

SEPTEMBER 4, 2008

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON THURSDAY, SEPTEMBER 4, 2008 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL / 200 EAST KLEBERG AVENUE AT 11:30 A.M.

CITY COMMISSION PRESENT:

Sam R Fugate, Mayor
Al Garcia, Mayor Pro-Tem
Charles E Wilson, Commissioner
Arturo Pecos, Commissioner
Stanley Laskowski, Commissioner

CITY STAFF PRESENT:

Carlos Yerena, City Manager
Edna S Lopez, City Secretary
Courtney Alvarez, City Attorney
Mark Rushing, Finance Director
Al Lopez, Fire Chief
Yolanda Vasquez, Municipal Court Supervisor
Yolanda Cadena, Health Director
Dora Byington, Purchasing Director
Macario Mayorga, Water Supervisor
Diana Gonzales, Human Resource Director
Robert Rodriguez, Library Director
Bill Donnell, Public Works Director
Frank Garcia, Wastewater Supervisor
Jennifer Vela, Code Enforcement Officer
Dianne Leubert, Solid Waste Superintendent
Rudy Najera, Computer Systems Technician
Anita Stewart, Task Force Secretary
Joe Casillas, Water Production Supervisor
Vilma Castillo, Collection Supervisor
Richard Kirkpatrick, Task Force Agent
Armando Gutierrez, City Engineer
Abel Carrillo, Building Official
John Garcia, Garage Superintendent/Interim Risk Manager
Caron Vela, Accounting Manager
Ricardo Torres, Police Chief
Julian Cavazos, Lieutenant
Sherman Benys, Lieutenant

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chambers at 11:33 A.M., and announce quorum as present

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by Ms Dora Byington, followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Mayor Fugate announced there were no minutes to consider.

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

Mayor Fugate announced there were no public hearings.

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, Convention and Visitor's Bureau, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, 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. No formal action can be taken on these items at this time.”

City Manager Yerena reported on the schedule of events for the City's picnic and on the demolition project in process. At the request of Commissioner Laskowski, he updated the Commission on the landfill RFP. There was discussion on the landfill's existing condition which is not in good condition.

Ms Alvarez reported on the STAP meeting in McAllen, Texas and on a meeting with Staff from Ricardo Water Supply Corporation. She reported on her conversation with the County Judge regarding the jail contract.

Commissioner Pecos reported on some nuisance properties and that the flags should not be flown at half-staff when an employee dies only when ordered by the President of the United States. He asked that the City purchase a black flag for this occasion.

Upon a question from Commissioner Garcia, Ms Alvarez provided information about a property on West Alice. Staff was instructed to move forward with the process of getting duplex moved or demolished. Commissioner Laskowski stated that the property on East Yoakum that was not approved for a rezone should be included. Mayor Fugate recommended demolishing the old Police Department. Commissioner Garcia suggested the area be made a parking lot.

IV. Public Comment on Agenda Items³

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

Mayor Fugate called for comments on all agenda and non-agenda items. There were no comments.

V. Consent Agenda

NONE

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. **Review and discuss proposed fiscal year 2008-2009 budget for departments of the City of Kingsville. (City Manager).**

City Manager Yerena stated Staff will follow whatever format the Commission wants to follow. He stated there are several options for salary increases.

Mr. Rushing provided information on a recap for various grants and other agency reimbursements. Ms Vela stated that most calculations are approximations, since the amounts may be known for the entire fiscal year. She added that some amounts have been approximated for the balance of the fiscal year. Upon a question from Commissioner Laskowski, City Manager Yerena stated the City's anticipation is for the Police Department to reimburse, \$70,000 for overtime from Chapter 59. Chief Torres concurred with City Manager Yerena's statement. He further explained other pledges from Chapter 59 which is distributed a little different this budget year. Ms Vela provided specifics for the recap.

Mayor Fugate called for a lunch recess at 12:04 P.M.

Mayor Fugate called the meeting back to session at 12:25 P.M.

Mayor Fugate asked for information on the different alternatives for employee raises and asked for Staff's recommendation for raises. City Manager Yerena explained the proposed three salary proposals. He stated that a \$1,000 raise would have some employees receiving less than 3% raise. The difference would be \$29,000 from the general fund. Mr. Rushing stated the net in the 3% raise is about \$61,000. He stated the difference between the \$1,000 increase and the hybrid is about \$30,000. City Manager Yerena stated Staff's recommendation is to adopt the hybrid \$1,000 and the 3% increase. Mayor Fugate stated the City is having a hard time competing with other industries to keep employees, but this is a step in the right direction. Commissioner Laskowski commented that the County and School district gave their employees \$1,000 across the board. Mayor Fugate stated he shares Commissioner Laskowski's concerns but it does not solve the problem of keeping the lower level personnel, so \$1,000 would help in keeping personnel. The Fire personnel will not receive an increase this year, but Police will receive a 3% increase. Commissioner Laskowski explained why is recommended a flat increase. Mayor Fugate stated he will follow Staff's recommendation. Commissioner Wilson stated the Commission needs to listen to Staff. Commissioner Pecos stated that taxes will increase and requested cutting the budget some more. He stated he has a problem with raising taxes. He stated that when the Commission figured out a tax rate amount, Staff followed with proposing a budget that fit that tax rate. Mayor Fugate stated that at this point the Commission is just trying to figure out what the salary increase amount will be set at. He stated that in his opinion the most important asset of the City are the employees. Commissioner Pecos continued to voice his concerns about raising taxes. Commissioner Garcia agreed with the Mayor's comment about the employees being an asset. He stated that the Commissions' job is to balance the budget. He stated the proper thing to do is to adopt the hybrid, but some things will suffer.

There was discussion on the starting amount of the general fund.

Mr. Rushing suggested utilizing Unrestrictive funds to fund some of the capital outlay and explained the process.

Commissioner Wilson announced he would have to leave at 1:00 P.M.

Mayor Fugate called for Commissions' recommendation on pay increases. Mayor Fugate stated the City has to provide the services and this has been a difficult year. Commissioner Laskowski commented on calculations to the debt service cost. Mayor Fugate stated everyone is trying to be reasonable, Commissioner Pecos is at 3% across the board; and Commissioner Wilson and he are in favor of the hybrid. Mayor Fugate called for a recommendation. Commissioner Garcia suggested being fair to the taxpayers, a 3% across the board for all employees, and taking the tax rate down 3 cents. Commissioner Laskowski responded that 3 cents is not possible. City Manager Yerena asked that Staff needs some direction on the tax rate because there is a public hearing scheduled at the next meeting and Staff is scheduled to meet with the County on Monday regarding the shared departments. He stated that the County Judge has stated the County will match whatever the City budgets for the shared departments. Mayor Fugate stated the City should go to the County with a 3% increase for all employees. He stated that as far as the tax rate the City can't go any lower. Mr. Rushing stated Staff could present two proposals to the County. Mayor Fugate suggested giving them the worst case scenario.

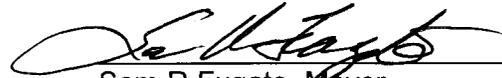
Mr. Rushing stated he trimmed the budget as much as possible; the revenues are high on the expected budget. He stated information was received on the group health insurance from Mr. Jerry Bravenec. Mr. Bravenec provided information on the City's aggregate claims history and bid analysis 2008-2009. Mr. Rushing provided information on the balance and stated this is not a good scenario to be in a depleting balance. He explained the expected plan cost.

Mr. Rushing suggested going back to the budget to try to assist with the perimeter of the tax rate. Mayor Fugate stated this was done last year. Upon a question from Commissioner Garcia, Mr. Rushing replied revenue margins have to be correct especially regarding sales tax information and added that sales tax is not reviving.

City Manager Yerena stated that Staff will try to go back to cut the budget to try to decrease the tax rate.

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 1:52 P.M.



Sam R Fugate, Mayor

ATTEST:



Edna S Lopez, TRMC
City Secretary