

**AUGUST 24, 2004**

**A SPECIAL MEETING OF THE KINGSVILLE CITY COMMISSION WAS HELD IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS, CITY HALL/ 200 EAST KLEBERG AVENUE ON TUESDAY, AUGUST 24, 2004 AT 3:00 P.M.**

**CITY COMMISSION PRESENT:**

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

**CITY COMMISSION ABSENT:**

Arturo Pecos, Commissioner

**CITY STAFF PRESENT:**

Carlos Yerena, City Manager  
Courtney Alvarez, City Attorney  
Edna S Lopez, City Secretary  
Macario Mayorga, Water Superintendent  
Caron Vela, Accountant  
Linda Gerd, Task Force  
Robert Rodriguez, Library Director  
Dianne Leubert, Solid Waste Superintendent  
Rodolfo Mendez, Wastewater Construction  
Art Alvarez, Risk Manager  
Dora Byington, Purchasing Director  
George Bejarano, Finance Director  
George Crocker, Sergeant  
Arnold Valadez, Warehouse Clerk  
A L Noyola, Health Director  
John Garcia, Garage Superintendent  
Y I Hinojosa, Street Field Supervisor  
Vilma Castillo, Director of Collections  
Daniel Almeida, Wastewater Superintendent  
Frank Garcia, Wastewater Field Supervisor  
Tina Galvan, Field Supervisor  
Diana Gonzales, Human Resource Director  
Joe Casillas, Water Production Supervisor  
Ricardo Torres, Police Chief  
Barry Blackstock, Lieutenant  
Julian Cavazos, Lieutenant  
Jennifer Cantu, Director of Development Services  
Stanley Fees, City Engineer  
Roel Cavazos, Fire Marshal  
Al Lopez, Fire Captain  
Corando Garza, Fire Chief

**I. Preliminary Proceedings.**

Mayor Fugate opened the meeting at 3:06 P.M.

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

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

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

**1. None.**

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

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

**IV. Petitions, Grievances, and Presentations.<sup>2</sup>**

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

City Manager Yerena reported that the KWOP program was going well, and reminded the Commission that tomorrow was Media Day.

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

Ms Alvarez reported that the meeting with NAS was rescheduled for Wednesday, September 1<sup>st</sup>, 10:00 A.M.

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

None

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

Mayor Fugate suggested the budget procedure be handled by talking about where we are to begin and how much is needed to trim down to where we need to be.

Mr. Bejarano gave an overview of the revenues, expenditures, and various scenarios and added that TMRS, FICA and Insurance line items have been looked at and corrected. Overtime has been decreased by 10%, travel by 20%, and supplies by 10%. He added that a 5% increase in the Utility Fund would give a fund balance of \$494,000, a 4% increase \$508,000, a 3% increase \$527,024, a 2% increase \$532,627.

Mr. Bejarano said that the tax appraisal value is \$519,171,474; the sales tax proposal has an increase of 8% which is currently about 7%. He said that the increase of 1% relates to about \$29,500. He said that the new housing projects will be a big plus for the City. He said that revenues and expenditures have been looked at and they have been very conservative with the numbers.

Mayor Fugate said that because there is no fund balance it is going to be important to be conservative.

Mayor Fugate asked for the roll back rate. Mr. Bejarano replied that the notice of hearing limit is .70197. Mayor Fugate asked about the tax rate being set at .70197. Mr. Bejarano replied this would probably generate about \$100,000.

Commissioner Laskowski said that .70196 would give \$102,885.

City Manager Yerena said that several proposed positions were eliminated, the building inspector, and the part-time clerk. He said that it was decided that only one (1) person would be hired for the City Manager, Planning and Engineering Departments at a salary of \$19,000, for a total savings of \$58,970. He said that it was discussed that there would be \$200,000 for Streets, plus \$150,000 from TXDOT. He suggested having only \$125,000 in the general fund, instead of having \$200,000.

Mayor Fugate said that streets are top priority.

City Manager Yerena said that the ground work was laid out last year during the meetings with the CPA, Auditor and the City. He said that the City was told that it

would take a couple of years for it to get back on its feet. He said that the changes being asked of staff are things that can be done but it will take time. He added that the ideas being given are for their consideration.

Mayor Fugate said that it is important to work on our infrastructure. He added that if \$350,000 worth of material can't be worked out, then to do the best that can be done.

Commissioner Garcia commented that the building inspector is very important due to growth in the City. Mayor Fugate suggested coming back to the building inspector a little later.

Commissioner Laskowski asked Mr. Bejarano for his idea of a responsible fund balance. Mr. Bejarano replied that a \$100,000 fund balance would be what he would like to see.

The Commission then discussed the tax rate of .70196 and \$102,885 as the fund balance.

The Commission then discussed the insurance trust fund and consolidating with KISD and the County.

City Manager Yerena said that consolidating would not have a significant savings.

Commissioner Laskowski asked if \$185,000 is the current administrative cost. City Manager Yerena replied it is about \$175,000.

Commissioner Laskowski said that it is the responsibility of this commission to fund health care and to continue to fund what the employees have had all these years.

Mayor Fugate asked Commissioner Laskowski if he wanted to add another \$100,000. Commissioner Laskowski replied he would like to see what can be done.

Commissioner Wilson asked what the budget was built on for the City's obligation to STWA. Mr. Bejarano replied it was \$350,000.

Mayor Fugate asked if \$900,000 was needed to fund the certificates of obligation for our water program. City Manager Yerena replied those were the numbers that were mentioned.

The Commission then discussed how to proceed with the budget workshop.

#### **Department 100 - City Commission**

The Commission then discussed their budget, and changes were made to Accounts 217, 311, 314, 316, 317, & 319.

#### **Department 101 – City Manager**

Mayor Fugate asked staff if they felt confident that all FICA, TMRS, and Salaries were correct. Commissioner Laskowski replied all numbers were good. City Manager Yerena requested that Account #217 – Minor Equipment be decreased to \$2,500.

There was discussion on Account 215 – Motor Gas & Oil. It was decided that this account would be decreased to zero.

#### **Department 102 – Municipal Building**

Mayor Fugate requested the amount of \$50,000 be kept in Account #511, due to repairs need on the wall facing 6<sup>th</sup> Street.

**Department 103 – City Special**

There was lengthy discussion regarding Account #314 - Professional Services for \$36,000. The Commission requested staff get more information for the Professional Services account.

Ms Caron Vela said Account #316, \$36,000 was for EDC.

Commissioner Wilson said that \$20,000 was needed for the depot as per contract.

There was discussion on Account #314.08 Service Center Clean-Up.

City Manager Yerena requested Account #314.08 be decreased to \$5,000.

Mayor Fugate said to take out Account #327 – Attorney Fees, and to reduce the amount in Account #319.

Commissioner Laskowski asked for an explanation for the \$18,000 in Account #343 – Other Services. Ms Vela replied information has been requested from the Finance staff and will be brought down to the meeting.

There was also a question about Account #342. Ms Vela said that the banners, the City emblem, and the team building workshop were all paid out of this account. She said that this account is for unexpected things.

Mayor Fugate suggested Account #342 be decreased to \$4,250.

Commissioner Laskowski said that so far, a total of \$23,400 has been reduced.

Requested information was brought into the meeting and discussion followed.

Ms Vela said that \$6,875 is paid quarterly to the EDC.

Commissioner Wilson said that the amount to budget for EDC is \$27,500.

The Commission made a change to Account #343 – Other Services the account was decreased from \$18,000 to \$15,000.

Mayor Fugate requested that the Emergency Management Coordinator's salary be reclassified into a separate line item.

**Department 110 – Human Resource**

Changes were made to Account #111 – Salaries & Wages from \$70,300 to \$68,300, FICA and TMRS numbers were adjusted.

No other changes were made.

**Department 120 – Risk Management**

Commissioner Laskowski said that everyone was in agreement that Salaries, TMRS, and FICA totals would decrease due to changes in this department.

Ms Vela made changes to reflect only one employee in this department.

Commissioner Wilson said that Overtime should also be decreased, since the secretary's position was deleted and the other is a salaried position.

The Commission heard an explanation of the Safety Incentive Program.

The Commission then discussed purchasing or repairing the Risk Manager's city vehicle and mileage reimbursement.

Commissioner Laskowski asked Mr. Art Alvarez, Risk Manager, if his previous car allowance was rolled into his salary. Mr. Alvarez replied it was. Commissioner Laskowski then asked if the car allowance was ever rolled out. Mr. Alvarez replied it was never rolled out.

Ms Diana Gonzales, Human Resource Director explained that his car allowance was rolled out, and incorporated into his salary. She added that everyone's car allowance is rolled out before deducting FICA, except two employees; their car allowance was rolled back in to make it a part of their salary.

Commissioner Wilson said that Mr. Alvarez had received a raise.

Commissioner Wilson asked Mr. John Garcia, Garage Superintendent if Mr. Alvarez's vehicle has been in the shop for repair. Mr. Garcia said that Mr. Alvarez has no funds to repair his vehicle.

Commissioner Garcia expressed his concern regarding Mr. Alvarez using his personal vehicle.

The Commission requested funds totaling \$2,100 be put into Account #411 – Vehicle Maintenance for repairs to Mr. Alvarez's city vehicle.

Mayor Fugate requested the Safety Incentive account be decreased to \$45,000.

#### **Department 140 - Legal**

Mayor Fugate requested Professional Services be decreased to \$25,000.

Commissioner Garcia asked about the advantage of having books versus internet service. Ms Alvarez replied that books have been effective and helpful to her department on a number of times, and with regard to the internet service that is primarily used for case research. She advised the Commission that she will be reevaluating her internet contract.

#### **Department 160 – Planning**

There was discussion on salaries. Ms Vela said that all five (5) employees will be receiving step increases.

There was discussion on Overtime and Professional Services.

Ms. Jennifer Cantu, Director of Development Services said that overtime is for the secretary who attends after hour board meetings. She also said that Professional Services is used to pay for a licensed plumbing inspector at a fee of \$25.00 per hour, whenever a vacancy occurs in her department.

There were questions about Training & Travel. Ms Cantu replied that all her inspectors have to keep up their licenses, and her Planning Administrator needs to go to training.

#### **Department 170 - Recycling Center**

Commissioner Wilson asked why overtime is required at the Recycling Center. Ms Dianne Leubert, Solid Waste Superintendent replied that the operator works as an extra at the landfill, when needed, and on Saturday's when the volunteer does not show up.

Ms Leubert said that Supplies has increased due to more training courses being held at center. She said that the Motor Gas & Oil account is for the chipper, fork lift, and other equipment.

City Manager Yerena said that since no truck will be purchased, Motor Gas & Oil will be decreased to \$600.

Commissioner Wilson asked about Account #217 – Minor Equipment. Ms Leubert replied this was for a trailer, and new fans for the operation center.

#### **Department 170.2 – Sanitation**

Mayor Fugate requested the Overtime amount be decreased to \$12,500.

Adjustments were made to FICA and TMRS.

Commissioner Garcia said that the decrease in overtime was drastic, and asked where funds would come from if overtime is exhausted. Commissioner Laskowski replied from the fund balance.

There was discussion about Accounts #220 – Rollouts & Dumpsters; #217 – Minor Equipment; #226 – Computers & Associated; #311 – Communications; and #314 – Professional Services. Account #311 – Communication was decreased from \$2,000 to \$1,500; and Account #314 – Professional Services was decreased from \$6,000 to \$3,000.

There was discussion about Account #411 – Vehicle Maintenance.

Mr. John Garcia said that the amount requested needed to remain due to age of the vehicles.

#### **Department 170.3 – Landfill**

Mayor Fugate asked about Overtime. Ms Leubert replied that overtime is used for staying late with the garbage trucks and incidental foul weather.

Ms. Leubert said that State requirement is to have two spotters, and would like to hire an Operator II.

Commissioner Laskowski asked if \$30,000 was enough for Motor Gas & Oil. Ms Leubert replied it was not. Commissioner Laskowski requested Motor Gas & Oil be increased to \$35,500.

Ms Leubert then gave explanation of the rest of her budget and the needs in her department.

Mayor Fugate said that \$258,000 Landfill Closure Cost is a given.

**Mayor Fugate called for a break at 5:15 P.M.**

**The Commission reconvened at 5:30 P.M.**

#### **Department 180 – Finance**

Commissioner Laskowski said that there was a \$7,000 increase for Salaries. Ms Vela replied several employees are due step increases.

Commissioner Laskowski said that Account #217 – Minor Equipment had an increase of \$3,700 versus \$243. Mr. Bejarano replied that new desks, filing cabinets and payroll equipment are needed.

Mr. Bejarano said that Account #226 – Computer & Associated is for a much needed lap top to be used instead of carrying upstairs equipment into the Commission Chambers.

There was discussion about Account #314 – Professional Services and Account #316 – Training & Travel.

#### **Department 180.3 – Municipal**

Mayor Fugate commented that there were no changes.

#### **Department 180.4 – Computer Operations**

The Commission discussed the increase in salaries. The Commission recommended salaries be decreased from \$27,400 to \$26,250.

Other recommendations were to decrease Account #112 from \$1,350 to \$250; TMRS and FICA were also decreased.

Commissioner Laskowski asked about the amount in supplies. The Commission recommended Supplies be decreased from \$3,150 to \$2,000, Computer & Associated from \$8,500 to \$5,000 and Professional Services from \$5,000 to \$2,500.

#### **Department 181 - Purchasing**

There were no questions and no changes to this department's proposed budget.

#### **Department 210 – Police - Division 210.1- Administration**

Commissioner Laskowski asked about the collective bargaining requirement for clothing allowance. Ricardo Torres, Police Chief replied that this is for one (1) officer in this division. Commissioner Laskowski recommended this account be decreased from \$1,800 to \$900.

Mayor Fugate questioned the amount for overtime. There were no changes to the City administration recommended amount of \$1,980.

Mayor Fugate asked about Account #314 - Professional Services. Chief Torres replied that he will be using this for a consumer service survey. He explained that he wants to be able to use an instrument that is scientifically valid to be able to use that data to actually see what is being done and to correct things that are not being done. Mayor Fugate said this was money well spent.

There was discussion on Account #316 – Training and Travel, Account #319 – Catering, and Account #325 – Medical Treatment.

Commissioner Laskowski said that the budget that has been submitted has taken fund balances pretty low.

#### **Department 210 – Police – Division 210.2**

Mayor Fugate asked if the amount budgeted for salaries included all positions. Ms Vela replied that it did, but the new positions are reflected in Division 210.5.

Lt Barry Blackstock said that the amount being proposed for overtime is a 24.8% cut. He said that originally \$141,000 was proposed. He said that at that level the participation at La Posada stops.

There was lengthy discussion on salaries and overtime.

Lt Blackstock gave back \$10,000 from Account #217 – Minor Apparatus, and said that the tasers will be bought through the state forfeiture funds.

Lt Blackstock said he had asked for \$20,000 in Account #411 – Vehicle/Machinery Maintenance, due to the age of the vehicles. Mayor Fugate recommended \$20,000 be put there.

#### **Department 210 – Police – Division 210.3**

Sgt George Crocker said that Account #111 – Salaries could be decreased from \$294,111.00 to \$282,505.

Ms Vela made changes to TRMS and FICA.

There was discussion on personnel schedules and overtime.

Sgt Crocker asked that overtime be increased from \$16,724 to \$28,330.

Sgt Crocker said that the department has hired pre-certified dispatchers, but he would like to send them to a power phone course.

Mayor Fugate asked about \$45,000 in Account #311 – Communications. Sgt Crocker replied he had asked and needs \$50,000, but City Administration recommended \$45,000.

Mayor Fugate asked about Account #314 - Professional Services. Sgt Crocker said that he needed at least \$20,000.

Mayor Fugate asked for recommendation from the Commission, and then it was decided to change Account #311 to \$50,000 and Account #314 – to \$20,000.

There was discussion in reference to Account #226 – Computers & Associated which was increased to \$3,000.

Commissioner Laskowski asked City Manager Yerena to look into utilizing computers from City Hall for the Police Department.

#### **Department 210 – Police – Division 210.4**

There was discussion on salaries.

There was discussion on funding certain positions due to Police grants and employees serving in Iraq.

Mayor Fugate said that overtime should be decreased to \$17,000.

Ms Vela adjusted the TMRS and FICA accounts.

There was discussion about Account #226 – Computers & Associated and Account #316 – Training & Travel, no changes were made to these accounts.

Commissioner Wilson asked about Account #325 – Medical Treatment. Lt Cavazos replied this was required by law.

Lt Cavazos asked that Account #411 – Vehicle/Machinery Maintenance be increased due to age of vehicles. The Commission recommended the change of \$7,000 to \$9,000 for this account.

#### **Department 210 – Police – Division 210.5**

Chief Torres said that Salaries & Wages is to cover the additional slots not covered last year, which includes a Lieutenant, a Corporal and two detectives.

There was discussion on vacancies in this division.

Mayor Fugate asked what \$141,770 for Salaries represented. Chief Torres replied that a Lieutenant when promoted from Sergeant, a Corporal who is a Patrolman, and the two (2) officers who are at the Academy.

Mayor Fugate asked if these positions were filled last year. Chief Torres replied that they were not because money was not allotted.

Chief Torres explained that overtime will be increased if personnel are not hired.



Mayor Fugate said that he has a real problem with hiring people for positions that were not funded. Mayor Fugate asked the City Manager if he was aware of this.

City Manager Yerena replied that he was aware of this and that there was money within in the budget to make room for several employees who were left out.

Mayor Fugate asked for Staff recommendation. Ms Vela replied that the cost for two (2) positions, a Lieutenant and a Corporal with full benefits would be \$103,210.

There was discussion on the supplanting issues if positions are not funded.

Mayor Fugate asked for definition of supplanting. Chief Torres explained that supplanting is if you apply for a grant, you can't use the money to take over a position of somebody that you are paying, and if that happens, then you are in violation of the grant and you will owe the Federal Government over \$600,000.

Commissioner Laskowski said that the resolution states that there are forty-seven (47) officers funded. He added that whenever the City went to the SRO program which was funded by the grant, four (4) new positions were created with the understanding that in the final year the City has to agree as part of accepting this money, that the four (4) positions will be funded for at least one (1) year.

Commissioner Laskowski asked if the City took the governments money, but never filled the positions. Chief Torres replied that was correct.

Chief Torres gave explanation on how the grant works.

Lt Blackstock said that if audited and positions are not funded, there could be a penalty.

Commissioner Garcia said for there not to be any changes made in promoting personnel.

Mayor Fugate asked how much savings there would be if personnel was not promoted. Chief Torres replied roughly \$25,000 to \$30,000.

Commissioner Fugate asked for the Resolution breakdown of officers. Chief Torres replied the Police Chief, three (3) Lieutenants, six (6) Sergeants, (5) Corporals, and thirty-six (36) officers.

Mayor Fugate asked about Account #112 – Overtime. Ms Vela replied it was for SWAT training.

**Mayor Fugate called for a break at 6:55 P.M.**

**The Commission reconvened at 7:20 P.M.**

Mayor Fugate asked what if all positions were funded, but no promotions, how much money would be saved. Ms Vela replied she did not have a number.

Ms Diana Gonzales, Human Resource Director provided information on personnel salaries and added that there would be a savings of \$10,000.

Mayor Fugate asked for suggestions from the Commission.

The Commission then discussed the savings if personnel were not promoted.

Chief Torres said that he would prefer not to lose the ranks. He said that he would give up \$6,400 in Account #316 -Training & Travel, and to decrease Account #212 – Overtime to \$10,000 in order to fund the officers.

**Department 220 – Fire**

Commissioner Laskowski asked about the clothing allowance, and who is provided this service. Mr. Roel Cavazos, Fire Marshal replied it was for the Fire Chief and Fire Marshal.

Mayor Fugate asked about Overtime. Ms Vela replied that previously holiday buy back was included in this account, but just recently a separate line item was set up.

Commissioner Laskowski asked if there is a part of the overtime that is required as per Collective Bargaining. Al Lopez, Fire Captain replied that overtime is required by FLSA, but it is part of the contract. Captain Lopez said that about six (6) hours per individual per pay period is contractual.

Captain Lopez said that FLSA requires fourteen (14) hours per individual, but through the contract they have cut it down to six (6) hours.

Mr. Bejarano said that he would meet with Captain Lopez to discuss the overtime procedure. He said that this was discussed with the Fire Chief and he had agreed that it was okay.

There was discussion on what items are bought in Account #217 – Minor Apparatus.

Mr. Bejarano said that Account #217 has been decreased extremely.

There was discussion on Account #314 – Professional Services and Account #316 – Training & Travel.

Mayor Fugate suggested Account #314 be decreased to \$8,000 and Account #316 be decreased to \$21,528.

### **Volunteer Firemen**

There was discussion on the volunteer firemen pay.

The Commission discussed the Secretary/Treasurer salary and Training & Travel.

Commissioner Garcia asked if they are paid when they respond to a call. Mr. Cavazos replied that he wasn't sure how they are paid.

Mayor Fugate questioned the salary for the Secretary/Treasurer \$1,620 and the State Convention \$4,000, he added that is \$5,620.

Commissioner Garcia said he agreed with the training.

Mayor Fugate recommended Training & Travel be decreased by \$3,200 to \$800 for State Convention, and Secretary/Treasurer's salary be completely taken out.

Commissioner Garcia said that for the last six (6) years he has requested a copy of their audit. He requested that this Commission see an audit.

### **Department 301 – Engineering**

Mr. Stanley Fees, City Engineer requested that Account #226 – Computers & Associated be increased from \$1,300 to \$1,800 due to software needed for a new GIS Mapping system.

### **Department 302 – Service Center**

The Commission discussed Account #314 – Professional Services, Account #411 – Vehicle/Machinery Maintenance and Account #511 – Building Maintenance.

Mr. Arnold Valadez, Warehouse Clerk said that Professional Services was for pest control and monthly inspection of gasoline tanks. He said that he had allowed \$700 in Account #411 just in case he receives a vehicle this year.

Mr. Valadez said that the clean up could be done with our own crews. He said that only \$5,000 would be needed in the City Special account.

Mayor Fugate recommended \$700 from Account #411 be taken out.

#### **Department 303 – Garage**

Commissioner Laskowski asked how staggered time would save on overtime. Mr. John Garcia, Garage Superintendent replied it would and probably all that is being requested.

The Commission then discussed the need for a senior mechanic.

There was discussion for getting better service for trucks in the early morning and late afternoons.

Mr. Garcia said that he needed to promote two (2) regular mechanics to senior mechanics and hire an extra mechanic.

Commissioner Wilson recommended that Account #112 – Overtime be decreased from \$6,300 to 5,300.

Mr. Garcia said that he could manage Account #226 - Computers & Associate with \$100.

#### **Department 305 - Street**

Mr. Fees stated that overtime could be decreased from \$21,227 to \$15,000.

Commissioner Wilson recommended Account #215 - Motor, Gas & Oil be increased from \$26,000 to \$30,000.

Mr. Fees said that he in Account #217 - Minor equipment could be managed with \$6,500, and that Account #314 – Professional Services could be decreased to \$15,000.

Mr. Fees said that money was needed in Account #531 - Drainage for repairs. Mayor Fugate recommended \$15,000 be added to this account.

#### **Department 440 - Health**

Commissioner Laskowski said that there should have been a \$9,000 match for a pickup. Ms Vela replied she would look at the Certificate of Obligations.

Mayor Fugate said that he hated to purchase vehicles with CO's, and that this is bad practice.

Commissioner Garcia asked why overtime was overspent. Mr. Noyola replied there were more services added to his department.

#### **Department 450 – Parks**

Mayor Fugate said that this Department gets \$200,000, and asked if the \$25,000 was ever resolved. Ms Vela replied that it has not been resolved. City Manager Yerena said that this would be investigated.

Commissioner Laskowski said that the requested \$7,600 will not be granted.

#### **Department 460 - Library**

Commissioner Wilson commented that they really like Account #112 – Overtime which has a zero balance.

Commissioner Garcia asked if air condition unit had been purchased. Mr. Robert Rodriguez, Library Director replied it has.

**Ms Vela said that this was the end of the accounts for General Fund, and said that the total came to \$134,146.00 for cuts or decreases. She added that the Total General Funds is \$11,809,118 after cuts or decreases.**

**Mayor Fugate called for a break at 8:50 P.M.**

**The Commission reconvened at 8:55 P.M.**

**Beginning of Utility Funds:**

**Department 600.1 – Water**

Mayor Fugate said that \$52,200 in Overtime is consistent with previous years. Mr. Macario Mayorga, Supervisor replied that his department could manage with that amount.

Mr. Mayorga said that the Professional Services account is used when equipment breaks down, or a special welder is needed for certain projects. He added that Training and Travel was not used due to being involved in a lot of projects, but would like to send some employees for training.

Commissioner Laskowski asked about \$135,000 for Account #541 – Water Lines. Mr. Mayorga explained that this was for his five (5) year plan for water line equipment.

**Department 600.2 – Water Production**

Mr. Joe Casillas, Water Production Supervisor said that overtime was needed due to employees watching the system 24/7, as required by law.

Commissioner Wilson asked if a water rate study was still being done. Mr. Bejarano replied that \$25,000 was set aside.

Mayor Fugate asked what happens if agreement is not reached with STWA and \$350,000 freezes up. Mr. Casillas replied that monies can be used for other things like drilling another well.

There was discussion on possibly building two additional wells.

Commissioner Laskowski asked about Account #543 - Utility Plant. Mr. Casillas replied that this was for the maintenance for all water wells.

**Department 600.3 –Meter Readers**

The Commission looked at all items in this department but no changes could be made.

Ms Vilma Castillo, Director of Collections said that salaries were for step increases.

**Department 600.4 – Collections**

The Commission looked at all items in this department but no changes could be made.

Ms Castillo said that salaries were for step increases.

**Department 700.1 – Wastewater North Plant**

Mr. Daniel Almeida, Supervisor said that only one line item was increased which is Account #214 –Chemicals. He said that if Certificates of Obligation are received then the overtime must be increased. He also said that Account #313 - Postage & Freight can be decreased from \$200 to zero.

Mayor Fugate asked if a utility survey study has been done to help with our electricity. Mr. Fees replied that one has been done.

Mayor Fugate asked about time line on Certificates of Obligation. City Manager Yerena replied about nine (9) months.

Mayor Fugate asked if \$60,100 in Account #543 - Utility Plant was enough. Mr. Almeida replied that he had prioritized the items needed to be replaced, but this amount would not work, and he said that he is asking for \$110,100.

Commissioner Laskowski asked Mr. Bejarano to find out how much is in the Cap 98 for Wastewater and to see what can be done to close out accounts. He then asked if there was money in Cap 98. City Manager Yerena replied there is money but a budget amendment is in the process. Ms Vela replied that she thought that Cap 98 should be closed out.

Commissioner Laskowski said that before the budget is finalized he would like to see where we are in Cap 98, 2002, and 2002A by department.

Mr. Almeida said that he will use this information in the event of future problems to show TCEQ that items were addressed but there are budgetary problems.

After Mr. Almeida's statement, Commissioner Wilson said that in this case, \$110,000 should be put in to Account #543. He said that money could be taken back out if found in Cap 98.

Mr. Almeida said that Account #411 could be decreased from \$4,700 to \$2,000.

#### **Department 700.2 – South Plant**

Mr. Almeida said that everything in this Department has dropped from year to date.

He said that the only thing left to replace at this Plant is the major items. He also said that Account #511 – Building Maintenance could be decreased from \$2,500 to \$1,000.

#### **Department 700.3 – WW North Plant**

Mr. Almeida said there is no failing equipment at this Plant, and only one account increased slightly. He said that Account #314 – Professional Services can be decreased from \$10,000 to \$4,000, but he needed more money in Account #217 – Minor Equipment and Account #311 – Communications.

Commissioner Garcia asked about Nextels for the Department. Mr. Almeida replied that they have two (2) Nextels, but would like one (1) more for the Equipment Operator III.

Commissioner Wilson suggested Account #314 – Professional Services be reduced by the cost of a phone.

There was discussion on the cost of a phone.

Account #217 – Minor Apparatus was increased from \$3,000 to \$3,200; Account #311 was increased from \$1,000 to \$1,540; Account #314 was decreased from \$10,000 to \$4,000; Account #411 was decreased from \$10,000 to \$5,000; Account #414 was increased from \$1,000 to \$2,000.

**\$35,840 was added to the Utility Fund; Total Utility Fund \$4,915,170**

### Task Force

Ms Linda Gerd reported that Special Agent Kirkpatrick had a traffic seizure for \$103,300.

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

**1. Consider removing from the table a proposed tax rate; if proposed tax rate will exceed the rollback rate or 103 percent of the effective tax rate (whichever is lower), take a record vote and schedule a public meeting. (Finance Director).**

Commissioner Wilson made a motion to remove this item from the table, seconded by Commissioner Laskowski. The motion was passed and approved by the following votes: Fugate, Garcia, Laskowski, Wilson voting "FOR".

**2. Consider a proposed tax rate; if proposed tax rate will exceed the rollback rate or 103 percent of the effective tax rate (whichever is lower), take a record vote and schedule a public meeting. (Finance Director).**

Commissioner Laskowski said that his understanding that if we do not exceed the effective tax rate by 103 percent then no action is needed. He added that the Commission must take action for a tax rate for publication.

City Manager Yerena said that if it stays at .70196 or below, no action is needed.

Commissioner Laskowski asked how decision would be made to what is published.

Mayor Fugate said that with the numbers that were crunched and what was talked about he felt that it would stay under the roll back rate.

Ms Alvarez said she was looking to see if what was said is consistent with what was indicated in the meeting.

Mayor Fugate said there may be a tax increase.

### VI. Adjournment.

Mayor Fugate adjourned the meeting at 10:00 P.M.

  
Sam R. Fugate, Mayor

ATTEST:

  
Edna S. Lopez, City Secretary