

City of Kingsville, Texas

AGENDA CITY COMMISSION TUESDAY, SEPTEMBER 4, 2018 SPECIAL MEETING

**CITY HALL
HELEN KLEBERG GROVES COMMUNITY ROOM
400 WEST KING AVENUE
6:00 P.M.**

I. Preliminary Proceedings.

OPEN MEETING

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S)

Special Meeting- August 20, 2018

Special Meeting- August 22, 2018

Regular Meeting- August 27, 2018

Special Meeting- August 28, 2018

APPROVED BY:



Jesús A. Garza
City Manager

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

1. Public Hearing on a *proposed* tax rate increase from \$.84220 to \$.90500 for Fiscal Year 2018-2019. (Finance Director).

2. Public Hearing on proposed Fiscal Year 2018-2019 budget. (Finance Director).

III. Reports from Commission & Staff.²

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

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)

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. 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, 2018 and ending September 30, 2019 in the particulars hereinafter stated. (Finance Director).
2. Consider introduction of an ordinance establishing and adopting the ad valorem tax rate for all taxable property within the City of Kingsville, Texas for fiscal year beginning October 01, 2018 and ending September 30, 2019, 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 citizen's comments to the Mayor and Commission, no comment at this point without 5 affirmative votes of the Commission.


NOTICE

This City of Kingsville and Community Room 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 located at City Hall, 400 West King Ave, 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:

August 31, 2018 at 3:00 P.M. and remained so posted continuously for at least 72 hours proceeding the schedule time of said meeting.



Mary Valenzuela, TRMC, 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 20, 2018

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

CITY COMMISSION PRESENT:

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

CITY STAFF PRESENT:

Jesus Garza, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Tom Ginter, Director of Planning & Development Services
Bill Donnell, Public Works Director
Rudy Mora, City Engineer
Deborah Balli, Finance Director
Derek Williams, IT
David Solis, Risk Manager
Diana Gonzales, Human Resources Director
Susan Ivy, Parks Manager
Cynthia Martin, Downtown Manager
Janine Reyes, Tourism Director
Ricardo Torres, Chief of Police
Adrian Garcia, Fire Chief
Stacie Pena, Accounting Supervisor
Charlie Sosa, Purchasing Manager
Emilio Garcia, Health Director
Victoria Butler, Municipal Court Supervisor
David Bodiford, Accounting Manager
Linda Miller, Tech Services Librarian
Robert Rodriguez, Library Director
Jennifer Bernal, Community Appearance Supervisor
Jessica Storck, Legal Assistant
Andrew Lugo, Intern

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:15 P.M. with all five Commission members present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

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

MINUTES OF PREVIOUS MEETING(S)

None.

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

None.

III. Reports from Commission & Staff.²

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

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

IV. Public Comment on Agenda Items.³

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

No public comments made.

V.

Consent Agenda

Notice to the Public

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

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

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

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

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

Mr. Jesús Garza, City Manager gave a brief update on the schedule of events for tonight's meeting and what will be coming up in the next few days regarding budget workshops. With the cancellation of proposed Wednesday, August 21st meeting, those departments to have been heard on that day will be moved up to today's meeting. He further stated that the Commission will hear from Public Works Departments and the Utility Fund account on Monday, August 27th. On Tuesday, August 28th, the Commission will hear about miscellaneous funds such as debt service, Certificates of Obligations, etc., then go into budget wrap-up. Garza commented that the budget document has received the award from GFOA for distinguished budget presentational award, this is due to the Finance Department in making it a goal to work with a budget document that met all the GFOA requirements. Garza stated that the budget listing is included, which is the explanation for each line item, on the budget worksheet. This would make it easier for the Commission to see, verses having to turn from page to page. Garza further commented that the budget is built on the existing tax rate. With some confusion that was caused by last week's vote on the tax rate, it is important at to reiterate that the budget is built with the existing tax rate. There have also been some changes to the budget relating to the deficit. The deficit is due to expenditures that are incurred that year where the revenues don't come that year. For example, the CO 2016 Series Funds that were received in 2016, but being expended in 2017, 2018, and 2019 which will show on the expenditure side and not on the revenue side. This can make the budget look like its running deficit when it really isn't. This year's budget, staff separated operational expenditures verses capital; so in the budget summary of this year's proposed budget it has been differentiated. Garza further gave an example and stated that the overall expenditures verses revenues would show a deficit of \$4.4 million because we are spending more money than what we are receiving. He stated that once the city breaks out the capital with operational, the operational deficit is \$727,000. While there is still an operational deficit because of things that staff already knows, Golf Course, Parks, JK Northway, it's not in the millions of dollars as it would appear if not doing the breakout. The overall budget as a whole is \$2 million dollars less than last year, in term of expenditures which means that the city is spending down some of the money that were received in the past, such as monies from CO's 2016 Series or monies from street maintenance fund that have been expended as the city has had big projects. Garza further stated that overall, the overall budget in the two funds that require a fund balance, which is General Fund and Utility Fund, the city has met the 25%. Recently the City Commission approved the rate increase which allowed the utility fund budget, budget without requiring going into the reserves for the first time since 2011. In the General Fund, both Planning and Municipal Court revenues continue to decline, and continue to see this trend. Sales tax and Ad Valorem have increased due to valuation of properties going up slightly. Sales tax, for FY 19, staff is budgeting \$5 million dollars for sales tax revenue. Ad valorem tax which is property tax, for FY 19, staff is budgeting in receiving \$5.8 million dollars in additional ad valorem revenue, which is about \$190,000 more than what staff expects to receive this fiscal year.

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

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

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

City Commission 100.0

The change in the City Commission's budget is a total of \$12,149. The highlights for this department are change description is personnel, due to health care coverage decrease. In operations there is an increase in communications and an increase in training and travel to

budget the same amount for each Commissioner and increase budget for attendance at special events. Garza stated that during last year's budget, the Commission approved different amounts for training and travel for each Commissioners. There were two Commissioners that had \$6,000 while the other three received \$4,000. This year, we would like it to go back to making it even for each one of the Commissioners. This increase was done within the core budget, by budgeted more in one line item and less in another.

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

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

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

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

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

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

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

City Manager's Office 101.0

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

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

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

City Special 103.0

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

Human Resources 110.0

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

Legal 140.0

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

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

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

Planning & Development Services 160.0

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

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

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

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

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

Mr. Ginter continued with the operations of his department. There is an increase in services and have asked for a supplemental request Arc GIS License which will be specifically for the Administrative Assistant II. This individual has had this training before in concluding her degree at A&M Kingsville. This could be of help to the department by having this license. Currently, no one within the department has this license. With this license, it could provide better customer service. This increase is for an amount of \$3,750.

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

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

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

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

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

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

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

increase workload will be. At this time, the department is able to meet the customer service goal. If and when the department get 45 to 50 residential building permits per year, then the department will need the building inspector position filled.

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

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

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

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

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

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

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

Community Appearance 160.3

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

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

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

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

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

Downtown 160.4

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

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

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

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

Finance 180.1

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

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

Commissioner Hinojosa asked what the Accounting Assistant position do?

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

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

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

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

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

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

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

Municipal Court 180.3

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

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

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

Commissioner Hinojosa asked how many employees this division has currently?

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

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

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

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

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

Facilities Maintenance 180.5

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

Mr. Charlie Sosa, Purchasing Director stated that within the General Fund, as everyone else's budget shows, there is an COLA adjustment, decrease in TMRS rate and Workers Comp Experience modifier rate. There has been an approved supplemental request for a full-time maintenance worker position. In the operations portion there is an increase in supplies and maintenance. There is a decrease in services; an approved supplemental request for repairs to city garage fuel tanks cathodic protection; approved supplemental request for additional supplies; approved supplemental request for additional maintenance supplies; and approved supplemental request for motor gas & oil. Within the Utility Fund, same change, increase for COLA Adjustment, decrease in TMRS and Workers Comp.

There is an approved supplemental for new full-time Maintenance Worker split funded with division 180.6-General Fund. In the operations there is an increase in services. He stated that the plan is to hire a full-time maintenance worker for Facility Maintenance. Currently there are five part-time employees for this division; there are four staffed and one vacancy. Due to the amount of hours worked per day, four hours, it is hard to keep employees in these positions as not to many individuals only want to work four hours per day with no benefits. The plan is to make one of the part-time workers a full-time employee which will be responsible for providing supplies and maintenance to city buildings.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Technology Services 180.6

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

Mr. Garza mentioned that prior to the new Commissioners coming onboard, staff had discussed an item regarding Barcom, which is a company that the city would be able to outsourcing for IT support. It has now been decided not to continue with this due to not being able to fund the agreement. Originally the city was using on a trial basis. Therefore, this is the reason why staff is adding additional line items to the technology services to all existing staff to provide the proper assistance to staff.

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

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

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

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

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

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

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

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

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

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

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

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

Commissioner Lopez asked about the security of it.

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

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

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

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

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

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

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

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

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

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

Meeting reconvened at 6:12 p.m.

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

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

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

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

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

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

Commissioner Hinojosa asked what is the County's portion.

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

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

Commissioner Hinojosa asked about income?

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

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

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

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

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

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

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

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

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

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

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

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

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

Parks & Recreation Department 450.0

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

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

Mr. Garza stated that this is around \$607,000 to \$613,000 that staff calculated. He further stated that if staff increases these revenues, all it would do is decrease that number. It would not free up any to be utilized anywhere else, unless the Commission is comfortable deficit budgeting in a non-park related department. He stated that staff has taken the approach that they don't want to do that, they have taken the approach of simply creating

the deficit budget specifically for the Parks, which is the way it has been done for the last couple of years. Mr. Garza stated that for the administration side of it, the personnel increase is the same as every department. In operations, there is a decrease in supplies and an increase in service.

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

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

Golf Course 450.2

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

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

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

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

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

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

Commissioner Hinojosa asked if the Golf Course is part of TCAP. Mrs. Alvarez responded that it is her understanding that they are. She further stated that as each meter has an ESID number and when the consultant for TCAP did her audit earlier this year, submitted a list of all the meters that they have currently listed for the city. Audit showed which meters are for facilities within the city limits as well as facilities outside the city limits, which several of them were for the Golf Course.

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

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

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

Mayor Fugate commented that the water is coming from a well. The electricity is being used for the pump which is where the cost is coming from. He further commented that he would

like for staff to budget money for seeding. Mr. Garza responded that staff can allocate some money for seeding.

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

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

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

Parks Operations

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

Library 460.0

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

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

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

VI. Adjournment.

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

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, TRMC, CMC, City Secretary

AUGUST 22, 2018

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON WEDNESDAY, AUGUST 22, 2018 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 4:15 P.M.

CITY COMMISSION PRESENT:

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

CITY STAFF PRESENT:

Jesus Garza, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Tom Ginter, Director of Planning & Development Services
Bill Donnell, Public Works Director
Rudy Mora, City Engineer
Deborah Balli, Finance Director
Derek Williams, IT
David Solis, Risk Manager
Diana Gonzales, Human Resources Director
Susan Ivy, Parks Manager
Cynthia Martin, Downtown Manager
Janine Reyes, Tourism Director
Ricardo Torres, Chief of Police
Adrian Garcia, Fire Chief
Stacie Pena, Accounting Supervisor
Charlie Sosa, Purchasing Manager
Emilio Garcia, Health Director
David Bodiford, Accounting Manager
Jessica Storck, Legal Assistant
Andrew Lugo, Intern
Israel Vasquez, Interim Golf Course Manager
Manny Salazar, Economic Development
Julian Cavazos, Lieutenant
Brad Allen, KPD
Bradley Lile, KPD
Pete Pina, Landfill Supervisor

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:15 P.M. with all five Commission members present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

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

MINUTES OF PREVIOUS MEETING(S)

None.

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

None.

III. Reports from Commission & Staff.²

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

Mrs. Courtney Alvarez, City Attorney announced an event that will be taking place at the Conner Museum. She further reported that the next regular Commission meeting is scheduled for Monday, August 27th with a budget workshop to begin at 4:15 p.m. and regular meeting to begin at 6:00 p.m.

IV. Public Comment on Agenda Items.³

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

No public comments made.

V.

Consent Agenda

Notice to the Public

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

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

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

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

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

Economic Development Fund 098

Mr. Jesús Garza, City Manager stated that they EDC was created about two years ago. The purpose of this was to give the city an opportunity to separately have a conversation about economic development and separately to track some of the revenues that have always been intended for economic development purposes. Historically the in lieu of tax payments that are received from Celanese and the Housing Authority has always been allocated towards to economic development activities. He stated that there is also a transfer from the General Fund to pay for an existing agreement with Texas A&M University-Kingsville. The agreement is for a payment to the University of \$25,000. This money is used for sporting events marketing. Garza mentioned some of the highlights for this department. In revenues, \$106,000 in lieu of tax payments which come from Celanese and the Housing Authority. Notable changes/additions, \$15,000 for a special election in May 2019 for a Venue tax for the JK Northway and declassification of park land. This election will be a split funded coming from Tourism and Economic Development funds. There is a decrease in funds to incentive payments to Wildwood Trails due to expiring agreement. Garza stated that declassification of park land was recommended in the 2016 Parks Master Plan, to declassify Kenedy Park from being a park due to under use, overlapping with other neighborhood parks and potential for economic development due to its location. Minor designated park areas in existing neighborhoods will be considered for declassification as well.

Mayor Fugate commented that this is property that was donated to the City by the King Ranch and by declassifying Kenedy Park as a park, it would then need to go back to them. Fugate asked for Mrs. Alvarez to look more into this.

Mr. Garza commented that staff will look into it. He further stated that one big component is the partnership the City has with the EDC that began in 2015. Under this agreement the city includes the EDC Director in its compensation plan and contribute \$65,000 towards the personnel expenses for that position. The balance the city invoice the EDC and pay the balance. The initial term was for 2 years, from 2017-2019, with automatic annual renewals.

Commissioner Hinojosa asked what the \$44,617 was for? Mr. Garza commented that this is the difference and is what the city bills the EDC. Garza stated that the total personnel expenditures for this position are over \$100,000 and since the city's contribution is \$65,000, the city bills them for the \$44,000. The EDC receives this money from their fundraising efforts.

Manny Salazar, Economic Development Director state that the EDC does not have an operational budget from the city. They don't access to economic development fund or a travel budget from the city. Everything that they do is done through fundraising, which they raise a little over \$100,000 to cover their operations. The money that the city allocates for the EDC is for salaries. The EDC sends a check to the City of \$44,000 to cover the salary and benefits difference. Salazar further commented that there has been some conversations on the renewal of their agreement and still working through this at this time. Salazar updated the Commission on what the EDC is up to in the past few months.

Tourism 107.0

Ms. Janine Reyes, Tourism Director reported that for fiscal year 18-19, the proposed budget revenue is \$525,000. She further stated that as for the personnel changes in her department, there are the same as all other departments. Operations within her department, approved supplemental for \$1,000 for Geofence Digital Advertising for Ranch Hand Festival. Also there is an approved supplemental for \$15,000 for the Special Election for the Venue Tax for the JK Northway, as previously mentioned by the City Manager. This election will be a split with Tourism and EDC Department. She also stated that also approved is a supplemental for \$4,370 for a multi-color digital sign at the Visitor Center.

Mayor Fugate asked that if staff has already received the ok for the digital sign from the Naval Base. Ms. Reyes stated that she has already spoken to the Naval Base and they are ok with it.

Ms. Reyes further stated that there is a decrease in supplies, maintenance, repairs, and operating lease. The façade grant budget was removed from this fund and transferred to Fund 202. Museum obligation was increased due to the increase estimation of revenues. As for venue tax, existing Hotel Occupancy Tax of 13%, State 6% and City 7%. Staff is proposing a venue tax of 2% for a total of 15%, which is consistent with total HOT of Corpus Christi market, but would require a special election. The financial advisor would assist in determining amount that would assist in determining amount that could be financed and that amount would determine scope of work and project. Ms. Reyes continued with an update on the Conner Museum. She stated that per agreement between the City and Conner Museum that dates back to 1979, the city provides the Conner Museum with 14.28% of revenues out of the 15% allowed for the arts. This is estimated to be \$74,970 in fiscal year 19. She further stated that the funds are part of the 15% that we can use towards the arts per state law. The City had an audit finding for Fiscal year 15, for spending more than 15% on art related activities.

Mr. Jonathan Plant, Museum Director presented the budget for the Conner Museum. Carry over from last year was \$14,310.65; deposits to date from hotel occupancy are \$83,531.10 for a total revenue of \$97,841.75. Of this amount, the bulk went to salaries, \$69,621.09. Exhibits and supplies was \$4,878.02 and in advertising \$1,061.50 for a total of \$75,560.61. The balance at this time is \$22,281.14 with estimated revenue is \$74,970.00 and total estimated revenues is \$97,251.14. Of that amount, \$62,000.00 is for salaries in amount of \$62,000, \$6,000 for exhibit expenses and \$6,000 for advertisements. Total projected operating expenses of \$74,000. He further stated that museum attendance for this year was 7,013, almost a 10% increase over last year's attendance figures. Winter Texans groups have started to return to the Museum. Groups visiting the Museum come from Brooks, Cameron, Duval, Hidalgo, Jim Wells, Kleberg, Maverick, Nueces, and Victoria Counties. He stated that the Museum had four temporary exhibits this past year. He stated that the State Legislature reduced their allocated funds by 76%, causing the Museum to draw salaries from accounts normally used to fund Museum operations and greatly reducing their ability to engage in programming and promotional marketing. He further stated that their curator has resigned at the end of this fiscal year, and they are continuing with a professional staff of three. He stated that the Museum participated in the Ranch Hand Festival and other events. Total outreach attendance for the Museum was 6,550. Conner Museum collaborated with the City of Kingsville Tourism Department on an advertisement in the Winter Texas Guide. Plant further stated that they are currently seeking grant funding which will allow them to make significant improvements in their permanent exhibits and working on various fundraising initiatives with the University.

Commissioner Hinojosa asked if the curator position would be filled? Mr. Plant responded that they will not be filling that position in the immediate future.

Police Department 210.0

Mr. Ricardo Torres, Chief of Police reported on the Police Department budget. In Patrol Division for personnel, the highlight changes are the same all other departments. The is an increase in supplies of \$670. This is for replacement of thermal paper, fingerprint kit supplies, copy paper, supplies for cadets to attend regional police academy. The is \$4,550 for ticket writer, printers and radars. Zebra printers for ticket writer replacements at \$900 each times 5. There is \$500 for forms; family violence forms, DIC, Notary renewals, book for cadets attending regional police academy and \$4,000 increase in vehicle maintenance. Highlights for Communication Division, same changes to personnel and in operations, there is an increase in supplies. For the Investigations Division, the highlights are in personnel, same as all other departments. There is some notable changes and or additions, such as \$2,000 for swabs and cleaners for ION scanner. Ion Scanner needs swabs, cleaners, cotton gloves purchased. This verifies particles of narcotics on different

items. There is also \$1,235 for cameras for investigators. This will replace some old cameras in this division. There is also \$3,240 for sit-stand desk risers for detectives. This will improve work productivity and better health. These will be similar to the dispatchers, but not as high-tech. In the Community Service, the personnel changes are the same as all others. There is \$670 for training of new employees. This will keep up certifications for TASER, ASP, and Pepperball. Also there is \$10,337 for increase in ammunition. Increase due to bi-annual qualifications being implemented. In the Warrant Enforcement Division, the same in personnel changes. There is a notable change and or addition of \$2,000 increase in vehicle maintenance. The 2011 GMC seizure vehicle will need repairs and tires. In Chapter 59 Fund, \$25,000 is given in charitable donations to the following organizations in amounts of \$5,000 each; Boys & Girls Club, Boys Scouts of America, Communities in School, Palmer Drug Abuse Program and the Kingsville Boxing Club. These donations are done annually. Other notable changes and or additions, \$63,131 for power edge servers & 30TB storage array project. This existing servers reached end of life, ever expanding need for storage, RMS/CAD reside on servers, Domain Controller for security of systems, and HelpDesk Phone Systems Services. Also in Chapter 59 \$1,900.00 for PTZ Camera upgrade for building security to upgrade cameras on exterior of building; \$10,511.00 for Desktop Computers refresh old computers; \$380.00 ACU 1000 Universal unterminated cable interoperability cables to connect 800MHz/700MHz/VHF/UHF. \$6,319.00 for SWAT Uniforms Tactical ripstop pants, rapid assault short sleeve shirts and L/S shirts for 16; \$22,740.00 – SWAT Tactical Body Armor Replace old tactical body armor w/Protech FAV AWS IIIA; \$6,600.00 SWAT Helmets to replace old helmets w/Protech Delta 4; \$13,172.00 SWAT Tactical Team Shields, (1) Paraclete Phalanx IIIA+ and (2) Paraclete Aspis Bellator IIIA+; and \$5,723.00 – SWAT Sniper Rifle and Equipment, AI:AT 308:AT Rifle, NIGHTFORCE: C429. Torres stated that there is also \$10,500 for badges and commendations bars and \$14,673.00 for World Wide K, K-9 Setina full size K-9 container for 2019 Tahoe, Alarm & Remote Pager, Runner for home. There is the \$300,000 for the Lenco Bearcat G-3, which is on a future agenda for approval. Chief Torres continues on with his budget regarding Operation Stonegarden, Operation Borderstar, PD STEP Grant, CJD Governor's Grant and Homeland Security project LETPA.

Commissioner Hinojosa thanked the Chief of Police for putting the bad guys money to good use.

Mayor Fugate asked if KPD is able to use the shooting range. Chief Torres responded that they do have access to several shooting ranges. Mayor Fugate thanked Chief Torres on the great work his department have and continue to do for the community.

Fire Department 220.0

Mr. Adrian Garcia, Fire Chief presented that budget for the Fire Department. Personnel changes are the same as all other departments. The \$330,422, removed prior supplemental o initial Stryker Lease Agreement Recordation. This is done for as an accounting practice in order to close the books. Increase of \$10,000 for medications and medical supplies. Price on these items is trending upwards by 10% to 15% on medications and medical supplies. There is also \$12,000 for fire apparatus fleet maintenance, to maintain aging and worn fleet to insure adequate services are being provided to the Community. As for the Volunteers Division, personnel changes are the same as all others. Notable changes and or additions are \$4,800 for new tires for Brush 2; pre-purchase specialty military tires for Brush 2. In case of tire damage, this will ensure a quick return to service time. This vehicle will be used for high profile water vehicle. As a specialty vehicle, the vehicle takes special tires.

Commissioner Hinojosa asked how many tires does this vehicle have. Chief Garcia responded that this would purchase four tires for the vehicle, which is what the vehicle has; the \$4,800 would purchase four spare tires for this vehicle. As for the vehicle replacement fund, about a year and a half ago, they asked to become part of the Ambulance Supplement Program through the State and Federal. They participated in this in 2017 for six months, today he has finalized and signed all the documentation to submit. Next month they should be receiving between \$105,000 to \$200,000 in revenue that they

would like to place in this vehicle replacement fund in order to assist them in placing some of their ambulances next year. Chief Garcia stated that these are estimates as they don't know as it is all based on how much Medicaid runs they bring in. He stated that all the documentation, with the assistance from the Finance Department and a State Agency, they have been able to submit that.

Mr. Garza commented that the vehicle replacement fund was created about two years ago and the intention behind it was that the Fire Department doesn't have the benefit of a Chapter 59 situation as the Police Department does, but the Fire Department has very important fleet that is critical to the public safety of our community. This fund was created in a way to try and build up money to replace the fleet. The first year, staff was able to, from the general fund, transfer \$50,000 into the vehicle replacement fund. When allowed, more money is transferred into the fund for the purpose of building the fund up. The program that Chief Garcia referenced is going to be a huge help as it is six figures that staff will be able to put into the vehicle replacement fund. The department has three ambulances, which one was replaced about two years ago, with two others that need to be replaced as well.

Commissioner Lopez asked about the pumper and when does staff planning on getting it repaired.

Chief Garcia responded that the additional funding that was requested was sent over to Atlas Transmission in Corpus Christi. He stated that the spoke with the Garage Supervisor and it is approximately 85% complete in repairs. He is hoping he can take it back by Friday or Saturday. Prior to putting it back in service, staff will need to test the pump and make sure it is working properly.

Commissioner Lopez asked if there was an EOC Fund within the Fire Department for the Fire Chief's travel.

Chief Garcia stated that the does not have a separate Emergency Management account. All emergency management travel & training is pulled from the Fire Department account.

Commissioner Hinojosa asked if the Fire Chief was done with all those trainings, as he noticed a big drop on his travel from one year to another. He stated that it was only budgeted \$5,000 for this year.

Chief Garcia commented that this past year he was under \$5,000 in his travel.

Commissioner Hinojosa commented that there was about \$28,000 in that travel.

Mr. Garza commented that what staff did was split it up. For departments in general, that has various divisions, rather than all the travel being with the admin division, it was split up amongst the various divisions for the next year. He stated that the money is there, but it is in different places.

Commissioner Lopez commented that this is what she wanted to see, it being split up so that she can see how the travel is being spent.

Commissioner Hinojosa asked that under memberships & dues it went up from \$5,500 to \$13,000.

Chief Garcia commented that the reason for this is that he is moving a lot of their memberships such as ERS and Texas Commission on Fire Protection that has to be paid as this is how they maintain their Firefighters license to be Firefighters. They have their ERS which is their reporting system which is also being utilized for inspection program. Chief Garcia further commented that they are trying to purchase a new Engine to replace the 1999 model. He further stated that specs have been done and they are trying to utilize some CO 2016 Series money in order to do this. This should be an item on the agenda for this upcoming City Commission meeting.

Mr. Garza commented that this would be a request from CO 2016 Series to take \$600,000 from the original \$1 million dollars that was allocated for downtown to go towards public safety.

Mrs. Alvarez commented that also on the agenda will be authorization to purchase the vehicle through a BuyBoard Purchasing Cooperative.

Commissioner Hinojosa asked staff if the city had received permission from legal counsel to move this money? Whenever the CO was awarded, it specifically states what that money is to be used for. He further asked if the city received something in writing from special counsel to do this? He stated that he is all for this, but he would like to make sure that monies from the CO 2016 can be used for this. He commented that he would like to see something in writing from special counsel that voted the CO.

Mrs. Alvarez commented that there's nothing obtained from Bond Counsel, which is probably what Commissioner Hinojosa is referring too, with regards to this particular purpose, but when the 2016 CO's were initially done, it list multiple items of anticipated uses and item number 6 on that list is emergency vehicles and equipment, so this could qualify under that.

Commissioner Hinojosa responded that he hasn't seen that.

Mrs. Alvarez commented that staff has included, in the agenda packet, a cover sheet from the official statement that shows a breakdown of all the authorized items for that CO.

Mr. Garza stated that staff has already utilized CO 2016 funds to purchase vehicles within the Fire Department. The fund was used to replace the one ambulance that was replaced two years ago.

Mayor Fugate called for a break at 5:48 p.m.

Mayor Fugate reconvened the meeting at 6:00 p.m.

Compensation & Benefits

Mr. Garza gave a brief overview of his philosophy and approach on compensation. He stated that for Commissions in general, it has always been a priority to focus and emphasize on the city's front level employees (non-exempt employees). He stated that prior to his arrival with the city, there was the increase of the minimum wage, but when he arrived, there was high interest from the Commission, at that time, to look at compensation overall. Garza commented that from his perspective, compensation is not something that is personal. Compensation is something that is equally looked at across the organization. He stated that in his experience, things can get very personal when discussing compensation. He stated that he wanted to lead the focus coming into Fiscal Year 2017 and focus more on position and the organization as a whole, oppose to focusing on the individuals. In order to do this, at that time, it was a good time to do a compensation study, as one had not been done in a while. The City contracted with Public Sector Personnel Consultants to provide a salary study. The following cities/organizations were selected, by the financial advisor, for comparison: Balch Springs, Belton, Big Spring, Kingsville ISD, Brownwood, Denison, Eagle Pass, Kleberg County, Pampa, San Benito, and Alice. The consultants recommended a three year plan. Year one was achieved in Fiscal Year 2017. At that time, the Commission was focused on the non-exempt employees, and even with the year one recommendation, over 65% of the funds that were allocated towards the compensation of year one, was towards the hourly non-exempt employees. In fiscal year 2017, the compensation plan was changed to make it more consistent. It was consistent at 4% between classes and 3% between steps, which it wasn't consistent before. Additional classes were created, in order to move personnel closer to the rates they were supposed to be at. Some classes were combined, as there was some overlap. On the exempt side, they did a comparison of salaries that ranged from minimum to maximum. He stated that

the city has always had a compensation plan that for exempt employees there is always a low to a high range. The consultant looked at all the comparison cities in order to develop the mid-point for exempt employees. Staff then altered the ranges based on that mid-point. The goal was in year 1 was to take some of the salary positions that were well below the mid-point and get them at 95% of that mid-point. There were some positions that through the study proved that they were already getting paid what they should be getting paid. The study also showed that there were some that were above the mid-point. He stated that they wanted to focus on those positions that were below the mid-point. He further stated that what was supposed to happen in fiscal 2018, was do class corrections, which would center around the employees that are in the bottom classes. Then, it was proposed to address the Animal Control Specialist, which is being proposed this in this upcoming fiscal year 2019, it also talked about improving Equipment Operator I, II, III, which are front level employees, the estimate at that time was \$121,000.00. The plan had also shown changing the classes for Telecommunication & Lead Telecommunication Operators as well as Maintenance Technicians & Lead Maintenance Technicians. The plan also showed as for exempt, those positions that were not impacted the prior year. The total impact for year two was \$251,000.00 back then. At that time, Commissioner Garcia did bring up that this was a lot of money in year 2, which it proved to be that way. Year three was the year that they intended to provide a COLA and consider longevity pay. Garza stated that the reason these were in year three was because when you do a COLA it doesn't fix the disparity in pay. The updated compensation strategy is to take the recommendations provided by the consultant and convert the initial three year plan into a five year plan.

Mr. Garza showed the Commission the Compensation Plan Recommendation and see how they could turn this three year plan into a five year plan. Garza stated that in fiscal year 2017, the city spent \$187,000.00 of the plan recommended changes. Other things that the city spent an additional \$131,000 in additional contributions to the health fund. With collective bargaining and other things that the city needed to spend money on was a total cost, for fiscal year 2017, \$629,000.00 on compensation and benefits. Fiscal year 2018 was the year the city couldn't do anything. The only change was for the Lead Telecommunication Operators. This is also the year that the city spent an additional \$238,000 for health insurance, which was not shared with employees. Garza stated that for the upcoming fiscal year, he would like to talk about the possibility of some type of compensation. Garza continued with giving some examples of the reclassification of certain positions and given a COLA this upcoming fiscal year. One recommendation is to increase the percentages of anniversaries for years 10, 15, and 20 years from 2% to 3%. Garza went on to say the with the new health insurance contributions for the new year, which is not included in the budget is \$50,000. This amount can come from fund balance or come from departments and update the budget for the new fiscal year.

Mayor Fugate asked Mr. Garza what he would like to do.

Mr. Garza stated that there is pros and cons to both scenarios. If it is taken from fund balance, it can be done, but there is a risk involved with anything that is decided. This would depend on the long term philosophy is from the Commission, on the topic of insurance. Over the last two years, there has been a required contribution for insurance, as premiums increase every year. This is something that the city cannot control. If the city wants to keep premium expenses down, then the city would need to cut benefits, which is an options, but to keep the same benefits that the city has now, it will cost more money every year. Garza stated that another situation is that the \$50,000 impacts everyone differently as every insurance in each department is different. Some department would need to cut \$8,000 an other may only need to cut \$500, so every department would need to cut a different amount, as every department's insurance is different. Garza stated that the budget that has been prepared does not account for the additional cut. He stated that for the preparation of fiscal year 2018, He asked staff to cut 3% to 10% from their budget. His approach for the new fiscal year 2019 is to not ask staff to cut. His approach for the new fiscal year is that he would rather have less employees, and have those employees have the tools and

resources that they need to do their job, oppose to keeping more employees and having them cut on things that they will need to perform their duties. Garza stated that for fiscal year 2019, the city has \$350,000 proposed in the budget for compensation and benefits. In year 4, which will be fiscal year 2020, the only thing for that year is \$40,000 for collective bargaining, as the city collective bargaining agreement with the Fire Department was for four years and for Kingsville Police is was three year. He stated that maybe the city can try an address some of the changes in years 2020 or 2021 or if the Commission would like to have a discussion on what else staff can do for fiscal year 2019, this would be the time to have that conversation. Staff put some financial impacts on some pending items for non-exempt employees as staff realizes that non-exempt employees is a priority to the Commission. No cost impacts were done for exempt employees.

Mr. Garza went over some of the scenarios that staff worked on to give the Commission an idea on the financial impact to the city would be. Cost impact for reclassifications: Equipment Operator II, Scenario A from Class 6 to Class 8 with the estimated cost with benefits of \$82,000. Scenario B from Class 6 to Class 7 with the estimated cost with benefits of \$40,000. For Equipment Operator III: Scenario A from class 9 to Class 11 estimated cost with benefits \$26,786 and Scenario B: from Class 9 to Class 10, estimated cost with benefits &13,115. If the Commission was to choose scenario A, the cost would be around \$108,000 and for scenario B, \$53,000. Mr. Garza commented that these numbers are based off of snapshots, so these number can change.

Commissioner Hinojosa asked that for the Equipment Operator II and III positions, was this focused on the Street Department or all departments? Mr. Garza responded that this is all across the board. Commissioner Hinojosa asked if these departments had collective bargaining? Mr. Garza responded no.

Mr. Garza stated that staff also took into account the bottom three lower classes and moving them up one level. This would increase starting pay from \$10.00 per hour to \$10.40 an hour. This would impact 71 employees and the cost for this would be around \$62,000. He further stated that also coming from the study is the Telecommunication Operators. The scenarios would move them from Class 6 to Class 9 for a cost of \$40,000 and scenario B would be from Class 6 to Class 8 for a cost of \$24,958. All of the recommendations that came from the study come with an increase. Garza stated that staff needs to decide which of these items are of bigger priority to the city and in what order will they be taken care of. Garza provided the Commission with total cost for non-exempt pending changes. Scenario A changes only total to \$149,329; Scenario B changes only total to \$77,956; Scenario A changes plus changes to classes 1, 2, and 3 total to \$211,179; and Scenario B changes plus changes to classes 1, 2, and 3 total to \$139,806. He further stated that what is in the budget is \$87,000 for a 1% COLA across the board.

Commissioner Hinojosa asked that with all these changes, does it include the fringe benefits or is it gross salary? Mr. Garza responded that it was his understanding that they do include the fringe benefits.

Commissioner Leubert stated that just for clarification, that staff is giving them all these scenarios and what it would cost the city of non-exempt, and these are the frontline people, lower paying positions. She stated that any type of raise would be a bigger impact for them than anyone else. She further asked about the exempt and what is the cost of the exempt. She stated that staff is giving the Commission all the scenarios and the cost of each, but what did it cost for the exempt to get caught up to the standards. Leubert commented that her concern is the lower pay employees are the ones with bigger impact for small amount of money. She stated that with the COLA being requested of 1% across the board, which is great for everybody, but when you have two people working in an office and one is going to receive \$1,000 and the other is going to get \$300, its those disparities that really concern her. The other is the part-time employees going from \$10.00 to \$7.50 an hour.

Mr. Garza commented that he would like to clarify two points. One is that the original plan from the consultant was to address these disparities first before doing a COLA.

Commissioner Leubert commented that this was done for the exempt.

Mr. Garza responded that some corrections were done for exempt compensation in year 2017.

Commissioner Leubert further commented that last year nobody got anything.

Mr. Garza responded that there were those with anniversary increases that employees receive.

Commissioner Leubert commented that the City Manager also received a raise for his contract last year.

Mr. Garza commented that this was correct, although he doesn't remember when it went into effect, but he did receive a contract renewal in December of 2017.

Commissioner Leubert stated that last year, the telecommunicators received it, but this time staff is looking at a COLA across the board of 1%, which is great when someone is making a great amount of money, but when you are only making \$10.00 per hour, it's something, but 1% for someone making \$10.00 per hour verses \$20.00 an hour, there is a problem. She further stated that she was hoping that they could help the people that need it the most, which are the frontline employees.

Mr. Garza commented that he understands, but if the city had the money, the issue with the frontline employees would be addressed first, before doing a COLA. Staff is recommending a COLA as one hadn't occurred in several years. He stated that his priority as City Manager aren't just the non-exempt employees but all of the employees with the organization. He stated that from his perspective, the COLA was something that hit everyone.

Commissioner Leubert commented that every employee deserves what they earn.

Mr. Garza commented the purpose in showing the Commission the different options on the cost is because, if the Commission is not comfortable with an increase of 1% COLA, it will leave \$87,000 to be used for a different option he has presented. It is staff's recommendation to do a 1% COLA increase for the upcoming fiscal year.

Commissioner Leubert commented that she is not saying that a 1% COLA is not a good thing for employees. But the 1% for exempt and higher paid employees is a big increase for them. A 1% for the lower paid employees is someone's night out.

Mr. Garza stated that depending on the conversation that the Commission has this evening, there is a certain amount of money that staff has to work with. The purpose for the budget workshop is so that the Commission can all come into an agreement on whether to give a COLA increase or not which will give staff the opportunity to go back and make changes to the budget prior to bringing it back for adoption.

Commissioner Lopez commented that her concern is the lower paying positions are going to have to pay higher premiums now, so the 1% they will receive will not see it as they have to pay higher premiums. This will effect 119 employees.

Commissioner Leubert commented that the employees are receiving a good health plan, because if they go anywhere else for health care the premiums would be much higher.

Mr. Garza commented that the change of reclassifying 1,2,3,&4, it would impact 71 employees. He stated that in order to do this, 71 employees, which are lowest paid would see a 4%.

Commissioner Leubert made a comment this would be \$.40 an hour. Mr. Garza responded that this would depending on where they are at on the pay scale.

Commissioner Lopez commented that this was not good enough for her and further commented that their pay is too low.

Commissioner Leubert stated that she is looking at the type of work these employees are doing for \$12.50 an hour. She further stated that these employees work really hard for that hourly wage.

Mr. Garza commented that he agrees with what Commissioner Leubert is saying, and the study doesn't disagree with that either which is why it was recommended making these changes. The question is where to get the money from.

Mayor Fugate commented that nobody disagrees with comments made by Commissioner Leubert, but the question is, where do you find the money? He further commented if what is being asked is for staff to cut the budget on things that are needed in order to operate on.

Commissioner Leubert commented that they have a job with good benefits which is something that needs to be taken into account. She stated that the information that is being given to the Commission tonight, because if you don't have the monies to do these things, there will be no job for them. She further asked if the employee is receiving this information so that they understand why the city cannot pay them as much.

Mayor Fugate commented that other cities and counties in the surrounding areas, are still paying minimum wage. Fugate further commented that he is not saying that employees don't receive more, but the question is, where do you get the money?

Commissioner Leubert commented that a 1% is better than nothing, and the higher paid employees work really hard as well.

Commissioner Lopez asked Mrs. Alvarez if there giving a higher COLA does the amount have to be the same as it is a COLA increase? Mrs. Alvarez was not able to answer the question, as Commissioners continued to make comments.

Commissioner Hinojosa commented to give lower paying positions a 3% and as you go up on the hourly rate, give them lesser percentage.

Mayor Fugate commented that it is the same issue, where do you find the money to do this? He stated that it can said to give them more hourly money, a better COLA, but the question remains, where do you find the money to do this?

Commissioner Lopez commented that this is the reason for these workshops so that questions can be asked and maybe the City Manager can come up with a plan.

Commissioner Leubert asked, where did the Commission find the money for the City Manager's raise that was given last year when there was no money?

Commissioner Lopez also asked where was the money found for the raise?

Mayor Fugate responded that it was in the budget, and the raise that was given to the City Manager was money well spent and stated that everyone attending this meeting does a great job for the city, not just the minimum wage employees, it's everybody and the city must pay them all.

Commissioner Leubert commented that no has said that they don't work as hard.

Mayor Fugate commented that instead of spending time on discussing one class of employees when everybody deserves more money.

Commissioner Leubert stated that what she is saying is that everyone deserves a COLA increase.

Mayor Fugate stated to the City Manager that what is being asked from the Commission is for him to come up with a plan, so come up with a plan and more money for the Commission that is requesting these particular changes.

Mr. Garza asked if it is the Commissions desire for him to come up with this, this fiscal year? Mayor Fugate responded that it would be for this fiscal year.

Commissioner Leubert commented that what she is asking is that if staff can come up with one of the scenarios that was just mentioned as it is important to some of them as it is important to those employees that if by not having them, this work could not get done.

Mayor Fugate asked the Commission how they would like to see everyone that is in attendance at the meeting gone. He commented that the Commission is talking about one class of employees that the city has, when everybody deserves more money.

Mayor Fugate commented that the City Manager will come up with a plan.

Mr. Garza commented staff will look at what can be done for fiscal year 2019 in trying to address the lower paying positions. Garza commented that the plan is to come up with a 1% but for certain individuals, they would be receiving a 3% as staff is already accounting out of the \$87,000, them getting a 1%. Garza stated that he will provide some options to the Commission on things to cut make this happen.

Commissioner Hinojosa commented that he is aware of certain vacant positions that have not been filled, and is there any way that when employees leave not to fill that position. This would not include Fire, Police or Street, but any other department, if they have a vacancy, not fill it and do more for less.

Mr. Garza commented that staff already does this, after an analysis is done.

Commissioner Hinojosa commented that staff will need to still focus on the contributions to health care.

Mr. Garza commented that if the position has an employee there, that employee is contributing his/her part. If the position is vacant, then the city has to observe the entire cost for that position. Garza spoke about the compensation plan. What is to expect to see on this is a 1% COLA, change to Animal Control Specialist, creation of Equipment Operator 1 and rename them to Street Equipment Operator 1. Also included is the move accounting assistant from class 8 to class 9; move HR Admin II from Class 9 to Class 10 and title change to HR Specialist; move equipment operator II in Streets from Class 6 to Class 9 and rename the Street Equipment Operator II; change 1 Equipment Operator III position Class 9 to Class 14 and rename to Street Foreman. Also change other position starting rate from \$10 to \$7.50 (for high school students that are hired for part-time position). Other proposed changes is add full-time Maintenance Worker (Facilities); Add part-time Animal Care Attendant, PT Maintenance Worker (Parks); Change part-time Equipment II (Landfill) to Full-time; exempt anniversary increases standardized to 3%; rename Facilities Manager to Facilities Supervisor and change Class from ML6 to ML7; Police and Fire Collective Bargaining Agreements – increases range from 1% to 3.5% depending on ranks; and additional Health Plan funding of \$50,526.

Mrs. Diana Gonzales, Human Resources Director spoke about the Health Insurance Plan. The Stop Loss reimbursements was \$14,079.00 in July, 2018. For 2018, the total plan income is \$3,294,000.00 and total plan expenses is \$3,643,000.00, as of July. Notable changes and additions are the creation of 4 tiers for Employee premiums and expansion of Network availability to allow First Health in Christus Spohn Network Area at reduced co-insurance of 80/20. This will increase by \$5.15 per employee on the plan.

Policy changes for the upcoming proposed changes are to include three holiday; President's Day, Columbus Day, and New Year's Eve. Also included is the creation of a sick leave pool for employees to contribute sick leave hours for individuals with catastrophic illness. Employees would have specific times during the year to contribute leave to the pool. All employees would be eligible to apply utilize sick leave pool hours upon meeting specified criteria.

Commissioner Hinojosa asked that questions on certain figures that were presented to them on the fiscal year snapshot on the total health funding of \$3.5 million dollars and asked if this figure will replace the \$3.4 million dollars in the budget.

Mr. Garza responded that this was correct.

Commissioner Hinojosa further asked that with regards to the expenditures, and asked if 584 is stop loss premiums? Mr. Garza responded yes. Hinojosa further asked that the 570, shouldn't the expenditures be the same as the money that is being contributed to the fund, the \$3.5? Hinojosa stated that he did receive a breakdown of the 570, but his question was that the other fees that the city is paying out, such as generic prescription program and asked if these figures were negotiable?

Mrs. Gonzales responded that the generic program is based on, employees can purchase any generic medication. They pay their copay and all cost is covered. She further stated that if everyone use the generic cost, the city would only be paying a certain amount for medication. This is their fee based on our utilization.

Commissioner Hinojosa asked that the claims the city pays on the medicine, is that part of claims with the Health Insurance?

Mrs. Gonzales responded that there is another component of the medication. Brand name medication is billed separately. It has two components, there is the fee for the generic then you have the cost, which is an unknown number on the brand name medication, which results 70% on the city. Gonzales stated that they could only provide the information to the city based on the experience they have with the city, so they come up with those numbers.

Commissioner Hinojosa further stated that his question is there is \$3.5 million dollars are coming in and expenditures of \$570,000 less \$584,000, so the balance should go into the claims, where there is \$3 million dollars?

Mr. Garza commented that the true number spent this fiscal year is \$2.6 million dollars and projected to spend \$3 million for these claims. For staff to budget \$3 million for claims is a true historical numbers. Should that number be less, staff doesn't seem to think so, based on the history of how much the city is spending on claims this current fiscal year.

Mayor Fugate asked that it would be better for Commissioner Hinojosa to meet with staff, at a later time. This will allow staff to gather information to better answer his questions.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:02 P.M.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, TRMC, CMC, City Secretary

AUGUST 27, 2018

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON WEDNESDAY, AUGUST 27, 2018 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 4:15 P.M.

CITY COMMISSION PRESENT:

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

CITY STAFF PRESENT:

Jesus Garza, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Tom Ginter, Director of Planning & Development Services
Bill Donnell, Public Works Director
Rudy Mora, City Engineer
Deborah Balli, Finance Director
Derek Williams, IT
David Solis, Risk Manager
Diana Gonzales, Human Resources Director
Susan Ivy, Parks Manager
Cynthia Martin, Downtown Manager
Janine Reyes, Tourism Director
Ricardo Torres, Chief of Police
Adrian Garcia, Fire Chief
Stacie Pena, Accounting Supervisor
Charlie Sosa, Purchasing Manager
Emilio Garcia, Health Director
David Bodiford, Accounting Manager
Jessica Storck, Legal Assistant
Andrew Lugo, Intern
Israel Vasquez, Interim Golf Course Manager
Manny Salazar, Economic Development
Julian Cavazos, Lieutenant
Brad Allen, KPD
Bradley Lile, KPD
Pete Pina, Landfill Supervisor

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:15 P.M. with all five Commission members present.

CONVENE INTO BUDGET WORKSHOP At 4:15 P.M.:

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

Mr. Jesús Garza, City Manager gave a recap on what is to be discussed during today's workshop.

Commissioner Hinojosa commented that he notice that for the garbage fees, the 2018 expected annual there is \$2.6 and what was budgeted is \$2.8, and asked why the difference.

Mr. Garza responded that the garbage fees are made up of a combination of some of the fees from the bills and also from the external haulers. From staffs perspective, that are expecting \$2.8 but sometimes, some years are better than others.

Commissioner Hinojosa further commented that in 2016 there was \$2.7 and \$2.7 in 2017, which is why he is asking the question.

Mr. Garza commented that a few years ago, the city had to stop the outside haulers from dumping in the landfill due to capacity. Although now with the new sector, all is ok and now the city can continue its normal practice.

Commissioner Hinojosa stated that the city is classified as an original landfill and wished that it would be a City of Kingsville landfill, as our landfill is receiving a lot of garbage from other cities.

Mr. Garza commented that as it is expensive to run the landfill, the money it generates for the most part, takes care of itself.

Solid Waste Division

Mrs. Jennifer Bernal, Community Appearance Supervisor reported on the Recycle Center budget. The highlights for his division are an increase in supplies and services and an approved supplemental request for increase in professional hauler fees. The increase for the professional hauler fees is \$8,000. This is due to an increase in the cost of hauling recyclables from the provider. She stated that expenses may increase further due to the potential for a new contamination policy from the provider. Bernal stated that Republic Service has increased their fees for the green compactor.

Sanitation Collection Division

Personnel changes include COLA increases, decrease in TMRS rate, decrease in Workers Comp Experience modifier rate, change in health insurance coverage election. There is an approved supplemental request for increase in overtime. In operations, the changes are increase in supplies and a decrease in services and repairs. There is \$7,738 increase in overtime due to breakdowns and to ensure coverage when personnel are out on personal or sick leave.

Landfill Division

In operations, there is an increase in supplies and services and a decrease in repairs and maintenance. Capital outlay, removed prior year supplemental for a one-time purchase, \$20,000 repair to dozer and \$318,216 for Capital lease on the dozer. There is an approved supplemental request for Equipment Operator II, Part-time to Full-time. This would allow the rotation of staff.

Solid Waste Capital Projects Fund 87

Additional garbage fee approved in February 2008. Mr. Garza commented that this was intended to fund capital expenditures for the Solid Waste Department, specifically some of the garbage trucks. He stated that this funded a CO or debt in 2009, which is scheduled to be paid off in 2021. Staff recently brought forward a new capital lease for new garbage truck which will be from this fund that was created for that purpose. Expenditures for this fund, pays for part of the debt service on a CO Series 2009 that will be fully paid in 2021. Payments for the next three Fiscal years are FY19, \$56,000; FY 20, \$48,028; and FY 21, \$47,160. Other items in the budget are \$71,900 for rollouts and dumpsters; \$95,378 for Capital Lease for 1 commercial and 2 residential trucks; \$5,000 for tilt trailer; and \$50,000 for alley maintenance.

Landfill Closure Fund 90

Proposed budget in revenues for fiscal year 2018-2019, \$267,000. Expenditures, \$37,000 for Title V Air Permit Renewal. This fund does not get utilized every year. This fund has been used for expansions in the past. Fund is being reimbursed for City Hall projects. The City several years

ago borrowed money from this fund for the renovation of City Hall, so now we are on a payback schedule for it.

Commissioner Hinojosa asked if staff was going to transfer any funds from capital expenditures as this budget year, there was a transfer of \$97,000? Mr. Garza responded that this is for pay back, which there should be another one this year for the payback. Hinojosa stated that what he is talking about is the transfer from Fund 87, there was \$97,000 and now there is no amount for 2019. Mr. Garza commented that staff will look into this further.

Mr. Donnell commented that the permit renewal is a five year permit.

Engineering – General Fund

Mr. Rudy Mora, City Engineer, presented the budget for this fund. Changes in personnel are COLA increase, decrease in TMRS rate, and decrease in Workers Comp Experience modifier rate. In operations, decrease in supplies, repairs, and operating lease. There is an increase in services. There were three approved supplemental request for ArcGIS License, supplies for plotter, and for a Canon Copier Lease which is split funded with the Utility Fund 8000. Some notable changes 3,713 – ArcGIS License (Split with UF) for ArcGIS software is used to update our utility maps. We currently have one license and is used by our P/T GIS tech. The Engineering Assistant & Tech and Planning staff have received training on this software. The water and wastewater departments have been tasked with verifying the locations of the utilities, then we will accurately update the maps. There is \$330– Supplies for Plotter (Split with UF), for matte black ink and black ink are the most used colors. There is \$5,598– Canon Copier Lease (Split with UF) for the previous HP designjet 800 plotter is 18 years old and parts are nearly obsolete. It also isn't network capable. The recently purchased Canon ImagePROGRAF TX-4000 can plot, copy and scan in large format (24" x 36" paper). It has been utilized to scan 6 sets of construction plans, one of which was the Legends Apartments that contains 208 sheets. By creating an electronic file of the plans we can quickly assist a customer and respond to Open Records Requests efficiently.

Public Works – Service Center

Not much change in this division. Changes in operations, decrease in utilities.

Public Works - Garage

Changes in this division, in operations, COLA increases, decreases in TMRS rate, and decrease in Workers Comp Experience modifier rate. In operations, there is a decrease in supplies and services. There is one supplemental request that was approved for brake drum caddy and truck ramps. There was a removal of a prior year supplemental for a one-time purchase. Notable changes and additions, \$1,390 for the brake drum caddy. This is used to hold and lift brake drums for the commercial trucks during break repairs. Will assist in avoiding injury to employees.

Public Works - Streets

In personnel changes, same as other departments. There is an approved supplemental request for a change in classification of street positions to street construction positions. For operations, increase in supplies and repairs. Decrease in maintenance and leases. As for Capital Outlay, staff removed prior year supplemental for one-time purchase. Notable changes and additions, \$35,261 for Equipment Operators to Street Operators. This will increase compensation to Street Operators to assist with recruitment and retention to ensure full staffing levels. There was the removal of prior year one time supplemental for street sweeper.

Commissioner Hinojosa asked a question about the salary schedule. He stated that after looking at the total fringe benefits, there is a maintenance worker that has been with the city since 2015, and there is a drop on his insurance and asked for staff to double check on this. He further stated that it is showing \$4,700 in fringe benefits and everyone else looks like they have insurance. Mr. Garza responded that staff will look into this.

Street Fund 92

Mr. Mora reported that for this fund, for fiscal year 15-16, the budget was \$536,000 with activity at \$601,000. Fiscal year 16-17, the budget was \$937,000 with activity at \$854,694. Fiscal Year 17-18, budgeted \$812,000 with activity at \$812,000. This upcoming fiscal year 18-19, budgeted at \$812,000. Expenditures, \$812,000 in streets; the streets chosen for FY 18-19 maintenance were selected from prior years that were not addressed because of change in staff, weather delays.

Mayor Fugate asked what the timeline was for this project. Mr. Garza responded that the original timeline has already surpassed but, staff is hoping to address it by the end of the calendar year. This puts staff six months behind the original schedule as there were some turnover in staff within the Engineering Department. Garza stated that one thing he would like to note is that staff forgot to include the \$400,000 for Corridor Project; Caesar Avenue in the proposed budget. In this fund, there is a fund balance, at the end of fiscal year 19, of \$539,000 which doesn't account the \$400,000 for the Corridor Project. This will be included in the change list that will be presented during tomorrow's budget wrap up workshop. There is an updated end of FY 19 estimated fund balance of \$139,582.

Commissioner Lopez asked how far that project will go, from Sixth Street to? Mr. Garza responded that it will go to 14th Street. Commissioner Lopez stated that there are a lot of issues on Caesar.

Mayor Fugate commented that one of the reasons they choose this is that at this point, it can be saved. Mr. Garza responded that this was correct.

Commissioner Lopez asked if there were any plans for the other side of Caesar. Mr. Garza responded that it is not on the Corridor list. The discussion that occurred in March had Santa Gertudis between Armstrong and Sixth Street, as being the next corridor project. Mr. Garza commented that he can check the master list of corridor that was shared with the Commission, but he is not sure if it's on there or not, but it can be added. Commissioner Lopez commented that the area at Five Points, is really bad. Mr. Garza commented that the biggest issue on that road is closer to 14th Street. He further stated that staff can look into the one to block that is impacted on Caesar.

Commissioner Hinojosa commented that the stripping on Five Points, is hard to see and asked for staff to look into it. Mr. Donnell commented that this was for TXDOT, but staff would bring it up to them.

Mayor Fugate commented that the light is also hard to see as to whether it's green or red. You don't notice the color of the light until you are up close to it.

Mr. Mora displayed the list of street for the new fiscal year. This list is attached to the minutes as Exhibit A.

Commissioner Hinojosa asked if these streets were included in the budget. Mr. Mora responded that they were included in the budget.

Mr. Garza commented that this list of streets came from looking at the first 5 years of the plan and seeing which streets hadn't been addressed. The idea of the plan when it was created in 2013 was to address the worst streets first, but because of so many issues, staff has fallen behind on this. He further stated that the goal is to focus on it being a catch up year and try to catch up with all the streets that are in bad condition.

Commissioner Lopez commented that staff couldn't do the RFP as it was too expensive, but there was another plan that was going to look at. Mr. Garza commented that this was the plan that staff talked about earlier, which was paying the Street Division more money in order to staff it. He

further stated that the issue the city has is that it can't staff the positions. This makes it difficult to add positions, when can't even fill the ones that are currently there. This may create competition with other divisions, as some have Operators, it may create vacancies in other divisions if some of these Operators look at opportunities in the Street Division as it pays more money.

Commissioner Hinojosa asked if this division was fully staffed? Commissioner Lopez and Mayor Fugate made a response that there are 7 vacancies in this division.

Utility Fund 51

Mr. Garza commented that this Utility Fund budget is the first since 2011 that does not rely on the Fund Balance to operate. He further stated that the increase in revenues will assist in year 1 for maintenance of that plan.

Public Works – Water Construction Division

In this division the personnel changes are the same as all others. In operations, there is an increase in supplies and services, decrease in repairs and maintenance, and removed prior year supplemental for one-time purchase, which was a backhoe. As for Capital Outlay, staff removed prior year supplementals for one-time purchase. Notable change and additions, decrease in personnel related items via delaying the hiring of supervisor. Also, removed prior year one-time supplementals for \$1,500 for Radio Transceivers and \$60,000 for purchase of a backhoe.

Mayor Fugate asked how many miles of water lines is the city replacing annually. Mr. Donnell stated that new lines installed (new) is 490 feet and mains replaced is 130 feet.

Commissioner Hinojosa stated that the city increased its water rates by 2% and certain projects were going to be done and asked where these projects would be listed on the budget. Mr. Garza responded that they are in Fund 54, which staff will be going over later during this workshop.

Public Works – Water Production Division

In this division the personnel changes are the same as all others. In operations there is an increase in supplies due to chemical cost. A decrease in repairs and maintenance. There was an approved supplemental request of additional samples and hydrologist engineering services. Staff removed prior year supplementals for one-time purchases. Notable changes and additions, \$24,000 in additional samples and hydrologist engineering services. The additional samples include lead & copper sampling and increased bacteriological samples. The hydrologist is used for ground water in lieu of a civil engineer for water quality and is used only when needed. There was a removal of prior year one-time supplementals for: \$600 for radio transceivers, \$20,000 for rate model from HDR, and \$8,000 for rate study.

Mr. Joe Casillas, Water Production Supervisor commented that they have been sampling for lead and copper since 1992. Sampling was done every 6 months then went to yearly as the levels for lead and copper were very low. They continued to monitor and the levels remained the same then went on to every three years. He further stated that they have waivers and reduce monitoring. The introduction of Water Well 25, all the reduce monitoring was stopped having us go into full monitoring in 2017. This makes it going from 30 samples every three years to 60 samples every 6 months. This will continue until the State is satisfied that we are not causing any issues.

Ground Maintenance

In this division the personnel changes are the same as all others. In operations, there is an increase in supplies and repairs and decrease in services, repairs and maintenance.

Mayor Fugate asked how many employees are in this division. Mr. Donnell responded that there are three employees in this division.

Utility Billing

Mrs. Sharon Shaw, Collections Supervisor reported the budget for this division. Changes in personnel are the same as all others. In operations, there was a decrease in supplies and repairs. An increase in services and operating lease. There was two supplemental request for credit card transaction fees and for increase in postage. There was a removal of prior year supplemental for one-time purchase. Capital Outlay, there is an approved supplemental for a Kiosk.

Commissioner Hinojosa asked if the Kiosk is something that the city's customers are requesting or is it something that the city is coming up with and is it really needed? Mr. Garza responded that originally, when the city was going to move this site, there was talk about the Utility Billing moving into the Cottage Building, with it having a drive-thru setup. When those plans changed to not move the Utility Billing over to the Cottage Building, then conversations came into play regarding the idea of a Kiosk as a drive thru is not feasible of being done at the Municipal Building.

Commissioner Lopez commented that a drive-thru, people wouldn't have to get off their car to come in and pay their bill.

Mr. Garza commented that in the Municipal Building, it would be difficult to do a drive-thru. The Kiosk would alleviate for staff itself as staff is trying to find ways for efficiencies to improve customer service.

Commissioner Lopez commented that as an ex-employee of that department, and the upgrades that have occurred over the past years, waiting times are not an issue, as she has gone and did not see lines of customers waiting, as you would at the beginning of the month.

Mr. Garza stated that there is some consideration of afterhours for the kiosk, as office hours are only from 8:00 a.m. to 5:00 p.m.

Commissioner Hinojosa asked that if this enhances customer service, will there be a reduction in employees for those departments? Mr. Garza's response was that staff doesn't plan on reducing employees.

Mrs. Shaw continued with the notable changes and additions. There is \$53,000 in increase to credit card transaction fees. In prior budget yes, credit card fees were all recorded in General Fund and for FY 18-19, there is a better methodology to determine where these fees should be charged to \$2,00 for increase postage. Also there is \$28,568 for the Kiosk, which would provide a method for customers to make payment during off-hours and provide convenience to both Utility Billing and Municipal Court customers. There is also the removal of prior year supplemental for additional training and travel.

Meter Readers Division

In the personnel changes, those changes are the same as everyone else's. In operations, there is a decrease in supplies and repairs. An increase in services and maintenance. There are three approved supplementals for \$ 3,096 new meter software reading fees; \$900 new meter software license fee and \$360 new meter software license fee for each reader. Equipment and software was deemed obsolete by Badger Meter and they would no longer offer support on the equipment and thus necessitating the upgrade.

Commissioner Hinojosa asked if staff is planning on replacing all the meters with new ones.

Mr. Garza stated that there was a discussion about a year and a half ago about possibly replacing the meters themselves as there was some issues with the endpoints. At that time, staff wasn't aware of what was failing so staff pulled some meters and sending them to be tested. The testing validated that it was just the endpoint and not the meter. Garza stated that in term of the water meters, those were last replaced back in 2006, and have a lifespan of 20 years.

Wastewater Division

Personnel, same changes as all other departments. In operations, there is an increase in supplies and a decrease in services, repairs, and maintenance. There is an approved supplemental for electrical repairs. Staff removed a prior year supplemental for one-time purchase. Capital Outlay, removed prior year supplemental for one-time purchase. Notable changes and additions, \$22,000 increase for electrical repairs, for basic electrical repairs. Removed prior supplementals for \$1,200 for radio transceivers and \$43,782 for a skid loader.

Commissioner Hinojosa asked that once they get to Fund 54, the Polymer Blend Feeding System for \$9,237, is also listed again on Fund 54 and asked if the city was getting two. Mr. Donnell responded no. Mr. Garza stated that staff will double check on this as well.

South Plant

Same changes in personnel as all others. Operations, increase in supplies and maintenance and a decrease in services and repairs. Approved supplemental for electrical repairs and removed prior year supplemental for a one-time purchase for transceiver radios.

Sewer Construction

Personnel, same changes as all other. Operations, increase in supplies and maintenance and a decrease in services and repairs. Removed prior year supplemental for one-time purchase. Removal of prior year supplementals for \$36,620 for the purchase of lift station fencing. There is also \$93,615 for sewer camera shoring box and dump trailer.

Engineering – Utility Fund

Personnel changes are the same as all others. Operations has an increase in services and operating leases. A decrease in supplies, services and repairs. There are three approved supplementals, GIS license, supplies for plotter and Canon copier lease which is split funded with the General Fund. Notable changes and additions, \$3,713 – ArcGIS License (Split with UF) for ArcGIS software is used to update our utility maps. We currently have one license and is used by our P/T GIS tech. The Engineering Assistant & Tech and Planning staff have received training on this software. The water and wastewater departments have been tasked with verifying the locations of the utilities, then we will accurately update the maps. There is \$330– Supplies for Plotter (Split with UF) for the matte black ink and black ink are the most used colors. Also there is \$5,598– Canon Copier Lease (Split with UF) for the previous HP DesignJet 800 plotter is 18 years old and parts are nearly obsolete. It also isn't network capable. The recently purchased Canon Image PROGRAF TX-4000 can plot, copy and scan in large format (24" x 36" paper). It has been utilized to scan 6 sets of construction plans, one of which was the Legends Apartments that contains 208 sheets. By creating an electronic file of the plans we can quickly assist a customer and respond to Open Records Requests efficiently.

Mr. Garza asked Mrs. Balli if the Engineering Utility fund had some things at the half that the General Fund didn't have. Mrs. Balli responded that on the utility side, you would need allocate the audit fees and property insurance that the General Fund doesn't have. This is the only thing that is not split funded between the two funds. She stated that some of the things were split funded which you will then have to split the split, so some changes were made in the change schedule.

Mr. Garza commented that the audit fees were not a 50/50 split, they are on the utility fund side of Engineering.

Capital Improvements

This position is vacant at this time. This position has been advertised, had some candidates and but decided to revisit the job posting, increased the salary but didn't help.

Both Commissioner Hinojosa and Commissioner Lopez commented that maybe this position should go unfilled.

Mr. Garza commented that staff disagrees as there is a lot projects for the city.

Mr. Donnell commented that the previous Capital Improvement Manager received three grants for the city, Downtown Grant, Waterline Grant (CDBG), and one that should be awarded in October for an amount of \$300,000 for manhole rehabs.

Commissioner Lopez commented that the previous Capital Improvements Manager did a good job for the city.

Utility Fund Capital Projects Fund 54

Mr. Garza commented that historically these projects have been funded from Fund 51 and Fund 54. He stated that he has been trying to get them all from one fund. Total estimated cost for 10 year Capital needs equals to \$40 million dollars. The source of fund is to be determined. Total estimated cost for 10 year maintenance needs equals to \$6 million dollars. Source of funds is Fund 54 via Utility Rate increases. Fund 54 in Fiscal Year 19, will fund over \$600,000 in maintenance related items. Garza stated that on the maintenance side, staffs solution is to fund Fund 54 on a cash basis. Historically, these are projects that have always been done and these are projects that the city has dipped into reserves to pay for. The source of fund which is over \$6 million dollars will be coming from rate increases. Mr. Garza commented that when there was discussion on the rate increases, the Commission was given a list of projects that staff wanted to fund. Staff made some slight changes to the list based on the ability to complete some of those projects this year and some were added based on fund balance. Garza stated that staff is budgeting expenditures of \$606,000 with revenues being \$648,000.

Commissioner Hinojosa commented that what was given to them on the proposed expenditures, the isolation gate at the southside there is \$202,500 but on the budget there is only \$100,000, and asked if this was because of the fund balance.

Mr. Garza responded that the number that Commissioner Hinojosa is reading, was the number for the one project. That number was an engineering cost that was provide to staff. Staff went out on their own and getting a bid for how much it would cost if staff did it itself, instead of using an engineering company, which was cheaper so staff lowered that amount in the budget.

Storm Water Fund

This fund was created in 2012, to provide stormwater drainage service to collect and direct stormwater for benefitted properties within the utility service area upon payment of SW Drainage Utility Fee. Existing fee of \$2.25 is being recommended to remain the same.

Mr. Garza commented that if the Commission recalls, there was a billing error that was encountered recently that the city decided to absorb, due to having a fund balance in this fund, rather than back billing the customers.

Drainage Fund 68

Mr. Garza state that the debt service payment goes to pay for CO Series 2013 Drainage Fund. Expenditures are \$300,000 for curb and gutter; \$200,000 for drainage improvement (Concrete Street Phase); \$59,200 Sewer/Stormwater Mounted Cleaner; and \$750,000 for Master Plan Projects, to be determined. The drainage master plan was completed in August 2018. A presentation of the drainage master plan will be made in September, 2018.

Miscellaneous Infrastructure Updates

Sidewalk projects to begin in October. New sidewalks on King Street from 14th Street to the Highway. Upgraded sidewalks for ADA on 14th Street. Upgraded sidewalks for ADA on Santa Gertrudis between 14th Street to the highway. Corral mill & overlay from the highway to Armstrong to be done later this year and highway south expansion on schedule for 2020 start date, should be 60% complete by September.

There being no further discussion on the budget workshop, Mayor Fugate called for a break at 5:40 p.m.

REGULAR MEETING RESUMES AT 6:00 P.M.:

Mayor Fugate reconvened into the regular session of the agenda at 6:00 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)

Regular Meeting – August 13, 2018

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

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

1. Public Hearing on a *proposed* tax rate increase from \$.84220 to \$.90500 for Fiscal Year 2018-2019. (Finance Director).

Mayor Fugate announced and opened this public hearing at 6:02 p.m.

Mrs. Courtney Alvarez, City Attorney read the following Tax Rate Public Hearing Statement for the record:

The second public hearing on the tax rate will take place on Tuesday, September 4, 2018 at a Special City Commission meeting at 6:00 pm in the Helen Kleberg Groves Community Room, here at City Hall, 400 W. King Ave., Kingsville, Texas. The vote to adopt the City of Kingsville’s 2018-2019 fiscal year tax rate will take place on Monday, September 10, 2018 at a City Commission meeting at 6:00 pm in the Helen Kleberg Groves Community Room here at City Hall, 400 W. King Ave., Kingsville, Texas.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so now with a five-minute time limit. Additional time cannot be extended by City Commission.

There being no further comments, Mayor Fugate closed this public hearing at 6:03 P.M

III. Reports from Commission & Staff.²

“At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports, Utilities Billing Update; Police-Communications Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works; Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements,

Public Information, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Landfill Update, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation, Demolition Update, Planning Development Update, Golf Course Update, Municipal Court Update, Monthly Performance Report. No formal action can be taken on these items at this time."

Mrs. Courtney Alvarez, City Attorney reported that there is a scheduled budget workshop for Tuesday, August 28th at 4:15 p.m. A August 29th agenda has been posted in the event is it needed for budget a workshop. She further state that there will be a Special Commission meeting for Tuesday, September 4th to begin at 4:00 p.m. The next regular Commission meeting is scheduled for September 10th and reminded staff that the deadline to submit agenda items for this meeting is Thursday, August 30th. Also, open enrollment is scheduled for August 28th through August 30th in various city building locations. The City will also be hosting a Trash-Off day on Saturday, September 12th from 8:30 a.m. to 12:00 p.m. at its original location on 6th Street and Ave B.

IV. Public Comment on Agenda Items.³

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

No public comments made.

V.

Consent Agenda

Notice to the Public

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

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

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

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: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".

1. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Section 15-6-21-Definitions to include a definition for Brewery. (Director of Planning & Development Services).

2. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter XV, Article 6, Zoning, amending Appendix A-Land Use Categories to add Brewery. (Director of Planning & Development Services).

3. Motion to approve final passage of an ordinance amending the FY17-18 Budget to purchase a Lenco BearCat G3 vehicle for the Kingsville Police Department's SWAT Unit. (Police Chief).

4. Motion to approve expending funds from the City of Kingsville Employee Benefit Plan Trust for the 2018 City Health Fair (for employees and eligible dependents). (Human Resources Director).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

5. Consider authorizing purchase of a Lenco BearCat G3 (vehicle) for the KPD SWAT Team, via General Services Administration Federal Supply Service as per staff recommendation. (Police Chief).

Motion made by Commissioner Leubert to authorize the purchase of a Lenco BearCat G3 (vehicle) for the KPD SWAT Team, via General Services Administration Federal Supply Service as per staff recommendation, seconded by Commissioner Lopez and Commissioner Pecos. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Hinojosa, Fugate voting "FOR".

6. Consider a resolution authorizing the Fire Chief to enter into an Agreement for Training of Emergency Medical Services Students between the Kingsville Fire Department and Texas EMS Academy. (Fire Chief).

This agreement will allow Texas EMS Academy Students to conduct their required clinical ride-outs during their EMS training. The KFD will provide and accept EMS students for experience, training, and instruction in emergency medical practice and treatment aboard a Mobile Intensive Care Unit and or Advance Life Support while responding to actual emergencies.

Motion made by Commissioner Pecos to approve the resolution authorizing the Fire Chief to enter into an Agreement for Training of Emergency Medical Services Students between the Kingsville Fire Department and Texas EMS Academy, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Pecos, Lopez, Hinojosa, Leubert, Fugate voting "FOR".

7. Consider reallocation of CO2016 Funds for the purchase of a new engine for the Fire Department. (Fire Chief).

Mr. Adrian Garcia, Fire Chief stated that this is a two part request. One is for the reallocation of funds from the 2016 CO from the Downtown Revitalization to the vehicle account within the Fire Department.

Mr. Garza commented that this would be for the purchase of a new Fire Engine which was discussed last week during the budget workshop. It is being proposed to do this now as oppose to doing next year since it will take some time to receive it.

Commissioner Lopez asked for a status on the pumper that was being repaired.

Chief Garcia responded that after speaking with the Garage Supervisor, the pumper is at 90% complete, and if everything goes well, they should have it be the end of the week.

Motion made by Commissioner Leubert to approve the reallocation of CO2016 Funds for the purchase of a new engine for the Fire Department, seconded by Commissioner Pecos.

Commissioner Hinojosa asked that the new pumper will not be replacing any of the existing ones and will the others be kept as a spare?

Chief Garcia responded that with a new motor, he is hoping to get 5 to 8 years out of it and will be a reserve pumper at that point as it won't be used on a daily basis.

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

8. Consider authorizing purchase of a 2018 Pierce Enforcer PUC Pumper for the Fire Department via BuyBoard as per staff recommendation. (Fire Chief).

Motion made by Commissioner Pecos to authorize the purchase of a 2018 Pierce Enforcer PUC Pumper for the Fire Department via BuyBoard as per staff recommendation, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:11 P.M.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, TRMC, CMC, City Secretary

Description	Units	Price
FDC #111 8th-Nettie to Ella	1.00	\$31,003.79
FDC #112 Oris-Yoakum to Henrietta	1.00	\$12,048.42
FDC #113 Oris-Lantana to Jackson	1.00	\$14,035.19
FDC #114 Wanda-Lee to Alice	1.00	\$27,635.63
FDC #119 12th-Alice to Lee	1.00	\$28,892.53
FDC #120 Lee-Lantana to Armstrong	1.00	\$70,577.88
Overlay #121 Ave A-15th to 16th	1.00	\$17,610.63
Overlay #124 Huisache-Williams to Frances	1.00	\$15,973.46
Overlay #127 Wells-Kleberg to King	1.00	\$14,552.77
Overlay #128 15th-Warren to Doddridge	1.00	\$13,786.95
Seal Coat #130 15th - Lee to Yoakum	1.00	\$3,755.34
Seal Coat # 151 Lee - 7th to 12th	1.00	\$11,666.58
Overlay #156 Doddridge - 12th to 13 th	1.00	\$17,975.80
Overlay #158 Ave A - Wells to 1st	1.00	\$19,366.17
Overlay #161 Santa Monica - Santa Anita to	1.00	\$19,649.54
Overlay #163 Miller - 12th to 13th	1.00	\$31,513.07
FDC #168 Doddridge - 9th to 10th	1.00	\$37,291.78
FDC #169 16th - Ragland to Caesar	1.00	\$29,184.96
FDC #170 Doddridge - 2nd to 3rd	1.00	\$37,291.40
FDC #171 10th - Alice to Richard	1.00	\$29,184.19
FDC #172 13th - Ave D to Mesquite	1.00	\$29,184.24
FDC #173 4th - Richard to Santa Gertrudis	1.00	\$29,184.40
FDC #174 8th - Hoffman to Caesar	1.00	\$28,779.24
FDC # 175 Wells - Lee to Henrietta	1.00	\$29,995.05
FDC #176 12th - Lee to Henrietta	1.00	\$29,995.14
FDC #177 13th - Johnston to Fordyce	1.00	\$24,694.67
FDC #178 16th - Doddridge to Johnston	1.00	\$29,184.56
FDC #179 Wells - Huisache to Deadend	1.00	\$15,402.89
FDC #180 Hoffman - 1st to Franklin Adams	1.00	\$19,465.18
FDC #181 Ragland - 2nd to 3rd	1.00	\$37,291.42
FDC #182 Miller - 11th to 12th	1.00	\$55,848.13
Total		\$812,020.99

AUGUST 28, 2018

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON TUESDAY, AUGUST 28, 2018 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 4:15 P.M.

CITY COMMISSION PRESENT:

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

CITY STAFF PRESENT:

Jesus Garza, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Tom Ginter, Director of Planning & Development Services
Bill Donnell, Public Works Director
Rudy Mora, City Engineer
Deborah Balli, Finance Director
Derek Williams, IT
David Solis, Risk Manager
Diana Gonzales, Human Resources Director
Susan Ivy, Parks Manager
Cynthia Martin, Downtown Manager
Janine Reyes, Tourism Director
Adrian Garcia, Fire Chief
Stacie Pena, Accounting Supervisor
Charlie Sosa, Purchasing Manager
Emilio Garcia, Health Director
David Bodiford, Accounting Manager
Israel Vasquez, Interim Golf Course Manger
Pete Pina, Landfill Supervisor

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:15 P.M. with all five Commission members present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

Invocation and Pledge of Allegiance waived.

MINUTES OF PREVIOUS MEETING(S)

None.

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

None.

III. Reports from Commission & Staff.²

"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of

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

No reports made.

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)

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

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

Mr. Jesús Garza, City Manager gave a brief highlight on what was to be discussed in the this meeting; Miscellaneous Funds, Debt Service Funds, Change List, and Compensation.

Mrs. Deborah Balli, Finance Director reported on the following different types of funds for the City of Kingsville.

Miscellaneous Funds

Building Security - Fund 025

Revenues History are as followed: Fiscal Year (FY) 14-15 Budgeted was \$11,000 with Activity \$14,504; FY 15-16 Budget \$11,000 with Activity \$11,067; FY 16-17 budgeted

\$12,000 with Activity \$9,787; FY 17-18 budgeted \$10,000 with activity \$10,500. For fiscal year 18-19 the proposed budget is \$10,000. Revenues: \$3 on every conviction if governing body has passed required ordinance establishing building security fund; to be used only for security personnel, services, and items related to buildings that house the operation of the municipal court. Expenditures: Police Overtime for Court - \$10,000.

Municipal Court Technology - Fund 031

Revenue history, FY 14-15 budgeted \$14,500 with activity of \$19,458; FY 15-16 budgeted \$20,000 activity \$14,779; FY 16-17 budgeted \$15,000 activity \$13,019; and FY 17-18 budgeted \$13,000 activity \$13,000. For FY 18-19 proposed budget is \$13,000. Revenues: up to \$4 on every conviction if governing body has passed required ordinance establishing the municipal court technology fund; to be used only to finance the purchase of or to maintain technological enhancements for the municipal court. Expenditures: Professional Services - \$12,000; Court notification calls; Court component of Incode; Operating Lease - \$5,000, for copier.

Debt Service Funds - 011

GO Debt Service

Revenues: I&S Tax Rate, Expenditures – Tax Supported Debt Issues: CO Series 2011 – \$10,000,000; Original Issue Maturity Date – 09/30/2032; Total Principal & Interest Remaining - \$8,575,765; Payments split with UF (53.8504%-GF, 46.1496%-UF); 2019 Principal - \$525,000 x 53.8504% = \$282,715; 2019 Interest - \$268,425 x 53.8504% = \$144,548. CO Series 2013 (GORB) - \$1,260,000 Original Issue. Maturity Date – 09/30/2023; Total Principal & Interest Remaining - \$530,450; 2019 Principal - \$100,000; 2019 Interest - \$9,100; CO Series 2013 – \$5,230,000 Original Issue; Maturity Date – 09/30/2033; Total Principal & Interest Remaining - \$1,140,900; 2019 Principal - \$50,000; 2019 Interest - \$24,800. CO Series 2016 - \$6,740,000 Original Issue; Maturity Date – 09/30/2036; Total Principal & Interest Remaining - \$7,525,875; 2019 Principal - \$615,000; 2019 Interest - \$147,950; CO Series 2009 - \$4,270,000 Original Issue; Maturity Date – 09/30/2021 ;Total Principal & Interest Remaining - \$172,188; Split Funded (GF-15.831%, FD 087 – 84.169%); 2019 Principal - \$50,000 x 15.831% = \$7,916; 2019 Interest - \$6,000 x 15.831% = \$950.

UF Debt Service

Revenue Supported Debt Issues CO Series 2011 – \$10,000,000 Original Issue; Maturity Date – 09/30/2032; Total Principal & Interest Remaining - \$8,575,765; Payments split with GF (53.8504%-GF, 46.1496%-UF); 2019 Principal - \$525,000 x 46.1496% = \$242,286; 2019 Interest - \$268,425 x 46.1496% = \$123,877. CO Series 2011 – \$10,000,000 Original Issue. Maturity Date – 09/30/2032; Total Principal & Interest Remaining - \$8,575,765; 2019 Principal - \$525,000 x 46.1496% = \$242,286; 2019 Interest - \$268,425 x 46.1496% = \$123,877; CO Series 2013 - \$5,230,000 Original Issue; Maturity Date – 09/30/2033; Total Principal & Interest Remaining - \$4,380,150; Funded by transfer from Fund 055 Stormwater; 2019 Principal - \$195,000; 2019 Interest - \$95,200. Limited Tax Refunding Bonds Series 2014; 9,040,000 Original Issue; Maturity Date – 09/30/2025; Total Principal & Interest Remaining - \$6,428,275; 2019 Principal - \$790,000; 2019 Interest - \$126,650.

Transfers

Tourism Fund to General Fund 001: \$33,700 for ½ cost of Downtown Manager; \$6,947 for ½ cost of Maintenance Tech; \$35,000 for administrative annual allocation; Tourism Fund to Utility Fund 051, \$6,947 for ½ cost of Maintenance Tech; Tourism Fund to Façade Grant Fund 202, Façade Grant Funding. Utility Fund to General Fund 001, \$1,350,000 for administrative annual allocation; Utility Fund to Debt Service Fund 012, \$1,283,313 for debt service payments, \$100,000 – additional funding for interest only payment, \$195,000 – additional fund balance funding, \$1,250 – continuing disclosure; Utility Fund to UF Capital Projects Fund 054, \$646,000 Various CIP Maintenance Projects. Stormwater Fund to UF Debt Service Fund 012, \$290,450 for CO Series 2013 Debt Service Obligation; Solid Waste Capital Projects to General Fund 001, \$68,308 for John Deere Capital Lease Payment, \$47,135 for CO Series 2009 Debt Service Obligation; GF Capital Projects to General Fund 001, \$3,616 to close fund; Street Maintenance to General Fund 001, \$50,000 to offset

additional cost of Street Construction Crew. Economic Development to CLG Grant Fund 085, \$20,000 for grant cash match on design guidelines; FEMA to General Fund 001, \$70,228 for grant reimbursement received.

Fund 033 – CO Series 2016

Project Listing For FY 18-19: \$200,000 – Downtown Revitalization; \$116,372 – City Hall Complex Landscaping; \$600,000 – Fire Department Apparatus Pumper; \$2,300 – Health Department AC; \$8,552 – Health Department parking lot restriping and seal coating; \$13,750 – Health Department connectivity project; \$150,000 – City Green Parks Phase; \$145,000 – Parks Playground Equipment; \$110,000 – Brookshire Pool Decking & Sand Filter; \$90,000 – Dog Park; \$197,000 – Transfer out to TPW Grant for cash match; \$17,500 for Kiosk for Municipal Building.

Mrs. Balli stated that the Train Depot canopy was a project that was budgeted for next year, but will be finished within this fiscal year. This frees up \$17,500 for the Kiosk, and the difference for the \$28,000, \$6,000 will be funded out of Fund 051 and \$5,068 from Municipal Court Technology Fund.

Commissioner Hinojosa asked staff if the canopy has been installed at the Train Depot? Mrs. Balli commented that the project hasn't been completed, but it is set to be finished this year. Hinojosa further asked if there was money available for the Kiosk. Mrs. Balli responded that this was correct. Hinojosa stated that in the budget, it list \$17,500 for the canopy. Mrs. Balli commented that there was funds left over from this year, without staff having to touch the \$17,500, so staff is repurposing it and shifting things around to provide funding for some other things.

Mr. Garza went over the Change List. Change List is attached to the minutes as "Exhibit A".

Mr. Garza commented that staff budgets with a \$300,000 cushion, above 25% minimum. This would give staff the ability to do budget amendments that are needed throughout the fiscal year and any projects that come up, without going below the 25% reserve requirement. Garza stated that staff never spends above the budgeted expenditures, so it hasn't been an issue. But for budget purposes, the city has always had the practice of budgeting the \$300,000 cushion. For purposes of the budget, the budget that has been given to the Commission has a cushion of \$339,000 which was an intention on staff since they knew that things always come up through the budget workshops such as additions or missed items. This will make things easier for staff, because if staff doesn't have the extra cushion, then staff would have to look for ways to cut. Mr. Garza continued to talk about the Change List (Exhibit A).

Mr. Garza went over the fund balances. He stated that there is the 25% fund balance requirement for General Fund and Utility Fund. With this, the city is above minimum with \$395,000. If the city wanted to stay with the \$300,000 cushion, it would leave \$95,000 in the General Fund. Garza stated that because staff was able to fund the Utility Fund budget without dipping into the reserves, it allowed for that fund to stay at a healthy rate. Historically, the city was dipping into that reserve to budget and run the operation, so that reserve was taking a hit every year and having to be built up every year. He further stated that for the Utility Fund, there is \$1.3 million above the requirement of 25% fund balance reserve. If the same approach is taken as in the General Fund, a cushion of \$300,000, it leaves \$1 million dollars in fund balance available, should the need to address any issues that may come up with the Utility Fund. The Utility Fund shows \$36,000 in the positive, in terms of being balanced for next year. On the General Fund side, it is not balanced due the Parks and Golf Course deficit. Garza stated that the way this sits is that it is \$548,000 budget deficit. The operational deficit that the General Fund carries is close to the value of what the Golf Course and Parks deficit are, which has been this way for several years.

Commissioner Hinojosa asked for the breakdown on the deficit for both the Golf Course and Parks.

Mr. Garza stated that as it was stated in his budget message, the number that is listed on his budget message for the loss for the Golf Course Fiscal Year 2019 is budgeted at \$284,000.

Mr. Garza moved on to discuss Compensation. He stated that there is \$95,000 above the \$300,000 cushion in the General Fund. However, a deficit still remains due to the Parks. Depending on what the Commission would like to do, staff can take the \$95,000 and use it to lower the deficit or take it and use it for compensation. On the Utility Fund side, it is \$36,000 in the positive, due to staff removing the Kiosk from Fund 051 and also eliminated the redundancy in the Polymer.

A handout was passed out to the Commission. The handout is labeled, 5 Year Plan Proposal – Status Update. This Plan is attached to the minutes as “Exhibit B”.

Mr. Garza moved on to discuss compensation. He stated that what he would like to do with the funds that were just previous discussed, is changing Classes 1, 2, & 3 to Classes 2, 3, & 4. This would provide the 71 employees with a 5% increase, because at this point, it would be the 1% COLA plus the 4% increase that could come with the reclassing of those positions. This amount would be close to \$60,000. The amount is split between the General Fund and Utility Fund. As these positions operate in different areas. Another change was changing Equipment Operators II, and III's across the board. This fiscal year there was a change to the classification to the Lead Telecommunication Operators but not Telecommunication Operators, so it was included. Other change being recommended is to the Maintenance Tech. All these changes equate to \$95,000 in the General Fund and \$36,000 as possible available funding in both of these funds. This would increase the overall total fund spent on compensation and benefit enhancement to \$485,000 for fiscal year 2019. How this would compare to previous years, this current year the city did \$441,000 and previous year it was \$629,000. There would still be some items that would remain pending to possibly be addressed in fiscal year 2020. These items would be exempt employees and adjusting personnel to 100% of midpoint of longevity pay, which could be taken a look at next year. Garza stated that the direction that staff took from the last conversation regarding compensation was to consider keeping the cost of living adjustment (COLA) and taking a look at some of the lower paid positions. He stated that he is basing his recommendation based on recommendations that came from the study as well as some of the recommendations that were made by the Commission. A result that would occur, by making this change is that it would make minimum wage increase from \$10.00 to \$10.40 an hour, which is a 4% increase. So for those employees that are in Classes 2 and 3, they would be receiving a 5% increase, to include the 1% COLA. This change would impact 73 employees. For Equipment Operator II it would impact 25 employees; Equipment Operator III it would impact 7 employees; Maintenance Techs it would impact 4 employees; Lead Maintenance Tech would impact 1 employee and 12 Telecommunication Operators. This is based on conversations that occurred last week. This \$95,000 from the General Fund and \$36,000 from Utility Fund, which could be a 2% COLA across the board. Garza commented that there is a lot of things that can be done with this money, but it all boils down to what the priorities are and where the city wants to spend it.

Mayor Fugate asked that if a 2% is done across the board, does this affect the contract with the Firefighters.

Mrs. Diana Gonzales, Human Resources Director commented that under the Police contract there is no matching as there is no me to clause. Under the Fire Contract there is a me too clause for fiscal year 18-19 the increases range from 1% to 3.5%. If there is an additional 1% COAL increase, which would make it a total of 2%, it would impact one position within the Fire Department, which is the Fire Marshal position, they would get the additional 1%.

Commissioner Hinojosa asked that if the \$95,000 included all the fringe benefits. Mr. Garza commented that from his understanding it should include that.

Commissioner Lopez asked that if this was by giving the employees a COLA of 1% and doing the other changes.

Mr. Garza responded that this was correct, as it is already inclusive of the 1%. He further commented that for the employees that are in Classes 1, 2, & 3 even though the Class change equates to a 4%, they would receive a total of 5% as they would be receiving the 1% COLA plus the change that comes with the reclassification.

Mayor Fugate commented that he understands that some of the entry level employees are close to market right now but still need some help, but he hates to single out one segment of the city's employees. He further commented that he would prefer the idea of 2% COLA across the board.

Commissioner Leubert asked if the Mayor was saying a 2% across the board and no other changes. Mayor Fugate commented that what was mentioned was the 2% COLA across the board or the 5% changes including COLA.

Mr. Garza stated that the 1% COLA is \$87,000, so if they are to do a 2%, you can multiply that amount times 2 and add \$1,000 or whatever the impact would be for the one Fire Marshal position that would need to be addressed with the 2% COLA.

Mayor Fugate commented that he would like to see a 2% COLA across the board as oppose to making the changes to classes. Fugate further asked for each Commissioner to voice their opinion on this.

Commissioner Leubert stated that if she is understanding correctly, Mayor Fugate is recommending a 2% COLA across the board with no other changes. Mayor Fugate responded that this was correct, this is his recommendation.

Mayor Fugate asked Mrs. Alvarez for her opinion on how the Commission should take action on the decision on compensation. Mrs. Alvarez responded that for clarification, she would like to mention that the Street Operator adjustments are separated and apart and so they are still budgeted as well as other non-monetary changes to the compensation Plan.

Mayor Fugate asked staff if the Commission needs to decide on only doing a 2% COLA or doing the changes to the Classes.

Mr. Garza commented that it can be a combination of the two. The total value of both together is \$131,000, which you only need \$90,000 to make the 2% COLA. This would still leave close to \$40,000.

Mrs. Balli commented that she is wondering if the \$86,000 for the COLA includes benefits or was it right off the salary fringe schedule for just the 1%. Mr. Garza responded that it should have included it.

Commissioner Hinojosa commented if it didn't, he would still like to follow the Mayors recommendation of a 2% COLA across the board, as the city has a healthy fund balance and doesn't mind using it on employees.

Mayor Fugate asked Mrs. Alvarez how should the Commission handle making the decision, and asked if they should vote on it.

Mrs. Alvarez responded that no vote can be taken as there is not action item on the agenda for this. The Commission can state their personal preference so that the City Manager has information with regards to a consensus of where the Commission stands. All of the changes with regards to the budget would need to be decided tonight so that staff has time to run the numbers and prepare the ordinances that have to be placed in the packet at the end of the week for introduction on Tuesday.

Mr. Garza commented that he understands the comment about not singling out certain positions, but there are some critical positions that sometimes we run into issues. For example, this current fiscal year the pay for the Lead Telecommunication Operators was increased as the University increased their pay and so we have to compete with them in order to keep the positions filled. He stated that at one point, certain positions will have to be singled out for the purpose of retention and recruitment. As COLA are good and needed, it doesn't address some of the gaps that exist throughout the organization and comparison to the market, hence the recommendation from the study.

Commissioner Hinojosa commented that during a workshop it was mentioned to give employees three extra holidays, will this affect the Collective Bargaining Agreements or the Public Works Department as far as call outs go.

Mrs. Gonzales commented that regarding both Collective Bargaining Agreements, for both the agreements the holidays are listed. The Fire Agreement has a different number of holidays and Police has 11, as the city currently does. She further stated that if there is any change to the non-civil service or non-collective bargaining unit, it would be separate. The non-civil service employees, the number of holidays can be increased without affecting the current contracts.

Commissioner Hinojosa asked if the only additional cost for these holidays will be for Public Works.

Mrs. Gonzales responded that there are some non-civil service employees that happen to get called in, it would be considered a call-out if working on a holiday, which will be considered overtime.

Commissioner Hinojosa asked if this would be a large amount. Mrs. Gonzales responded that Manager's should manage their overtime, when they can.

Mayor Fugate asked for each Commission member to give their opinion on what they would like to see be given to the employees of the City of Kingsville.

Commissioner Hinojosa commented that he would like to give a 2% across the board.

Commissioner Lopez commented that she agrees with a 2% COLA across the board.

Commissioner Pecos made a comment that was not picked up on the audio.

Commissioner Leubert commented that she would like to see the changes to the Classes and a 2%.

Mr. Garza commented that there isn't enough money to do both.

Commissioner Leubert further commented that a 2% is a good idea, but would like to do the Class changes as well.

Mayor Fugate commented that the majority of the Commission would like to see a 2% across the board.

Commissioner Leubert asked how long is the city anticipating paying for the Parks and especially the Golf Course in the amounts that staff is looking at? She commented that she is aware that the city will not break even, but it is a lot of money that is going to the Golf Course that can be used for something else.

Mr. Garza commented that from staffs perspective, they are simply following the agreement that was approved by the Commission, which the agreement is a 20 to 15 year agreement.

Commissioner Leubert further asked that when does the city look at revenues increasing to the point where it is not going to be \$300,000 over budget.

Mr. Garza commented that the Commission has already approved the fee increases for the Golf Course but it is to be determined to see what that does for us this fiscal year. Even though you increase the revenues so are the expenditures as well.

Commissioner Leubert asked how many people is the Golf Course servicing with the amount of money the city is spending out there.

Commissioner Hinojosa commented that Golf Courses are not going to make money. They are simply a quality of life that the city is providing for the community.

Mayor Fugate commented that with the improvements being made, the possibility of the Winter Texans coming back is great. Fugate commented that the process for the budget workshops this year compare to last year, was a better and easier to understand. Fugate stated that the city is blessed to have great leadership and further thanked staff for all they do for the community.

As no further discussion is needed on the upcoming fiscal year budget, the Commission agreed to cancel the August 30th Special Meeting.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:16 P.M.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, TRMC, CMC, City Secretary

Changes to Proposed Budget Prior to Adoption

Fund	Line Item	Amount	Change Description
General Fund 001 - Proposed Budget		19,883,614.00	
001-General Fund	001-5-1030-31300	(2,000.00)	Removed amount inadvertently added to budget and not submitted through supplemental (postage_
	001-5-1604-31900	200.00	This was an approved supplemental that was not entered into the budget. (catering)
	001-5-1806-22600	(4,383.00)	Remove rugged laptop for parks. Supplemental was not approved.
	001-5-3000-31410	(1,856.00)	This should only be 1/4 the cost because it is split between division 3000 & 8000
	001-5-4400-31488	5,000.00	Minor Vet Care Increased
	001-5-1805-51100	1,678.00	Repair garage door on main Fire Station
	001-5-4503-59100	4,607.00	Replace 10 backflow preventers at various parks
	001-5-1805-51100	2,992.00	Acoustical ceiling tiles at the Police Department
	001-5-6900-80097	25,000.00	Add transfer to Vehicle Replacement Fund for Fire Department
	001-5-1806-22600	(11,978.00)	Remove Muni Bldg Computers - Funding in the current FY
	001-5-1801-21700	(1,000.00)	Remove Filing Cabinet
	001-5-1010-31400	(1,451.00)	Remove E-mail marketing
	Various Divisions	(5,435.00)	Adjustments to Personnel Items
	Total Adjustments	11,374.00	
	Adjusted Budget	19,894,988.00	
Tourism Fund 002 - Proposed Budget		726,026.00	
002-Tourism	002-5-1071-35000	30.00	Adjust Conner Museum obligation to
002-Tourism	Various Divisions	32.00	Adjustments to Personnel Items
	Total Adjustments	62.00	
	Adjusted Budget	726,088.00	
Golf Capital Maint Fund 026 - Proposed Budget		0.00	
026-GC Capital Maint	026-5-4502-59100	2,500.00	Additional grass seed for golf course
	Total Adjustments	2,500.00	
	Adjusted Budget	2,500.00	
MC Technology Fund 031 - Proposed Budget		17,000.00	
	031-5-1803-71200	5,068.00	To help fund Kiosk
	Total Adjustments	5,068.00	
	Adjusted Budget	22,068.00	

Changes to Proposed Budget Prior to Adoption

Fund	Line Item	Amount	Change Description
CO Series 2016 Fund 033 - Proposed Budget		1,650,474.00	
033-CO Series 2016	033-5-1030-71320	(17,500.00)	Remove Train Depot Canopy project as it is completed in FY 17-18
Notes only:		17,500.00	To fund Kiosk
		(145,000.00)	
		145,000.00	Parks Playground
		(197,000.00)	Parks Cash Match
		197,000.00	Transfer to Fund 094
	Total Adjustments	0.00	
	Adjusted Budget	1,650,474.00	
Utility Fund 051 - Proposed Budget		9,094,287.00	
051-Utility Fund	051-5-8000-31410	(1,856.00)	This should only be 1/4 the cost because it is split between division 3000 & 8000
	051-5-7002-54300	(9,234.00)	Duplicate entry for Polyblend Polymer Feed System. Also in Fund 054.
	051-5-6201-21100	(587.00)	Reduce supplies for additional funding
	051-5-6201-71200	(28,568.00)	Remove Kiosk
	051-5-6201-71200	6,000.00	To help fund Kiosk
	Various Divisions	(578.00)	Adjustments to Personnel Items
	Total Adjustments	(34,823.00)	
	Adjusted Budget	9,059,464.00	
Homeland Security Grant Fund 080 - Proposed Budget		0.00	
080-Homeland Security	080-5-2100-71200	55,520.00	New PD Grant #3593801 - Site Security and Tactical Team Upgrades
	Total Adjustments	55,520.00	
	Adjusted Budget	55,520.00	
SW Capital Projects Fund 087 Proposed Budget		414,721.00	
087-SW Capital Project	087-5-6900-80090	97,182.06	City Hall Payback Payment
	Total Adjustments	97,182.06	
	Adjusted Budget	511,903.06	
Street Maint Fund 092 - Proposed Budget		862,021.00	
092-Street Maintenance	092-5-3050-52100	400,000.00	Cesar Street project (Funds are available as we are ending FY 17-18 with over \$500k fund balance and estimating the same for FY 18-19)
	Total Adjustments	400,000.00	
	Adjusted Budget	1,262,021.00	

Changes to Proposed Budget Prior to Adoption

Fund	Line Item	Amount	Change Description
TXPW Grant Fund 094 - Proposed Budget		0.00	
094-TXPW Grant	094-5-4503-59100	421,000.00	Grant Expenditures (match + revenues)
	Total Adjustments	421,000.00	
	Adjusted Budget	421,000.00	
EDC Fund 098 - Proposed Budget		145,000.00	
098-EDC Fund	098-5-1060-31400	(20,000.00)	Remove Tax payment on 11 acres
	098-5-1060-31444	5,000.00	Donation to Conner Museum
	Various Divisions	(553.00)	Adjustments to Personnel Items
	Total Adjustments	(15,553.00)	
	Adjusted Budget	129,447.00	
Insurance Fund 138 - Proposed Budget		4,155,389.00	
138-Insurance Fund	138-5-1800-39000	16,686.00	Add \$16,686 to expenditures for network expansion costs
	Total Adjustments	16,686.00	
	Adjusted Budget	4,172,075.00	
FEMA Fund 601 - Proposed Budget		0.00	
601-FEMA	601-5-6900-80001	70,228.00	Record transfer out to 001 - Grant reimbursing GF
	Total Adjustments	70,228.00	
	Adjusted Budget	70,228.00	

CITY OF KINGSVILLE
5 YEAR PAY PLAN PROPOSAL - STATUS UPDATE

COMPENSATION PLAN RECOMMENDATIONS		Achieved (V) Proposed (P)	Year 1 FY 2016-2017	Year 2 FY 2017 - 2018	Year 3 FY 2018-2019	Year 4 FY 2019 - 2020	Year 5 FY 2020-2021
Non Exempt Rate Schedule Standardize 4% between Classes & 3 % between Steps		✓	\$ 104,880.24				
Non Exempt Classification - Combine Classes 7 and 8		✓	\$ 17,387.32				
Non Exempt Classification - Combine Classes 9 and 10		✓	\$ 777.16				
Exempt - adjust personnel due to DOL Overtime Proposed Regulations at time of budget preparation		✓	\$ 21,710.89				
Exempt - Adjust personnel to 95% of public sector midpoint as per Public Sector Personnel Consultants compensation study		✓	\$ 42,726.85				
Adjust, correct and/or add classes per Public Sector Personnel Consultants compensation study suggestions		✓	\$ -				
Non Exempt Class Correction Animal Control Specialist		P			\$ 12,841.75		
Non Exempt Class Correction Equipment Operator I		P					
Non Exempt Class Correction Equipment Operator II		P			\$ 26,633.00		
Non Exempt Class Correction Equipment Operator III		P			\$ 10,473.00		
Non Exempt Class Correction Telecommunications Operator		P			\$ 24,958.00		
Non Exempt Class Correction Lead Telecommunication Operator		✓		\$ 16,702.45			
Non Exempt Class Correction Maintenance Technician		P			\$ 12,232.00		
Non Exempt Class Correction Lead Maintenance Technician		P			\$ 1,666.00		
Exempt - Adjust personnel to 100% of public sector midpoint as per Public Sector Personnel Consultants compensation study							
1% COLA for non-impacted Exempt positions (16)							
Update percentage of increase on anniversary of 10, 15, and 20 years forom 2% to 3%							
to standardize anniversary schedule		P			\$ 1,138.85		
Non Exempt and Exempt COLA and/or		P			\$ 87,001.19		
Non Exempt and Exempt Longevity - \$ 4 per year of service per month							
Financial Impact of Compensation Changes Per Year (Subtotal)			\$ 187,482.46	\$ 16,702.45	\$ 176,943.79	\$ -	\$ -
Other Compensation & Benefit Allocations							
Additional Health Insurance Premium Contributions			\$ 131,610.00	\$ 238,652.00	\$ 50,526.00		
Class Changes for Classes 1 - 3		P			\$ 57,542.00		
Compensation Plan Anniversary Increases *			\$ 107,099.38	\$ 71,309.12	\$ 78,375.87		
Collective Bargaining Commitments			\$ 203,209.01	\$ 114,585.69	\$ 121,739.75	\$ 40,004.75	
Other Compensation & Benefit Allocations (Subtotal)			\$ 441,918.39	\$ 424,546.81	\$ 308,183.62	\$ 40,004.75	\$ -
Total Funds Spent on Compensation & Benefit Enhancements			\$ 629,400.85	\$ 441,249.26	\$ 485,127.41	\$ 40,004.75	\$ -
* Includes Fire only for FY 19-20							

PUBLIC HEARING(S)

PUBLIC HEARING #1

INFO USING ACTUAL RATE

Notice of Adopted 2018 Tax Rate

CITY OF KINGSVILLE ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 0.79 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-13.47.

**§26.05(b) of Property Tax Code
Steps Required for Adoption of Tax Rate**

Entity Name: CITY OF KINGSVILLE

Date: 08/30/2018 04:08 PM

Language Required in the Motion Setting This Year's Tax Rate:

This year's proposed tax rate exceeds the effective tax rate. The vote on the ordinance, resolution, or order setting the tax rate must be a record vote. A motion to adopt the ordinance, resolution, or order must be made in the following form:

I move that the property tax rate be increased by the adoption of a tax rate of 0.84220, which is effectively a 2.74 percent increase in the tax rate.

Statement Required in the Ordinance, Resolution, or Order Setting This Year's Tax Rate:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

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 0.79 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-13.47.

Statement That Must be Posted on the Home Page of Any Internet Website Operated by the Taxing Unit:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

CITY OF KINGSVILLE ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 0.79 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-13.47.

2018 Governing Body Summary #1A*

Benchmark 2018 Tax Rates

CITY OF KINGSVILLE

Date: 08/30/2018 04:08 PM

DESCRIPTION OF TAX RATE	TAX RATE PER \$100	THIS YEAR'S TAX LEVY**	ADDITIONAL TAX LEVY
Effective Tax Rate	\$0.81971	\$6,984.703	
One Percent \$100 Tax Increase***	\$0.82791	\$7,054,575	\$69,872
One Cent per \$100 Tax Increase***	\$0.829710	\$7,069,913	\$85,210
Notice & Hearing Limit****	\$0.81971	\$6,984.703	\$0
Rollback Tax Rate	\$0.90582	\$7,718.442	\$733,739
Last Year's Tax Rate	\$0.842200	\$7,176,339	\$191,636
Proposed Tax Rate	\$0.84220	\$7,176,339	\$191,636

*These figures are provided as estimates of possible outcomes resulting from varying the tax rate. Please be aware that these are only estimates and should not be used alone in making budgetary decisions.

**Tax levies are calculated using line 19 of the Effective Tax Rate Worksheet and this year's frozen tax levy on homesteads of the elderly or disabled.

***Tax increase compared to effective tax rate.

****The Notice and Hearing Limit is the highest tax rate that may be adopted without publishing Texas Comptroller's Notice 50-819 and holding two public hearings (Notice 50-818 must still be published). It is the lower of the rollback tax rate or the effective tax rate.

Section 26.05(b) of Property Tax Code
Worksheet for Determination of Steps Required for Adoption of Tax Rate
CITY OF KINGSVILLE

M&O Tax Increase in Current Year	
1. Last year's taxable value, adjusted for court-ordered reductions. Enter Line 6 of the Effective Tax Rate Worksheet.	\$817,904,862
2. Last year's M&O tax rate. Enter Line 26 of the Rollback Tax Rate Worksheet.	\$0.69055/\$100
3. M&O taxes refunded for years preceding tax year 2017. Enter Line 28E of the Rollback Tax Rate Worksheet.	\$5,388
4. Last year's M&O tax levy. Multiply line 1 times line 2 and divide by 100. To the result, add line 3.	\$5,653,430
5. This year's total taxable value. Enter line 19 of the Effective Tax Rate Worksheet.	\$852,094,435
6. This year's proposed M&O tax rate Enter the proposed M&O tax rate approved by the Governing Body.	\$0.67708/\$100
7. This year's M&O tax levy. Multiply line 5 times line 6 and divide by 100.	\$5,769,361
8. M&O Tax Increase (Decrease). Subtract line 4 from line 7.	\$115,931
Comparison of Total Tax Rates	
9. Effective Total Tax Rate.	\$0.81971/\$100
10. This year's proposed total tax rate.	\$0.84220/\$100
11. This year's rate minus effective rate. Subtract line 9 from line 10.	\$0.02249
12. Percentage change in total tax rate. Divide Line 11 by line 9.	2.74%
Comparison of M&O Tax Rates	
13. Effective M&O Tax Rate. Enter line 30 of the Rollback Tax Rate Worksheet. Adjust for Sales Tax using Line 44 of the Sales Tax Worksheet, if necessary.	\$0.67179/\$100
14. This year's proposed M&O tax rate.	\$0.67708/\$100
15. This year's rate minus effective rate. Subtract line 13 from line 14.	\$0.00529
16. Percentage change in M&O tax rate. Divide line 15 by line 13.	0.79%
Raised M&O Taxes on a \$100,000 Home	
17. This year's taxable value on a \$100,000 home.	\$100,000
18. Last year's M&O tax rate.	\$0.69055/\$100
19. This year's proposed M&O tax rate.	\$0.67708/\$100
20. This year's raised M&O taxes. Subtract line 18 from line 19 and multiply result by line 17.	\$-13.47

**Worksheet for Calculation of Tax Increase
CITY OF KINGSVILLE**

Date: 08/30/2018 04:08 PM

1. 2017 taxable value, adjusted for court-ordered reductions. Enter Line 6 of the Effective Tax Rate Worksheet.	\$817,904,862
2. 2017 total tax rate. Enter Line 4 of the Effective Tax Rate Worksheet.	\$0.84220/\$100
3. 2017 tax levy. Multiply line 1 times line 2 and divide by 100. To the result, add ETR line 13.	\$6,895,278
4. 2018 total taxable value. Enter line 19 of the Effective Tax Rate Worksheet.	\$852,094,435
5. 2018 proposed tax rate. Enter the proposed tax rate approved by the Governing Body.	\$0.84220/\$100
6. 2018 tax levy. Multiply line 4 times line 5 and divide by 100.	\$7,176,339
7. Tax levy increase (decrease). Subtract line 3 from line 6.	\$281,061
8. Percentage levy increase (decrease). Divide line 7 by line 3. Multiply by 100.	4.08%
9. Notice & hearing limit. Enter the lower of the effective tax rate or the rollback tax rate.	\$0.81971
10. Percentage tax increase (decrease)*. Subtract Line 9 from Line 5. Divide result by Line 9. Multiply by 100.	2.74%

*Amount by which the proposed tax rate exceed the lower of the rollback tax rate or the effective tax rate. This figure was previously published in the Notice of Public Hearing on Tax Increase and the Notice of Tax Revenue Increase.

**§26.05(b) of Property Tax Code
Steps Required for Adoption of Tax Rate**

Entity Name: CITY OF KINGSVILLE

Date: 08/30/2018 04:08 PM

Language Required in the Motion Setting This Year's Tax Rate:

This year's proposed tax rate exceeds the effective tax rate. The vote on the ordinance, resolution, or order setting the tax rate must be a record vote. A motion to adopt the ordinance, resolution, or order must be made in the following form:

I move that the property tax rate be increased by the adoption of a tax rate of 0.84220, which is effectively a 2.74 percent increase in the tax rate.

Statement Required in the Ordinance, Resolution, or Order Setting This Year's Tax Rate:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

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 0.79 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-13.47.

Statement That Must be Posted on the Home Page of Any Internet Website Operated by the Taxing Unit:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

CITY OF KINGSVILLE ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 0.79 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-13.47.

INFO USING PROPOSED RATE

2018 Governing Body Summary #1A*

Benchmark 2018 Tax Rates

CITY OF KINGSVILLE

Date: 08/06/2018 02:43 PM

DESCRIPTION OF TAX RATE	TAX RATE PER \$100	THIS YEAR'S TAX LEVY**	ADDITIONAL TAX LEVY
Effective Tax Rate	\$0.81971	\$6,984,703	
One Percent \$100 Tax Increase***	\$0.82791	\$7,054,575	\$69,872
One Cent per \$100 Tax Increase***	\$0.829710	\$7,069,913	\$85,210
Notice & Hearing Limit****	\$0.81971	\$6,984,703	\$0
Rollback Tax Rate	\$0.90582	\$7,718,442	\$733,739
Last Year's Tax Rate	\$0.842200	\$7,176,339	\$191,636
Proposed Tax Rate	\$0.90500	\$7,711,455	\$726,752

*These figures are provided as estimates of possible outcomes resulting from varying the tax rate. Please be aware that these are only estimates and should not be used alone in making budgetary decisions.

**Tax levies are calculated using line 19 of the Effective Tax Rate Worksheet and this year's frozen tax levy on homesteads of the elderly or disabled.

***Tax increase compared to effective tax rate.

****The Notice and Hearing Limit is the highest tax rate that may be adopted without notices and a public hearing. It is the lower of the rollback tax rate or the effective tax rate.

NOTICE OF 2018 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF KINGSVILLE

A tax rate of \$0.90500 per \$100 valuation has been proposed for adoption by the governing body of CITY OF KINGSVILLE. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of CITY OF KINGSVILLE proposes to use revenue attributable to the tax rate increase for the purpose of quality of life improvements, which include increase to the Fire Department Personnel and increased focus on the maintenance of our City Parks.

PROPOSED TAX RATE	\$0.90500 per \$100
PRECEDING YEAR'S TAX RATE	\$0.84220 per \$100
EFFECTIVE TAX RATE	\$0.81971 per \$100
ROLLBACK TAX RATE	\$0.90582 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for CITY OF KINGSVILLE from the same properties in both the 2017 tax year and the 2018 tax year.

The rollback tax rate is the highest tax rate that CITY OF KINGSVILLE may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS
FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

MELISSA T. DE LA GARZA, PCC
KLEBERG COUNTY TAX ASSESSOR-COLLECTOR
700 E Kleberg, Kingsville, TX
361-595-8542
mtdelagarza@co.kleberg.tx.us
www.co.kleberg.tx.us

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: August 27, 2018 at 6:00 PM at Helen Kleberg Groves Community Room, City Hall, 400 W. King, Kingsville, TX.

Second Hearing: September 4, 2018 at 6:00 PM at Helen Kleberg Groves Community Room, City Hall, 400 W. King, Kingsville, TX.

2018 Planning Calendar CITY OF KINGSVILLE

Date: 08/06/2018 03:08 PM

Date	Activity
April-May	Mailing of notices of appraised value by chief appraiser.
April 30	The chief appraiser prepares and certifies to the tax assessor for each county, municipality, and school district participating in the appraisal district an estimate of the taxable value.
May 15	Deadline for submitting appraisal records to ARB.
July 20 (Aug. 30)	Deadline for ARB to approve appraisal records.
July 25	Deadline for chief appraiser to certify rolls to taxing units.
July 11, 2018	Certification of anticipated collection rate by collector.
July 27, 2018	Calculation of effective and rollback tax rates.
August 13, 2018	Submission of effective and rollback tax rates to governing body.
August 10, 2018	72-hour notice for meeting (<i>Open Meetings Notice</i>).
August 13, 2018	Meeting of governing body to discuss tax rate; if proposed rate tax rate will exceed the rollback rate or the effective tax rate (whichever is lower), take record vote and schedule public hearing.
August 19, 2018	Publish the Notice of Property Tax Rates by September 1 or the 30th day after the first date that the taxing unit has received each applicable certified appraisal roll. Notice must also be posted on the municipality's website.
August 24, 2018	72-hour notice for public hearing (<i>Open Meetings Notice</i>)
August 27, 2018	Public hearing.
August 31, 2018	72-hour notice for second public hearing (<i>Open Meetings Notice</i>)
September 4, 2018	Second public hearing (may not be earlier than 3 days after first public hearing); schedule and announce meeting to adopt tax rate 3-14 days from this date.
September 7, 2018	72-hour notice for meeting at which governing body will adopt tax rate (<i>Open Meetings Notice</i>)
September 10, 2018	Meeting to adopt tax rate. Meeting is 3 to 14 days after second public hearing. Taxing unit must adopt tax rate by Sept. 30* or 60 days after receiving certified appraisal roll, whichever is later.

*Tax Code Section 81.06 directs that if a date falls on a weekend, the deadline is extended to the following regular business day

TAX RATE PUBLIC HEARING STATEMENT

The second public hearing on the tax rate will take place on Tuesday, September 4, 2018 at a Special City Commission meeting at 6:00 pm in the Helen Kleberg Groves Community Room, here at City Hall, 400 W. King Ave., Kingsville, Texas.

The vote to adopt the City of Kingsville's 2018-2019 fiscal year tax rate will take place on Monday, September 10, 2018 at a City Commission meeting at 6:00 pm in the Helen Kleberg Groves Community Room here at City Hall, 400 W. King Ave., Kingsville, Texas.

In Schools

ancy issues. Moya replied that his officers work with campus counselors and will visit homes of truant students.

Trustee Steven Crites followed up by asking the district's principals for their thoughts on Communities in Schools.

Memorial Middle School Principal Alys Williams said the program has been "very valuable" on her campus. She said in addition to students lacking school clothing or supplies, there have been

times where they discovered through home visits that some "had no running water or lights."

"And through CIS, they were (families) put in touch with people and agencies that could help them," she said.

"Don't get me wrong, I would love the presence of police officers as well, but CIS offers a different type of service that our children truly need," she added.

Prado asked administration about "other entities" that provide school

supplies and clothing. Greenwood commented that none of those entities helped with restoring water and electricity.

"Does CIS turn on the water for them?" Prado asked.

"When I worked for CIS, I turned on water and electricity," Greenwood replied.

Trustee Cory Garza and board secretary Corando Garza both said as a former CIS employee, Greenwood was "biased" and should not vote on the con-

tract renewal. Greenwood responded that he was not biased, that he worked for CIS 20 years ago and that he would vote.

Prior to the vote, Taylor spoke directly to Prado about his earlier comments regarding her not attending KISD board meetings regularly. She said she oversees the program in 13 school districts, but Kingsville is her hometown.

"If the school board or the superintendent asked me to be here, I would be at every school board

meeting," she said. "I have never had that request to be here, and I would gladly come. My family lives here. Not a problem. I am invested in this community."

Prado said he took offense to Taylor bringing up other school districts serviced by CIS.

"I take offense to you mentioning that, because I don't care," he said. "I don't care about the other 12. I care about KISD. I'm on the KISD school board."

Prado also said Taylor did not need to be requested to attend their board meetings.

"Take the initiative to show up and give a presentation," he said.

Coufal then called for a vote, which Greenwood requested be a roll call vote. The board split 3-3, with Prado, Corando Garza and Cory Garza voting against and Greenwood, Crites and Yaklin voting in favor.

Coufal, who earlier in the discussion had said he was "very, very torn" in his thoughts on CIS, took a few seconds before finally voting in favor of the contract renewal to the applause of Living Legends committee members in attendance.

After the meeting, Taylor said she was appreciative to the board members who voted in CIS's favor.

"And I'm going to try my best to be here and give updates, just like Mr. Prado recommended," she said. "So we can let (the board) know what's going on."

Anthony Ruiz can be contacted at aruiz@king-ranch.com or (361) 221-0251.

NOTICE OF PUBLIC HEARING ON BUDGET

Notice is hereby given that a Public Hearing on the proposed City of Kingsville Budget for Fiscal Year 2018-2019 will be held on Tuesday, September 4, 2018, at 6:00 P.M. at the Helen Kleberg Groves Community Room, City Hall, 400 West King, Kingsville, Texas.

Using the proposed tax rate, which is the maximum rate available though it is not the rate the budget is based on, this budget will raise more total property taxes than last year's budget by \$816,177 or 11.84%, and of that amount \$113,383 is tax revenue to be raised from new property added to the tax roll this year.

Please note that the budget is actually built on the current tax rate of \$0.84220. A copy of the proposed budget is on file in the offices of the City of Kingsville City Secretary and the Director of Finance and on the City's website (www.cityofkingsville.com) since August 10, 2018, for the public to review. All interested citizens will have the opportunity to give written and oral comments at the Public Hearing.

NOTICE OF 2018 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF KINGSVILLE

A tax rate of \$0.90500 per \$100 valuation has been proposed for adoption by the governing body of CITY OF KINGSVILLE. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of CITY OF KINGSVILLE proposes to use revenue attributable to the tax rate increase for the purpose of quality of life improvements that include park improvements and enhancement of street personnel. Furthermore, the increase is attributed to compensation and benefit enhancements to City personnel as well as for IT enhancements.

PROPOSED TAX RATE	\$0.90500 per \$100
PRECEDING YEAR'S TAX RATE	\$0.84220 per \$100
EFFECTIVE TAX RATE	\$0.81971 per \$100
ROLLBACK TAX RATE	\$0.90582 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for CITY OF KINGSVILLE from the same properties in both the 2017 tax year and the 2018 tax year.

The rollback tax rate is the highest tax rate that CITY OF KINGSVILLE may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

MELISSA T. DE LA GARZA, PCC
KLEBERG COUNTY TAX ASSESSOR-COLLECTOR
700 E. Kleberg, Kingsville, TX
361-595-8542
mtdelagarza@co.kleberg.tx.us
www.co.kleberg.tx.us

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: August 27, 2018 at 6:00 PM at Helen Kleberg Groves Community Room, City Hall, 400 W. King, Kingsville, TX.

Second Hearing: September 4, 2018 at 6:00 PM at Helen Kleberg Groves Community Room, City Hall, 400 W. King, Kingsville, TX.

Culpepper

It is a journey that he says was inspired by his father, who is a diabetic amputee. Attending doctor's appointments and rehab sessions with his dad encouraged him to ask questions about his health and ways that he could help. It led to an interest in the medical field that continues to this day.

"The reason I'm so interested in health and health science is because of what I saw my Dad go through," Culpepper said. "It gave me a passion to want to help others and make a change for those who need assistance."

Culpepper has applied to several nursing programs around the state and hopes to continue his education after graduating from TAMUK. With a little help and practice, a win at the state and national American College of Sports Medicine championships might be the cherry on top of a promising career in medicine for the young student.

Whatever the future holds, Culpepper said he gives thanks to God, and just wants to make his family, co-workers, fellow students and faculty proud and thank them for their support and inspiration.

"Whenever I become successful, I just want to let my parents know this was because of them pushing me and inspiring me," Culpepper added.

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PUBLIC HEARING #2

In Schools

ancy issues. Moya replied that his officers work with campus counselors and will visit homes of transient students.

Trustee Steven Crites followed up by asking the district's principals for their thoughts on Communities in Schools.

Memorial Middle School Principal Alys Williams said the program has been "very valuable" on her campus. She said in addition to students lacking school clothing or supplies, there have been

times where they discovered through home visits that some "had no running water or lights."

"And through CIS, they were (families) put in touch with people and agencies that could help them," she said.

"Don't get me wrong, I would love the presence of police officers as well, but CIS offers a different type of service that our children truly need," she added.

Prado asked administration about "other entities" that provide school

supplies and clothing. Greenwood commented that none of those entities helped with restoring water and electricity.

"Does CIS turn on the water for them?" Prado asked.

"When I worked for CIS, I turned on water and electricity," Greenwood replied.

Trustee Cory Garza and board secretary Corando Garza both said as a former CIS employee, Greenwood was "biased" and should not vote on the con-

tract renewal. Greenwood responded that he was not biased, that he worked for CIS 20 years ago and that he would vote.

Prior to the vote, Taylor spoke directly to Prado about his earlier comments regarding her not attending KISD board meetings regularly. She said she oversees the program in 13 school districts, but Kingsville is her hometown.

"If the school board or the superintendent asked me to be here, I would be at every school board

meeting," she said. "I have never had that request to be here, and I would gladly come. My family lives here. Not a problem. I am invested in this community."

Prado said he took offense to Taylor bringing up other school districts serviced by CIS.

"I take offense to you mentioning that, because I don't care," he said. "I don't care about the other 12. I care about KISD. I'm on the KISD school board."

Prado also said Taylor did not need to be requested to attend their board meetings.

"Take the initiative to show up and give a presentation," he said.

Coufal then called for a vote, which Greenwood requested be a roll call vote. The board split 3-3, with Prado, Corando Garza and Cory Garza voting against and Greenwood, Crites and Yaklin voting in favor.

Coufal, who earlier in the discussion had said he was "very, very torn" in his thoughts on CIS, took a few seconds before finally voting in favor of the contract renewal to the applause of Living Legends committee members in attendance.

After the meeting, Taylor said she was appreciative to the board members who voted in CIS's favor.

"And I'm going to try my best to be here and give updates, just like Mr. Prado recommended," she said. "So we can let (the board) know what's going on."

Anthony Ruiz can be contacted at aruiz@king-ranch.com or (361) 221-0251.

NOTICE OF PUBLIC HEARING ON BUDGET

Notice is hereby given that a Public Hearing on the proposed City of Kingsville Budget for Fiscal Year 2018-2019 will be held on Tuesday, September 4, 2018, at 6:00 P.M. at the Helen Kleberg Groves Community Room, City Hall, 400 West King, Kingsville, Texas.

Using the proposed tax rate, which is the maximum rate available though it is not the rate the budget is based on, this budget will raise more total property taxes than last year's budget by \$816,177 or 11.84%, and of that amount \$113,383 is tax revenue to be raised from new property added to the tax roll this year.

Please note that the budget is actually built on the current tax rate of \$0.84220. A copy of the proposed budget is on file in the offices of the City of Kingsville City Secretary and the Director of Finance and on the City's website (www.cityofkingsville.com) since August 10, 2018, for the public to review. All interested citizens will have the opportunity to give written and oral comments at the Public Hearing.

NOTICE OF 2018 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF KINGSVILLE

A tax rate of \$0.90500 per \$100 valuation has been proposed for adoption by the governing body of CITY OF KINGSVILLE. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of CITY OF KINGSVILLE proposes to use revenue attributable to the tax rate increase for the purpose of quality of life improvements that include park improvements and enhancement of street personnel. Furthermore, the increase is attributed to compensation and benefit enhancements to City personnel as well as for IT enhancements.

PROPOSED TAX RATE	\$0.90500 per \$100
PRECEDING YEAR'S TAX RATE	\$0.84220 per \$100
EFFECTIVE TAX RATE	\$0.81971 per \$100
ROLLBACK TAX RATE	\$0.90582 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for CITY OF KINGSVILLE from the same properties in both the 2017 tax year and the 2018 tax year.

The rollback tax rate is the highest tax rate that CITY OF KINGSVILLE may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

MELISSA T. DE LA GARZA, PCC
KLEBERG COUNTY TAX ASSESSOR-COLLECTOR
700 E. Kleberg, Kingsville, TX
361-595-8542
mtdelagarza@co.kleberg.tx.us
www.co.kleberg.tx.us

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: August 27, 2018 at 6:00 PM at Helen Kleberg Groves Community Room, City Hall, 400 W. King, Kingsville, TX.

Second Hearing: September 4, 2018 at 6:00 PM at Helen Kleberg Groves Community Room, City Hall, 400 W. King, Kingsville, TX.

Culpepper

It is a journey that he says was inspired by his father, who is a diabetic amputee. Attending doctor's appointments and rehab sessions with his dad encouraged him to ask questions about his health and ways that he could help. It led to an interest in the medical field that continues to this day. "The reason I'm so interested in health and health science is because of what I saw my Dad go through," Culpepper said. "It gave me a passion to want to help others and make a change for those who need assistance."

Culpepper has applied to several nursing programs around the state and hopes to continue his education after graduating from TAMUK. With a little help and practice, a win at the state and national American College of Sports Medicine championships might be the cherry on top of a promising career in medicine for the young student.

Whatever the future holds, Culpepper said he gives thanks to God, and just wants to make his family, co-workers, fellow students and faculty proud and thank them for their support and inspiration.

"Whenever I become successful, I just want to let my parents know this was because of them pushing me and inspiring me," Culpepper added.

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jameskdb@icglobal.net

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Colorado Springs, CO 80915 888-755-6509
FINRA SIPC Member Firm

Proposed rate
→

CITY OF KINGSVILLE
Fiscal Year 2018-2019
Budget Cover Page
September 10, 2018

*actual
rate*

This budget will raise more revenue from property taxes than last year's budget by an amount of \$281,061, which is a 4.08 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$105,515.

The members of the governing body voted on the budget as follows:

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

* need info
after meeting

Property Tax Rate Comparison

	2018-2019	2017-2018
Property Tax Rate:	\$0.84220/100	\$0.84220/100
Effective Tax Rate:	\$0.81971/100	\$0.84299/100
Effective Maintenance & Operations Tax Rate:	\$0.67179/100	\$0.66670/100
Rollback Tax Rate:	\$0.90582/100	\$0.88682/100
Debt Rate:	\$0.16512/100	\$0.15165/100

Total debt obligation for CITY OF KINGSVILLE secured by property taxes: \$0

*
Need this
Amount

Steps Required for Proposal and Adoption of Budget

Entity Name: CITY OF KINGSVILLE

Date: 08/30/2018 04:08 PM

Steps for the Proposal of the Budget:

This year's property tax levy will raise more revenue from property taxes than in the preceding year. The governing body must hold a separate vote to ratify the property tax increase reflected in the budget. This vote must be in addition to and separate from the vote to adopt the budget or the vote to set the tax rate. Cities that maintain a website must post the proposed budget when it is filed with the municipal clerk. The adopted budget must also be posted on the website when it is filed with the municipal clerk.

The following statement must be included on the notices of public hearing on proposed budget. It must also be included on the cover page of the proposed budget, in 18-point type or larger.

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$281,061 OR 4.08%, AND OF THAT AMOUNT, \$105,515 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

Steps for the Adoption of the Budget:

-A vote to adopt the budget must be a record vote.

-An adopted budget must contain a cover page stating a record vote of each member of the governing body by name, the property tax rates for the current and preceding fiscal year, the total amount of debt obligations, and the following statement in 18 point font:

This budget will raise more revenue from property taxes than last year's budget by an amount of \$281,061, which is a 4.08 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$105,515.

-The budget and cover page must be filed with the clerk and posted on the entity's website at least until the date of the first anniversary the budget is adopted.

REGULAR AGENDA

AGENDA ITEM #1

ORDINANCE NO. 2018-_____

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, 2018 AND ENDING SEPTEMBER 30, 2019 IN THE PARTICULARS HEREINAFTER STATED.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS, that the budget for FY 2018-2019 is adopted as follows:

Section One: The official budget for the City of Kingsville for the fiscal year beginning October 01, 2018 and ending September 30, 2019 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 \$45,136,452 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 \$1,097,716 and interest is \$332,399.

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, 2018 and ending September 30, 2019. A copy of the official budget shall be kept by the City Secretary with the designation thereon as the official budget for FY 2018-2019, 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 4th day of September, 2018.

PASSED on this the 10th day of September, 2018.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

EFFECTIVE DATE: _____

CITY OF KINGSVILLE
Fiscal Year 2018-2019
Budget Cover Page
September 10, 2018

This budget will raise more revenue from property taxes than last year's budget by an amount of \$281,061, which is a 4.08 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$105,515.

The members of the governing body voted on the budget as follows:

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

* need info
after meeting

Property Tax Rate Comparison

	2018-2019	2017-2018
Property Tax Rate:	\$0.84220/100	\$0.84220/100
Effective Tax Rate:	\$0.81971/100	\$0.84299/100
Effective Maintenance & Operations Tax Rate:	\$0.67179/100	\$0.66670/100
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Debt Rate:	\$0.16512/100	\$0.15165/100

Total debt obligation for CITY OF KINGSVILLE secured by property taxes: \$0

*
Need this
Amount

Steps Required for Proposal and Adoption of Budget

Entity Name: CITY OF KINGSVILLE

Date: 08/30/2018 04:08 PM

Steps for the Proposal of the Budget:

This year's property tax levy will raise more revenue from property taxes than in the preceding year. The governing body must hold a separate vote to ratify the property tax increase reflected in the budget. This vote must be in addition to and separate from the vote to adopt the budget or the vote to set the tax rate. Cities that maintain a website must post the proposed budget when it is filed with the municipal clerk. The adopted budget must also be posted on the website when it is filed with the municipal clerk.

The following statement must be included on the notices of public hearing on proposed budget. It must also be included on the cover page of the proposed budget, in 18-point type or larger.

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$281,061 OR 4.08%, AND OF THAT AMOUNT, \$105,515 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

Steps for the Adoption of the Budget:

-A vote to adopt the budget must be a record vote.

-An adopted budget must contain a cover page stating a record vote of each member of the governing body by name, the property tax rates for the current and preceding fiscal year, the total amount of debt obligations, and the following statement in 18 point font:

This budget will raise more revenue from property taxes than last year's budget by an amount of \$281,061, which is a 4.08 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$105,515.

-The budget and cover page must be filed with the clerk and posted on the entity's website at least until the date of the first anniversary the budget is adopted.

AGENDA ITEM #2

ORDINANCE NO. 2018-_____

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, 2018 AND ENDING SEPTEMBER 30, 2019, 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 2018-2019 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 0.79 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-13.47.

The tax rate will effectively be raised by 0.79 percent and will raise taxes on a \$100,000 home by approximately \$ -13.47.

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 2018 starting October 01, 2018 and ending September 30, 2019, 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 \$.67708 on each one hundred dollars (\$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 \$.16512 on each one hundred dollars (\$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 2018 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 4th day of September, 2018.

PASSED on this the 10th day of September, 2018.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

EFFECTIVE DATE: _____

Notice of Adopted 2018 Tax Rate

CITY OF KINGSVILLE ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 0.79 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-13.47.

**§26.05(b) of Property Tax Code
Steps Required for Adoption of Tax Rate**

Entity Name: CITY OF KINGSVILLE

Date: 08/30/2018 04:08 PM

Language Required in the Motion Setting This Year's Tax Rate:

This year's proposed tax rate exceeds the effective tax rate. The vote on the ordinance, resolution, or order setting the tax rate must be a record vote. A motion to adopt the ordinance, resolution, or order must be made in the following form:

I move that the property tax rate be increased by the adoption of a tax rate of 0.84220, which is effectively a 2.74 percent increase in the tax rate.

Statement Required in the Ordinance, Resolution, or Order Setting This Year's Tax Rate:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

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 0.79 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-13.47.

Statement That Must be Posted on the Home Page of Any Internet Website Operated by the Taxing Unit:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

CITY OF KINGSVILLE ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 0.79 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-13.47.

2018 Governing Body Summary #1A*

Benchmark 2018 Tax Rates

CITY OF KINGSVILLE

Date: 08/30/2018 04:08 PM

DESCRIPTION OF TAX RATE	TAX RATE PER \$100	THIS YEAR'S TAX LEVY**	ADDITIONAL TAX LEVY
Effective Tax Rate	\$0.81971	\$6,984.703	
One Percent \$100 Tax Increase***	\$0.82791	\$7,054,575	\$69,872
One Cent per \$100 Tax Increase***	\$0.829710	\$7,069,913	\$85,210
Notice & Hearing Limit****	\$0.81971	\$6,984.703	\$0
Rollback Tax Rate	\$0.90582	\$7,718.442	\$733,739
Last Year's Tax Rate	\$0.842200	\$7,176,339	\$191,636
Proposed Tax Rate	\$0.84220	\$7,176,339	\$191,636

*These figures are provided as estimates of possible outcomes resulting from varying the tax rate. Please be aware that these are only estimates and should not be used alone in making budgetary decisions.

**Tax levies are calculated using line 19 of the Effective Tax Rate Worksheet and this year's frozen tax levy on homesteads of the elderly or disabled.

***Tax increase compared to effective tax rate.

****The Notice and Hearing Limit is the highest tax rate that may be adopted without publishing Texas Comptroller's Notice 50-819 and holding two public hearings (Notice 50-818 must still be published). It is the lower of the rollback tax rate or the effective tax rate.

Section 26.05(b) of Property Tax Code
Worksheet for Determination of Steps Required for Adoption of Tax Rate
CITY OF KINGSVILLE

M&O Tax Increase in Current Year	
1. Last year's taxable value, adjusted for court-ordered reductions. Enter Line 6 of the Effective Tax Rate Worksheet.	\$817,904,862
2. Last year's M&O tax rate. Enter Line 26 of the Rollback Tax Rate Worksheet.	\$0.69055/\$100
3. M&O taxes refunded for years preceding tax year 2017. Enter Line 28E of the Rollback Tax Rate Worksheet.	\$5,388
4. Last year's M&O tax levy. Multiply line 1 times line 2 and divide by 100. To the result, add line 3.	\$5,653,430
5. This year's total taxable value. Enter line 19 of the Effective Tax Rate Worksheet.	\$852,094,435
6. This year's proposed M&O tax rate Enter the proposed M&O tax rate approved by the Governing Body.	\$0.67708/\$100
7. This year's M&O tax levy. Multiply line 5 times line 6 and divide by 100.	\$5,769,361
8. M&O Tax Increase (Decrease). Subtract line 4 from line 7.	\$115,931
Comparison of Total Tax Rates	
9. Effective Total Tax Rate.	\$0.81971/\$100
10. This year's proposed total tax rate.	\$0.84220/\$100
11. This year's rate minus effective rate. Subtract line 9 from line 10.	\$0.02249
12. Percentage change in total tax rate. Divide Line 11 by line 9.	2.74%
Comparison of M&O Tax Rates	
13. Effective M&O Tax Rate. Enter line 30 of the Rollback Tax Rate Worksheet. Adjust for Sales Tax using Line 44 of the Sales Tax Worksheet, if necessary.	\$0.67179/\$100
14. This year's proposed M&O tax rate.	\$0.67708/\$100
15. This year's rate minus effective rate. Subtract line 13 from line 14.	\$0.00529
16. Percentage change in M&O tax rate. Divide line 15 by line 13.	0.79%
Raised M&O Taxes on a \$100,000 Home	
17. This year's taxable value on a \$100,000 home.	\$100,000
18. Last year's M&O tax rate.	\$0.69055/\$100
19. This year's proposed M&O tax rate.	\$0.67708/\$100
20. This year's raised M&O taxes. Subtract line 18 from line 19 and multiply result by line 17.	\$-13.47

**Worksheet for Calculation of Tax Increase
CITY OF KINGSVILLE**

Date: 08/30/2018 04:08 PM

1. 2017 taxable value, adjusted for court-ordered reductions. Enter Line 6 of the Effective Tax Rate Worksheet.	\$817,904,862
2. 2017 total tax rate. Enter Line 4 of the Effective Tax Rate Worksheet.	\$0.84220/\$100
3. 2017 tax levy. Multiply line 1 times line 2 and divide by 100. To the result, add ETR line 13.	\$6,895,278
4. 2018 total taxable value. Enter line 19 of the Effective Tax Rate Worksheet.	\$852,094,435
5. 2018 proposed tax rate. Enter the proposed tax rate approved by the Governing Body.	\$0.84220/\$100
6. 2018 tax levy. Multiply line 4 times line 5 and divide by 100.	\$7,176,339
7. Tax levy increase (decrease). Subtract line 3 from line 6.	\$281,061
8. Percentage levy increase (decrease). Divide line 7 by line 3. Multiply by 100.	4.08%
9. Notice & hearing limit. Enter the lower of the effective tax rate or the rollback tax rate.	\$0.81971
10. Percentage tax increase (decrease)*. Subtract Line 9 from Line 5. Divide result by Line 9. Multiply by 100.	2.74%

*Amount by which the proposed tax rate exceed the lower of the rollback tax rate or the effective tax rate. This figure was previously published in the Notice of Public Hearing on Tax Increase and the Notice of Tax Revenue Increase.

**§26.05(b) of Property Tax Code
Steps Required for Adoption of Tax Rate**

Entity Name: CITY OF KINGSVILLE

Date: 08/30/2018 04:08 PM

Language Required in the Motion Setting This Year's Tax Rate:

This year's proposed tax rate exceeds the effective tax rate. The vote on the ordinance, resolution, or order setting the tax rate must be a record vote. A motion to adopt the ordinance, resolution, or order must be made in the following form:

I move that the property tax rate be increased by the adoption of a tax rate of 0.84220, which is effectively a 2.74 percent increase in the tax rate.

Statement Required in the Ordinance, Resolution, or Order Setting This Year's Tax Rate:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

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 0.79 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-13.47.

Statement That Must be Posted on the Home Page of Any Internet Website Operated by the Taxing Unit:

This year's levy to fund maintenance and operations expenditures exceeds last year's maintenance and operations tax levy. The following statements must be included in the ordinance, resolution, or order setting this year's tax rate. The statements must be in larger type than the type used in any other portion of the document.

CITY OF KINGSVILLE ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 0.79 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$-13.47.