

**SEPTEMBER 12, 2003**

A SPECIAL MEETING OF THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS WAS HELD FRIDAY, SEPTEMBER 12, 2003 AT 12:00 P.M. IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS, 200 EAST KLEBERG AVENUE.

**CITY COMMISSION MEMBERS PRESENT:**

Filemon "Phil" Esquivel, Jr., Mayor  
 Charlie Wilson, City Commissioner  
 Horacio "Hoss" Castillo, City Commissioner  
 Al Garcia, City Commissioner  
 Arturo Pecos, City Commissioner

**CITY STAFF PRESENT:**

John Garcia, Interim City Manager  
 Courtney Alvarez, City Attorney  
 Stanley Fees, Director of Engineering  
 Corando Garza, Fire Chief/Asst. City Manager  
 Dora Byington, Director of Purchasing  
 Caron Vela, Interim Finance Director  
 Irene Ramirez, City Secretary

**I. Preliminary Proceedings.**

**OPEN MEETING**

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

Ms Dora Byington, Director of Purchasing, led the Commission and members of the audience in an invocation. Immediately thereafter, Mr. Luke Womack led the Pledge of Allegiance.

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

None.

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

1. None.

**III. Public Comment on Agenda Items.**

Clyde Allen, 722 W. Lee stated that he has a letter from the District Attorney of Galveston County stating that all 8-liners are illegal. He further stated that if the City is in a financial need the citizens should be made aware of the situation.

**IV. Petitions, Grievances, and Presentations.**

**1. Review and discuss department budget requests, revenues, new proposals and projections pertaining to the proposed fiscal year 2003-2004 budget. (Interim City Manager).**

Mr. Womack stated that the garbage rate increase is probably at the rate it needs to be but the sewer rate is \$4.00 but with the \$.50 increase it would be at \$4.50. He stated that Corpus Christi is \$13.56, Alice \$13.04, Victoria \$18.48 and Robstown \$13.55. He further stated even if they would increase it by \$2.00 more it would still be to low compare to other cities. He further stated that the \$340,000 is the remainder of 8-liner money that was moved into the Capital budget fund. He further stated that in order to accomplish this, the city would have to create a false alarm fee that is very costly to the Police Department to respond to false alarm calls and that would be \$18,000. He stated that he has analyzed the garbage rates and saw that the city is undervalued at \$286,000 and then will be loosing \$340,000 in revenue for the 8-liners and with reclassifying the Collections Dept. into the

Utility fund and out of the General fund because 95% of what is done has to do with the utility functions. He stated that the insurance reduction of \$161,000 in the general fund and \$39,000 in the utility fund is not additional reduction. He stated that the city is funding at \$1,150,000, which is equal to what was budgeted last year and that has not been built in yet. He stated that if they had to fund it full it would take about \$200,000 of which they have \$550,000 funded now. He stated that this is the same level funding.

Mayor Esquivel asked if the self-insure and health insurance plan is in good financial position.

Mr. Womack stated that it is at about \$550,000 cash reserve. He further stated that even if they had to fund it there would still be \$300,000 left on that fund balance. He stated that as long as the city can maintain this then it would give the city a lot of leverage. He stated if the city has a bad year then the city would have to start looking into next year to put back some money. He stated that \$300,000 would be the minimum fund balance that the city would like to carry at any one given time. He stated that \$45,000 was identified as overtime that has not been allocated at this time but feel it could be cut and another reduction of \$24,000 in maintenance expense. He stated that the need for rollouts is part of operating budget and that total is \$60,000. He further stated that if all that transpired the general fund would have a balance of \$7,222 fund balance excess for the year and in the utility fund would have \$236,000 surplus. He stated that the sewer rates must be increased in order to maintain the utility fund. He stated that one of the reasons the city is in the shape it is in is because of the third maintenance way to long in the utility fund. He further briefed the Commission on the city's budget. He stated that if the 8-liner money does not materialize in the capital projects the city still has a \$200,000 project at the Fire Department. He stated that these revenue numbers are only estimates and that anything could happen.

Commissioner Wilson asked questions in regards to some department line items and the dollar amounts that were requested.

## **2. Interim City Manager's Report. (Interim City Manager).**

Mr. John Garcia recognized the Public Works department for a job well done in responding to citizen's complaints that were received due to the rain.

## **3. City Attorney's Report. (City Attorney).**

Ms Alvarez stated that all ordinances that needed to be drafted for introduction are completed. She further stated that there are five to six new ones that are not included in the current budget revenue projections but if Commission approves they might have some increases. She further stated that a few of them are for the Sanitation Department for Special Pickups and two to three others for cellular towers that will go before the Planning & Zoning Commission for discussion.

## **4. Mayor and City Commissioner's Reports. (City Commission).**

Mayor Esquivel stated that he understands Mr. Allen's concerns but the City of Kingsville cannot determine whether or not the 8-liners are legal or illegal. He further stated that the County Attorney and the Kingsville Police Department would be briefing the City on September 15. He further stated that the city is not addicted to 8-liner revenues and request for Mr. Womack to address the issue regarding the 8-liner revenue. He stated that he would like to meet with Mr. Allen if he wishes to do so.

Mr. Womack stated that the last time Mr. Allen was at City Commission meeting \$300,000 was included in the operating budget but after meeting with the City Commission it was decided that the funds needed to be moved and not be part of the city's budget and should be moved into the general fund capital project fund for one time type purchases. He further stated that

Mayor Esquivel stated that he was concerned about the rumors that were being made throughout the city and he would like to clear the air once and for all. He further stated that he would like for Mr. Womack to further explain to Mr. Allen what the city's budget is based on.

Mr. Womack further explained to Mr. Allen that the city does have a balance budget. He further stated that the city is not going bankrupt and that the 8-liner money has been removed from the city's budget and placed in as capital improvement.

Mr. Allen stated that if the state agency decides to come down on 8-liner businesses that would be an embarrassment not only to him but also the city itself.

Mayor Esquivel requested for a copy of the ordinance dealing with the 8-liners be given to Mr. Allen so that he could understand what the city's position is in regards to the 8-liners.

Mr. Allen read to the Commission the letter of opinion from the District Attorney in Galveston County.

Mayor Esquivel stated that he would like to commend the Fire Department, Police Department and Public Utility employees for participating in Patriot Day. He further briefed the Commission on the Homeland Security Conference he attended in San Antonio.

**V. Items for consideration by Commissioners.**

1. None.

**VI. Adjournment.**

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Filemon "Phil" Esquivel, Jr., Mayor

**ATTEST:**

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Irene Ramirez, City Secretary

PRESENTED and ADOPTED by the Kingsville City Commission on this 27<sup>th</sup> day of April, 2004.

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Charles E Wilson, Presiding Officer

**ATTEST:**

  
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Edna S Lopez, Interim City Secretary