

AUGUST 17, 2020

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 17, 2020 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 4:00 P.M.

CITY COMMISSION PRESENT:

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

CITY STAFF PRESENT:

Mark McLaughlin, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Derek Williams, IT
Ricardo Torres, Police Chief
Janine Reyes, Tourism Director
Uchechukwu Echeozo, Director of Planning & Development Services
Deborah Balli, Finance Director
Charlie Sosa, Purchasing Manager
Juan Adame, Fire Chief
Bill Donnell, Public Works Director
David Solis, Risk Manager
Susan Ivy, Parks Manager
Emilio Garcia, Health Director
Diana Gonzales, Director of Human Resources
Rudy Mora, Engineer
Manny Salazar, Economic Development

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:00 p.m. with all five Commission members present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by Mrs. Courtney Alvarez, City Attorney, followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S)

None.

****AUDIENCE AND PRESENTER SOCIAL DISTANCING AND PUBLIC TESTIMONY AND PUBLIC HEARING INPUT AT PUBLIC MEETINGS OF THE CITY COMMISSION.** To reduce the chance of COVID-19 transmission, public meetings will be held in a manner intended to separate, to the maximum practical extent, audience and presenters from personal contact with members of Community, City Staff, and City Commission. Public testimony and public hearing input for Public Comment and all items on the agenda at public meetings of the City Commission shall be provided in written format and presented to the City Secretary and/or designee prior to the start of each meeting of the City Commission. This testimony and/or public input shall be in accordance with the City Secretary's instructions, which shall be posted on the City Secretary's outdoor public bulletin board at City Hall and on the City website and allow for electronic submission. The written public testimony shall be provided to members of the City Commission prior to voting on measures for that meeting. Written testimony shall be limited in accordance with the City Secretary requirements and shall be placed into the record of each meeting. This written testimony shall serve as the required public testimony pursuant to Texas Government Code section 551.007 and shall constitute a public hearing for purposes of any public hearing requirement under law. The meeting may be held telephonically or via videoconference; and, if so conducted, the public may participate remotely by following the instructions of the City Secretary which would be posted on the City Secretary's outdoor public bulletin at City Hall and on the City website.

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

None.

III. Reports from Commission & Staff.²

"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning

Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works- Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time.”

Mrs. Courtney Alvarez, City Attorney commented that there are several budget workshops scheduled for the next couple of weeks. These dates are August 18th, August 24th, and August 25th with the possibility of having an additional workshop on August 26th.

IV. Public Comment on Agenda Items.³

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)

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

1. Motion to approve final passage of an ordinance amending the zoning ordinance by granting a special use permit for car wash use C2 (Retail District) at Ryan Carpenter Subdivision, Lot B, acres 1.6511, Kingsville, Texas near 2600 South Brahma Blvd., Kingsville, Texas, amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Director of Planning & Development Services).

2. Motion to approve final passage of an ordinance amending the FY 2019-2020 Budget to accept and expend donations from the Kleberg County Attorney's Specialized Crimes and Narcotics Task Force and the Kleberg County District Attorney's Office for Healthy Family Partner recreational programs. (Parks Director).

3. Motion to approve final passage of an ordinance amending the FY 2019-2020 Budget for water line supplies needed to maintain operations. (Public Works Director).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

4. Review and discuss proposed fiscal year 2020-2021 budget for departments of the City of Kingsville. (City Manager).

Mr. Mark McLaughlin, City Manager began the budget workshop by stating that staff is working on building the 20-21 Proposed Budget with no Ad Valorem Tax Rate Increase. No increase in any Utility Fees. There is a 1.5% COLA for all non-civil service employee. General Fund (GF) fund balance shall adhere to 25% requirement. There is \$125,000 placeholder in the budget for both Fire and Police CBA's. Budget prep concentrated on detailing revenues and expenditure trends. Department Supplemental approvals contingent on the budget preparation. FY 20-21 Proposed Budget is \$46,403,908.60, this is total expenditures with all funds combined. Total Proposed Budget is \$130,052.40 more compared to FY 19-20 total budget of \$46,533,961. New proposed tax rate of \$.85209,

less than current tax rate of \$.85304 by \$.00095. Fund balance requirements are met at 25%. General Fund is \$438,241 above minimum requirements (includes \$300,000 cushion). Utility Fund - \$1,207,587 above minimum requirements (includes \$300,000 cushion). Utility Fund Revenues, proposed budget does not include any rate increases. Not deficit budgeted for fourth year since FY-11. Sales Tax and Ad Valorem revenues are budgeted to increase. Employees from Facilities Division 1805 will be recorded in Utility Fund (UF) 8020. General Fund (GF) will transfer 50% the costs to UF. This will allow us not to have to split employees in the payroll system. Public Works Admin will be recorded in GF 3000. All employees in this division will be recorded in UF and GF will transfer 50% of the costs to UF. Engineering Division will be recorded in UF 8000. All employees in this division will be recorded in UF and GF will transfer 50% of the costs to UF. Community Appearance changed to Code Compliance. Equipment Operator for Recycling moved to Sanitation due to the move of the recycling center. Equip Operators (2) moved back to Code Compliance from Facilities Division. All non-civil service positions have a 1.5% COLA budgeted. All non-civil service positions have been budgeted with a Longevity calculated at \$3/month per year, capped at 20 years. New certification pays include CDL licenses.

Proposed Tax Rate:

The tax rate is currently at \$.85304 and is being proposed at \$.85209. Effective Tax Rate is now called the No New Revenue Tax Rate (NNR) - \$.83198. Rollback Tax Rate is now called the Voter Approved Tax Rate (VATR) - \$.85210. SB2 lowers threshold between NNR and VATR from 8% to 3.5%. Tax Rate Scenarios – on a home valued at \$100,000. This year city taxes would be \$853.04 ($\$100,000/100 \times \$.85304$). Next year city taxes will be \$852.09 ($\$100,000/100 \times \$.85209$).

Supplemental Requests:

City Manager approved 76 of 155 supplemental requests received for the FY20-21 proposed budget.

Insurance Fund:

Mr. McLaughlin gave the presentation on the Insurance Fund. Fiscal year 19-20 original budget estimated a deficit of revenues over expenditures of \$544,301. Additional contribution of \$185,499 was added to shore up fund. Claims estimated at \$2,545,913, Admin & Fees proposed at \$956,448, Stop Loss Premiums estimated at \$564,658. Fund Balance for FY 18-19 ended up at \$1,003,16.28 due to stop loss reimbursements which are never budgeted. Proposed Budget estimates a deficit for revenues over expenditures of (\$153,828). Proposed Budget includes increases of 0-3% in Employee funding premiums and 25.2% in Employer funding. Includes additional contribution of \$200,706 to shore up the fund. Claims estimated at \$3,333,573 (9.7% increase), Admin & Fees are proposed at \$415,109 (6 % increase), Stop Loss Premiums are proposed at \$662,786 (17.4% increase). Fund Balance for FY 19-20 estimated at \$794,604.

Mr. McLaughlin commented that with the deficit of \$153,828, the city has two individuals that their stop loss alone for this year was \$250,000 each. He further stated that everybody in the city that is insured still has a stop loss cap of \$100,000. The two individuals have a stop loss that has increased to \$250,000. This means that the City is in for the first \$250,000 for either one of the two insured.

Commissioner Leubert asked what the city's stop loss was last year? Mrs. Diana Gonzales responded that it was \$100,000. Leubert then asked if the insurance can move those two individuals to a different stop loss amount? Mrs. Gonzales responded yes. Leubert asked how the insurance do this. Mrs. Gonzales responded that it is stop loss and not insurance coverage. Leubert further asked if the insurance company changed the city contract with the city not having a choice? Mr. McLaughlin responded yes, and the stop loss premium increase to \$662,000. Mrs. Gonzales commented that the \$662,000 is not contributed to a set number of individuals. It is contributed to several coding medical conditions. This means that everything that hits a certain code the list must be provided to the stop loss carrier. They use this information as and with the city's claim history they will come back with a dollar amount that they will cover.

Mrs. Gonzales continued the presentation for the Insurance Fund. For FY 20-21 plan changes recommended, no change to \$350 Family Monthly Deductible with 100% co-insurance. Alternative options were presented in June 2020; actual costs from August make all those June proposals unaffordable. Increase Employee funding premium rates from 0-3% depending on coverage type. Increase overall Employer funding rates by approximately 25.2%. The city is pending review on eliminating carve-out of generic prescriptions. Gonzales stated that staff is waiting for some final reports from Entrust to see if its more beneficial for the city to pay for prescription instead of doing the carve-out. Proposed funding plan options continue with same plan design, \$350 Family Monthly Deductible – 100% Co-insurance. For FY 20-21 Employee Funding Contribution Options: Option 1 no change in employee contributions; Option 2 1% added to employee contributions to maximum contribution of 10% of required funding; Option 3 2% added to employee contributions to maximum contribution of 10% of required funding; Option 4 – 10% employee contribution of required funding. Mrs. Gonzales went over the options that are available.

Mrs. Balli commented that what is in the budget, as at the time the budget was being created, what is in the budget currently is \$3,816,666 is the city's contribution, \$196,000 is additional funds from departments, and \$5,706 is interest earnings and the \$397,000 employee contributions. She further stated that now that there are different numbers and based on what the Commission does with the premiums will change going forward.

Commissioner Hinojosa commented that he feels that the Commission needs to have a separate agenda item at a future meeting so that all this can be explained as there are some changes that he would like to see. He further stated that last year this was brought as a separate agenda item, but this year it is being incorporated into the workshop.

Mayor Fugate commented that he is not interested in asking staff to do a separate supplemental, if anyone members of the Commission have questions, they need to get with the City Manager to get their answers.

Commissioner Hinojosa commented that this is not only up to him, its up to the Commission to have it as a separate line item.

Mrs. Alvarez commented that the Commission adopts the city's budget as a whole and not by separate line items.

Commissioner Leubert commented that this is a lot of information and staff may need to come back at a separate meeting. The information that is being presented now is different from that in June. She further commented that the Commission can approve the budget as a whole but can also decide not to approve certain items within the budget.

Mayor Fugate commented that as this is only a workshop and no action will be taken, we can come back to this at a future meeting prior to making a decision, but some of these questions being asked can be brought to the City Manager for further explanation.

Mrs. Gonzales continued with her presentation of the Insurance Fund. She stated that what is in the proposed budget now is for the city to contribute \$4.17 million dollars, which is already programmed in. One of the things that is an estimate, based on last year's numbers and with the new year's numbers is that it is projected that there will be \$393,000 contributed by the employees. This is anywhere from 7% to 10% of the cost of the plan. She further stated that if everything remains the same, right now we are looking at a negative \$3,000 plus paying both lasers which is the additional \$150,000, the plan would be negative \$153,000. With the current fund balance, it should be able to be absorbed without being an issue as there is \$700,000 in fund balance. If the employee contributes 1% of the premiums but no more than the 10% total plan cost, what would the numbers be. If the increase was 1% more to the employee, the city would be at negative \$149,000. Now the employees would be paying 89% to 91% cost of the plan. If the employee contributes 2% of the premiums to max of 10% of total costs, projected additional funds required to meet obligation would be \$133,000. The next option is where the employee pays 10% and the employer pays 90% of the premiums, the projected additional funds required to meet obligation would be negative \$122,000. What this means to employees is that for employee only it is an additional \$25.50; employee child additional \$28.00; employee spouse an additional \$1.00; and employee family an additional \$18.00. This gives it a more standardized distribution. Gonzales further stated that after giving all the options to the City Manager, Option 4 seemed to be of more interest because it is a flat 10% to the employee and flat 90% to the employer.

Commissioner Hinojosa requested for staff to provide him with some figures as to how staff arrived at \$3,860,000 as it is a consistent number that is used for these options.

Mrs. Gonzales commented that this is the employer's contribution. Commissioner Hinojosa commented that he is aware of what it is but would like to see the breakdown. He further commented that staff is telling him what it is, but he wants to see it as a breakdown individually.

Mr. McLaughlin explained that the salary worksheet that was given to the Commission, all those numbers add up to \$3,816,666.

Commissioner Hinojosa further stated that the actual cost is \$3.9 million dollars and would like a breakdown as to how staff arrived at this number.

Mrs. Gonzales commented that the city is funding \$4,017,000. The cost now is being projected at \$3,990,270 on the city but is funding \$4,017,000. Due to the new projected rates the employees would be contributing \$423,000 worth of this plan.

Commissioner Leubert asked if staff has a plan that they would recommend, one that will be best for both city and employees.

Mr. McLaughlin responded that option 4 is the plan that he recommends. This plan says that all employees are in for 10% of the premium and 100% of their insurance is covered. The city would be in for 90% of the premium which is half of the industry's standard.

Commissioner Leubert commented that the 10% will assist people to not go to the doctor unless they need to, but we don't want them to not go to the doctor if they need to. She further stated that this is a great insurance for both employees and city.

Mrs. Gonzales commented whether the city can continue this next year would depend on additional contributions as this is already incorporating the additional contributions from this current fiscal year plus the additional contributions for the upcoming fiscal year. Gonzales displayed the breakdown of administrative cost. The Stop Loss is at \$564,000 and it is being projected to be \$661,000 for the upcoming year. She further showed a breakdown of all other administrative fees.

Commissioner Hinojosa commented that this has not been finalized as for fiscal year 19-20 plan administration was \$16.00 and stayed the same for fiscal year 20-21, but the information that was provided in the last time had it going up to \$20.00 from \$16.00 and asked if this would remain at \$16.00.

Mrs. Gonzales responded that it will remain at \$16.00. The previous presentation made back in June; the number was italicized as it depended as to how many plans the city would be offering. She further stated that as the city decided to stick with one plan, the fee remains the same. Mrs. Gonzales continued with the presentation. She stated that the possible change would be the drug carveout. This is pending review to see if it is beneficial to go ahead a stop it.

Non-Department General Fund Revenues:

Non-Departmental revenues include rents, transfers in, sale of city property, publications, and open records, interest earnings and miscellaneous revenues. FY 19-20 Current Budget \$1,975,032.65; Estimated Revenues \$1,960,293.96; Proposed Revenues \$1,821,368.24. The decrease is due to lower amounts of transfers in and interest earnings.

City Commission:

Supplemental request approved for \$44,000 for the restoration and preservation of city records. As year 4 was unable to be completed in FY 19-20 due to COVID-19 shutdowns, it is being requested to roll year 4 with year 5, which is the end of the 5-year project. Another supplemental approved is an amount of \$2,800 for City Commission cell phones.

Commissioner Hinojosa asked why the Mayors travel budget shows \$6,000 and the rest of the Commission are only budgeted \$5,000. He further commented that one thing that needs to be looked into is training & travel. Due to the pandemic, training will be offered virtually.

Mr. McLaughlin commented that he budgeted for travel as if it was going to happen. It is easier to have the money budgeted in the case that travel is allowed.

Commissioner Leubert commented that the Mayor and Commissioners have always been budgeted the same amount for training and travel.

Mayor Fugate commented that he doesn't mind his budget amount for training and travel to be the same as the Commissioners.

City Manager's Office:

Stipend for the PIO duties were included in the budget. It was placed in this division due to no other General Fund division would be appropriate. This department took a 10% decrease within its core budget as all other departments.

City Special:

Supplemental request approved for \$24,000 for the 2020 General and Special Election to be held on November 3, 2020.

Commissioner Hinojosa asked if there has been a change in the open records request. He asked why the city is receiving more open records request and does an individual have to do an open records request for a police report.

Mrs. Alvarez commented that the citizens can make that request directly from the State.

Commissioner Hinojosa commented that the police report should be requested from the police department. He further asked if by law it is required for someone who wants a police report to request through an open records request.

Mrs. Alvarez responded that yes. She further stated that accident reports can be requested directly from the State or it can be requested from the department, but for the actual police reports, those go through the open records process.

Commissioner Lopez asked with regards to the election, how much will that be costing the city. Mrs. Valenzuela responded that at this time a total for the election cannot be determined at this time. With the use of private buildings and school buildings, we will be required to sanitize those buildings after the use on election day. The dollar amount is hard to determine at this time, as we don't know what we will be required as we get closer to the election date. This is only an estimate, but it should be less than was is being budgeted.

Commissioner Hinojosa asked that for account number 103.0-342.00, the credit card discount fees, in 2018 there was \$25,000 and 2019 there was \$45,000 and we are expected to pay \$17,000 but moving it to \$40,000. He asked for the rationale behind this.

Mr. McLaughlin responded that this is the amount that is paid to credit card companies when a citizen uses a credit card to pay for services. He further stated that this goes up and down but with the pandemic keeping everyone at home, he took both past years and estimated the number for the upcoming year.

Commissioner Hinojosa commented that he does not agree with the \$40,000 as it is too high.

Mrs. Balli commented that some of the cost were all in utility fund for previous years and what staff tried to do is split them out to where what is in fund 103.0 is general fund related and fund 051 is all from the utility side. She further stated that it used to be all in the utility fund side, but staff is trying to break it apart to see how much utility fund is and how much is general fund.

Commissioner Hinojosa commented that with this being done, the utility fund should have a lesser amount. Mrs. Balli responded yes, but on the utility fund side a lot of people are not making payments. Once customers get back on track and are not deferring their accounts, credit card fees will increase for next year.

Mayor Fugate recessed the meeting for dinner at 5:31 p.m.

Mayor Fugate reconvened the meeting at 5:53 p.m.

Human Resources:

This department made a reduction within its core budget as all other departments. This budget remains the same as last year.

Legal Department:

This department made a reduction within its core budget. There is a request for additional compensation for the City Attorney of \$5,000. There is a reduction in operations.

Commissioner Lopez asked if it is being requested for a salary increase. Mr. McLaughlin responded that as the Commission is over the three top executives....

Mayor Fugate asked that this not be discussed at this time and discuss it later.

Commissioner Hinojosa commented that there are a few other items that he would like to discuss under executive session at a future meeting.

Planning & Development Services:

Admin Division: This department made a reduction within its core budget.

Commissioner Hinojosa asked about the \$75,000 that is being budgeted, are these new buildings that are coming in and is this an average amount?

Mr. McLaughlin responded that citizens are seeking more building permits due to staff tagging more projects that are not permitted to be built.

Building Services: Department made a reduction in its core budget. A supplemental request for the Building Services was approved for \$200 for the purchase of dual monitor desktop and stand.

Code Compliance: Department made a reduction within its core budget.

Downtown Division: made a reduction within its core budget. This division has a supplemental request approved for an amount of \$672 for Constant Contract Subscription. TXCDBG Grant #7219192, the purpose of this grant is to provide infrastructure in the form of sidewalk activities in the Main Street area. Location is 7th street from Kleberg Avenue to Yoakum Avenue. Activities are to consist of: Approximately 580 linear feet of sidewalk consisting of stamped concrete, brick pavers and bulb-outs; 300 linear feet of curb and gutter; construction of 12 ADA compliant ramps; Pavement repair; 100 linear feet of concrete steps; 4 concrete curb inlets and drainage pipes, striping, signage; 3 lighting assemblies and all associated appurtenances. Total grant is for \$420,000. Fiscal year 19-20 \$70,000 with \$34,000 cash match and \$36,000 in in-kind engineering services. Fiscal year 20-21 \$350,000.

Economic Development Fund:

Proposed \$100,000 EDC revenue increase. EDC requested a revenue increase. EDC requested a revenue increase equal to a 1/8 portion of City Sales Tax, will Equates to approximately a \$423,000 revenue increase. City Manager proposes only a \$100,000 revenue increase. Funds the following: \$24,000 salary for a part-time employee to assist in economic development programs; \$20,000 for reconstruction of the antiquated EDC website. The new website will improve branding initiatives, marketing initiatives for local businesses and provide information to business prospects; \$16,000 for economic impact

studies targeting commercial expansion; \$10,000 for continuation of the Retail Coach contract services \$5,000 for access to the sales tax database that allows for identification of trends in sales tax and business growth/decline \$5,000 for Small Business Workshops to provide resources to those looking to start or expand their businesses; \$10,000 for Small Business Development Grants to assist in the start-up costs for small business development or expansion. ; and \$10,000 for Site Development/Recruitment to allow for initial contact with potential prospects and network to establish relations with potential clients and City of Kingsville site selection. Per the agreement initiated in 2015, the City includes the EDC Director in the compensation plan and contributes \$65,000 towards personnel related items for the EDC Director. The balance is paid by the EDC. The initial term of the contract was for two years beginning April 2015 to April 2017 with automatic renewals thereafter. The EDC office is no longer located at City Hall.

Finance Department:

No change in the organizational chart. Department reduced their budget by 10% from their core budget as all other departments.

Commissioner Hinojosa asked what is arbitrage. Mrs. Balli explained that every year HillTop Securities calculates the city's arbitrage and what it is when you have bond sales you can't make more interest on your bonds then what you sold them for. Further explanation took place regarding arbitrage.

Municipal Court: No change in the organizational chart. Department reduced their budget by 10% from their core budget as all other departments. For this department, this year and next year's projected numbers will not change by much. No supplementals for this department.

Facilities Maintenance: Two Equipment Operators were transferred back to Code Compliance. Employees payroll cost will be recorded in Utility Fund and General Fund will transfer to the Utility Fund 50% of the payroll costs.

Commissioner Hinojosa asked if some of the expenses belong to utility fund or general fund or both. Mr. McLaughlin responded that what the Purchasing Manager does comes from the general fund. Hinojosa further stated that some of the expenses will be coming from utility fund for some of the buildings. Mr. McLaughlin responded that this could happen for those that are split funded.

Commissioner Leubert asked how many employees the Purchasing Manager currently oversees.

Commissioner Hinojosa commented that he is looking a building and maintenance it shows wastewater, water construction, and water production and further asked if some of these departments belong under the utility fund.

Mr. Charlie Sosa, Purchasing Manager responded no, they are all under the general fund. Sosa further answered Commissioner Leubert's questions stating that he has one full-time employee...

Commissioner Hinojosa asked if wastewater is under the general fund. Mr. Sosa responded that they are all funded by the general fund.

Mrs. Balli commented that Mr. Sosa takes care of the cleaning of the buildings which is why we split fund the employees. She further stated that 50% of the payroll cost are in utility fund and 50% of payroll come from general fund.

Mr. Sosa continued by answering Leubert's question and stated that he has one full-time employee and five part-time employees. At this time, there is a COVID employee used for seasonal that is used for sanitizing city buildings and vehicles. The seasonal employee is being paid through the CARES Act.

Mr. McLaughlin stated that approved supplementals for this department, tire shop door repair \$2,000; concrete pad at the Recycle Center \$10,500; Dr. Pepper Building roof replacement \$40,000; and Police Department system replacement \$28,000. Under the utility fund, all departments were required to reduce their core budgets. Two equipment operators were transferred to Code Compliance. Employees payroll costs will be recorded in Utility Fund and General Fund will transfer to the Utility fund 50% of the payroll costs.

Mrs. Balli commented that the utility fund transfers over to the general fund \$1.35 million dollars which is used for maintenance that is done to some city buildings.

Commissioner Hinojosa commented that there is money going from the general fund into the utility fund and further commented that as the presentation of the budget goes along, he will be asking for a breakdown showing how staff came up with these numbers. Hinojosa further asked if staff could provide him with a breakdown showing how staff came up with \$1.35 million dollars.

Mrs. Balli responded that it is a 50/50 split. She further stated that there is no breakdown as how it is arrived at this amount. It is an amount that has always been transferred. The auditors look at this every year to make sure that this number is realistic and adequate.

Commissioner Hinojosa further asked what it is that the auditor looks at to make sure that the dollar amount is realistic. He further stated that there is \$316,000 coming from general fund into the utility fund and none of those cost is associated with the \$1.35 million dollars.

Mrs. Balli responded correct. She further stated that before it was physically dividing and charging 50% cost to 180.5 and 50% to 802.0 for facilities. She further stated that instead of continuing to split those employees in half in the payroll system, staff placed them all under the utility fund then general fund will transfer 50% of he cost.

Technology Services: reduction in core budget. This department lost a part-time employee and has not been replaced. Approved supplementals, software license for Shelter Pro \$2,700; Laserfiche license fee for Utility Billing \$2,880; and Laserfiche Connector to replace RatchetX \$3,771.

Commissioner Leubert asked if the part-time employee will be replaced? Mr. McLaughlin responded that it is unknown at this time. Leubert further asked if the part-time employee is needed? Mr. McLaughlin responded that he would need to meet with the IT Department and Mrs. Balli and see what the workload is like within the IT Department. Leubert asked if the city has backup for all city information and where is it saved.

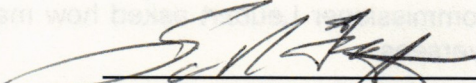
Mr. Benson responded that in terms of backup, the city has software and storage array. The software takes snapshots of the city's data every hour. Once a day an incremental backup is done and once a week a full backup is done. This covers all city servers but does not cover the city's share drive.

Health Department:

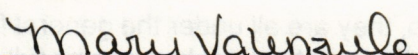
In fiscal year 19-20, revenues began coming back to the City in March 2020. The estimate was \$12,869. In fiscal year 20-21, the Health Department will be 100% funded under the City of Kingsville. The operations of the Health Department will no longer be a split of 50-50 between the City and County. Effective October 1, 2020, the Health Department will be funded 100% by the City. Approved supplementals are \$1,500 for staff shirts and \$500 for vehicle decals.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:00 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, TRMC, CMC, City Secretary