Helpline: In an effort to increase benefits and assist you in your medical needs, we have 24 hour access to "Ask a Nurse" 7 days a week. Whether you have a serious emergency or would just like to have a medical professional's advice regarding your daily health care needs, just contact Medical Helpline toll free at (877) 463-3435. The best thing about it is the cost - It's FREE! (No co-pay or deductible. This service is paid by the Plan).

Prior Authorization Review: Your Plan contains a Pre-authorization/Utilization Review requirement. This means that prior to any inpatient hospital admission, you must contact Medical Helpline. Medical Helpline will monitor the confinement and make recommendations to help keep the charges realistic. This call must be made at least five (5) business days in advance of services being rendered or within two (2) days after an emergency. The employee, a family member, or your service provider is responsible for notifying Medical Helpline. Your medical plan I.D. Card will indicate on the back the proper number to call.

Is My Coverage Portable?

Cobra: COBRA is a federal law that enables you to continue coverage in the event of termination of employment or any other qualifying event. When purchasing COBRA coverage, your employer does not contribute towards the cost of coverage.

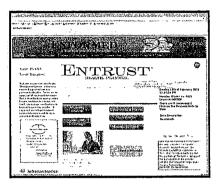
MONTHLY COST TO PARTICIPATE UNDER COBRA:

COBRA	PLANA	PLANB
Employee	\$511.13	\$577.34
Employee'+ Spouse'	\$931.60	\$1083.98
Employee + Child(ren)	\$931.60	\$1083.98
Family	\$931.85	\$1084.13

Enformed Web Portal -created for you by Entrust,

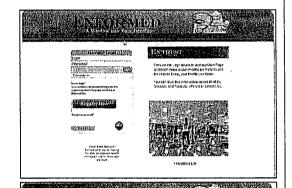
www.enformed.com

Go to: <u>www.enformed.com</u> and register using your email address for your login and your date-of-birth (00/00/000) for your password – once registered you should "click" reset and change your password for security.



Our new **ENFORMED** web portal is customized **for you and your family** based on your enrollment in your Employer's benefit plans. Your personal health information is confidential, all data is encrypted

using state-of-the-art technology. You will notice a red "Help" button, click and it and you will be able to print some additional instructions if needed.



Your Coverage and Benefits

Support the Company of the Company of Company of the Company of th

Through the ENFORMED web portal you will be able to:

Claims

- You will be able to view your claims, and review your EOBs
- You will be able to check the status of your claims; medical and dental
- Remember there is

 about a 45-day lag time from date of service to the claim
 arriving at Entrust. If there are questions on the claim and
 we need more information the lag time could be greater, so don't alarmed if you
 don't see a claim processed that you think should be.

Prescriptions

You will see your prescription history and you can print them for easy communication with your physician,

etc.

Benefits

This tab contains the types of plans available to you and your family as well as the coverage each family member has elected.

Forms & Documents

HR forms, enrollment forms, change forms, claim forms, compliance notice, ID card requests, etc.



AGENDA ITEM #10

RESOLUTION #2012-	
-------------------	--

A R	ESC	DLU.	ΓΙΟΝ	I AU	THOF	RIZING	THE	E CIT	AM YT	NAG	SER T	O EX	ECU	TE A	CON	TRAC	T
WIT	H I	KLE	BER	G F	IRST	NATI	ONA	L B	ANK	OF	KING	SVIL	LE	FOR	THE	BAN	K
DEP	os	ITOF	?Y (CON	TRAC	T WI	TH T	ΉE	CITY	OF	KING	SVIL	LE;	REPE	ALIN	G AL	L
CON	IFL	ICTI	NG I	RES	OLUT	IONS .	AND	PRC	VIDIN	IG F	OR AN	\ EFF	ECT	IVE D	ATE.		

WHEREAS, the City of Kingsville has a Bank Depository Contract with Kleberg First National Bank of Kingsville (KFNB) that is expiring;

WHEREAS, the City went out for bids on bank depository services and staff believes it to be in the best interest of the City of Kingsville to enter into a Bank Depository Contract with KFNB;

NOW THEREFOR, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

١.

THAT the City Manager is authorized and directed as an act of the City of Kingsville, Texas to execute the Bank Depository Contract with Kleberg First National Bank of Kingsville, in accordance with Exhibit A hereto attached and made a part hereof.

II.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

Ш.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the <u>24th</u> day of <u>September</u>, 2012.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

CITY OF KINGSVILLE





September 13, 2012

Vincent J. Capell City Manager City of Kingsville P.O. Box 1458 Kingsville, Texas 78364

Mr. Capell,

The City of Kingsville received only one Depository Contract bid. That bid was submitted by Kleberg Bank our current Depository Bank.

Kleberg Bank has a wide array of sophisticated electronic banking products with state of the art On-Line Banking, Cash Management, security and service tools. The Bank has consistently demonstrated outstanding ability to deliver the highest quality of Electronic Banking, paperless services including Direct Deposit of Payroll, ACH Debit Services and On-Line Wire Transfers.

Electronic Banking is a critical aspect of our business and I believe Kleberg Bank will continue to support the technological innovations streamlining our financial processing. The Kleberg Bank Depository Bank bid submitted is virtually the same contract with some aspects that need to be noted. The interest on the Public Fund Rate on interest bearing accounts remained the same at the stated 3 Month Treasury Bill less 150 basis points with a floor of .05%. Exhibit C includes modifications to the cost of processing paper transactions, in large part because interest rates on deposit balances are no longer adequate to offset the costs of paper transactions. The City of Kingsville will work with Kleberg Bank to increase the utilization of electronic banking and/or to increase balances that will help to offset fees. Please note that the City will not be charged maintenance fees or for electronic services, and City of Kingsville will receive a special earnings credit rate on balances to help offset fees for paper transactions. But with that being said, there is still exposure to the City of Kingsville incurring charges for the fees as stated. I did take the fee schedule in this bid and with the assistance of the Kleberg Bank staff calculated the amount of fees that we would have been charge for the past 3 months had the terms of this new bid been in place over that period of time. Then I took the quarterly results and annualized them to look at the potential financial impact over a year. Thru this process and calculating another way thru aggregated compensated balances I had independently complied, I was able to discern that our full annual exposure may be somewhere in the \$5,000 or \$6,000 range. Under the current Bank Depository Contract with Kleberg Bank, we have been able to offset these fees through compensated balances. I anticipate under the new proposed contract with Kleberg Bank for, given your approval continuing to have them as our Depository Bank, we can continue to have the same results.

In addition to the services described in the proposal for the City of Kingsville, the bank will provide the City of Kingsville employees with a Kleberg Bonus Checking account and more. For those employees who do not desire a checking account, Kleberg Bank will provide a Free Kleberg Direct account with direct deposit or a Payroll Card with direct deposit.

Kleberg Bank is a local bank, with decision makers and service responsibilities headquartered in Kingsville. The Bank has consistently been a strong supporter of community issues and initiatives in the

CITY OF KINGSVILLE





City. Kleberg Bank is financially sound and has apparently not participated in, or contributed to, the sub-prime lending and other financial misbehavior that has been a part of the national economic crisis.

The City of Kingsville has enjoyed an excellent working relationship with Kleberg Bank and Kleberg Bank staff over the past years. I believe the quality of service will continue to be effective and efficient. I look forward to continuing to do business with them and recommend the City of Kingsville award the bid to Kleberg Bank as our Depository Bank.

Sincerely,

Mark A. Rushing
Director of Finance

City of Kingsville



September 6, 2012

City of Kingsville Purchasing Department P.O. Box 1458 Kingsville, Texas 78364

To Whom It May Concern,

As the current depository, Kleberg Bank is pleased to submit the following bid to continue the role of depository for the City of Kingsville for the period of October 1, 2012 through September 30, 2014. Kleberg Bank presently has the majority of the other public fund contracts and is the primary depository in the area.

Kleberg Bank has demonstrated the quality of our service to the community of Kingsville as well as the surrounding area since 1905. We are committed to providing our customers with excellent service in a very competitive environment. We believe in the simple, honest approach to banking as outlined in our bid.

We offer a wide variety of services which we feel have been beneficial to you. Our Online Banking Service has recently been upgraded to include the latest in online security and ease of use. Additionally, we have provided the City with remote deposit equipment, software and support since our last agreement. We were able to provide this service without increasing your costs.

In addition to the services described in the proposal for the City of Kingsville, we will provide your employees with a Kleberg Bonus Checking account and more. For those who do not desire a checking account, we will provide a Free Kleberg Direct account with direct deposit or a Payroll Card with direct deposit. Kleberg Bank is your employee's best value for customer service and convenience with our sixteen ATM's, and our full service Banks opened seven days per week inside Wal-Mart Kingsville and 5 local HEB Branches. Our Phone Center bankers provide full service and are available from 7:30 a.m. to 6:00 p.m. weekdays, from 8 a.m. until 12:00 p.m. on Saturday, and our 24 Hour-Banking Service is available by telephone in English and Spanish. Kleberg Bank is clearly your best option for convenience, value, and service.

If I may be of any assistance in answering questions, please call me at (361) 595-2924.

Sincerely,

Brad Womack

Vice President & Controller

HOLLAND ALL

Purchasing Department



361-595-8025 361-595-8035 Fax

DATE: September 17, 2012

TO: City Commission through City Manager

FROM: David Mason, Purchasing/IT Director

SUBJECT: Banking Services 12-42

SUMMARY

This authorizes the award of a contract for Banking Services for the City of Kingsville.

BACKGROUND

We advertised for sealed bids on August 26 and September 2, 2012 and proposals were accepted until 1:30 p.m. on September 11, 2012. One bid was submitted, that of Kleberg Bank.

RECOMMENDATION

It is recommended the contract be awarded to Kleberg Bank, 100 East Kleberg Avenue, P. O. Drawer 911, Kingsville, Texas 78364-0911.

FINANCIAL IMPACT

This action does not directly expend any funds.

Approved	
Vincent Capell, City Manager	

CITY OF KINGSVILLE FINANCE DEPARTMENT

CONTRACT FOR BANK DEPOSITORY SERVICES

TERM:

OCTOBER 1, 2012 TO SEPTEMBER 30, 2014

TABLE OF CONTENTS

Article I - Definitions

Article II - Provision of Depository Services

2.01	Depository Services and Fees
2.02	Guaranteed Service Fees
2.03	Calculation of Net Monthly Service Fee
2.04	Payment of Net Monthly Service Fee
2.05	Representations of Depository
2.06	Electronic Cash Management Services
2.07	Deposits
2.08	Automated Information Reporting
2.09	Items Processing Service
2.10	Check Sorting Requirements
2.11	Insufficient Funds (NSF) Returned Items
2.12	Stop Payments
2.13	Automatic Payroll Deposit Services
2.14	General Wire Transfer Services
2.15	Account Reconciliation Services
2.16	Depository Reconcilements
2.17	Checking with Interest Accounts
2.18	Controlled Disbursement Service
2.19	Zero Balance Accounts
2.20	Check Cashing
2.21	Deposit Locations
2.22	Overdrafts
2.23	Authority of Authorized City Representatives
2.24	Investment Services
2.25	Account Executive Services
2.26	Reports
2.27	Direct Debit of Utility Customers

Article III - Security for Deposits

3.01 Background

3.02	Qualification as Depository
3.03	Collateral Provision of FIRREA
3.04	Permissible Securities
3.05	Custodian of Pledged Securities
3.06	Amount of Collateral
3.07	Determination of Market Value

TABLE OF CONTENTS

	•
3.08	Charges for Collateral
3.09	Federally Insured Deposits
3.10	Additional Security
3.11	Substitution of Securities
	Release of Security
3.13	Records and Audit
	Documentation to be provided to City
3.15	Surrender of Interest of Securities
Article IV Ac	count Transfers
4.01	Electronic, Telephonic, Telegraphic or Oral Requests for Account Transfers
4.02	Internal Transfers
4.03	Instructions for Transfer
4.04	Immediate Credit
	Daylight Overdraft Policy
4.06	Notification of Funds Transferred
4.07	
4.07	Discrepancies/Loss of Interest/Error
4.09	Designated Accounts
4.09	Designated Accounts
Article V - O	ther Services
5.01	Bailor-Bailee Relationship
5.02	Custody, Safekeeping of Governmental Agency Securities
Article VI – 0	General Provisions
6.01	Automated Clearing House Membership
6.02	Charging of Fees
6.03	Confidentiality, Audits and Inspections
6.04	Recalls, Debit Adjustments and Other
6.05	Compliance with Law
6.06	Indemnification
6.07	Term
6.08	Duties After Termination
6.09	No Endorsement
6.10	Notices
6.11	Assignment
6.12	Force Majeure
6.13	Conflicts of Interest
6.14	Equal Employment Opportunity

Entire Agreement

6.15

TABLE OF CONTENTS

- 6.16 Governing Law
 6.17 Notification of Changes in Depository
 6.18 Monthly Reports
 6.19 Corporate Resolutions Not Required
- 6.20 Hierarchy of Contract D'ocuments

Article VII - Other Financial Services

7.01 Credit Card Services
7.02 Discontinuation of Credit Card Services
7.03 Use of Credit Cards to Pay Debts Owed to City
7.04 Credit Card Transaction Processing Equipment
7.05 Compensation for Credit Card Processing Services

Exhibits

Exhibit A - Payroll Calendar for FY 2012-2013

Exhibit C - Pricing Summary Form

Exhibit F - Depository Statement Checklist

Exhibit G - Authorization for Depository Accounts

CITY OF KINGSVILLE DEPOSITORY SERVICES AGREEMENT

Whereas, the City of Kingsville ("City") requested and received applications for the provision of depository services for City funds from depositories doing business within the city limits of Kingsville, Texas;

Whereas, the City Commission considered and reviewed the specifications of each application received and determined which application was the most advantageous for the City;

Whereas, on September ____, 2012 the City Commission approved by majority vote Agenda item #_____ designated [BANK NAME] ("Depository") to be the depository for City funds and authorized the City Manager to execute this depository services agreement ("Agreement") with Depository;

NOW THEREFORE, in consideration of the mutual benefits to be derived from this Agreement, including representations, warranties, and covenants, the City and Depository agree as follows:

ARTICLE I. Definitions

For purposes of implementing this Agreement, the terms listed below will have the following meanings:

- "Authorized City Representative": the City Manager or other persons designated to perform duties in accordance with this Agreement. The present Authorized City Representatives are specified in Exhibit J.
- "Account Transfers": written, electronic (wire/ACH), telephonic, telegraphic or oral requests or orders issued by an Authorized City Representative for the transfer of City funds on deposit from City accounts maintained at the Depository for credit to accounts designated by the Authorized City Representative.
- "Deposits": include demand and time deposits. Demand deposits may be withdrawn on demand by the City. Time deposits are subject to a contract under which the City may not withdraw funds by check or other means until the expiration of a certain period following written notice.
- "City Funds": all accounts held by the Depository for the City.
- "Total City Balance": the sum of all ledger balances of all City accounts held by Depository.
- "Depository Services": all services required according to this Agreement
- "Other Financial Services": all services necessary in the administration, collection, investment, and transfer of city funds.

ARTICLE 2 Provision of Depository Services

- **2.01 Depository Services and Fees** The Depository hereby agrees to provide depository and other services described in this Agreement for the City funds deposited at the Depository. The City agrees to pay a net monthly service fee to Depository, which will be calculated as described herein.
- **2.02** Guaranteed Service Fees All service fees listed on Exhibit C are guaranteed for the entire term and any option year of the Agreement. The service fees will be used in calculating the net monthly service fee.
- 2.03 Calculation of Net Monthly Service Fee A written invoice evidencing the services performed for the City by the Depository must be mailed to the City at the end of each month for each account. This invoice must also contain a section summarizing the services provided and the fees for services for all accounts. The City will have five working days to confirm the services performed. After the City has confirmed the services performed by the Depository, the City agrees to pay a monthly net service fee for the services provided by Depository. The monthly net service fee is to be calculated as follows:

The Depository will calculate total earnings credit for all City account balances grouped together and not for single account balances. The Depository will calculate the total monthly service fees for all accounts. If the total service fees are greater than the total earnings credits, then the difference between the two will be the net depository service fee for the month.

- **2.04** Payment of Net Monthly Service Fee The Depository will not debit a City depository account for the net monthly service fee until the Depository and the City agree that the net monthly depository service fee is correct. The net monthly service fee will be allocated among accounts as designated by an Authorized City Representative.
- 2.05 Representations of Depository

The Depository must:

- (a) keep the City funds covered by this Agreement;
- (b) faithfully perform all duties and obligations imposed on the Depository by law and under this Agreement;
- (c) pay on presentation all checks drawn and properly payable on a demand deposit account with the Depository;
- (d) pay all transfers properly payable as directed by an Authorized City Representative;
- (e) provide and maintain security at the level required by the provisions of Chapter 2257, Government Code and this Agreement; and
- (f) account for the City funds as required by law.
- **Electronic Cash Management Services** The Depository must provide electronic cash management services. By using an IBM-Personal Computer ("PC") (or IBM- compatible PC), the City through an Authorized City Representative must be able to access and transmit a variety of balance and transaction information as required in this Depository Services Agreement through a secure internet account. Software necessary to perform these services, including but not limited to, stop payments, wire

- transfers, account balance and transaction information, and transmission of Automated Clearing House ("ACH") debit or credit transactions, will be made available at no charge by the Depository to the City.
- **2.07 Deposits** The Depository must accept all deposits made by the City during the term of the Depository Services Agreement. The Depository must accept City deposits for ledger credit until 5:00 p.m. each business day.
- **2.08** Automated Information Reporting By using an IBM-PC (or IBM compatible), the City must be able to access, for each City account, the previous day's ending ledger balance, collected balance, float, and debit/credit detail by 8:00 a.m. daily through a secure internet account. By this same deadline, this information must be combined to reflect totals for all City accounts taken together.
- 2.09 Items Processing Service The Depository must provide the following items processing services for all items of checks and cash deposited by the City. Such items processing services include but are not limited to the following: encoding services, credit and debit advices given to the *City* within three business days of the debit or credit, clearing returned items, and return of stamped duplicate deposit slips to the City within one business day of deposit.
 - The City intends to deposit all revenues directly to the Depository. The deposits will be made in batches with a tape to be provided for each batch. If the Depository Item Processing Department discovers an error in the deposit, then the Depository must prepare a credit or debit advice and mail it to the City immediately after the account has been adjusted. The Depository must also mail the appropriate documentation attached to the debit or credit advice to justify the correction. Appropriate documentation is considered to be a copy of the City's tape with the item in question marked and a copy of the check in question.
- **2.10** Check Sorting Requirements Any account that has more than 100 checks per monthly statement may be required to be fine-sorted in numerical order.
- 2.11 Insufficient Funds (NSF)/Returned Items A complete description must be provided on all NSF/returned items deposited into City accounts. The description should include the Payer's name, applicable City department, and reason for return. All NSF/returned items must be charged back to the account to which the items were deposited provided that the City department is identified by endorsement stamp or other readily identifiable means on the item. The Depository will send the NSF/returned items to the City department or other business designated by an Authorized City Representative.
- **2.12 Stop payments** Stop payments must remain in effect for at least *six* (6) months. By using an IBM-PC (or IBM compatible), the City through an Authorized City Representative must be able to initiate stop payments through a secure internet account. Placement of stop payments through a PC transmission does not require follow-up written authorization.
- **2.13** Automatic payroll deposit services By using an IBM-PC (or IBM compatible), the City through an Authorized City Representative will electronically transmit City employee payroll data to the Depository through a secure internet account. The Depository will receive the data and prepare an

Automated Clearing House ("ACH") debit. The Depository payroll account will be debited no sooner than the date of payroll. Exhibit A is the Payroll Calendar for FY 2012-2013.

2.14 General Wire Transfer Services By using an IBM-PC (or IBM compatible), the City must be able to initiate general wire transfer services including initiation of repetitive and non-repetitive wire transfers through a secure internet account. Wire advices should be mailed within three days of wire debit or credit.

The Depository must act upon all electronic, written or verbal transfer requests within one hour from the time received from an Authorized City Representative, and use any means for the transmission of the funds the Depository may consider suitable up until 2:30 p.m.

The Depository must record all telephonic instructions from the City received by the Depository's wire transfer department and retain the recordings for sixty-one (61) days (the period for City notification of discrepancies) following such requests.

In the event there *is* a loss of interest or use of funds as result of a Depository error for failure to execute a transfer request on the date received, or such other error within the Depository's control, compensation for loss must be corrected by adjusting the aggregate ledger and collected balances of the City accounts to reflect properly the average balances of the amounts that would have resulted had no error occurred.

2.15 Account reconciliation services All depository statements and paid items, except those relating to the payroll account, must be on a monthly cycle and must be cutoff on the last calendar day of the month. Payroll is bi-weekly. Attached is a FY 2012-2013 City Payroll Listing. The City will provide the Depository with payroll calendars during the term of this Agreement as such payroll calendars become available. The City will pick up all Depository statements, including all deposit slips and cancelled checks, no later than the fifth working day following the assigned cut-off date. The Depository may not mail statements unless such mailing is approved by an Authorized City Representative.

A depository statement checklist must be completed by the depository and sent with the bank statements.

If a statement for a City depository account is not cut off as specified in this Agreement, the Depository must reimburse the City for the costs incurred to reconcile the statement, including City employee overtime costs.

2.16 Depository Reconcilements Automated depository reconcilements are required for the Vouchers Payable and Payroll accounts and other accounts as required by an Authorized City Representative as transaction volume increases. By using an IBM-PC (or IBM compatible), the City will electronically transmit reconcilement data to the Depository. Reconcilements must be available for pick up by the City by the ninth working day following the day the data was transmitted to the Depository through a secure internet account. "Add/delete" adjustment forms will be provided by the Depository.

- **2.17 Checking with Interest Accounts** If designated by an Authorized City Representative, a demand deposit account will be set up as interest bearing and interest will be paid monthly. Interest rates will be those set for public fund interest bearing accounts.
- **2.18 Controlled Disbursement Service**. Specific accounts as designated by an Authorized City Representative will be controlled disbursement accounts. By 8:00 a.m. each day, the City must be able to access same day information concerning controlled disbursement clearings using an IBM-PC (or IBM compatible) with a minimum of 512K of memory (RAM) and using 2400 Baud modem.
- **Zero Balance Accounts**. Specific accounts as designated by an Authorized City Representative will be zero balance checking accounts for ease in reconciling and record keeping.
- 2.20 Check Cashing Depository will pay on presentation all checks drawn and properly payable on a City demand deposit account at no charge to the payee or to the City.
- **Deposit Locations** The City will have the option to make Deposits at the Depository's main Kingsville office or at any of Depository's Kingsville branches, if any. A deposit ticket will be presented to the Depository with each deposit. The Depository will route specified deposit ticket copies to the City on a daily basis.
- 2.22 Overdrafts The City does not intend to have an overdraft position on any of its depository accounts throughout the course of the depository services contract. If a check or checks presented for payment on any City account where there exists insufficient funds available for payment, the Depository agrees to pay said checks and promptly notify the Finance Director or Authorized City Representative of the existence of the overdraft situation. The City agrees to cover the overdraft within one business day. The Depository will view all City accounts together for purposes of any charges on overdrawn collected balances.
- **2.23 Authority of Authorized City Representative** An Authorized City Representative may request depository services as required to implement this Agreement. An Authorized City Representative may open a depository account. The Depository may not require corporate resolutions or other documents to establish depository accounts at the request of an Authorized City Representative.
- **2.24 Investment Services**. The City reserves the right to exclude from the terms of this Agreement, investment in certificates of deposits, government securities, fully collateralized repurchase agreements or similar instruments authorized by law.
- **2.25** Account Executive Services The Depository agrees to assign one of its officers employed by the Depository in Kingsville to coordinate the depository relationship established under this Agreement. The assigned officer is responsible for responding to questions from an Authorized City Representative. The assigned officer will perform necessary research to promptly respond to questions or concerns of the City regarding its accounts. The assigned officer of the Depository will meet with the City at least once a month to evaluate the working relationship between the City and the Depository and to address any problems.

- **2.26** Reports. The Depository will provide quarterly reports of income/condition (required by the FDIC) by the 15th day following the reporting deadline for each quarter.
- 2.27 Direct Debit of Utility Customers. The City intends to electronically transmit data to the Depository regarding those City utility customers who have previously authorized the City to directly debit their demand deposit accounts for City utility bills. Upon request by the City, the Depository will provide this pre-authorized direct debit service. The Depository will receive the data and prepare an ACH debit in accordance with the operating rules of the South Western Automated Clearing House Association and the operating rules of the National Automated Clearing House Association and as provided herein.

ARTICLE 3 Security for Deposits

3.01 Background As security for the deposits of the City, the Depository must pledge to the City securities equal to the largest total ledger balances the City maintains in the Depository, less the amount of coverage provided by the Federal Deposit Insurance Corporation.

All funds deposited under the Depository Services Agreement must be continuously secured in accordance with applicable federal laws and regulations as well as the laws of the State of Texas including but not limited to the Public Funds Collateral Act, Vernon's Texas Government Code Section 2257.00 1 et. seq. and Subchapter C Security for Funds Held by Depository of Vernon's Texas Local Government Code.

- **Qualification as Depository** The Depository must, not later than five days before the commencement of the term of this Depository Services Agreement, pledge security for the funds to be deposited by the City at the Depository as provided by Subchapter C, Security for Funds Held by Depository of Chapter 105, Depositories for Municipal Funds of the Texas Local Government Code, Chapter 2257, Public Funds Collateral Act, Government Code, and this Depository Services Agreement.
- 3.03 Collateral Provision of Financial Institution Reform, Recovery and Enforcement Act. (FIRREA). The Depository must provide certification that the Depository has complied with all requirements of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) and FDIC policies which may apply to the City's security interests in the pledged collateral and must specify the officers of the Depository who are authorized to sign agreements with the City. Prior to the initial pledge of securities under the Depository Services Agreement, the Depository must (a) execute a Security Agreement-Pledge and ancillary agreements necessary to effect the pledge of securities to collateralize all of the City's deposits in such form as is acceptable to the City; (b) deliver to the City a certified copy of excerpts from the minutes of a meeting of the Loan Committee and/or Board of Directors of the Depository, properly authorizing the Depository to enter into a Security Agreement-Pledge, and to pledge assets of the Depository to secure all deposits made by the City with the Depository; and (c) deliver to the City certification that the Depository Agreement, the Security Agreement Pledge, and the authorization of the Board of Directors and the Loan Committee of the Depository have been placed (and will continuously be maintained) in the official records of the Depository.
- **3.04 Permissible security** Only the following types of securities are acceptable to the City to secure City deposits:
 - (1) a treasury note of the United States or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States with a stated maturity of five (5) years or less;
 - (2) an obligation of an agency of the United States, provided that (i) the market value can be readily established, (ii) the agency note has a stated maturity date of five (5) years or less, and (iii) the obligation has been approved by an Authorized City Representative.

- 3.05 Custodian of Pledged Securities The securities pledged by the Depository as collateral for City deposits must be deposited in escrow in a safe-keeping account held in the name of the City, ("the Custodian Account"). The Custodian Account must require the authorization of both the Depository and an Authorized City Representative to release pledged collateral. The Custodian, upon receipt of pledged securities, must promptly issue and deliver to the City Treasurer trust receipts for the securities pledged. The securities must be held by the Custodian. The Custodian may not transfer or deposit the securities in another institution without the prior written authorization of an Authorized City Representative.
- 3.06 Amount of Collateral Securities pledged by the Depository to secure City funds on deposit identified with federal taxpayer identification number 74-6001513 must have a market value of at least six million dollars (\$6,000,000) or as designated in writing by an Authorized City Representative. During the City's tax season which occurs from October through March, the Depository must provide additional collateral in accordance with this Agreement.
- 3.07 Determination of Market Value The market value of a security is to be determined by an Authorized City Representative from an independent third party source (i.e. Primary dealer, Wall Street Journal) and is binding on the Depository.
- **3.08** Charges for Collateral Charges for the collateral provided by the Depository are provided in Exhibit C.
- **3.09** Federally Insured Deposits The Depository is not required to provide security for the deposit of City funds to the extent deposits are insured under 12 U.S.C.A., Sections 181 1-1835a.
- **3.10** Additional Security An Authorized City Representative may by written order require the Depository to pledge additional collateral at any time it *is* determined to be advisable. Additionally, if, for any reason, the total city balance on deposit with the Depository exceeds the market value of pledged security, the Depository must immediately pledge additional securities to the City.

Any additional security pledged must meet the requirements of this Depository Services Agreement and must be approved by an Authorized City Representative. Failure to pledge additional securities on the day the Depository is provided notice constitutes grounds for City Commission to select a new depository as required by law and terminate the Depository Services Agreement.

Prior to the pledge of additional securities under the Depository Services Agreement, the Depository must (a) execute a Security Agreement- Pledge and ancillary agreements necessary to effect the pledge of additional securities to collateralize all of the City's deposits in such form as is acceptable to the City; (b) deliver to the City a certified copy of excerpts from the minutes of a meeting of the Loan Committee and/or Board of Directors of the Depository, properly authorizing the Depository to enter into a Security Agreement-Pledge, and to pledge assets of the Depository to secure all deposits made by the City with the Depository; and (c) deliver to the City certification that the Depository Agreement, the Security Agreement Pledge, and the authorization of the Board of Directors and the Loan Committee of the Depository have been placed (and will continuously be maintained) in the official records of the Depository.

- 3.11 Substitution of Securities The Depository may substitute one security for another provided that the security meets the requirements of this Depository Services Agreement, the substitution is approved, in writing, by an Authorized City Representative and the Depository. Prior to such substitution of securities, the Depository must (a) execute a Security Agreement- Pledge and ancillary agreements necessary to effect the pledge of securities to collateralize all of the City's deposits in such form as is acceptable to the City; (b) deliver to the City a certified copy of excerpts from the minutes of a meeting of the Loan Committee and/or Board of Directors of the Depository, properly authorizing the Depository to enter into a Security Agreement-Pledge, and to pledge assets of the Depository to secure all deposits made by the City with the Depository; and (c) deliver to the City certification that the Depository Agreement, the Security Agreement Pledge, and the authorization of the Board of Directors and the Loan Committee of the Depository have been placed (and will continuously be maintained) in the official records of the Depository.
- **Release of Security** If the securities pledged by the Depository exceed the amount required under this Depository Services Agreement, an Authorized City Representative may authorize the release the excess. Such release must be approved in writing by an Authorized City Representative.
- 3.13 Records and Audit The Depository must maintain separate, accurate, and complete records relating to the deposit of public funds, the pledged investment securities, and all transactions relating to the pledged investment securities. The Custodian must maintain separate, accurate, and complete records regarding the pledged investment securities. All such records must be subject to any internal or external audit or regulatory examination of the Depository or Custodian.
- 3.14 Documentation to Be Provided to City The Depository and Custodian must provide documentation relating to the description of securities pledged as collateral, substitution of pledged securities, pledge of additional securities, and withdrawal of excess securities to the City Treasurer. A certificate indicating the market value of securities pledged as collateral hereunder must be provided to the City at least monthly.
- **3.15** Surrender of Interest on Securities Upon the request of the Depository, the City must surrender, when due, interest coupons or other evidence of interest on securities if the remaining value of the securities pledged are adequate to meet the requirements of this Agreement.

ARTICLE 4 Account Transfers

- **4.01** Electronic. Telephonic Telegraphic or Oral Requests for Account Transfers The Depository is authorized to honor, execute and charge City accounts for electronic, telephonic, telegraphic or oral requests:
 - (a) for the transfer of funds from designated City accounts to any other City depository account, whether the account is with the Depository or another financial institution; or
 - (b) for the transfer of funds from designated City accounts to the account of or the credit of a third party, whether the third party account is with the Depository or another financial institution.

All requests must be properly identified as being made by an Authorized City Representative in compliance with the Depository's transfer procedures.

- **4.02 Internal Transfers** An Authorized City Representative will periodically need to transfer funds from one City account to another to reimburse Payroll, Accounts Payable, and other accounts.
- 4.03 Instructions for Transfer The Depository must act upon all electronic, written or verbal transfer requests within one hour from the time received from an Authorized City Representative, and use any means for the transmission of the funds the Depository may consider suitable up until 2:30 p.m.
- **4.04 Immediate Credit** The Depository must give both ledger and collected credit the day of the wire receipt, regardless of the time the Depository receives the transfer through the Fedwire System. Credit to City accounts for incoming wire transfers must be immediate.
- 4.05 Daylight Overdraft Policy The City actively invests in marketable securities. An outgoing wire transfer will be made in the morning for the reinvestment of funds expected by an incoming wire transfer. The Depository must allow the City to reinvest and to wire funds out in anticipation of an incoming wire transfer later in the day. The Depository will not charge the City for daylight overdrafts. When a daylight overdraft is anticipated, an Authorized City Representative will notify the designated depository official of the situation.
- 4.06 Notification of Funds Transfers Notification to the City of incoming wire transfers or problems with outgoing wire transfers must be made within one hour of the transaction. The City allows two authorized employees to initiate repetitive transfers. All authorized employees will be issued a personal identification number in order to initiate wire transactions. If the wire transfer is initiated over the telephone, the Depository must telephone the City and specifically request to speak to an Authorized City Representative other than the person initiating the wire to verify that the wire is authorized prior to releasing the wire.
- **Records** The Depository must record all telephonic instructions from the City received by the Depository's wire transfer department and retain the recordings for sixty-one (61) days (the period for City notification of discrepancies) following such requests. The City agrees to report any discrepancies

between the City's records and the Depository statement to the Depository's wire transfer department in writing within sixty-one (61) days after the statement date.

- 4.08 Discrepancies/Loss of Interest/Error In the event there is a loss of interest or use of funds as result of a Depository error for failure to execute a transfer request on the date received, or such other error within the Depository's control, the Depository agrees that compensation for loss must be corrected by adjusting the aggregate ledger and collected balances of the City accounts to reflect properly the average balances of the amounts that would have resulted had no error occurred.
- **4.09 Designated Accounts** Account Transfers may be made from the other accounts as designated by an Authorized City Representative.

ARTICLE 5 Other Financial Services

- **5.01** Bailor/Bailee Relationship Until deposits are credited to the City as evidenced by validation of duplicate deposit slip/s, the relationship between the City and the Depository as to all contents must be that of Bailor and Bailee. The Depository must be responsible and liable to the City for use of that degree of care required under the laws of Texas for Bailees having custody of property of other persons.
- Custody Safekeeping of Governmental Agency Securities. All collateral securing bank and savings 5.02 and loan deposits must be held by a Third Party Safekeeping Institution approved by the City, or Collateral may be held at the Federal Reserve Bank. The Bank must be able to utilize a trusted partner's safekeeping department for safekeeping Securities either owned by the City as a part of its Investment Portfolio or held as Collateral. The U.S. treasuries that serve as Collateral for repurchase agreements with Institutions must be delivered to a Third-Party Safekeeping Institution with which the City has established a third-party safekeeping agreement. The Depository agrees to handle all purchase and sale of securities on a delivery versus payment or payment versus delivery basis (i.e. for securities purchases, monies will not be released by the City's safekeeping bank until securities are received at the Federal Reserve Bank or reviewed by the trusted partner or further credit to the City's safekeeping bank. In the case of securities sales, monies will be received by the City's safekeeping bank via the Federal Reserve Bank as the securities are simultaneously released to the purchaser). In this manner, the City will always have possession of either the securities or its monies. on a delivery versus payment basis. The cost of safekeeping securities, processing purchase/sale transactions, and coupon interest payments are listed on Exhibit C.

The City will send written instructions to the securities clearance department for each transaction. Most of these instructions will be sent by facsimile to assure the timeliness of the operation. It is specifically provided that when a City security matures, or when a City security is purchased, funds will be transferred from or to the Combined Operating account, the Bond Funds account, or another account as directed by an Authorized City Representative. The Depository must give prompt notification to the City of any settlement problems, including securities delivered where the instructions do not match or where instructions have not been given to the Depository.

All securities must be perfected in the name of the City. All book entry securities owned by the City must be evidenced by a safekeeping receipt issued to the City. The original safekeeping receipt for each

transaction will be forwarded to the City.

ARTICLE 6 General Provisions

6.01 Automated Clearing House ("ACH") Membership The Depository must be a participating depository in the Southwestern Automated Clearing House Association to be able to deliver debit and credit payments for the following transactions: City employee payroll Account and Pre-authorized City Utility Customer Debits. Use of additional ACH transactions must be established in writing by an Authorized City Representative.

The Depository warrants that it is a participating financial institution in the Southwestern Automated Clearing House Association ("SWACHA") which provides facilities for the exchange of electronic funds transfers among its members and other automated clearing house associations within the United States by utilizing the capacities of the National Automated Clearing House Association ("NACHA"). The Depository acknowledges that it must comply with the rules, as may be amended, for the notification, posting, or transfer of funds by means of electronic credit transfer facilities. The Depository is required to comply with the procedures of the SWACHA and NACHA including, but not limited to, matters such as input format, data acceptance criteria, return item handling, adjusting entries, and dishonored entries.

- **6.02 Charging of Fees** The Depository is authorized to charge the City accounts upon direct authorization by an Authorized City Representative for:
 - (a) charge backs on correction of mathematical error, and
 - (b) bank service fees owed to Depository, including Deficient Balances Before Services. Deficient Balances Before Services need to be reviewed on a quarterly basis for fee assessment.

The Depository or the City will not change the schedule of fees as listed on Exhibit C during the initial term of this Agreement or during any option year.

- 6.03 Confidentiality, Audits and Inspections. All information assembled by the Depository under this Agreement is to be kept confidential and not be made available to any individual or organization without the prior written approval of the City. At reasonable times during regular business hours, the Depository will make available for examination by the City, its duly authorized agent, accountant, or legal representative, pertinent copies of statements and debit and credit items supporting such statements, relating to the City's accounts.
- **Recalls, Debit Adjustments and Other Adjustments**. The Depository is required to process recall or adjustment requests upon verbal authorization by an Authorized City Representative followed by written confirmation by the City if possible, but no later than four (4) working days after the request.
- 6.05 Compliance with Law The Depository represents to have the expertise and personnel required and necessary to perform the services under this Agreement. The Depository acknowledges that it is fully

qualified, authorized, and willing to comply under federal, state and local law to perform the services described in this Agreement.

- **Indemnification** The Depository fully indemnifies, saves, and holds harmless the City of Kingsville, its officers, employees, and agents against any and all liability, damage, account of personal injuries (including, without limitation on workers' compensation and death claims), or property loss or damage of any kind whatsoever, which arise out of or are in any manner connected with:
 - (a) the Depository's failure to fulfill any of the terms and conditions of this Agreement;
 - (b) any violation by Depository of any applicable federal or state law, rules, or regulation resulting from any act or omission of the Depository or its agents and employees which caused a direct loss to the City under this Agreement.

The Depository may, at its own expense, investigate all claims and demands, attend to their settlement or other disposition, defend all actions, pay all charges of attorneys or other expenses of any kind arising from liability, damage, loss, claims, demands, and actions. This indemnification will not be construed to require indemnification of such injury, loss or damage which may be caused or arise from the negligence of the City, its officers, employees, and agents.

The City agrees to indemnify, save and hold harmless, defend or pay the defense cost of the Depository, its officers, agents, and employees from and against any and all lawsuits, claims, demands, liabilities, losses or expenses, including court costs, attorney and expert witness fees, from or arising out of negligence of the City under the terms of this Agreement or the City's failure to fulfill any of the terms and conditions of this Agreement.

- 6.07 Term The term of this Agreement will begin October 1, 2012 and expire on September 30, 2014 or until a successor Depository is appointed and qualified. The City may terminate the Agreement immediately for cause. The City may, by 90 day written notice to Depository, terminate this Agreement during the remainder of the initial term and any option terms. Upon completion of the initial term, either party may elect to terminate any option term with 90 days prior written notice. Unless terminated, this Agreement will automatically renew for an additional one-year term. All service fees must be guaranteed for the initial term of the Agreement and any option year. All service fees are guaranteed for the entire term of the Agreement and any option year. Upon termination of this Agreement, all finished or unfinished documents, data, studies, or reports prepared by the Depository, at the option of the City, will be delivered to the City and become the property of the City.
- 6.08 Duties After Termination All obligations of the parties made or incurred or existing under this Agreement as of the date of termination with respect to transactions initiated prior to the effective date of termination will survive such termination, including but not limited to, Depository's obligation to retain duplicates of transaction receipts and credit slips and any continuing obligation of the Depository with respect to charge backs. Upon termination of this Depository Services Agreement, all finished or unfinished documents, data, studies, or reports prepared by the Depository, at the option of the City, will be delivered to the City and become the property of the City.

- **No Endorsement** The Depository is not authorized to advertise or publish, without City's prior written consent, the fact that the City has entered into this Agreement will be construed as if such provision was not a part of this Agreement.
- **6.10** Notices Notices provided herein will be in writing and delivered to:

On behalf of the City:

City of Kingsville Director of Finance P.O. Box 1458

Kingsville, TX 78364

On behalf of the Depository: [BANK CONTACT]

[ADDRESS]

Kingsville, Texas 78363

- **Assignment** This Agreement may not be assigned by any party without the prior written consent of the other party.
- **6.12 Force Majeure**. Neither party will be responsible for losses resulting if the fulfillment of any terms or provisions of this control of the party whose performance is interfered with, and which, by the exercise of reasonable diligence, said party is unable to prevent.
- **6.13** Conflicts of Interest. The Depository agrees to maintain current, updated disclosure of information on file with the Director of Finance throughout the term of this Agreement as may be required by the City Code of Ordinances or the City Charter.
- **6.14** Equal Employment Opportunity The Depository agrees that during the performance of this Agreement, it will:
 - (a) treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age, or handicap, and
 - (b) identify itself as an "Equal Opportunity Employer" in employment advertising or requests.

The Depository will be advised of any complaints filed with the City alleging that the Depository is not an Equal Opportunity Employer.

- **Entire Agreement** This Agreement and all Addenda, as may be updated, constitute the entire agreement between the parties and will supersede all previous negotiations, commitments, and contracts.
- 6.16 Governing Law and Venue To the extent this Agreement is not governed by applicable federal laws and regulations, this Agreement will be governed by and construed in accordance with laws of the State of Texas. Any suit brought in connection with this Agreement must be tried in Kleberg County, Texas.

- **Notification of Changes in Depository Laws** The Depository must notify the City in writing within ten (10) days of any changes in federal or state regulations or laws that would thereafter affect the Depository Services Contract. The Depository must also notify the City of any services that become available to the City throughout the contract period.
- **6.18 Monthly Reports.** The Depository will provide to the City each quarterly CALL report (Schedule RC only) as well as any public information concerning changes in ownership, management or financial position of the Depository or its parent company.
- **6.19** Corporate Resolutions Not Required The depository will not require corporate resolution when an Authorized City Representative opens an account.
- **6.20 Hierarchy of Contract Documents** The Depository Services Agreement, RFA amendments, RFA. And Depository's Application will constitute the contract documents. Unless specifically referenced by an RFA amendment, all requirements, terms and conditions stated in the original RFA will apply. Any inconsistencies will be resolved in the following order:
 - a. Depository Services Contract
 - b. RFA Amendment
 - c. RFA
 - d. Depository's Application

ARTICLE VII Other Financial Services

- 7.01 Credit Card Services The City desires to accept payment for goods or services, and to accept payments of any amounts owed to it, by means of MasterCard and Visa credit cards or other credit cards as approved by the City.
- **7.02 Discontinuation of Credit Card Services** The City may require that the Depository provides credit card processing services to the City for the duration of this Agreement. It *is* specifically provided, however, that upon ninety (90) days prior written notice to Depository, the City may discontinue the use of credit card processing services without otherwise terminating this Agreement. Furthermore, if credit card processing services are discontinued for any reason, Depository and City will complete processing of credit card transactions initiated on or before the termination date.
- 7.03 Use of Credit Cards to Pay Debts Owed to City The City and the Depository specifically agree that payments will not be restricted to payments for goods or services. Rather, it is specifically agreed that MasterCard and Visa may be used by a Cardholder to pay any debt owed to the City (including any of its departments). Such debts would include, but not be limited to fines for traffic offenses, fines and penalties imposed in Kingsville Municipal Courts, and building permit fees. Charge slips for such transactions will be treated in the same manner as charge slips for sales of goods or the provision of services.
- 7.04 Credit Card Transaction Processing Equipment The Depository may be required to provide the City credit card transaction processing equipment. Such equipment may include magnetic strip swipe processing devices and manual key-punch processing devices. During the term of this Agreement, the City may request, and Depository will promptly provide, additional processing of the type requested by the City so that additional departments may be added to those which will accept credit card payments. Depository will be responsible for maintenance and repair of credit card processing equipment at its expense.
- **7.05** Compensation for Credit Card Processing Services The only compensation payable to Depository by City for credit card processing services will be the discount fees and data processing fees charged for each sales slip or transaction.

AGREED TO BY:		
THE CITY OF KINGSVILLE	DEPOSITORY	
BY: NAME: Vincent Capell TITLE: City Manager DATE:	NAME: TITLE:	_
ATTEST:		
Mary Valenzuelo, City Secretary		
Approved as to form this the	day of September, 2012.	
Courtney Alvarez, City Attorney		

EXHIBIT A

PAYROLL CALENDAR FOR OCTOBER 2012 THROUGH SEPTEMBER 2013

	I WINOPP CAPPIND
Pay Period	
No.	Pay Day
1	10/11/12
2	10/25/12
3	11/08/12
4	11/21/12
5	12/06/12
6	12/20/12
7 ·	01/03/13
8	01/17/13
9	01/31/13
10	02/14/13
11	02/28/13
12	03/14/13
13	03/28/13
14	04/11/13
15	04/25/13
16	05/09/13
17	05/23/13
18	06/06/13
19	06/20/13
20	06/24/10
21	07/03/13
22	07/18/13
23	08/01/13
24	08/15/13
25	08/29/13
26	09/12/13
27	09/26/13

EXHIBIT C CITY OF KINGSVILLE

Pricing Sheets

NO CHARGES FOR SERVICES TO C	CITY OF KINGS	VILLE	
	ESTIMATED		TOTAL
	ANNUAL	UNIT PRICE	ANNUAL
DESCRIPTION OF SERVICE	VOLUME	(Completed	SERVICE
	(Completed	by bank)	CHARGES
	by City)		
DEPOSITORY SERVICES			
Deposited Items	55,828		
Deposited Items – Corrections	17		
Account Maintenance	120		
Interim Statement	120		
Payroll Interim Statement			
Debits	12,360		
Credits	790		
Zero Balance Account Service – Master	1		
Zero Balance Account Service – Sub Accounts	2		
Zero Balance Transfers	470		
Return Items	228		
Ledger Overdraft Charge	52		
Internet Stop Payments	6		
CASH VAULT SERVICES			
Deposit Correction – Cash	10		
Commercial Deposit – Loose & Strapped Currency	\$3,511,440		
Coin Verification – Mixed Bag	??		
GENERAL AUTOMATED CLEARING HOUSE (ACH)			
Payroll (Bi-weekly)	26		
Return Item Notices – Fax Notification	5		
ACH Credits	860		
ACH Transmission	14		
ACH Credit - Cash Management	1,939		
Utilities			
Pre-Authorized Debits			
CONTROLLED DISBURSEMENTS			
Maintenance – 1 st Account			
Maintenance – 2 nd – 4 th Accounts			
Items Paid (4 Accounts)			
WIRED TRANSFER			
Manual Wire – Outgoing Nonrepetitive			
Auto Wire – Outgoing Repetitive			
Auto Wire – Outgoing Nonrepetitive	110		
Auto Wire – Book Repetitive			

	ECONTA A OPEN	<u> </u>	TOTAL
	ESTIMATED	UNIT PRICE	ANNUAL
	ANNUAL		SERVICE
DEGODIDATON OF GEDVICE	VOLUME	(Completed	CHARGES
DESCRIPTION OF SERVICE	(Completed	by bank)	
Auto Wire – Book Nonrepetitive	By City)		
Domestic Wire – Incoming	101		
ACCOUNT RECONCILIATION	101		
Full Reconciliation – 2 Accounts	2		
Payroll Checks	1		
A/P Checks	1		
Partial Reconciliation – 2 Accounts	1		
To be identified at later date			
To be identified at later date To be identified at later date			
INFORMATION SERVICES			
Previous Day Balance (Ledger & Collected)	120		
Previous Day Activity Per Account	120		
Combined Operating	120		
Bond Funds			
Payroll	1		
Current Day Detail Item			
Combined Operating			
Clearing			
Previous Day Detail Item			
Terminal Stop Pay			
Terminal Stop Pay Inquiry – Cancel			
Current Day Maintenance			
SAFE KEEPING & SECURITIES CLEARING			
Account Maintenance	9		
Safekeeping Fees	0		
Deposit – Withdrawal Fee	0		
Securities Clearance			
MISCELLANEOUS			
Cashier's Check	0		
Collateral – Minimum daily coverage for all City accounts	\$2,000,000		
On-Line Base Charge	4		
TOTAL ANNUAL CERVICES ON ARCES			
TOTAL ANNUAL SERVICES CHARGES			
ONE TIME START UP COSTS			
TOTAL ANNUAL FIRST YEAR			

EXHIBIT F

DEPOSITORY STATEMENT CHECKLIST

CITY OF KINGSVILLE

DATE:

FROM:

SUBJECT:

Depository Bank Depository Statement Checklist

The following statements were received by:

Account Number	Account Name	Number of Items

EXHIBIT G

Attached to and made a part of the City of Kingsville Depository Services Agreement

AUTHORIZATION FOR DEPOSITORY ACCOUNTS

As the duly appointed and authorized City Manager of the City of Kingsville, I designate the officers listed below as the Authorized City Representatives of the City of Kingsville.

The signatures below are the signatures of the Authorized City Representatives vested with full authority to sign and transact business for the City including, but not limited to, Account Transfers, open and close accounts, request reports, or authorize other signatories to specific bank accounts. The signatures of the officers subscribed below are true and genuine:

Sam R. Fugate, Mayor	
Vincent Capell, City Manager	
Mark A. Rushing, Dir. of Finance	
any of the terms of the City of Kingsville I is entered into to facilitate the electronic tracity of Kingsville Depository Agreement. accept amendments, waivers, or new prokingsville. Authorized City Representative revoking authorization.	is entered into in addition to and will not amend, modify, waive, or revolution of the services to be provided pursuant to the services to be provided pursuant to the services of the services to be provided pursuant to the services of the services to be provided pursuant to the services of the service
ATTEST:	CITY OF KINGSVILLE
By Mary Valenzuelo, City Secretary	By Vincent Capell, City Manager
Approved thisday of	,2012.

AGENDA ITEM #11

RESOLUTION NO. 2012-

A RESOLUTION APPROVING THE CITY OF KINGSVILLE, TEXAS POLICY FOR THE LAPSING OF APPROPRIATIONS AT THE END OF THE CITY'S FISCAL YEAR, AND ESTABLISHING THE TREATMENT OF ENCUMBRANCES OUTSTANDING AT FISCAL YEAR END.

WHEREAS, the City Commission of the City of Kingsville has previously adopted policies to comply with Government Accounting Standards Board (GASB) requirements; and

WHEREAS, the City has prepared a fiscal year budget containing the estimated and actual income of revenue of the City and the appropriations of that income and revenue by purpose; and

WHEREAS, according to Governmental Accounting, Auditing, and Financial Reporting, Appendix D, (F)(1), appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments); and

WHEREAS, as if further states in Governmental Accounting, Auditing, and Financial Reporting, Appendix D, (F)(1), while all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISION OF THE CITY OF KINGSVILLE, TEXAS:

SECTION 1: THAT the City Commission does hereby adopt an annual policy to lapse all unexpended and unencumbered appropriations at the close of business on the last day of the City's fiscal year. The City desires to carry over the unexpended and unencumbered fund balances into the immediately following fiscal year as income and revenue available to be provided for such new year.

SECTION 2: THAT any encumbrances outstanding at fiscal year-end shall remain open and considered a charge against the appropriations of the fiscal year just ended.

SECTION 3: THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

SECTION 4: THAT this Resolution shall become effective immediately after its adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the
<u>24th</u> day of <u>September</u> , 2012.
Com D. Francis Maria
Sam R. Fugate, Mayor
ATTEST:
<u> </u>
Mary Valenzuela, City Secretary
APPROVED AS TO FORM:
Courtney Alvarez, City Attorney

AGENDA ITEM #12

RESOLUTION NO. 2012-____

A RESOLUTION TO COMMIT MONEYS TO COVER THE ADOPTED BUDGET DEFICIT BY DRAWING DOWN THE SURPLUS IN THE RESERVE ACCOUNT OF THE GENERAL FUND.

WHEREAS, the City Commission of the City of Kingsville has previously adopted a fund balance policy that requires the City to maintain a minimum unassigned fund balance in its General Fund of 25% of the subsequent year's budgeted expenditures and outgoing transfers; and

WHEREAS, the City currently has an unassigned fund balance in its General Fund in excess of 25% requirement and desires to draw down the excess amount while still complying with the adopted fund balance policy; and

WHEREAS, the City has adopted the City Manager's annual budget for FY2012-2013, which results in a budget deficit as operating expenditures exceed operating revenue;

WHEREAS, the City the intends to commit some of the unassigned fund balance in its General Fund to cover the budget deficit for FY2012-2013, but not fall below the minimum requirement of 25% of the subsequent year's budgeted expenditures and outgoing transfers;

WHEREAS, this action will allow the City to follow the pronouncements of the Government Accounting Standards Board (GASB), specifically Statement No.54, Fund Balance Reporting and Governmental Fund Type Definition.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISION OF THE CITY OF KINGSVILLE, TEXAS:

SECTION 1: THAT the City commit some of the unassigned fund balance in its General Fund to cover the budget deficit for FY2012-2013, but not fall below the minimum requirement of 25% of the subsequent year's budgeted expenditures and outgoing transfers.

SECTION 2: THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

SECTION 3: THAT this Resolution shall become effective immediately after its adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the 24th day of September, 2012.

Sam R. Fugate, Mayor
ATTEST:
Mary Valenzuela, City Secretary
APPROVED AS TO FORM:
Courtney Alvarez, City Attorney

CITY OF KINGSVILLE



P.O. BOX 1458 - KINGSVILLE, TEXAS 78364

September 21, 2012

Vincent Capell
City Manager
City of Kingsville
P.O. Box 1458
Kingsville, Texas 78364

Re: Resolution to Commit Moneys to Cover the Adopted Budget Deficit by Drawing Down the Surplus in Reserve Account of the General Fund

Mr. Capell,

During the FY13 Budget Review and Adoption process the City of Kingsville by design decided to draw down the Unassigned Fund Balance of the General Fund Type Accounts. The benchmark established was to maintain approximately the same balance of Unassigned Fund Balance in the General Fund that existed on September 30, 2010 which was approximately \$4.5 million. In FY12, we budgeted to spend \$1,172,690 of the FY11 Surplus. Then in FY13, we budgeted to spend an additional \$240,176 of the remaining FY11 Surplus and \$522,092 of the projected FY12 Surplus. The reason we are budgeting deficit budgets in FY12 and FY13 is solely to utilize the surplus that are in excess of the FY10 benchmark General Fund Unassigned Fund Balance. The deficit spending is merely a way to expend the prior year surpluses on items needed in the community and in a manner that does not cause City fund balances to exceed desired balances. I will also point out that the deficit spending is limited to one-time or infrequently occurring expenditures and would not, in any event, add to a recurring or ongoing annual operating deficit.

Attached is a City of Kingsville Ordinance to allow for the commitment of these funds in accordance with the Governmental Accounting Standards Board (GASB) 54.

Thank you for your consideration in this matter. If I can be of further assistance, please give me a call at (361) 595-8009.

Sincerely,

Mark A. Rushing Finance Director

Mark A-Rushing

City of Kingsville

AGENDA ITEM #13

AGENDA ITEM #14

R	ES	30	L	U,	TI	0	N	#	20	12	 =

A RESOLUTION DECLARING INTENTION TO REIMBURSE CERTAIN EXPENDITURES WITH BORROWING PROCEEDS.

WHEREAS, the City of Kingsville, Texas (the "Issuer") desires to pay expenditures in connection with the design, planning, acquisition, construction, equipping, and/or renovating the project or facilities described in Exhibit A attached hereto (the "Project");

WHEREAS, Chapter 1201, Texas Government Code, as amended ("Chapter 1201"), permits the Issuer to use the proceeds of obligations to reimburse the Issuer for costs attributable to the Project paid or incurred before the date of issuance of such obligations;

WHEREAS, the Issuer finds, considers, and declares that the reimbursement of the Issuer for the payment of such expenditures will be appropriate and consistent with the objectives of the Issuer's programs and, as such, chooses to declare its intention, in accordance with the provisions of Section 1.150-2 of the Treasury Regulations, to reimburse itself for such payments at such time as it issues obligations to finance the Project.

NOW, **THEREFORE**, **BE IT RESOLVED** by the City Commission of the City of Kingsville, Texas that:

Section 1. This resolution declares the intention of the Issuer to reimburse the expenditures for the Project with the proceeds of obligations. The Issuer presently intends to reimburse the expenditure by incurring obligations issued under Texas law the interest on which is excludable from gross income under section 103 of the Internal Revenue Code of 1986, as amended.

Section 2. The Issuer reasonably expects to incur debt, in one or more series of obligations, in an aggregate maximum principal amount now estimated to be \$10,000,000 for the purpose of paying the costs of the Project.

Section 3. The Issuer intends to reimburse the expenditures hereunder not later than 18 months after the date the original expenditure is paid or the date the Project is placed in service or abandoned, but in no event more than three years after the original expenditure is paid unless the Project is a construction project for which the Issuer and a licensed architect or engineer have certified on Exhibit A that at least five years are necessary to complete the Project in which event the maximum reimbursement period is five years after the date of the original expenditure.

Section 4. The Issuer intends that this Resolution satisfy the official intent requirement set forth in Section 1.150-2 of the Treasury Regulations and evidences its intentions under Chapter 1201, Texas Government Code.

Section 5. This resolution shall be liberally construed to evidence the intent of the Issuer to comply with state law and federal income tax law in the issuance of tax-exempt obligations for the Project.

Section 6. This Resolution shall be and become effective on or after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the day a, 2012.	of
Sam R. Fugate, Mayor	
ATTEST:	
Mary Valenzuela, City Secretary	
APPROVED AS TO FORM:	
Courtney Alvarez, City Attorney	

EXHBIT A

PROJECT DECRIPTION

Street and related drainage system repairs and improvements and related drainage improvements; repair and improvements and related sidewalk improvements; improvements to and renovation of new City Hall; refinancing bond(s); and the payment of contractual obligations for professional services in connection with such projects (including, but not limited to, finance advisory, legal, architectural, and engineering).