

AUGUST 11, 2004

A SPECIAL MEETING – BUDGET WORKSHOP OF THE KINGSVILLE CITY COMMISSION IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS ON WEDNESDAY, CITY HALL/ 200 EAST KLEBERG AVENUE, August 11, 2004 AT 11:00 A.M.

CITY COMMISSION PRESENT

Sam R. Fugate, Mayor
Charles E Wilson, Commissioner
Stanley Laskowski, Commissioner
Al Garcia, Commissioner
Arturo Pecos, Commissioner

CITY STAFF PRESENT

Carlos Yerena, City Manager
Courtney Alvarez, City Attorney
Edna S. Lopez, City Secretary
George Bejarano, Finance Director
Caron Vela, Accountant
Art Alvarez, Risk Manager
Diana Gonzalez, Human Resource Director
Jennifer D. Cantu, Director of Development Services
John Garcia, Garage Superintendent
Stanley Fees, City Engineer
Vilma Trevino, Director of Collections
Amanda Brungardt, Accountant Assistant

I. Preliminary Proceedings.

The meeting was opened at 11:10 A.M.

INVOCATION/ PLEDGE OF ALLEGIANCE– (Mayor Fugate)

City Manager Carlos Yerena led everyone in prayer. The Pledge of Allegiance and Texas Pledge followed.

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

1. None.

III. Public Comment on Agenda Items.³

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

None

IV. Petitions, Grievances, and Presentations.²

1. City Manager's Report. (City Manager).

City Manager Yerena reported that the downstairs air conditioner was now working; and that bids should be received at the end of week for a new unit.

2. City Attorney's Report. (City Attorney).

Ms Alvarez reported that she will be working with the City Secretary to poll everyone on scheduling budget workshops for next week. She mentioned that contact has been made with Mr. Love from the Love's Truck Stop and added that there may be an item on the next agenda.

She added that the law needed to be double checked if a public hearing is required. She also stated that she was trying to get things out of the way in order to take a vacation day on Friday.

3. City Commission's Reports. (City Commission).

Mayor Fugate announced that Tereso Mora, from Texas A&M Kingsville - Omega Delta Phi will be doing community service work on August 21, 2004 from 9:00 AM to 12:00 noon at Flores Park. Mayor Fugate also thanked Ms Susan Ivy, Park Director for assisting in this project.

4. Review and discuss proposed fiscal year 2004-2005 budget for departments of the City of Kingsville.

City Manager Yerena stated that basically what is being presented is black and white. He added that Mr. Bejarano and his staff have spent a lot of time coming up with information for the commission. He added that there is no anticipation for increasing the tax rate and discussion on this item will be done tomorrow.

Mr. Bejarano stated that recaps indicate the monies in the general fund and the utility fund. He also stated that Ms Melissa DelaGarza, Tax Assessor will make presentation tomorrow.

There was discussion on the tax rate deadline.

Mr. Bejarano stated that the budget has expenses of \$11,596,711 which in itself is \$416,910 as far as fund balance. He said that the Risk Management Secretary position will be eliminated and added that this budget scenario has a 4% or 5% increase. He added that a 4% increase with benefits would cost \$268,887. He said that a new position would cost \$59,400, and a part-time clerk in the City Manager's office would cost \$12,707. He said this in turn would leave \$108,339 fund balance for a 4% increase.

City Manager Yerena stated another position is a reclassification of the Utility Superintendent to Public Works Director.

Mr. Bejarano gave explanation of the 5% increase scenario.

Mayor Fugate commented that the County will be staying with Entrust. He mentioned that he would like for the City Manager to get with David Jacobs from Entrust, and Dr. Lopez from KISD.

Commissioner Wilson commented that he did not have problem with exploring that option, but did not want their pool of employees to dilute the good record of the City employees.

City Manager Yerena stated that they did have employees who were a liability.

Commissioner Laskowski asked if the \$3.00 fee which was being collected from each customer was going to the landfill closure fund. He further asked if the revenue from trash collection was going to the closure and post-closure. Mr. Bejarano stated just operations.

Commissioner Laskowski stated that Secor Engineering had broken down components of total cost per ton and said that a dollar figure was included of total cost per ton that was supposed to be allocated to closure and post-closure.

Mr. Bejarano stated he had spoken to Mr. Luke Womack, Accountant, so they can sit and look at numbers of what is owed to landfill closure, and money will be put back.

Commissioner Laskowski stated that the report from Secor gave actual amount that was to be dedicated to closure or post-closure. He added that Dianne Leubert, Solid Waste Superintendent would have copy of report.

Commissioner Garcia asked which employees were represented by the 5% raise versus 4% raise. Mr. Bejarano stated it includes everybody across the board in order to have a true figure.

Commissioner Garcia stated he had a concern that regular employees had not had a raise for three (3) years, and contractually the fire and police departments have had a raise every year.

Commissioner Garcia asked if considerations were made for a wish list or goals of commission. City Manager Yerena stated they tried, but there was not much breathing room in what can be done.

The first department was the Legal Department, Ms Courtney Alvarez at 11:40 A.M.

Ms Alvarez stated she had a concern with Professional Services, she said that she had requested \$35,000 but no less than \$30,000, and it came down to \$20,000. Ms Alvarez gave explanation for needing that much money.

The next department was Human Resources, Ms Diana Gonzalez at 11:47 A.M.

Mr. Bejarano stated that there is an increase in personnel services for \$7,000 and added that other than that everything else stayed the same. He stated that \$10,000 for employee training was moved to City Special account.

City Manager Yerena explained that this is for customer training.

There was discussion on the increase in salaries.

Commissioner Wilson asked why there was a \$5,000 increase in salaries and if there was a mechanism in place. Ms Caron Vela, Accountant answered that the Human Resource Director is due a 5% increase and the Secretary will receive a three (3) year increase.

The next department was Planning, Ms Jennifer Cantu at 11:55 A.M.

Commissioner Laskowski asked about the new position that was added.

City Manager Yerena explained that this was discussed at the team building workshop. He said that this person would be working on reinvestment zone for downtown, would assist small business community, public relations, Main Street, and would work on special projects.

Commissioner Laskowski asked if the salary for the Code Enforcement Officer was moved into this budget. Mr. Bejarano answered it had been.

City Manager Yerena stated that the new position's salary would pay up to \$59,000 with benefits.

Commissioner Laskowski stated that a building inspector would be more beneficial to the City because of all the growth.

Commissioner Pecos stated to leave salary, and then decide if salary would be used for an inspector or coordinator.

Commissioner Laskowski asked about the idea of using Hotel/Motel tax to pay for new position. Mr. Yerena stated that some of the funding is already allotted.

Mayor Fugate stated that he noticed that every department so far has an increase in travel expenses.

Mr. Bejarano stated that the reason was that inspectors need to be trained.

Ms Alvarez stated that budget form #4 gives explanation.

Ms Cantu explained line item for uniforms.

Mayor Fugate called for a lunch recess at 12:00 P.M.

The meeting reconvened at 12:23 P.M.

The budget workshop continued with:

Risk Management, Mr. Art Alvarez at 12:23 P.M.

Mr. Bejarano stated that the secretary's position at salary \$32,143, would be deleted. He also added that this department has a very little increase. He added that line item #105 Risk Insurance had dropped from \$270,000 to \$200,000.

Mr. Art Alvarez, Risk Manager stated the Workers Compensation dropped to \$32,000; City will receive a check for \$12,000 due to exposure down for General Insurance; and there is a savings of \$45,000.

Commissioner Garcia asked about policy coverage for the Police Department. Mr. Alvarez answered it is only under liability and not windstorm. He added that the elevated tanks will be insured for windstorms. He stated he is waiting for a quote from TML.

Mr. Alvarez mentioned that he budgeted for a truck to use in high waters.

Commissioner Laskowski questioned the increase for catering from \$5,900 to \$8000. Mr. Alvarez stated that this was for two events – June (Safety Week) and December (Safety Awards Banquet).

Commissioner Garcia asked about taking the safety incentive away. Mr. Alvarez responded that workers compensation would go up and morale would go down.

The next department was Garage Department, Mr. John Garcia at 12:28 P.M.

Mayor Fugate commented that he would like staff to look at a 2 or 3% increase. He also requested that staff calculate a gross amount for supplies and services for each department. He added that he wanted to see a prioritized wish list for capital improvements.

Mayor Fugate had to leave 12:30 P.M. and turned the meeting over to Commissioner Wilson.

Commissioner Laskowski asked about the \$26,000 increase in salaries. Mr. John Garcia stated that he did not tabulate information.

Commissioner Laskowski asked for number of employees in department. Mr. Garcia stated there were eight (8).

There was a question on increase of workers compensation. Ms Alvarez stated all departments have a discrepancy or increase on workers compensation. She added that last budget year, workers compensation rates were received after the budget was adopted and the rates had gone up.

Commissioner Wilson suggested this line item be re-evaluated.

The next department was City Manager, Mr. Carlos Yerena at 12:35 PM.

Commissioner Laskowski asked about the \$4000 increase in training and travel. City Manager Yerena answered that money was needed for him to travel. He added that the increase was due to anticipation of joining the Border Trade Alliance and the increase involvement of the South Texas Military Task Force.

The next department was Finance 180.1 & 181 – Finance, Mr. George Bejarano at 12:38 P.M.

Mr. Bejarano stated that the increase in salaries is due to the new Finance Director salary. He added that there was no Finance Director in that department last budget year.

Commissioner Laskowski stated that last year training and travel budget was \$49,994 with the same number of people at that time. Ms. Vela stated that no one attended TML at that time.

Commissioner Laskowski questioned the \$11,000 increase for salaries. Ms Vela stated that included the Finance Director's end of probation increase and step increases for other employees in the department.

Commissioner Garcia questioned minor equipment, from \$381 to \$3,000. Ms Vela stated that was for purchasing some furniture.

The next department was Finance 180.3 – Municipal Court, Mr. George Bejarano at 12:41 P.M.

Ms Vela stated that Professional Services had been moved to department 180.4. She explained that all software maintenance citywide has been moved to one line item.

Ms Alvarez pointed out that there are two (2) exempts. Ms Vela stated correction will be made.

The next department was Finance 180.4 – Computer Operations – Ms Caron Vela at 12:43 P.M.

Mr. Bejarano said that there was an increase in Professional Services due to the Encode Contract and salaries.

Ms Vela said that there was an increase of \$21,000 for adding new modules.

Commissioner Laskowski asked if the \$3,000 for training and travel was for one employee. Ms Vela answered that the next Encode training will be in Louisiana. She added that this employee also receives mileage pay for traveling to departments anyway from City Hall.

Commissioner Wilson asked about account #226. Ms Vela stated this was for a separate server for a new virus wall protection.

Mr. Bejarano stated that eventually all computers would be Dell systems.

Ms Vela stated that \$3,500 was for a color printer to be used for the newsletter and control purposes.

Ms Alvarez asked about the purchase of the copier in copy room. Ms Vela answered it was not a color printer.

The next department was Engineering 301, Mr. Stanley Fees at 12:49 P.M.

Mr. Fees stated that he was asking for a part-time secretary to take care of the administrative duties and added that this Secretary would be shared with Ms Cantu.

He added he had no problems with the rest of the budget. He said that he made a request in item #226 for \$1,800 for purchasing ARC software to be able to access GIS mapping.

Commissioner Wilson asked about the increase in travel and training. Mr. Fees responded that is for attending STAP meetings in Austin.

IV. Items for consideration by Commissioners. ⁴

1. None

V. Adjournment.

The meeting was adjourned at 12:55 P.M. by Commissioner Wilson.


Sam R. Fugate, Mayor

ATTEST:


Edna S. Lopez, City Secretary