

# *City of Kingsville, Texas*

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## **AGENDA CITY COMMISSION**

**MONDAY, SEPTEMBER 16, 2013  
SPECIAL MEETING**

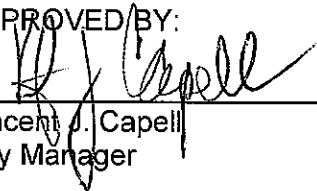
**HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS  
CITY HALL/200 EAST KLEBERG AVENUE  
6:00 P.M.**

### **I. Preliminary Proceedings.**

#### **OPEN MEETING**

**INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)**

APPROVED BY:

  
\_\_\_\_\_  
Vincent J. Capell  
City Manager

#### **MINUTES OF PREVIOUS MEETING(S) – Required by Law**

Special Meeting – August 27, 2013  
Special Meeting – September 3, 2013  
Special Meeting – September 4, 2013  
Regular Meeting – September 9, 2013

### **II. Public Hearing - (Required by Law).<sup>1</sup>**

None.

### **III. Reports from Commission & Staff.<sup>2</sup> (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."*

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

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

**V.**

**Consent Agenda**

**Notice to the Public**

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being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon.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

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

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

1. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 budget for the transfer of fund balance from Fund 061 CO Series 2002-2002A-Utility Fund to Fund 039 CO Series 2002-2002A-General Fund. (Director of Finance).
2. Motion to approve final passage of an ordinance amending the fiscal year 2012-2013 budget for the City of Kingsville for deficit accounts and year end contractual amounts. (Director of Finance).

**REGULAR AGENDA**

**CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:**

**VI. Items for consideration by Commissioners.<sup>4</sup>**

3. Consider final passage of an ordinance adopting the City Manager's budget, as amended, of the City of Kingsville, Texas and appropriating funds for the fiscal year beginning October 01, 2013 and ending September 30, 2014 in the particulars hereinafter stated. (Finance Director).
4. Discuss and consider ratifying the property tax increase reflected in the 2013-2014 Annual Budget of the City of Kingsville. (Finance Director).
5. 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, 2013 and ending September 30, 2014, 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).

**VII. Adjournment.**

1. 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.
3. 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.

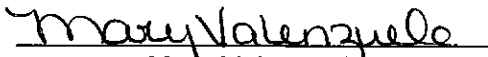
4. Items being considered by the Commission for action except citizens comments to the Mayor and Commission, no comment at this point without 5 affirmative votes of the Commission.

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 11, 2013 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)**

**AUGUST 27, 2013**

**A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON TUESDAY, AUGUST 27, 2013 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 4:00 P.M.**

**CITY COMMISSION PRESENT:**

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

**CITY STAFF PRESENT:**

Vince Capell, City Manager  
Mary Valenzuela, City Secretary  
James Bryson, Accounting Manager  
Charlie Cardenas, Public Works Director/Engineer  
Bill Donnell, Asst. Public Works Director  
Mark Rushing, Finance Director  
Emilio Garcia, Health Director  
Ruthie Valdez, Interim Library Director  
Diana Gonzales, Human Resources Director  
Joey Reed, Fire Chief  
Courtney Alvarez, City Attorney  
Willie Vera, Task Force Commander  
Ken Starrs, Assistant Task Force Commander  
Tony Verdin, Information Systems Technician  
Robert Isassi, Planning & Development Services Director  
Avelino Valadez, Street Supervisor  
Marco Jimenez, Water Supervisor  
Rick Salinas, Volunteer Fire  
Linda Gerd, Volunteer Fire  
Luke Stevens, Sanitation Supervisor  
Frank Garcia, Wastewater Supervisor  
Joe Casillas, Water Production Supervisor  
Arturo Perez, Garage Supervisor  
Pete Pina, Interim Landfill Supervisor  
Jessica Storck, Administrative Assistant II

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate called the meeting to order in the Robert H. Alcorn Commission Chamber at 4:00 P.M. and announced quorum as all being present.

**INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)**

**MINUTES OF PREVIOUS MEETING(S) – Required by Law**  
**None.**

**II. Public Hearing - (Required by Law).<sup>1</sup>**

NONE

### **III. Reports from Commission & Staff<sup>2</sup>**

*"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, 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, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Chapter 59 project. No formal action can be taken on these items at this time."*

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

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

### **V. CONSENT AGENDA**

#### **NOTICE TO THE PUBLIC**

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

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

**None.**

#### **REGULAR AGENDA**

#### **CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:**

### **VI. Items for consideration by Commissioners.<sup>4</sup>**

1. Review and discuss proposed fiscal year 2013-2014 budget for departments of the City of Kingsville. (City Manager).

#### **Fire Department – Joey Reed, Fire Chief**

Chief Reed discussed capital items requested for fiscal year 2014. A commercial extractor washing machine for \$14,850, this includes installation and plumbing that is needed to install the washing machine. A commercial extractor washing machine is needed to clean firefighters PPE uniforms after each fire and twice a year. Chief Reed discussed the following needs/improvements to Fire Station No. 1., downstairs restroom

need to be renovated, this will cost \$9,280. Restrooms are at least 20 or more years old and have deteriorated and are not ADA compliant. Upstairs restrooms need some renovation at a cost of \$50,000. He stated that these restrooms are also 20 or more years old and have deteriorated. Currently have only 1 shower with no door to room with two toilets in open. The new restroom will be converted into three individual restrooms each having its own sink, toilet, and shower. Chief Reed discussed the needs/improvements for Fire Station 2, the exterior of the building need some improvements at a cost of \$17,430. He stated that he would like to build a sidewalk along the south side of station to rear parking lot with handicap access. Over to the east side of building along Armstrong, he would like a handicap ramp. He further stated that a parking lot on the north side of station to allow additional parking and allow for cleaning of fire engine without blocking neighborhood streets. He would like to complete the remodeling of the interior of the building costing \$33,500. He further stated that he would like to complete interior remodel of station 2 so that it is habitable and enclose office area, install new kitchen area, work out area, and rear entry. Chief Reed would also like to install cabinets, flooring and paint. Chief Reed further discussed the electrical work needed for Fire Station 1 costing \$14,000. He further stated that the fire dispatch center needs equipment to allow radio dispatching of both fire stations from central dispatch at station 1. This will allow dispatchers to immediately alert the appropriate station of an emergency call without having to use the telephone or intercom and provide improved microphone systems as well as battery backup systems for radios. The cost for these improvements is \$36,235.

Commissioner Pena stated that he appreciated all the hard work he has done for the Fire Department. Chief Reed stated that the firefighters have been doing an outstanding job considering the conditions they have had to work in.

Mayor Fugate asked about the cost of the interior repairs costing \$43,000. Chief Reed stated that this is for Fire Station 1 which had some remodeling done in the past but was not completed or done correctly. The floors in the kitchen were essentially concrete, and painted over. Stairwells need lighting to prevent any accidents and the apparatus bay has plaster that is cracked that need to be removed and replaced.

Mayor Fugate stated that in the future, he would like to make sure that when a new firefighter comes into the department he/she receives the proper gear needed.

Commissioner Garcia stated that in the years since he has been a City Commissioner, he has never received this type of information presented to the Commission with regards to all the needs for the Fire Department.

**Volunteer Fire Department – Rick Salinas, Fire Chief for Volunteer Fire Department and Linda Gerd, Treasurer**

Chief Rick Salinas presented the budget for the Volunteer Fire Department. Chief Salinas stated that the purpose of the department is to assist the Kingsville Fire Department providing fire preventions, suppression, rescue, emergency medical services, hazmat response, and applicable mutual aid response as pursuant to written agreement. He further stated that the goals of this department are to promote, unify, represent, and educate in accordance with the Fire Service of Texas. Their main objective is to train, educate and certify all volunteers for a rapid response to all emergencies. Mr. Salinas reported the following items performed by the Volunteer Fire Department in FY 2012-2013. 1) Number of general alarms responded to, 72; 2) hours of general alarms 388.5; 3) number of drills and training 65; 4) hours of drills and training 2,250.66; 4) number of business & safety meetings, 13; 5) hours of business & safety meetings, 520; 6) hours of administrative and maintenance, 2,965; 7) hours of community service and special events, 476; 8) number of members, down to 18 from 26. This is due to volunteers

moving to other areas; 9) number of injuries, 0; 10) number of EMT Paramedics Certified, 6. He further stated that the number of volunteer hours total to 6,600.41.

Mayor Fugate commented that Chief Salinas has been with the Volunteer Fire Department for 27 years. He further stated that he would like to make sure the department has everything they need to continue assisting our Fire Department.

#### **Task Force – Willie Vera, Task Force Commander**

Commander Vera reported that there has been a slight change in salaries due to two retirees and one transfer. Those higher salaries indicate higher benefit payments for those individuals. He further stated that there is a change in the overtime line item, due to assisting the Kingsville Police Department, Border Star, Stonegarden, and the Kleberg County Sheriff's Office. Commander Vera reported that the Task Force takes advantage of grants that are available to them, this helps with their budget. He further stated that the reason for the enlarged figure in the capital outlay is that the converted assets are included into the figure. He further stated that this year the Task Force had \$1.6 million in assets cash ceased as well as interest rates and converted assets. The total pending and awarded for the current budget year is \$2,268,835.

Mayor Fugate thanked Commander Vera and the Task Force for all they do for the City of Kingsville.

#### **Public Works Department – Charlie Cardenas, Engineer/Public Works Director**

Mr. Cardenas presented the budget for the following departments:

##### **Recycling Center**

Mr. Cardenas stated that he is requesting \$20,000 to assist with improvements at the Recycling Center. One improvement would be the driveway which would allow citizens to drop off recyclables during the rainy and cold season. This will improve the traffic circulation around the Recycling Center as well. He further stated that this money will also be used for fencing and some beautification around the fencing area.

##### **Sanitation Department**

Mr. Cardenas stated that currently there are 18 employees in this department. Residential waste pickups are done twice a week. He reported that the City has over 600 commercial customers. The department also assists with beautification efforts throughout the City.

Commissioner Leubert asked if the City has looked into purchasing larger size dumpster for customers that have a lot of waste. Mr. Cardenas stated that staff has discussed this and is looking into what is more efficient for the City. Mr. Capell stated that there are a total of 600 to 700 total dumpsters. He further stated that dumpsters only last around 5 years to which the City is trying to purchase 50 this year.

Commissioner Pena asked if dumpster come with warranty. Mr. Cardenas stated that they don't come with a warranty but the City has a welder who has spent numerous hours welding dumpsters together and plating them. He further stated that in this budget there is a request for 50 4cu.yd dumpsters and 50 3cu.yd dumpsters.

Commissioner Garcia asked a question to Mr. Cardenas with regards to the dumpsters being replaced, does the city sell these dumpsters as recyclable metal. Mr. Cardenas responded that there are some dumpsters that are salvageable and some that just have to be disposed of. Commissioner Garcia asked if these dumpster have some type of monitoring device to detect weight or volume. Mr. Cardenas responded no.

Mrs. Alvarez stated that for a commercial account, the customer pays for a number of service runs per week. Whether it's a quarter of the way empty or full, so long as they pay



for 3 pickups per week, they will receive 3 pickups per week, unless the ordinance and payment structure get modified.

Commissioner Pena asked about changing the residential pickup from two pickups per week to one pickup per week. Would the City see some type of benefit from that change. Mr. Cardenas stated that he is unable to answer this question without doing some research. Mr. Cardenas further stated that he feels that the city is doing an outstanding job with the pickups they currently have. Commissioner Leubert stated that our City is one of the few in the State of Texas that still pickups twice a week. Leubert stated that she recently had a discussion with the Solid Waste Director of Corpus Christi, who stated that they are were very pleased with their recycling program. She stated that it took them about a year to get their citizens into the practice of recycling, but it got done. Mr. Cardenas stated that it would take some research before deciding to change the residential pickup from twice a week to once a week.

Mr. Cardenas touched on the capital outlay request of a brush tractor for the Sanitation Department. The brush crews have been assisting with demolition and are in need of a brush tractor. He further stated that the sanitation department has done an outstanding job and has it to the exact science as far as how close they can get to an adjacent property when demolishing a structure. He further stated that the brush tractor being used has recently gone in for repairs which cause some down time in which causes delays on the demolitions. Mr. Cardenas stated that the new tractor can be used in multiple departments and for demolitions on a weekly basis.

Mr. Cardenas further touched on the commercial vehicles. Commissioner Garcia asked how many commercial trucks the city has now. Mr. Cardenas responded that there are four commercial trucks.

#### **Landfill Department**

Mr. Cardenas reported on closure, post closure of the landfill. He stated that staff is asking for a dozer with 6-way blade at the cost of \$135,000. He stated that the importance of this is for erosion control when the fill or covers are being done at the landfill. This particular dozer has a tidier radius than any other used before.

Commissioner Garcia stated that according to information submitted to Commission, the previous dozer has a blown engine. Mr. Cardenas stated that the dozer has not been repaired and other equipment has been used from other departments to do the covers at the landfill. Mr. Cardenas stated that there are two dozers, one which is down and the other is working and being used. Commissioner Garcia asked if for the one being replaced, had a trade value. Mr. Cardenas stated yes, the manufacturer has offered a trade of \$25,000. He further stated that as of May 2013, the landfill hours on Saturdays have changed to 8:00 a.m. to 12:00 p.m. which is more efficient for the City. He further reported that the tire cutter has been very productive in which 50 tons of tires have been shredded and diverted from the landfill tonnage. Commissioner Garcia asked if the landfill takes tires with rims attached. Mr. Cardenas stated that tires with attached rims are accepted, although the rim is removed and disposed of while the tire gets shredded. Mr. Cardenas reported that the City has set aside funds for closure/post closure of the landfill. Mr. Rushing stated that there aren't many cities that set aside money for this purpose. Mr. Rushing stated that the city is collecting from the citizens, per household, \$3.00 per month which is set in fund 092 for this purpose. This is money that is set aside for expenditure that is anticipated to occur after the closure of the landfill.

#### **Public Works Administration and Service Center**

Mr. Cardenas stated that there are no changes made within these departments. Mr. Cardenas then presented the Engineering Departments proposed budget.

## **Engineering Department**

Mr. Cardenas stated that they are requesting the purchase of an Electronic Reflectorless Total Station 56-CST302R which cost less than \$4,400. This equipment is used for helping in the re-grade of ditches and roads. The old station is 15 years old and outdated and is not compatible to the software being used now. Mr. Capell stated to Mr. Cardenas that the budget shows \$10,000 and the equipment cost is \$4,400, why the difference. Mr. Cardenas stated that there is some other software included to get this machine fully operated. Mr. Cardenas spoke about a second project with Texas A&M University-Kingsville. They did an outstanding job on Kleberg Street and would like to continue the relationship between the City of Kingsville and the University, and now the City is looking at Richard Street and 7<sup>th</sup> Street to be redone with some utility and street upgrades.

Mayor Fugate called for a break at 5:40 p.m.

Mayor Pro-tem Garcia reconvened the meeting at 6:00 p.m. and continues the budget workshop. Mayor Fugate absent for the second part of the workshop.

Mr. Capell asked the City Commission to take a look at some of the operating budgets for Recycling, Solid Waste Management, Sanitation Collection, Landfill and asked for any questions they may have for staff.

Commissioner Pecos asked about fuel increase. Mr. Rushing stated that motor oil & gas increased by 7%. Commissioner Pecos stated that the proposed budget for FY 2014 is comparable to the current budget. Mr. Capell stated that the majority of the increases were in capital outlay, to replace equipment. Commissioner Pecos asked what is projected in the growth of sales tax overall. Mr. Capell responded that sales tax growth is about \$5,000. He further stated that sales tax continues to grow although he does not have much confidence that it will continue to grow. Mr. Capell further discussed property tax growth.

Mr. Capell continued to discuss general fund with regards to Public Works, Engineering, Service Center, Garage, and Streets Department. He stated that the streets fund includes labor and miscellaneous operating cost fees. Money for material and concrete are paid from bond funds which will be discussed at a later date. The streets that will be paved are listed on the attachments to the City Manager's Budget Message under Capital Outlay.

Commissioner Garcia asked if there was a shortage of mechanics in the Garage Department. Mr. Cardenas stated that there is some turn around in this department due to some employees retiring. He further stated that the Garage Department is short one mechanic at this time.

Mr. Cardenas stated that in the Garage Department there is a maintenance item for tank cleaning and repair on the gas pumps with a cost of \$3,375. He further stated that the oil distributor and the laydown machine will be used on an aggressive street reconstruction program that is being designed and constructed in-house. Mr. Cardenas stated that with this being done, there is other methods and equipment they would like to use to better facilitate some of that work. Mr. Cardenas further explained the two types of oil used which require another oil distributor truck. He further touched on the need for a new laydown machine.

Mr. Capell stated that because this equipment was so expensive, he has proposed in this year's budget is to enter into a seven year operating lease for \$85,000 per year. Commissioner Leubert stating that leasing is a good idea on some equipment. Mr. Capell stated that by leasing it does not consume all your funds.

Commissioner Pecos asked how much this equipment would cost. Mr. Capell responded that the Hotmix Laydown machine is \$350,000 and the \$190,000 for the oil distributor

machine. He further stated that this equipment is more effective and safer for employees to use.

Commissioner Garcia asked what type of lease this was. Mr. Capell stated that it is a Capital Lease.

Commissioner Pecos asked if the company selling the machine will provide any training on this machine. Mr. Cardenas stated that the company will train on this type of equipment.

Mr. Cardenas and Mr. Capell further discussed the Utility Fund section of the budget. This includes water, sewer, ground water, storm water, water construction which have not changed from the current budget year.

Commissioner Garcia asked if there were projects already lined up to spend this amount and does it include expected projection as well. Mr. Cardenas stated that this is for targeting older lines that are around the city, which are cast iron lines. Garcia asked how many linear feet it will cover. Mr. Marco Jimenez, Water Supervisor, stated that you can replace 5,000 linear feet per year. He further stated that there are 130 miles of waterline that the City maintains. Mr. Cardenas stated that a portion of this money will be used for street repairs when they bust out a section of the street to replace a line.

Mr. Cardenas touched on the Water Production budget which is the same as current year.

Mr. Rushing touched on the budget for collections and meter readers which has cut the core budget by \$4,000.

Mr. Cardenas discussed the budget for Wastewater which has some projected increases in the amount of \$110,000 which is a split between the South Plant and North Plant. Mr. Cardenas continued to discuss budgets regarding Utility Funds.

Commissioner Leubert stated that she would like to thank everyone for their understanding in her situation in the past couple of days.

## **VII. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 7:50 P.M.

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Sam R. Fugate, Mayor

ATTEST:

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Mary Valenzuela, City Secretary

**SEPTEMBER 3, 2013**

**A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON TUESDAY, SEPTEMBER 3, 2013 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 4:00 P.M.**

**CITY COMMISSION PRESENT:**

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

**CITY STAFF PRESENT:**

Vince Capell, City Manager  
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Courtney Alvarez, City Attorney  
Ken Starrs, Assistant Task Force Commander  
Tony Verdin, Information Systems Technician  
Robert Isassi, Planning & Development Services Director  
Jessica Storck, Administrative Assistant II  
Melissa Perez, Risk Manager  
David Mason, Purchasing/IT Director  
Stacie Pena, Accounting Supervisor  
Bob Trescott, Tourism Director  
Jennifer Bernal, Code Enforcement Supervisor  
Ricardo Torres, Chief of Police  
Rose Morrow, Municipal Court Supervisor

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate called the meeting to order in the Robert H. Alcorn Commission Chamber at 4:00 P.M. and announced quorum as present. Mayor Fugate announced that he would like to waive the preliminary proceedings, and go right into the workshop.

**INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)**

**MINUTES OF PREVIOUS MEETING(S) – Required by Law  
NONE**

**II. Public Hearing - (Required by Law).<sup>1</sup>**

**NONE**

**III. Reports from Commission & Staff<sup>2</sup>**

*"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, 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, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Chapter 59 project. No formal action can be taken on these items at this time."*

Commissioner Leubert reported that she attended the Kleberg County 100<sup>th</sup> Centennial Celebration which had a great turnout.

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

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

#### **V.**

##### **Consent Agenda**

##### **Notice to the Public**

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##### **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)*

Mayor Fugate asked for a motion to approve the consent agenda as presented.

**Motion made by Commissioner Leubert to approve the consent agenda as presented, seconded by Commissioner Pena. The motion was passed and approved by the following vote: Garcia, Leubert, Pena, Fugate voting "FOR". Pecos "ABSENT" during this motion.**

1. Motion to approve final passage of an ordinance amending the zoning ordinance by changing the zoning map in reference to 1.43 acres of Lot 1-10, Block 1 of the Escondido Park 4 Subdivision known as 800 Escondido Road from R3-Multi-Family District to R1-Single-Family District. (Director of Planning & Development Services).
2. Motion to approve final passage of an ordinance amending the zoning ordinance by changing the zoning map in reference to 2.0 acres of Lot 10, Block 2 of the Kleberg Town & Improvement Co. Subdivision known as 102 W. Sage Road from AG-Agricultural to R1-Single-Family District. (Director of Planning & Development Services).

3. Motion to approve final passage of an ordinance amending the zoning ordinance by changing the zoning map in reference to Lot 1, Block 7, Retama Park Subdivision known as 808 S. 13th from R2Two-Family District to C2Retail District. (Director of Planning & Development Services).
4. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 budget for Fund 067 CO Series 2013 GF Streets and Fund 068 CO Series 2013 Drainage for the CO2013 debt issuance costs net of refund. (Director of Finance).
5. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 budget for the transfer of fund balance from Fund 001 General Fund to the Solid Waste Capital Projects Fund 087. (Director of Finance).
6. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 budget for the reallocation of funds initially budgeted for a drainage project to be used for a water line project along Seale Street. (Director of Finance).

### **REGULAR AGENDA**

#### **CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:**

#### **VI. Items for consideration by Commissioners.<sup>4</sup>**

7. Review and discuss proposed fiscal year 2013-2014 budget for departments of the City of Kingsville. (City Manager).

Mr. Capell reported that during tonight's meeting, the City Commission will here from administrative departments located at City Hall.

#### **City Commission – Vince Capell, City Manager**

Mr. Capell reported that the entire budget for the City Commission has changed by only \$2,000 from current budget. The changes come down to two line items, one being unemployment compensation, down by \$1,100 and the other change is in training and training & travel budget increased by \$3,000. He further reported on the Commission's travel budget. It is proposed to budget \$25,000 in training & travel for the Commission. Each Commission member will be allocated \$5,000 each.

Commissioner Leubert asked if the full \$5,000 isn't spent during FY 2014, can it be reallocated to a different department within the City. Mr. Capell stated that can be done, or it may be allocated to a different Commissioner. He further stated that if the money is allocated to a different department, it will require a budget amendment which requires Commission approval.

Commissioner Pena stated that he has surveyed several cities such as Corpus Christi and Alice. Corpus Christi allocates \$4,000 per Commissioner and they are a much larger city than Kingsville. He further stated that he feels that \$4,000 per Commissioner is more appropriate than the proposed \$5,000. He further stated that Corpus Christi has a policy stating that money cannot be transferred to any other Commissioner but can be transferred to any other fund/project they may see fit.

Mr. Capell stated that this is up to the Commission's discretion as to how they would like to control these funds. He further stated that any transfers of these funds would have to be allocated during tonight's meeting or if done after the budget is approved, it would require a budget amendment and Commission approval.

Mayor Fugate asked if the Commission had a policy in place, would it still require a budget amendment. Mr. Capell stated that if the Commission wanted to move the money into another department, it would require a budget amendment and require Commission

approval. Mrs. Alvarez stated that once the budget is adopted, it gets filed with the County Clerk's Office. Once funds are taken from one department and transferred to a different department, it will require a budget amendment which at the end of the year it gets filed with the County Clerk's Office so that anyone can see how the funds were expended that year.

Mr. Capell stated that any money transferred within a department, does not require a budget amendment.

Commissioner Garcia stated that even though the City of Corpus Christi has a cap of \$4,000, that City has no representation during any conferences. He further stated that he strongly believes in attending conferences, There is information exchanged and networking done with other cities which makes a huge difference for our City. He further stated that by attending these conferences, one learns ideas to bring back to their community.

Commissioner Pecos stated that a budget can always be amended if needed.

**City Manager/City Secretary – Vince Capell, City Manager**

Mr. Capell stated that the proposed budget has changed from the current year's budget. He further stated that some changes were made in the salary and benefit line items due to the renewal contract for the City Manager. He further stated that in the supplies line item, there was a reduction from current year's budget and a slight increase in memberships and dues.

Commissioner Garcia asked if Mr. Capell would be attending any conferences this fiscal year. Mr. Capell responded yes, he would be attending one this week.

Commissioner Pena asked Mr. Capell if he is required to have any certifications. Mr. Capell stated that there isn't any that are required. Commissioner Pena further asked if there are any required hours that Mr. Capell would have to maintain. Mr. Capell stated that for the Public Investment Act, there are hours that are required by the state. He further stated that he would like to maintain his CPA certification as well. Commissioner Pena further asked if the Commission had any required hours to complete. Mrs. Alvarez stated that the only thing required is the Open Meetings Act which is usually completed when Commission attends their orientation.

**Human Resources – Diana Gonzales, Human Resources Director**

Ms. Gonzales reported that under supplies and services, there was a decrease of \$122. She further touched on some projects that the department has worked on and hopes to continue these projects in the future. She stated that a professional development programs was initiated in conjunction with Risk Management which brings training to staff. Diverse speakers were brought in to discuss topics such as Management Skills for first time Supervisors, Legal Compliance training, how to Handle Employee Performance Problems, and The Manager's Role in Developing People. She further reported that approximately there has been 35-40 staff members attend these trainings. In addition, the department has also coordinated and setup free trainings with Texas Municipal League Intergovernmental Risk Pool. She further stated that all employees have training access by logging in with their personal individual identification. She further discussed that with the changes in the compensation plan at the beginning of the year, the City's turnover rate decreased. At this time last year, the City was at 25% turnover rate, which translated to 69 employees lost by the City by 11 months. This year 15.8%, which are roughly around 43 employees. She further stated that the Human Resources Office conduct new hire orientation which includes the overview of the employee handbook. This year the Human Resources Office has coordinated with the office of Risk Management for new

hires to receive their new safety training. She further stated that her office also coordinates the open enrollments, supplemental insurances and the annual Health Fair. She further stated that with conjunction with the Risk Manager's Office they have initiated the Employee Recognition Program which allows recognition of employees with certain milestone years to be recognized and given awards. During this first year of the implementation of this program, there were 122 employees receive awards. She reported that the HR office continues to administer the Retirement Program of a watch and frame certificate for employees and also administer the employee of the year award. The office also assists with evaluations which are distributed monthly to departments. Once distributed, the supervisor has 60 days to complete these evaluations. She further discussed the employee and family appreciation event which involves food and entertainment. This year the HR office will be hosting a game night at the Javelina's Kingsville Community Appreciation Game on November 2, 2013.

Commissioner Garcia asked if all supervisors are turning in their evaluations on a timely basis. Ms. Gonzales stated that the majority of them are turning in on a timely basis, depending on how many they have in one month.

#### **Legal Department – Courtney Alvarez, City Attorney**

Mrs. Alvarez stated that overall there is a \$10,000 change with \$1,000 for a new laptop and \$9,000 for professional services. She further stated that the work load continues to expand within her office. Mrs. Alvarez reported that in open records for 2011 there were 395 requests, 2012 there were 471 requests and this year at 434. She further reported on the number of resolutions, 2011 there were 74 resolutions, 2012 there were 85 with this year at 52. Ordinances, 2011 there were 35, 2012 having 63 and this year 50 and counting. There are less open records sent to the Texas Attorney General for an opinion.

Commissioner Garcia asked if there was a full-time or part-time secretary. Mrs. Alvarez stated that currently she has a temporary from 8:00 a.m. to 5:00 p.m. but will be advertising sometime this month for a full-time paralegal. Commissioner Pena asked if this was in lieu of a secretary. Mrs. Alvarez stated that it was already budgeted for a paralegal position this year, but with examining how things would turn out this year, a temporary secretary was hired which allowed some savings that was used for professional services, therefore making the budget amendment requested for an increase in professional services a lesser amount. Commissioner Garcia asked how things were working out for Mrs. Alvarez's with regards to Municipal Court. Mrs. Alvarez stated that just recently there was a new program implemented which seemed to be fairly successful. She further stated that Municipal Court scheduled 50 defendants to meet with Mrs. Alvarez of which 38 defendants contacted her the day before or the day of and had 3-4 more contact her Friday that had failed to show up. These were defendants that pled not guilty and so there were 12 that did not show up and some of those come in subsequently so there maybe 9 still out of the 50 that took her 4 ½ hours of face to face talks with defendants. She further stated that of the 9 that didn't show up along with a couple of others that want to go forward with a trial. These will be scheduled in sometime this month. Commissioner Garcia asked if Mrs. Alvarez if she is getting overwhelmed with work from Municipal Court and takes her away from her everyday duties. Mrs. Alvarez responded that it's all in a matter of prioritizing and yes there is more than enough work for one person. She further stated that with open records taking up the majority of the day which have mandatory deadlines, it's harder to focus on other issues coming into the office.

Commissioner Pena stated year Mrs. Alvarez had submitted a synopsis of the needs to her office and this year one was not submitted. Does that diminish the significance of any



need in her office. Mrs. Alvarez stated that this year she simply ran out of time to submit a synopsis. Mr. Capell thanked Mrs. Alvarez for all her work.

Commissioner Garcia voiced his concerns with the overload of this office and feels that the Commission should look into a part-time attorney to assist with some of the work when the need arises.

**Planning/Building Services/Code Enforcement – Robert Isassi, Planning & Development Director**

Mr. Capell stated that for the first in a long time, the City is beginning to receive some reimbursements from cleaning up properties. This is when the City goes out and cleans up or demolishes a property. There also is an increase in permits and licenses that are being purchased.

Mr. Isassi reported that with Western Sky Apartments and Wildwood Trails Subdivision, permits will increase in the new fiscal year. He further discussed the Planning Department budget stating that the only increase is in under the supplies line item of \$500 for educational materials to obtain his American Institute Certified Planners Certification. He further stated that his major increase is in professional services and training travel. This will allow him to do more surveying and would like to maintain his Engineering License which requires credit hours. He further stated that the Planning Department handles the Planning & Zoning Commission and Zoning Board of Adjustments. Also Economic Development is something new that is handled by the department. This allows for request on economic incentives for new developers. He further discussed the budget for the building services and permits office. Mr. Isassi stated that there are three employees within this department. He is requesting for an increase in motor gas & oil of \$200 and in training and travel an additional \$2,000 for inspectors training. Under the operating lease he would like to request an additional \$400. Mr. Isassi further discussed the proposed budget for Community Appearance. Mr. Isassi stated that there is an increase request under motor gas & oil for \$3,000 due to adding a second mower and one skeet loader to assist in noxious matter cleanups. He further stated that also increased is the demolition budget. Mr. Isassi stated that under Capital Projects, Professional Services are supplemental one time expenditures for \$35,000.

Mr. Capell explained that these capital projects are for any changes to our code, adoption to the International Maintenance Code, and the Master Plan.

Mr. Isassi further explained the Capital Outlay for building services under vehicle line item. He stated that at this time there are only one vehicle and a borrowed Task Force vehicle being used by the inspectors. This capital outlay will allow the purchase of a new vehicle to replace the vehicle borrowed by the Task Force. This request is for \$25,000. Commissioner Pecos asked if most city vehicles have a City of Kingsville decal on their doors. Mr. Capell stated yes. Mr. Isassi continued with his last item on the budget, capital projects under Community Appearance. He stated that the asbestos remediation for the old hospital, received bids for around \$200,190.

Commissioner Garcia asked for the square footage to the old hospital. Mr. Isassi stated around 44,000sqft. Mayor Fugate stated that when they did the mold and asbestos remediation to the old high school which around 22,000sqft, it cost \$104,000.

Mr. Capell stated that the reasoning for these items to be listed under fund 91 is that these are expenses that have been paid by prior year budget savings which will not recur.

Commissioner Pecos asked if the City will be demolishing the old hospital. Mr. Capell stated that more than likely the City will demolish the building but will access a bill for all work done and submit to property owner. Mayor Fugate stated that citizens have so much

money invested in this piece of property that he feels that the City should have complete control.

Mr. Isassi stated that another aspect that his department handles is the city website in which they were tasked in selecting a mobile app that will allow the citizens and employees can use to address their concerns on a quicker type basis. He stated that there is a way to integrate citizen's request along with permits and code enforcement. Staff has been in contact with a provider that has submitted a quote of \$10,000 to start and \$1,000 per month for the monthly service. This will incorporate code enforcement, citizen request and permits into one package. The one thing that can offset the cost is to get rid of the module in Incode and iWorks. This will allow for one system instead of four. This app will be adaptive to any cellphone/tablet electronic device.

#### **Finance Administration – Mark Rushing, Finance Director**

Mr. Rushing reported on the budget for the Finance Administration. Mr. Rushing briefed the Commissioner on the overview of the Finance Administration. The Finance Department assisted in the following projects; city travel policy, issued a new Certificate of Obligation and refinanced existing debt, started project accounting; for better planning of street and drainage projects, landfill closure/post closure reassessment, and the implementation of the stormwater drainage fee.. He further discussed the agreement with AEP in which an audit was done that allowed the recovery of \$108,000. In further stated that in Accounts Payable, 6,071 invoices were processed for a total of \$17.8 million dollars. Mr. Rushing also stated that they processed 26 payrolls for an average of 265 employees. Time clock plus was implemented this current fiscal year, although it is lacking participation of the Fire Department. One of the goals for next fiscal year in the payroll department is set all employees on direct deposit and eliminates paper checks. Mr. Rushing moved forward in discussing the Finance Department budget. He stated that in this department they have decreased their core by \$1,600. Municipal Court reduced their cored by \$21 and in Warrant Officer increased \$1,167, so overall in the Finance Department and Municipal Court, they have increase their core by \$454 over the previous year. In the Collections Department core there was an increase of \$3,452 and the Meter Readers decreased their cored by \$6,441 for an overall decrease of \$2,998 in Collections.

Mr. Capell discussed the increases and decreases over the past few years for the Finance Department.

Commissioner Pena asked if there was any comparison to past years outstanding warrants. Mr. Rushing stated that he can provide Commissioner Pena with a recap at a later time. Mr. Rushing further discussed the files of Municipal Court Warrants.

Commissioner Garcia stated that he has an issue with the sign posted near the Collections Department stating if the customer becomes belligerent, staff has the right to call the Police Department. Mr. Capell responded that he will take full responsibility for that sign being posted due as to how some customer coming into City Hall and threatening staff. Commissioner Garcia stated that his point to this matter is that we are trying to make our service friendly and when you have a new customer coming in to begin water service and they see this sign, what kind of message are we sending to them. Mr. Capell stated that unless the Commission directs him otherwise, he will keep these signs posted.

Mayor Fugate called for a break at 5:40 p.m.

Mayor Fugate called the meeting back into session at 6:10 p.m.

### **Purchasing/Technology – David Mason, Purchasing/IT Director**

Mr. Mason discussed the proposed budget for the Purchasing Department. He stated that in this department there is a net increase of \$3,000. The money was taken from minor equipment which would cover the increase in salary and group health.

Commissioner Leubert asked about the dollar amount in training and travel line item. Mr. Mason stated that this increase is to allow his Administrative Assistant to attend training in the State Purchasing Program. He further stated that this amount in training and travel will suffice for both himself and his assistant.

Commissioner Pecos stated that with the current year budget, only \$2,000 was encumbered. Mr. Mason responded by saying that there are times he does not have the time to attend the trainings as he is supposed to.

### **Computer Operations**

Mr. Mason reported that there is a decrease in this proposed budget. There aren't any major purchases foreseen in the future. He further stated that this year Public Works was rewired costing \$30,000. Computer Operations assisted on the combination of the four programs along with the mobile app. Worked with Engineering on the GIS Server and assisting with the new Incode. Mr. Mason further stated that there is money budgeted for new document management software.

Commissioner Garcia asked about icloud storage. Mr. Verdin stated that he is looking into this, but there is a problem with speed factor.

### **City Special – Mark Rushing, Finance Director**

Mr. Rushing reported that the OPEB Commitment is less by \$5,600. The postage is budgeted by \$21,000 less and the Appraisal District increased by \$4,000. He further stated that the Call Center utilities have been budgeted at \$2,555 more. In Professional Services line item, it has decreased by \$7,500 because it's an off year due to GASB 45 only doing a study every other year. He further stated that due to an election year in the new fiscal year \$29,000 has been budgeted. He further stated that with regards to line items on claims against city, it has defaulted out to \$30,000 which is a standard. He stated that the net difference between current year and new fiscal year is \$34,000.

Mayor Fugate asked why there wasn't any money allocated for the Air Show. He further stated that due to sequestration cut it last year, but the Blue Angels are still intact and training and there is a possibility that they will come to Kingsville in 2014. He further stated that he would like to see \$2,400 budgeted for the air show. He further asked if the City's portion to assist with the reroofing of the barn at the Golf Course is included in this budget. Mr. Rushing stated that the City's portion for the reroofing is included.

### **Municipal Building – Charlie Cardenas, Engineer/Public Works Director**

Mr. Cardenas reported that there are no changes to this budget. Staff does not want to invest too much money in this building due to the move to the new city hall in the next year or so. There was an increase in communications and utilities. He further stated that there has been an increase in minor equipment and office furniture line item. This will allow staff to install television that will stream important information to citizens.

Commissioner Garcia asked about installing Smart Boards. Mr. Cardenas stated that Smart Boards will be installed at the new city hall.

Mayor Fugate stated that he anticipates making the move to the new city hall in January 2015. He further asked what the City will do with the building it's currently occupying. He further stated that he would like to see lofts/apartments in the downtown area. Mr. Capell

stated that many cities have lofts/apartments in their downtown areas. Mayor Fugate stated that this is something to think about.

**Risk Manager – Melissa Perez**

Mrs. Perez stated that it's been a year this month since she took over the Risk Management Department. The department is doing extremely well, but there is much more to do and accomplish. She further stated that she would like to thank the Commission for allowing her to be here working as the City's Risk Manager. Mrs. Perez stated that the funds in which she received last budget year was sufficient enough for the year and there aren't any major changes that are being requested to the next year's budget. She stated that within her catering and training and travel budget has stayed the same as current year. The only increase is for \$2,000 in uniforms to assist with the Professional and Development Program. She stated that the proposed budget for the new fiscal year is less than the current year. Mrs. Perez stated that she also implements the initial safety and health orientation to all new employees. New employees are given a copy of the city's health and safety manual and sign off training roster before they leave. She further stated that she also trains in workers compensation policy, ombudsman program. Mrs. Perez reported that the Risk Manager conducts monthly training to all public works employees and supervisors as well as to all other city departments. Mrs. Perez recently started conducted public safety meetings with city staff, Police, Fire and Task Force. She also conducts public safety meetings with the Border Patrol, KISD, Spohn Hospital, Texas A&M University-Kingsville and Naval Air Station Kingsville. During these meetings Emergency Plans are reviewed and discussed to include any recent hurricane activity. The last meeting was conducted on August 12, 2013, where the American Red Cross attended and gave a presentation on volunteers and emergency services they can provide to the city.

Mayor Fugate asked if supervisor conduct any type of safety training meetings with their employees before going out into the field. Mrs. Perez stated that supervisors do conduct 10-15 minute safety training with their employees.

Commissioner Pecos asked if employees who work at public works and landfill are first aid certified. Mrs. Perez stated that some may be certified as well as CPR certified. She further stated that she could make contact with the American Red Cross to get some employees certified.

Mrs. Perez further stated that the City Manager has appointed herself and Diana Gonzales as Training Generals for the city which extends the training resources with the Professional Development Program. She further stated that all training completed by city staff, it is documented and filed in the Risk Management office. Mrs. Perez reported that injuries are down and claims have lowered dramatically, which decrease the City's loss overall. She further stated that she responds to all incidents, accidents and injuries at worksites.

Commissioner Garcia asked if Mrs. Perez needs any assistance. Mrs. Perez stated that the work load is manageable and at this moment she doesn't see a need for any additional assistance within her department.

**VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 6:55 P.M.

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Sam R. Fugate, Mayor

ATTEST:

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Mary Valenzuela, City Secretary

**SEPTEMBER 4, 2013**

**A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON WEDNESDAY, SEPTEMBER 4, 2013 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 4:00 P.M.**

**CITY COMMISSION PRESENT:**

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

**CITY STAFF PRESENT:**

Vince Capell, City Manager  
Mary Valenzuela, City Secretary  
James Bryson, Accounting Manager  
Charlie Cardenas, Public Works Director/Engineer  
Mark Rushing, Finance Director  
Emilio Garcia, Health Director  
Ruthie Valdez, Interim Library Director  
Joey Garcia, Information & Technology Librarian  
Diana Gonzales, Human Resources Director  
Courtney Alvarez, City Attorney  
Tony Verdin, Information Systems Technician  
Robert Isassi, Planning & Development Services Director  
Melissa Perez, Risk Manager  
David Mason, Purchasing/IT Director  
Stacie Pena, Accounting Supervisor  
Bob Trescott, Tourism Director  
Susan Ivy, Parks Director  
Willie Vera, Task Force Commander  
Marco Jimenez, Water Supervisor  
Frank Garcia, Wastewater Supervisor  
Joe Casillas, Water Production Supervisor  
Bill Donnell, Assistant Public Works Director  
Joey Reed, Fire Chief

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate called the meeting to order in the Robert H. Alcorn Commission Chamber at 4:00 P.M. and announced quorum as present. Mayor Fugate announced that he would like to waive the preliminary proceedings, and go right into the workshop.

**INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)**

1. Review and discuss proposed fiscal year 2013-2014 budget for departments of the City of Kingsville. (City Manager).

Mr. Capell commented that he would like to give a follow-up on the two questions that were asked by the Commission. The first question asked was with regards to \$46,000 under City

Special budget, special services line item. Mr. Rushing stated that this is for fees that are charged for online payments in Municipal Court and Utility Billing done by Visa and Master Charge which are charged \$.02 per transaction and debits are charged \$.5.2 per transaction which make up the \$46,206. Mr. Capell stated that the second question was from Commissioner Pena with regards to cases filed by Code Enforcement. Mr. Rushing explained cases submitted by Code Enforcement and how these cases are disposed.

Mr. Capell stated that part of today's agenda is that at the end of this meeting he would like to receive directions from the Commission as to where they think we are or need to be with regards to the budget. Whether we need additional meetings or is there additional information staff needs to provide to Commission. Mayor Fugate stated that he intends to allow each Commission member an opportunity to give an overall view or opinion on how they feel about the proposed budget. Mr. Capell stated that he would like to also go over some of the proposed changes that he has made to the budget.

#### **Health – Emilio Garcia, Health Director**

Mr. Garcia reported on the Health Department's proposed budget. He stated that on April 26, 2013, Senate House Bill 360 was passed by the States Senate and was signed into law by Governor Perry on May 10, 2013 which made the bill effective immediately. The bill states that all animal shelters in Texas using compressed carbon monoxide chambers to euthanize unwanted dogs and cats may no longer use this form of euthanize. What is being required by the animal shelters is that if animals are going to be euthanized you must administer sodium pentobarbital which is injected. Mr. Garcia stated that by this, the Health Department is requesting an additional \$10,000 for professional services to pay for a professional veterinarian to administer the sodium pentobarbital. He further stated that the compressed carbon monoxide chamber can still be utilized for skunks, raccoons, possums, and armadillos.

Commissioner Leubert asked if these animals could be released out in the country areas. Mr. Garcia stated that they can be released, but they will find their way into the city which could be a risk for the City if one of those animals transpires rabies. Commissioner Leubert asked if the additional money being asked for to euthanize for dogs and cats, does that include any money for veterinarian work that needs to be done to animals in the shelter. Mr. Garcia stated that an additional \$1,000 was request for now.

Commissioner Pecos asked if the amount of \$10,000 is also being matched by Kleberg County. Mr. Garcia stated that this is the city's half portion.

Commissioner Leubert asked if there was money in the budget for education outreach on spay and neuter. Mr. Garcia stated that there wasn't any money requested for advertisement. Commissioner Leubert requested for money to be placed for the education of spaying and neutering. Mayor Fugate stated that it is a good idea to put some money for education outreach.

Commissioner Garcia asked about the condition of the building. Mr. Garcia stated that the building is in good condition.

Commissioner Leubert also stated that another thing to look into is going back to licensing tags for animals. Mr. Garcia stated that the Health Department recently purchased a scanner to scan animals for identification chips.

#### **Parks Department – Susan Ivy, Parks Director**

Ms. Ivy stated that her budget for the Parks Department has been cut quite a bit by the County. She further stated that the County employees will be receiving a raise but the operating

expenditures have gone down. Capital improvements that were proposed have come out. The only capital improvement that remains is the water trade. Ms. Ivy reported on projects that are currently being done at the parks. She further stated that she has received a quote from Maltby Builders to replace the roof on the main building and the two cabana shelters at the Brookshire Pool of \$28,515. She further stated that they have tried to get funding for the replacement of the stall partitions in the recreation hall which was estimated at \$5,000. There are a couple of softball baseball fields out at the park where the fencing is in a condition that needs to be replaced which was estimated at \$35,000. She further stated that the roof at the maintenance yard needs to be replaced. She further stated that she can speak about more things that need to be repaired/replaced that can add up to big dollar amounts, but she understands that the County is under financial strains, but this is what is found that is necessary to replace. She further stated that it is very hard for her to come to the City and ask for assistance when she doesn't have anything to match with.

Commissioner Pecos stated that it is unfortunate of the situation that the County is in, but he does appreciate the fact that Ms. Ivy fights for what is needed to keep the parks in good shape. He further stated that he understands Ms. Ivy as his department budget with the County was also cut. Ms. Ivy stated that one of the things she would like to discuss with the Commission is the water trade. She stated that they are going way over the water trade. She stated that with a bill they have now through the month of June, they are at \$62,000. According to the bill, there is a \$46,000 credit and stated that she thought the \$25,000 for the soccer complex was a trade, which is not reflected on the bill. Ms. Ivy stated that there has been a grant approved through one of the coastal grants to place water well at the park, but not sure of the timeline for this water well as it's being reviewed by an Engineer.

Commissioner Garcia asked if this particular grant requires a match. Ms. Ivy responded no, the grant will pay for it completely. Commissioner Pecos asked where the new water well will be placed. Ms. Ivy stated that it will be placed next to where the old one by the ball field.

#### **Library – Ruth Valdez, Interim Library Director**

Ms. Valdez reported that the Library city budget is for \$267,827, which is the same as the current budget. Their goal is to promote the library into provide educational services and programs to the community. Ms. Valdez read a quote by Emily Buford "Children are made readers, on the laps of their parents." She further stated that the library is all about the children. The children are who brings the parents to the library. Ms. Valdez reported that there have been no problems with the air conditioning or the plumbing at the library. She further stated that in the budget there have been some increases and decreases, which still balance out their budget.

Mayor Fugate stated that two years ago the city agreed to split the cost for the air conditioner, and the offer still stands today. He further stated that it's unfortunate that the County hasn't responded on that offer.

Commissioner Pecos asked Ms. Valdez if the County has cut the Library budget. Ms. Valdez stated that they were ask to cut back on their budget, in which the Library cut \$2,000 from their budget.

Mayor Fugate asked what is the amount the County will be providing the Library and stated that the City Manager is wanting give the Library \$267,827. He further asked if this was only the city's half or is this including the Counties half portion as well. Ms Valdez stated that this is only the City's half portion and the County should match it to that amount. She further stated that they have met with the County once and was asked to cut back on their budget, in which they cut back \$2,000 and since then they haven't met with the County again.



Commissioner Pena asked if the County budget should be equal to what the City is proposing. Ms. Valdez responded that it should be of equal. Mr. Capell stated that it's not a problem sharing the salaries. It's a challenge for the non-salary items, which the County provides less than 50% on the other items. The City usually provides more than 50% the majority of the time. Commissioner Pena asked for a total dollar amount. Ms. Valdez stated that without the salaries, they proposed \$77,859 and the current budget was \$79,127, which was a \$2,000 less decreased. She further stated that with the salaries included \$267,827 with current year being \$252,049 which is an increase of \$15,335.

Commissioner Pecos asked if the reduction was in any specific item. Ms. Valdez stated that the reduction was in books.

Mayor Fugate stated that he appreciates everything the Library does. He further stated that the staff reports shows everything they do for children and the community.

Commissioner Leubert commented on the great job Ms. Valdez is doing as an Interim Library Director. She further stated that the Library provides a lot for the children but also for the adults.

#### **Tourism – Bob Trescott, Director of Tourism Services**

Mr. Trescott commented on the centennial that occurred over the weekend. He stated that one of the most popular exhibits there was that of the Library. He further reported that as for Tourism, they are completing a transitional year and beginning a new transitional year. Mr. Trescott stated that a staff was built from scratch and repaired/upgraded a facility and systems. Expenses were cut that would support the City which is reflected in this new budget. He further reported that a lot of time and money was spent on the Visitors Center and the Train Depot. They participated in leadership transition for the Conner Museum to return attention to the developing programs and marketing to support tourism directly. He further reported that they have developed a robust City historic preservation program with an upgraded historic development board. He stated that they will be taking the delivery of a new historic resource survey and inventory with related tools and its capabilities. Mr. Trescott stated that their emphasis this year is to take downtown management from Texas main street planning effort to a staffing and implementation of a comprehensive downtown program. He further stated that their goal is to support institutional goals of their partners through support of their gatherings and events while supporting the important tourism industry and the economic multipliers that translate to the general economic development. He stated that there aren't any changes to their proposed budget.

Mr. Capell asked about the \$289,544 listed under donations. Mr. Rushing stated that this is the amount left when the Kingsville Convention & Visitors Bureau closed out. Mr. Trescott stated that this is a reserve fund balance. Mayor Fugate asked what the fund balance is for Tourism. Mr. Capell stated that they have one year of reserves in their fund balance. Mayor Fugate stated that since Tourism has been incorporated into the City's budget, is it necessary that they have a fund balance. Mr. Capell stated yes, because if something major happens they need something to go back to. Mayor Fugate asked if something happens, doesn't it fall back on the City. Mr. Capell stated that it doesn't hurt for the Tourism to have a fund balance. He further stated that he would be reluctant to reduce their fund balance below 90 days, which any fund that has employees and normal annual ongoing operations, should have at least a 90 day fund balance.

#### **Tourism (Conner Museum) – Jonathan Plant, Executive Director**

Mr. Plant reported on the expenses and revenues for the Conner Museum for current year 2013. He stated that the largest amount of their expenses is in salaries, wages and benefits for

\$52,582.37 which include the positions of Exhibit Curator, Museum Educator, Exhibit Fabricator, and Visitor Services Specialists. These positions are paid with revenues from hotel/motel taxes. The Curator is responsible for scheduling, installing, and disassembling temporary exhibits and developing and installing new permanent exhibits. The Museum Educator coordinates exhibit programming. The Visitor Services Specialists serve as the initial point-of-contact with museum visitors and provide general information about the Museum and its services, as well as directions to local businesses and other community attractions. He further reported that \$10,447.28 is for rental fees for exhibits as well as the ancillary fees such as shipping fees, programming fees, and reception fees. He further touched on the advertisements of the museum placing monthly and quarterly advertisements in regional travel publications and other advertisement, for a budget of \$15,338.16. He stated that the FY2013 total operating expenditures is \$78,367.81 with the FY2013 net revenues over expenditures of \$7,364.19. The projected fund balance on August 31, 2013 is 28,209.14. He further stated that the projected fund balance is \$28,209.14. He stated that their actual fund balance will probably not be available until October 31, 2013. Mr. Plant further reported on the projected budget for 2014. He stated that if the hotel/motel tax revenue will continue to grow at the same rate of increase from FY 2013-2014 as it did from FY 2012-2013, they project funds will increase 12%. However, if tax revenues decrease, they will rely upon carry-forward funds to continue to meet these requirements. He further reported on the wages, salaries and benefits at a cost of \$54,000, exhibit fees for \$12,000, and advertisements at \$18,406. The total projected operating expenditures is \$84,000 with a net operating expenditures over revenue of \$12,019.84. Their projected fund balance for 2014 is \$40,228.98.

**Debt Service and Certificates of Obligation – Charlie Cardenas, Engineer/Public Works Director and Mark Rushing, Finance Director**

Mr. Cardenas reported on fund 64, Certificate of Obligation for Solidwaste. He stated that this is the dumpsters, 54yds and 53yds, in which they are proposing \$57,500 for 100 dumpsters to be purchased under this CO fund. Under the same CO fund, is the permit amendment for the landfill expansion to go 20ft deeper and 15ft higher \$127,303. Mr. Cardenas further reported on the repairs and replacements sewer line and manhole for \$55,000.

Commissioner Leubert asked if the \$55,000 was for sewer lines or utility plant. Mr. Cardenas stated that its for sewer lines & manholes. Mr. Cardenas touched on fund 65, street repairs for 2014, \$985,768. He further continued with fund 66, \$68,000 for equipment for the new proposed water well #25, and the new water well sight is \$50,000. He further stated that according to the water model was to build a new water tower for \$1,076,250. For the construction of water well 25 it is proposed at \$888,853. Commissioner Garcia asked how far down they plan to go with the water well. Mr. Donnell stated 800 feet. Mr. Cardenas touched on the water line from the east and west tower over on Kenedy Street which is 8,000ft of 8" waterline for \$643,500. In fund 67 is the same as fund 65 which is a funding source to do asphalt streets for \$333,000 plus the 985,768 that was proposed in fund 65. In drainage fund 68, it is proposed \$1.3 million for the drainage portion of the street repairs. He further stated that in fund 65 there is an amount of \$200,000 for minor crack sealing and fog sealing on Santa Gertrudis and Sixth Street which will extend the life of the street.

Mayor Fugate called for a break in the budget proceedings at 5:40 p.m.

**6:00 P.M. – Regular Session of the Agenda continues**

Mayor Fugate called the meeting back to order in the Robert H. Alcorn Commission Chamber at 6:00 P.M. and announced all five members of the Commission are present.

**MINUTES OF PREVIOUS MEETING(S) – Required by Law**

NONE

## II. Public Hearing - (Required by Law).<sup>1</sup>

### **1. Public Hearing on a proposed tax rate increase from \$.84220to \$.90060 for Fiscal Year 2013-2014. (Finance Director).**

Mayor Fugate announced and opened this public hearing at 6:04 p.m.

No comments were made during this public hearing.

Mrs. Alvarez stated that by law it is required to read a statement that states, **the vote to adopt the City of Kingsville's 2013-2014 fiscal year tax rate will take place on Monday, September 16, 2013 at a City Commission meeting at 6:00 p.m. in the Alcorn Commission Chamber, here at City Hall located at 200 E. Kleberg Ave. Kingsville.**

Mayor Fugate asked City Attorney Alvarez if there is a length of time this public hearing is to stay open as required by law. Mrs. Alvarez stated that there is no length of time in the tax code that is required to leave this public hearing open.

Mayor Fugate closed this public hearing at 6:06 p.m.

### **2. Public Hearing on proposed Fiscal Year 2013-2014 budget. (Finance Director).**

Mayor Fugate announced and opened this public hearing at 6:06 p.m.

Mayor Fugate asked if by doing this would it prevent us from continuing the discussions on the proposed budget. Mrs. Alvarez stated that there is an agenda item after this public hearing that will allow the continuation of discussions on the proposed new budget.

No comments were made during this public hearing.

Mayor Fugate closed this public hearing at 6:07 p.m.

## III. Reports from Commission & Staff.<sup>2</sup> (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, 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, 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."*

Mrs. Alvarez reminded staff to be in attendance at the next special meeting scheduled for Monday to introduce an ordinance for the adoption of the 2013-2014 budget and tax rate.

Mayor Fugate reported that Representative Lozano will be speaking on Legislative Updates at the Methodist Community Life Center on September 5, 2013 at 7:30 a.m.

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

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

No public comments were made.

#### **V. Consent Agenda**

##### **Notice to the Public**

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

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

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

NONE

##### **REGULAR AGENDA**

##### **CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:**

#### **VI. Items for consideration by Commissioners.<sup>4</sup>**

1. **Review, discuss, and receive direction from the Commission as to City Manager's proposed fiscal year 2013-2014 budget for departments of the City of Kingsville. (City Manager).**

Discussions continued on the proposed budget for 2013-2014.

Mr. Rushing discussed fund 039. He stated that within this fund is the 2002-2002A general fund portion and the only expenditures in this fund is \$4,033 for the landfill fence repairs. No expenditures in fiscal year 2014, 2002-2002A. Mr. Rushing further touched on the debt service for 011 and 012. In 011, \$1.1 million in principal, interest is \$317,000 and in other expenditures which relate to the fees that are charged in handling these accounts \$1,250. The total for payments is \$1,000,460. Mr. Rushing stated that in fund 055, debt service, it's an enterprise portion that is collected through utility billing and those monies come in and used to finance the debt service schedule for the drainage where there was \$4,325,000 that was financed in CO 2013, which was the drainage portion that is in the model for stormwater drainage. In the first year, which is FY 2013 were collecting \$225,836 in revenues. The first payment in the debt service schedule doesn't incur until FY 2014, there will be a half a million dollars collected and as we move forward there is transfer out for \$174,734 going to 012 which is the enterprise portion of the debt service schedule. He further touched on fund 001, for FY 2014 there is \$275,890 which is transferred out of 001 to help finance the surplus items that are funded out of 091, and that will correspond with the transfer in that comes on 091 from 001 which correspond at the same dollar amount. Fund 087 is the additional garbage fees that were installed in 2009 in which the city had additional garbage fees

that were implemented, but one of the requirements the Commission had was that additional increase in revenues be utilized only for the solid waste department. He further stated that in one year's time, the city pulled in \$479,480 from those additional revenues that were adopted during that point. He further stated that there is \$116,199 in the sanitation collection department for equipment which is for brush tractors. In landfill relating to fund 087 expenditures, there is equipment for \$135,000 which is for a dozer with a six way blade. The other component of the landfill expansion is being funded from 087 funds. Mr. Rushing stated that fund 087 can be used for debt service or capital outlay, once the debt service is satisfied, you can use any access money collected for capital outlay for the solid waste department. He stated that there is a transfer for \$429,577 from fund 087 to 011 to pay for debt service on items that were financed through the 2009CO. Mr. Rushing continued on to fund 091, surplus, which is for the purpose of one time purchases and/or debt service or capital purchases. He touched on the transfer in from other funds into fund 091, there is \$275,890 from fund 001, \$975,136 from fund 065 which is for the city hall portion of the CO2011. He also stated that there is a transfer in 090 which is the landfill closure post closure in which we are loaning money to ourselves, that is money not needed at this point in time for the landfill closure post closure that is being transferred. The City will pay interest on this money at fair market value in which we have a debt service schedule to abide by in paying the funds back as needed. Mr. Rushing further mentioned that these are the revenues that going into the 091 fund. He further mentioned the \$35,000 for the Kleberg County Golf Course in fund 103, City Special. Mr. Rushing stated that reflected in this fund is the \$2.7 million for the building. Mr. Rushing further reported request made by the following departments. In the Planning Department, there is \$35,000 for consulting fees. Commissioner Garcia asked what type of consulting fees staff was looking into. Mr. Capell stated that this money would cover any updates made to the Master Plan, International Maintenance Code if the Commission decides to approve, and any other code updates in the Planning Department. Mr. Rushing stated that the breakdown is \$25,000 is for Planning & Zoning assistance and an additional \$10,000 for website upgrade. In building service there is \$25,000 for building regulation vehicle, also \$190,000 for Community Appearance for the asbestos removal at the old hospital, Recycling there is \$20,000 for Recycling Center improvements. In the Sanitation Department a request of \$231,000 for a side loading vehicle, fund 91, Municipal Court is requesting \$6,100 for filing carts.

Commissioner Garcia asked what the records retention for these types of files is. Mrs. Alvarez stated that staff would need to look at the states retention schedule in order to answer this question. Commissioner Garcia asked if it is necessary to purchase the filing carts if there is a retention schedule for these types of records. Mr. Rushing stated that the City Secretary handles the records retention schedule and to put anything in storage the City Secretary must keep records of these files in storage. Mrs. Mary Valenzuela, City Secretary stated that it is not required for the City Secretary to keep records of files kept in storage. She further stated that if records were going to be destroyed, staff would need to fill out a destruction log and submit to the City Secretary for approval to destroy. Mrs. Alvarez stated that once a document has met the records retention schedule and ready to be disposed of, there is a form to be filled out stating what document it is that will be destroyed including the date it will be done.

Mr. Rushing continued with his discussion. In the Technology Department, Computer & Associated Equipment there is a request of \$52,614 for Laserfiche Management System and for the Incode upgrade is budgeted for \$15,000. Commissioner Garcia asked if the Laserfiche is to archive all records or a specific use for a department. Mr. Verdin stated that it will be implemented throughout departments but will be done in phases which a timeline is being worked out by staff. He further stated that they will

begin with the City Secretary's office and Human Resources Office once the software is purchased and installed. Mr. Rushing stated that the Fire Department is requesting \$14,850 for an extractor washing machine.

Mayor Fugate stated that these request have already been discussed during departmental presentations, therefore no need to discuss any further. Mayor Fugate stated that he would like for Commissioners to voice their opinions on the budget process and what they would like to change, if any changes are needed.

Commissioner Leubert stated that she would be happy to comment, however she would like some additional time to digest the information she has been presented.

Commissioner Pena commented that in looking at the entire budget, it is a conservative and aggressive budget in certain areas that are needed to update/upgrade equipment. He further stated that it is important to annually update equipment. Pena stated that his priority is the streets, which is a major concern for citizens. He commented on the fact that street problems have been identified and staff has worked on a timeline for street repairs. Pena stated that his second concern is public safety that being Police and Fire Departments staffing issues. He stated that he would have liked for the Fire Chief to have committed to additional staff. If the City was to commit and appropriate funds in a particular department, he feels that the Fire Department is a priority in terms of staff. He stated that after speaking about the 1990's and to get it to 2013 standards, it will take a serious commitment from this administration. Pena stated that staff needs to stay focused on the new City Hall which a priority. He further stated that it is important to keep the completion date of January, 2015 for the new city hall. In Community Appearance, staff needs to continue being committed in making Kingsville beautiful. He stated that citizens see staff efforts in cleaning up Kingsville, and staff needs to continue this priority. With regards to Parks system, the Commission will need to take a good look at this and see what a transition from the County to the City would incur. After hearing from the Parks Director, it is a real concern that the proper funding may not be there. He further spoke about the Tourism Department which is very important to the community. He stated that he has seen a list of projects staff is currently working on and would like to see completion dates for these projects. He stated that he has shared some of these ideas with staff that would assist with making this community more appealing to visitors. Pena commented that the Police and Task Force Department are doing a great job in patrolling our roads and would like to thank them for this. He further discussed the GCS building owned by the City. He stated that this building continues to be a problem and feels that the City needs to find some solution in selling this building and get the City off the financial responsibility of this building. This would free monies that can be used for higher priority issues.

Commissioner Garcia stated that he agrees with all that Commissioner Pena has just stated. He further commended the Municipal Court staff for their hard work in bringing up this department where it needs to be. He further commented on a tickler file to show when contracts are up for renewal. After the situation with CMA Cablevision where they were supposed to report audits to Commission on a yearly basis, which never happened. He further stated that with the cablevision contract expiring in 2015, he hopes to work out a better contract that will provide more channels then offered in the past with reasonable rates. Garcia that he was disappointed to hear the information Fire Chief Reed's presented. He further stated that he was disappointed in the past performance of Fire Chief's and their non-performance of their duties to the Fire Department. He stated that as far as manning the department, they have had suggestions in the past to increase the manpower with in this department, but because of revenues, they weren't able to fulfill the request of more manpower. He stated that with population growing in Kingsville, it may be time to look into a third fire station for a

quicker response time to different areas within the City. He further commented that he would like to see more things happen within our city, but unfortunately we are limited with funds. He stated that, they as Commissioners have taken a stand on making sure that the City's finances and management is good. He further thanked staff for all their hard work they are providing to their city.

Commissioner Pecos commented on he concurs with all the comments made by his fellow Commissioners. He stated that he would like to give credit to Mr. Capell for holding up the City as far as taxation is concerned and being frugal with the budget, which has a lot to do with staff as well. Pecos stated that the City has several projects being worked on with the same income without raising taxes, and he commends staff for doing a great job. He stated that he is very proud of the City for handling its debts with the same amount of revenue without raising taxes and as the City moves forward, he hopes for the city to receive higher revenue. He further commented that he hopes that NAS Kingsville will increase their personnel, which will bring in more money into our community. He stated that if the City continues to move in a positive direction and hopes to continue on this track. He stated that his only concern is that the City is currently in arbitration with the Kingsville Police and Fire Departments and is not sure of what types of request they are making from the City which could effective the proposed budget. He commended staff for doing an outstanding job.

Mayor Fugate commented that this is his tenth budget proceedings and the budget process is generally a very painful experience by trying to make things work. He stated that when he received the proposed budget, after reviewing it, he wouldn't change anything in it. It is a well written budget that makes sense and trust that the City Manager is doing the right thing for the City of Kingsville. He stated that during the Spring, staff and Commission spent a couple of days going over goals for the City and where would like for the City to be, have been addressed in this proposed budget. Some of those being public safety, infrastructure, development, and other things that are important for our community. Mayor Fugate stated that the citizens of Kingsville are very fortunate to have this staff on board looking of the City of Kingsville. There are some things that are not addressed in this budget, but personally Mayor Fugate feels that 2014 will be Kingsville's breakout year. A lot of good things will be happening such as, Western Sky Apartments, Wildwood Trails Subdivision, Newman Center will be completed and other developers who are interested in developing in this community. He further stated that the City of Kingsville is a safe community to raise children and with the school district getting on the right track with Mr. Blaha doing some great things with the school district. Mayor Fugate touched on the Parks system, stating that the City needs to take over all the Parks inside the city limits which will cost some money. He further stated that it's his understanding that the County has offered to pay for half with city's portion being around \$500,000. He further touched on the marketing company that is marketing Kingsville. Mayor Fugate stated that the City will be taking on a larger role in Economic Development once Mr. Dick Messbarger retires. He further stated that the Park system, economic development, and the marketing issue are tourism issues and feels that a great deal of money should come from Tourism. He further stated that overall, it's good to be Mayor of Kingsville.

Mr. Capell stated that he appreciates the Commission comments and that things don't get done by the City Manager alone. It takes a great staff to come together and work well with each other. He stated that the way to get things done is by various departments cooperating with each other as a force multiplier. He stated that all his directors have expressed a willingness to assist other departments as to when we use to have a wall and no one would cross that wall to assist others. Now the Commission will see plenty cooperation, something that we can still get some improvement on but it

has allowed us to accomplishment more of the needs. He further stated that without increasing taxes we get a lot of productivity out of staff to actually accomplish more and help move the City forward.

#### **VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 6:50 P.M.

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Sam R. Fugate, Mayor

ATTEST:

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Mary Valenzuela, City Secretary



**SEPTEMBER 9, 2013**

**A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, SEPTEMBER 9, 2013 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 6:00 P.M.**

**CITY COMMISSION PRESENT:**

Al Garcia, Mayor Pro-tem  
Noel Pena, Commissioner  
Arturo Pecos, Commissioner  
Dianne Leubert, Commissioner

**CITY COMMISSION ABSENT:**

Sam Fugate, Mayor

**CITY STAFF PRESENT:**

Vince Capell, City Manager  
Mary Valenzuela, City Secretary  
James Bryson, Accounting Manager  
Charlie Cardenas, Public Works Director/Engineer  
Mark Rushing, Finance Director  
Emilio Garcia, Health Director  
Ruthie Valdez, Interim Library Director  
Diana Gonzales, Human Resources Director  
Courtney Alvarez, City Attorney  
Robert Isassi, Planning & Development Services Director  
Melissa Perez, Risk Manager  
Diana Medina, Collections Manager  
David Mason, Purchasing/IT Director  
Stacie Pena, Accounting Supervisor  
Bob Trescott, Tourism Director  
Bill Donnell, Assistant Public Works Director  
Joey Reed, Fire Chief  
Ricardo Torres, Chief of Police  
Rose Morrow, Municipal Court Supervisor

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Pro-tem Garcia called the meeting to order in the Robert H. Alcorn Commission Chamber at 6:00 p.m. and announced quorum with four members of the Commission present. Mayor Fugate absent.

**INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)**

The invocation was delivered by Mark Rushing, Finance Director followed by the Pledge of Allegiance and the Texas Pledge.

**MINUTES OF PREVIOUS MEETING(S) – Required by Law**

Regular meeting – August 26, 2013

Mayor Pro-tem Garcia asked for a motion from the Commission to approve the minutes as presented. **Commissioner Pecos made a motion to approve the minutes as presented,**

seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia voting: "FOR".

## **II. Public Hearing - (Required by Law).<sup>1</sup>**

None.

## **III. Reports from Commission & Staff.<sup>2</sup> (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."*

Mrs. Courtney Alvarez, City Attorney reported that the next special meeting will be on Monday, September 16, 2013 at 6:00 p.m. to adopt the Fiscal Year 2013-2014 Budget and Tax Rate. She further reported that the next regular scheduled meeting is scheduled for Monday, September 23, 2013 at 6:00 p.m. The deadline to submit agenda items for the September 23<sup>rd</sup> meeting is Friday, September 13, 2013. Mrs. Alvarez further stated that there was an ordinance for the introduction of the budget that is in the agenda packet as item number 3, in which the numbers were updated in section three it went from \$45,798,427 to \$45,803,437.

Commissioner Garcia reported that the Javelina Football team will be playing Monterrey Tech, Saturday, September 14, 2013 at 12 noon which will be aired exclusively on Channel 2 on the regular cable channels.

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

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

## **V.**

### **Consent Agenda**

### **Notice to the Public**

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

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

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

**None**

## **REGULAR AGENDA**

### **CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:**

#### **VI. Items for consideration by Commissioners.<sup>4</sup>**

1. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the transfer of fund balance from Fund 061 CO Series 2002-2002A - Utility Fund to Fund 039 CO Series 2002-2002A - General Fund. (Finance Director).

Mr. Mark Rushing, Finance Director stated that this is a reintroduction of the introduction that they had last time. It had referenced the wrong fund and account number. This relates to the arbitrage settlement in the realization that funds can be moved from utility fund to general fund.

#### **Introduction item.**

2. Consider introduction of an ordinance amending the fiscal year 2012-2013 budget for the City of Kingsville for deficit accounts and year end contractual amounts. (Finance Director).

Mr. Rushing stated that this is an end of the year budget amendment which will provide adequate funding for all the various departmental budgets in the City. He further stated that in the General fund there is an increase of \$100,000 received in payment in lieu of taxes, decrease in City Sales Tax \$34,000, decrease in Court Fines \$40,000, and a decrease in State Service Fee \$6,500 for a subtotal in the General Fund of \$19,500. He further reported on the expenditures in the general fund there were \$1,500 for Personnel for additional advertising, \$9,200 for the service center for a total expenditure amount of \$10,700. The net effect on the unassigned fund balance is \$8,800 increase. In fund 025, building security fund, needed is an additional \$2,712 in salary overtime for the security of the Courts. Fund 091, General Fund Capital Projects and Suplus, there was an increase of \$29,825 for professional services for TAMUK Kleberg Avenue project and an additional \$25,000 for the TAMUK Athletic Stadium as per an interlocal agreement, this total to \$54,825 for fund 091. Task Force fund 008 is an additional of \$28,295 relating to awarded vehicles. He further stated that budgeted was \$40,600 which makes it a projected amount of \$68,895 and net effect was a decrease of \$40,600 for fund 008. In fund 059, there was an adjustment to the water sales projection of \$6,195 and there was also a corresponding in utility increase in expenditure that was related to 600.2. There was a transfer out to fund for \$171,488 and in 054 the corresponding transfer in for \$171,488.

#### **Introduction item.**

3. Consider introduction of an ordinance adopting the City Manager's budget, as amended, of the City of Kingsville, Texas and appropriating funds for the fiscal year beginning October 01, 2013 and ending September 30, 2014 in the particulars hereinafter stated. (Finance Director).

Mr. Rushing stated that the subtotal on the budget amendment is \$45,803,437 which is an adjustment of \$5,010 in which that amount was needed to increase in transfers out form 001, general fund into the fund 091, surplus and transactions. He further discussed the budget changes from proposed to adopted budget. Mr. Rushing reported that the \$300,000 is included in this for the Wild Wood Trails Subdivision.

Commissioner Garcia asked about the \$5,000 being moved from hotmix to Engineering, will that depilate our efforts to repair streets. Mr. Capell responded no, it is from saved of the lower cost estimates.

Commissioner Pecos asked if the City's portion for the Veteran's Van was included in the budget. Mr. Capell stated that the estimate cost was \$45,000 to \$50,000, which could cost the City anywhere from \$22,500 to \$25,000. He further stated that he has asked Judge Escobar's office to provide the City with a letter stating what the specific cost would be for this van so staff can submit to Commission for their approval.

Mr. Rushing continued to explain the following changes, increase in hotel/motel revenues for \$22,581 which relates to fund 002, Tourism. Increase in FY13 and FY14 expenditures/disbursements to the Conner Museum for \$25,647. Increase FY14 expenditures/disbursements in the general fund for higher estimated expenditures assessed to the City for the Appraisal District for \$6,071. Reallocation of payroll and benefit expenditures from Utility Billing Division to the Municipal Court Division to reflect the cost sharing arrangement of one full time employee at 75% in Municipal Court and 25% in Utility Billing for \$6,140. Increase expenditures in the General Fund for NASK airshow in the amount of \$2,400. Increase FY14 expenditures for demolitions and private property cleanups in the Community Appearance Division of the Planning Department in General fund in the amount of \$10,278. Increase FY14 expenditures for the third and final phase of the dumpster enclosure project at an estimated cost of \$20,000 using FY13 budget savings.

Mr. Capell stated that this should catch-up the City with the backlog of dumpsters not enclosed. All future dumpster enclosures will be paid for by the developer as part of new construction. And beginning in FY14 it is the City's intention to pay for dumpster enclosures for new sanitation customers and dumpster replacement or repairs using Sanitation Division revenues in the General Fund. Increase FY14 expenditure in the amount of \$5,000 in the Sanitation Division General Fund for estimated costs of dumpster enclosures for new commercial businesses in FY14 and needed dumpster repairs.

Commissioner Garcia stated that his concerns with the dumpster enclosure. He asked how many dumpster will be enclosed with \$20,000. Mr. Isassi stated that each dumpster enclosure cost approximately \$600, so it would cover 33 dumpsters.

Mr. Rushing continued to explain the changes. Increase FY14 professional services expenditure in the amount of \$5,000 for the next City streets engineering project by TAMUK. This requested expenditure increase of \$5,000 in General Fund 091 would be offset by a \$5,000 decrease to the proposed lease expense in the General Fund 001 for the oil distributor and hot mix laydown machine. The net effect of these changes on the total City budget is \$0, but it does require a transfer from General Fund 001 to General Fund 091 to cover the \$5,000 expenditure in Fund 091. Staff has moved \$300,000 City cash economic incentive for Wildwood Trails from FY13 to FY14.

4. Consider introduction 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, 2013 and ending September 30, 2014, 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).

Mr. Rushing stated that this ordinance relating to the tax rate reads, this tax rate will raise more taxes for maintenance and operations than last year's tax rate. The tax rate will effectively be raised by 1.42 percent and will raise taxes for maintenance and operations on a \$100,000 home by approximately \$-9.91. He further explained that the reason for the negative number is that the taxable values increased \$200,815,163 and debt service

amount stayed about the same only changing about \$806. The sales tax factor in the calculation was \$57,832 less but the I&S Fund balance that was utilized last year was \$191,321. The fund balance utilized this year is \$116,810 for a net difference of \$74,511. He further stated that the total tax rate in this ordinance is .84220 which is the constant amount. He further stated that what you calculate the debt service schedule first, but not levying the full amount because pulling the fund balance in I&S down, so the taxpayers don't have to pay that amount. Effectively it is being lowered for them because the City is utilizing fund balance from the I&S. Last year's M&O tax rate was 0.663950, this year it's 0.654040, a drop of 0.009910, valued per \$100,000 in valuation. He stated that this proposed rate in the M&O is 0.654040 and the I&S portion is .188160 for a total of 0.84220.

Mr. Capell stated that this is the 3<sup>rd</sup> year that Commission adopts the same tax rate of .084220.

Commissioner Pena stated that the public notice was a bit confusing which it looked like there would be a tax increase.

## **VII. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 6:40 P.M.

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Sam R. Fugate, Mayor

ATTEST:

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Mary Valenzuela, City Secretary

# **CONSENT AGENDA**

# **AGENDA ITEM #1**

**ORDINANCE NO. 2013-**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2012-2013 BUDGET FOR THE TRANSFER OF FUND BALANCE FROM FUND 061 CO SERIES 2002-2002A - UTILITY FUND TO FUND 039 CO SERIES 2002-2002A - GENERAL FUND.**

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

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2012-2013 budget be amended as follows:

**CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT**

Dept. No.	Department Name:	Account Name:	Account Number:	Budget Increase	Budget Decrease
<b>Fund 61 CO Series 2002-2002A-UF</b>					
<u>Capital</u>					
2	Fund Balance	Restricted Fund Balance	740.00		<u>\$203,646</u>
					<u>\$203,646</u>
<u>Expenses</u>					
5-690.0	Transfer to Fund 039 CO Series 2002-2002A		394.39	<u>\$203,646</u>	
				<u>\$203,646</u>	
<b>Fund 039 CO Series 2002-2002A-GF</b>					
<u>Revenues</u>					
4-000.00	Transfer from Fund 061 CO 2002-2002A		750.61	<u>\$203,646</u>	
				<u>\$203,646</u>	
<u>Capital</u>					
2	Fund Balance	Unassigned Fund Balance	610.00	<u>\$203,646</u>	
				<u>\$203,646</u>	

[As a result of the arbitrage review by First Southwest and resolution with the IRS the following transfer is needed.]



II.

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

III.

**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 9th day of September, 2013.

**PASSED AND APPROVED** on this the \_\_\_\_ day of September, 2013.

EFFECTIVE DATE: \_\_\_\_\_

\_\_\_\_\_  
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 5, 2013

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

**Re: FY 2012 - 2013 Budget Amendment**  
**Transfer from Fund 061 CO 2002-2002A UF to Fund 039 CO 2002-2002A GF**

Mr. Capell,

Attached is the reintroduction of the Budget Amendment to transfer the residual funds from the Fund 061 CO 2002-2002A UF to Fund 039 CO 2002-2002A GF. The previously introduced Budget Amendment referenced the wrong fund account / description.

Given your approval, this will be reintroduced at the City Commission Meeting on September 9, 2013 for first reading.

Sincerely,

*Mark A. Rushing*

Mark A. Rushing

CC: Courtney Alvarez, City Attorney

## **AGENDA ITEM #2**

**ORDINANCE NO. 2013-**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2012-2013 BUDGET FOR THE CITY OF KINGSVILLE FOR DEFICIT ACCOUNTS AND YEAR END CONTRACTUAL AMOUNTS.**

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

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2010-2011 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT REVENUES AND EXPENSES  
BUDGET AMENDMENT

Dept. No.	Department Name:	Account Name:	Account Number:	Budget Increase	Budget Decrease
Fund 001	General Fund			See attached spreadsheet	
Fund 008	Task Force			See attached spreadsheet	
Fund 025	Building Security Fund			See attached spreadsheet	
Fund 091	General Fund-Capital Projects/Surplus			See attached spreadsheet	
Fund 051	Utility Fund			See attached spreadsheet	
Fund 054	Utility Fund-Capital Projects			See attached spreadsheet	

II.

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

III.

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 \_\_\_\_ day of \_\_\_\_\_, 2013.

PASSED AND APPROVED on this the \_\_\_\_ day of \_\_\_\_\_, 2013.

EFFECTIVE DATE: \_\_\_\_\_

\_\_\_\_\_  
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 5, 2013

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

**Re: FY 2012 - 2013 End of Year Budget Amendment**

Mr. Capell,

Attached is the Ordinance to adopt the Fiscal Year 2012-2013 End of Year Budget Amendment. If approved this should provide adequate funding for all the various departmental budgets in the City. A spreadsheet has been enclosed for specific details.

Given your approval, this will be introduced at the City Commission Meeting on September 9, 2013 for first reading.

Sincerely,

A handwritten signature in cursive script that reads "Mark A. Rushing".

Mark A. Rushing

CC: Courtney Alvarez, City Attorney

FUND 001 GENERAL FUND						
DEPARTMENT	AMOUNT	INCREASE / DECREASE	TYPE	P & L	REASON	
Finance	\$100,000.00	Increase	Revenue	+	Budget the Payment in Lieu of Taxes	
Finance	(\$34,000.00)	Decrease	Revenue	-	Projected revenue shortfall	
Finance	(\$40,000.00)	Decrease	Revenue	-	Projected revenue shortfall	
Finance	(\$6,500.00)	Decrease	Revenue	-	Projected revenue shortfall	
Total Fund 001 Revenue - Increase / (Decrease)	<u>\$19,500.00</u>					
Human Resources	\$1,500.00	Increase	Exp	-	Additional advertising - open positions	
Service Center	\$9,200.00	Increase	Exp	-	Emergency A/C & bldg repairs	
Total Fund 001 Expenditures - Increase / (Decrease)	<u>\$10,700.00</u>					
Fund Balance	<u>\$8,800.00</u>	Increase				
As of 9/4/13 Fund 001 P & L closing FY13 EA is \$421,332 (adequate to close out the net \$75,000 + from Payment in Lieu of Taxes)						
FUND 025 BUILDING SECURITY FUND						
Municipal Court	\$2,712.00	Increase	Exp	-	Extra Municipal Court Security	
Total Fund 025 Expenditures - Increase / (Decrease)	<u>\$2,712.00</u>					
Fund Balance	<u>(\$2,712.00)</u>	Decrease				
FUND 091 General Fund Capital Projects / Surplus						
Engineering	\$29,825.00	Increase	Exp	-	Prof Service TAMUK - Kleberg Avenue Note : Comm approved 2012-16 \$29,825 didn't start spending until FY13	
Engineering	\$25,000.00	Increase	Exp	-	Prof Service TAMUK -interlocal Stadium	
Total Fund 091 Expenditures - Increase / (Decrease)	<u>\$54,825.00</u>					
Fund Balance	<u>(\$54,825.00)</u>	Decrease				

	DEPARTMENT	AMOUNT	INCREASE / DECREASE	TYPE	P & L	REASON
<b>FUND 008 TASK FORCE</b>						
008-4-000-599.92 Non-Cash Confiscated	Task Force	\$28,295.00	Increase	Revenue	+	Incr. for Value Awarded Seized Veh
Total Fund 008 Revenue - Increase / (Decrease)		<u>\$28,295.00</u>				
008-5- 233.0-711.00 T F Seized Vehicles	Task Force	\$68,895.00	Increase	Exp	-	Value of Awarded Seized Vehicles
Total Fund 008 Expenditures - Increase / (Decrease)	Fund Balance	<u>\$68,895.00</u>				
008-2-610.00 Restricted Fund Balance	Fund Balance	<u>(\$40,600.00)</u>	Decrease			
<b>FUND 051 UTILITY FUND</b>						
051-4-600-816.00 Water Sales		\$6,195.00	Increase	Revenue	+	Increase Water Sales Revenue projected
Total Fund 051 Revenue - Increase / (Decrease)		<u>\$6,195.00</u>				
051-5-600.2-323.00 Utilities		\$6,195.00	Increase	Exp	-	Under-budgeted FY13 utility cost
051-5-690.0-394.10 Transfers Out to Fund		\$171,488.00	Increase	Exp	-	To cover Capital Project Cost in Fd 054
Total Fund 051 Expenditures & Transfers Out - Increase / (Decrease)		<u>\$177,683.00</u>				
051-2-610.00 Unassigned Fund Balance	Fund Balance	<u>(\$171,488.00)</u>	Decrease			
<b>FUND 054 UTILITY FUND - CAPITAL PROJ</b>						
054-4-000-750.10 Transfers from Fund 051		\$171,488.00	Increase	Revenue	+	To cover Capital Project Cost in Fd 054
Total Fund 054 Revenue & Transfers In - Increase / (Decrease)		<u>\$171,488.00</u>				
054-2-740.00 Restricted Fund Balance	Fund Balance	<u>\$171,488.00</u>	Increase			



# **REGULAR AGENDA**

# **AGENDA ITEM #3**

**ORDINANCE NO. 2013-\_\_\_\_\_**

**AN ORDINANCE ADOPTING THE CITY MANAGER'S BUDGET, AS AMENDED, OF THE CITY OF KINGSVILLE, TEXAS, AND APPROPRIATING FUNDS FOR THE FISCAL YEAR BEGINNING OCTOBER 01, 2013 AND ENDING SEPTEMBER 30, 2014 IN THE PARTICULARS HEREINAFTER STATED.**

**BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS,** that the budget for FY 2013-2014 is adopted as follows:

**Section One:** The official budget for the City of Kingsville for the fiscal year beginning October 01, 2013 and ending September 30, 2014 has been presented to the City Commission by the City Manager, several budget workshops were conducted on such budget, along with a duly noticed public hearing, and the budget is hereby approved.

**Section Two:** The budget contains a complete financial statement of the City and shows (1) the outstanding obligations of the City of Kingsville, Texas, (2) the cash on hand to the credit of each fund, (3) the funds received from all sources during the preceding year, (4) the funds available from all sources during the ensuing year, (5) the estimated revenue available to cover the proposed budget, and, (6) the estimated tax rate required to cover the proposed budget. The budget shows each of the projects for which expenditures are set up and the estimated amount of money appropriated for each project.

**Section Three:** The sum of \$45,803,437 is hereby appropriated for the budget revenues and expenses in the amounts shown on the attached Condensed Statement of all Operating and General Obligation Debt Service Funds – Summary of Revenues and Expenditures. The General Obligation Debt Service principle is \$1,140,000 and interest is \$317,995.

**Section Four:** The budget and all the attached support material as outlined in the above sections shall be deemed the official budget for the City of Kingsville, Texas, for the fiscal year starting October 01, 2013 and ending September 30, 2014. A copy of the official budget shall be kept by the City Secretary with the designation thereon as the official budget for FY 2013-2014, with the date of the adoption clearly stated, and filed with the County Clerk's Office. The official budget shall be available for inspection by any taxpayer.

**Section Five:** The City Commission is authorized to levy taxes in accordance with this budget. The City Commission may authorize the expenditure of City funds only in strict compliance with the budget, except in an emergency. The City Commission may authorize an emergency expenditure as an amendment to

the original budget only in case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent care and attention. If the City Commission amends the original official budget to meet an emergency, the City Commission shall file a copy of its ordinance amending the budget with the City Secretary, and the City Secretary shall attach it to the original budget. The City Manager shall provide for the filing of true copy of the approved budget in the office of the County Clerk of Kleberg County. The City Commission reserves the right to make changes in the official budget for municipal purposes.

**Section Six:** All Ordinances of parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

**Section Seven:** 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.

**Section Eight:** This Ordinance shall NOT be codified but will become effective on and after adoption and publication as required by law.

**Section Nine:** This Ordinance 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.

**INTRODUCED** on this the 9th day of September, 2013.

**PASSED** on this the 16<sup>th</sup> day of September, 2013.

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Sam R. Fugate, Mayor

**ATTEST:**

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Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

EFFECTIVE DATE: \_\_\_\_\_

**CITY OF KINGSVILLE**  
**BUDGET CHANGES FROM PROPOSED TO ADOPTED BUDGET - REVENUES**  
**FOR FY 2013-14**

CITY OF KINGSVILLE																
BUDGET CHANGES FROM PROPOSED TO ADOPTED BUDGET - REVENUES																
FOR FY 2013-14																
DEPARTMENT	PAGE #	DESCRIPTION	GENERAL FUNDS		G.F. CAPITAL IMPROVEMENT		G.G. DEBT SERVICE		UTILITY FUNDS		ASSET ACQUISITION FUNDS		TOURISM / MUSEUM		OTHER GOV. FUNDS	
			Current Yr Expected FY 2012-13	City Mgr Requested FY 2013-14	Current Yr Expected FY 2012-13	City Mgr Requested FY 2013-14	Current Yr Expected FY 2012-13	City Mgr Requested FY 2013-14	Current Yr Expected FY 2012-13	City Mgr Requested FY 2013-14	Current Yr Expected FY 2012-13	City Mgr Requested FY 2013-14	Current Yr Expected FY 2012-13	City Mgr Requested FY 2013-14	Current Yr Expected FY 2012-13	City Mgr Requested FY 2013-14
As of 08/26/13		AS PROPOSED	18,434,781	20,459,733	1,242,565	6,125	1,769,664	1,839,418	15,719,947	11,422,718	2,270,754	2,136,000	480,169	480,139	39,911,980	36,344,213
		COMMISSION CHANGES														
		Total Commission Changes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		STAFF CORRECTIONS														
Tourism Fund	211	Increase 002-4-107-225.00 Hotel/ Motel Tax Revenue		5,010										20,581	20,581	20,581
Transfers In / Out	88	Increase 091-4-000-750.13 Transfer In from Fund 001 General Fund		5,010												5,010
		Total Staff Corrections	0	5,010	0	0	0	0	0	0	0	0	0	0	0	25,591
		PENDING CALCULATIONS														
		Total Pending Calculations	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Total Changes AS REVISED	18,434,781	20,464,743	1,242,565	6,125	1,769,664	1,839,418	15,719,947	11,422,718	2,270,754	2,136,000	900,790	500,720	39,932,461	36,369,804

**CITY OF KINGSVILLE**  
**BUDGET CHANGES FROM PROPOSED TO ADOPTED BUDGET - EXPENDITURES**  
**FOR FY 2013-14**

CITY OF KINGSVILLE									
BUDGET CHANGES FROM PROPOSED TO ADOPTED BUDGET - EXPENDITURES									
FOR FY 2013-14									
DEPARTMENT	PAGE #	DESCRIPTION	GENERAL FUNDS	G.F. CAPITAL IMPROVEMENT	G.O. DEBT SERVICE	UTILITY FUNDS	ASSET FOREFEITURE FUNDS	TOURISM / MUSEUM	OTHER GOV. FUNDS
			Current Yr Expected FY 2012-13 FY 2013-14	Current Yr Expected FY 2012-13 FY 2013-14	Current Yr Expected FY 2012-13 FY 2013-14	Current Yr Expected FY 2012-13 FY 2013-14	Current Yr Expected FY 2012-13 FY 2013-14	Current Yr Expected FY 2012-13 FY 2013-14	Current Yr Expected FY 2012-13 FY 2013-14
As of 08/26/13		AS PROPOSED	13,513,367	2,026,365	1,089,088	13,546,548	1,619,246	391,190	37,981,304
		<b>COMMISSION CHANGES</b>							
City Special	21	Increase 001-5-103.0-314.31 Professional Services - NASK Air Show							
		Total Commission Changes	0	0	0	0	0	0	0
		<b>STAFF CORRECTIONS</b>							
City Special	21	Increase 001-5-103.0-314.01 Professional Services - Appraisal District							
Transfers In / Out	72	Increase 001-5-490.0-394.13 Transfer Out to Fund 091							
		Note: To change GSR (split Utility Billing / M.C. 50% / 50% to 75% / 25% Increase 001-5-180.3-100.XX Salaries & Benefits - Customer Service Rep Decrease 051-5-620.1-100.XX Salaries & Benefits - Customer Service Rep	6,140			(6,140)			
Municipal Court	41								
Utility - Collections	148								
Utility Fd-Debt Service	193	Increase 012-5-510.0-531.00 Paying Agent Fee				600			
Comm. Appearance	30	Increase 001-5-160.3-345.00 Community Appearance - Demolition Fees	10,278						
Comm. Appearance	31	Increase 001-5-160.3-591.00 Dumpster Enclosures - Phase 3	20,000						
Sanitation Collection	New Acct	Increase 001-5-170.2-591.00 Dumpster Enclosures - New Commercial	5,000						
Street	66	Decrease 001-5-305.0-641.00 Operating Lease-Oil Ditch & Storm Drain	(5,000)						
Engineering	103	Increase 001-5-301.0-314.01 Prof. Services - TAMUK Kibberg Avenue design	5,000						
Street	106	Increase 001-5-301.0-521.26 Street & Bridge - Willowood Subdivision	300,000						
Street	106	Increase 001-5-301.0-521.26 Street & Bridge - Willowood Subdivision	300,000						
Tourism - Admin	212	Increase 002-5-107.1-350.00 Professional Services - Corner Museum							
		Total Staff Corrections	300,000	0	0	(5,540)	0	25,647	(274,353)
		<b>PENDING CALCULATIONS</b>							
		Total Pending Calculations	0	0	0	0	0	0	0
		Total Changes AS REVISED	13,513,367	2,026,365	1,089,088	13,546,548	1,619,246	391,190	37,981,304
		Total Changes AS REVISED	13,513,367	2,026,365	1,089,088	13,546,548	1,619,246	391,190	37,981,304

**CITY OF KINGSVILLE**  
**BUDGET CHANGES FROM PROPOSED TO ADOPTED BUDGET - EXPENDITURES**  
**FOR FY 2013-14**

DEPARTMENT	PAGE #	DESCRIPTION	GENERAL FUNDS		G.F. CAPITAL IMPROVEMENT		G.O. DEBT SERVICE		UTILITY FUNDS		ASSET ACQUISITION FUNDS		TOURISM / MUSEUM		TOTAL CITY	
			Current Yr FY 2012-13	City Mgr Requested FY 2013-14	Current Yr FY 2012-13	City Mgr Requested FY 2013-14	Current Yr FY 2012-13	City Mgr Requested FY 2013-14	Current Yr FY 2012-13	City Mgr Requested FY 2013-14	Current Yr FY 2012-13	City Mgr Requested FY 2013-14	Current Yr FY 2012-13	City Mgr Requested FY 2013-14	Current Yr FY 2012-13	City Mgr Requested FY 2013-14
		NET REVENUE OVER (UNDER) EXPENDITURES	(134,086)	(2,846,864)	216,200	(2,476,975)	(125,424)	(50,954)	2,173,399	(4,109,410)	651,508	128,453	83,913	(77,883)	2,815,510	(9,433,683)
		FUND 001 - OPERATING P & L	<b>421,332</b>	<b>24,058</b>												



## **AGENDA ITEM #4**

## **AGENDA ITEM #5**

ORDINANCE NO. 2013-\_\_\_\_\_

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, 2013 AND ENDING SEPTEMBER 30, 2014, 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.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS, that the ad valorem tax rate for all taxable property within the city limits of Kingsville, Texas for FY 2013-2014 be established and adopted as follows:

Section One: **THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.**

**THE TAX RATE WILL EFFECTIVELY BE RAISED BY 1.42 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-9.91.**

Section Two: That there be and there is hereby levied and ordered collected on each One Hundred Dollar (\$100) valuation of all taxable property, real, personal, and mixed, within the corporate limits of the City of Kingsville, Texas, for the tax corporate limits of the City of Kingsville, Texas, for the tax year 2013 starting October 01, 2013 and ending September 30, 2014, the sum of \$.84220 based on 100% of the fair market value.

Section Three: Said levy shall be distributed in the following manner:

FOR GENERAL FUND EXPENDITURES (Maintenance & Operations), the sum of \$.65404 on each one hundred dollar (\$100.00) assessed valuation of such property.

FOR DEBT SERVICE FUND EXPENDITURES of annual principal, interest, and service fees of all General Obligation Bonds, Warrants, Certificates of Obligation, and Combination Tax and Junior Lien Revenue

Certificates of Obligations, of the City of Kingsville, the sum of \$.18816 on each one hundred dollar (\$100) assessed valuation of such property.

Section Four: That said taxes shall be due and payable at the time and in the manner provided by ordinances of the City of Kingsville and laws of the State of Texas, relating to the payment of taxes and providing for penalties and interest on delinquent taxes.

Section Five: There is hereby fixed, levied on each and every item of taxable property a lien for the purpose of securing the certain payment of the taxes assessed against said item of property and said lien shall continue to exist against any item of property against which a tax is assessed hereunder until such tax together with all penalties and interest shall be paid.

Section Six: This ordinance shall be in full force and effective ten days from and after the date of the second publication in a local newspaper as provided by law and the City Charter of the City of Kingsville.

Section Seven: The tax rate established and adopted by this ordinance and a copy of this ordinance shall be filed in the office of the Tax Assessor Collector.

Section Eight: That no discounts or split payments are allowed for the 2013 tax year.

Section Nine: That an exemption of \$8,400.00 be granted for any person of age sixty-five (65) or over.

Section Ten: The Kleberg County Tax Assessor-Collector is hereby authorized to assess and collect the taxes of the City of Kingsville employing the above tax rate.

INTRODUCED on this the 9<sup>th</sup> day of September, 2013.

PASSED on this the 16<sup>th</sup> day of September, 2013.

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

EFFECTIVE DATE: \_\_\_\_\_

# CITY OF KINGSVILLE



P. O. BOX 1458 – KINGSVILLE, TEXAS 78364

September 5, 2013

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

**Re: Ordinance to Adopt FY 2013 - 2014 Ad Valorem Tax Rate**

Mr. Capell,

Attached is the Ordinance to adopt the Fiscal Year 2013-2014 Ad Valorem Tax Rate. If approved this would maintain the same overall .84220 total Tax Rate as Fiscal Year 2012-2013.

Given your approval, this will be introduced at the City Commission Meeting on September 9, 2013 for first reading.

Sincerely,

*Mark A. Rushing*

Mark A. Rushing

CC: Courtney Alvarez, City Attorney