

SEPTEMBER 8, 2008

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, SEPTEMBER 8, 2008 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL/200 EAST KLEBERG AVENUE AT 6:00 P.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
 Dora Byington, Purchasing Director
 Al Lopez, Fire Chief
 Frank Garcia, Wastewater Superintendent
 Diana Gonzales, Human Resource Director
 Yolanda Cadena, Health Director
 Jennifer Vela, Code Enforcement Officer
 Bill Donnell, Public Works Director
 Mark Rushing, Finance Director
 Yolanda Vasquez, Municipal Court Supervisor
 Dianne Leubert, Solid Waste Superintendent
 Armando Gutierrez, City Engineer
 Macario Mayorga, Water Supervisor
 Caron Vela, Accounting Manager
 Ricardo Torres, Police Chief
 Vilma Castillo, Collections Manager
 Fidel Gonzalez, Task Force Commander

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chambers at 6:00 P.M. and announced 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 called for consideration of the minutes of the regular meeting of August 25, 2008, the special meetings of August 28th, 2008 and September 4th, 2008. **Commissioner Laskowski made a motion to accept the minutes, with a correction to the August 28th minutes, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Garcia, Pecos, Wilson, Laskowski voting “FOR”.**

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

1. A Public Hearing on a proposed property tax rate increase from \$.76781 to \$.80187.

The Public Hearing was opened at 6:04 P.M.

Mayor Fugate announced this is a public hearing for a proposed property tax rate increase from \$.76781 to \$.80187 and announced the public could address this issue by coming to the podium, identifying them selves, and providing an address. He added that they could speak for five minutes.

Ms Alvarez read from a written statement. The City of Kingsville will meet to vote on the tax rate for the Fiscal Year 08-09 budget on Monday, September 22nd, 2008 at 6:00 P.M. in the Alcorn Commission Chambers at City Hall located at 200 E Kleberg, Kingsville, Texas. She announced to the public that besides from tonight's hearing the City will conduct a public hearing on budget and tax rate at a special meeting on Monday, September 15, 2008 in the Alcorn Commission Chambers at 6:00 P.M. She announced the increase for the total tax revenues of the City of Kingsville from properties on the tax roll in the preceding year that will be generated by the proposed tax rate is 9.97% which is less than year.

Mayor Fugate called for further comments.

The Public Hearing was closed at 6:08 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, 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 Staff meeting with County Commissioners' Court and provided an update regarding the jail contract. He reported on a trip to San Antonio, Texas with regard to the JLUS; on the City tracking Hurricane Ike; and provided the schedule for the 2nd Public Hearing on the proposed tax rate and a hearing on the proposed budget. He thanked the employees on the City's successful Family Day picnic and announced the winners of several events.

City Manager Yerena announced that Mr. Anse Windham, KCVB representative would present information on the KCVB. Mr. Windham provided information on collections, on the Boards' involvement in the community, and provided information on upcoming events.

Ms Alvarez reported on information received from Emergency Management Office regarding Hurricane Ike and updated the Commission on the County's discussion with regard to the jail contract. She reported on information regarding the power supply contract that she received at a STAP meeting that she attended last week.

There was lengthy discussion regarding the jail contract. A point of order was called by Commissioner Wilson for the conversation regarding the jail contract discussion.

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.

Mayor Fugate called for consideration of the items in the Consent Agenda Items 1 & 2. Commissioner Laskowski made a motion to accept, as presented, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Garcia, Pecos, Wilson, Laskowski voting "FOR".

V. Consent Agenda

1. Motion awarding bid for annual contract for tires and tubes for all departments, except Police and Task Force. (Purchasing Director).

2. Motion to approve 2008-2009 Budget and Media/Marketing Plan for the Kingsville Convention and Visitors Bureau. (KCVB Director).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

3. Consider awarding bid for annual contracts for Water/Wastewater utility supplies to three companies. (Purchasing Director).

Ms Byington stated this item authorizes awarding annual contracts to three companies for supply utility supplies for the Water and Wastewater Departments. This action does not directly expend any funds; rather, the contract specify unit prices and enables these items to be acquired as needed during the term of the contract. It is recommended that Ferguson Enterprises, H.D. Supply Co., and Morrison Supply Co. be awarded the bids.

Mayor Fugate called for comments or questions. **Commissioner Laskowski made a motion to accept Staff's recommendation, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Garcia, Pecos, Wilson, Laskowski voting "FOR".**

4. Consider introduction of an ordinance adopting the Annual Budget of the City of Kingsville, Texas and appropriating funds for the fiscal year beginning October 01, 2008 and ending September 30, 2009, in the particulars hereinafter stated. (City Manager).

City Manager Yerena stated Staff has managed to cut the budget and put money back into the fund balance. He stated there are three scenarios for employee increases which are based on the proposed tax rate just below the rollback rate of .80187. He stated that this budget does not include increases that were proposed by the County for the jail contract, but does include increases for the equipment operator II positions.

Mayor Fugate called for questions or comments. Upon a question from Commissioner Pecos, City Manager Yerena replied that some department's budgets were cut to get additional funding. Mr. Rushing explained the net total which is \$69,081. Mr. Rushing explained the information on a handout. He stated that \$231,681 is in the utility fund under the hybrid scenario and stated that the same thing holds through on the different scenarios. Upon a question from Commissioner Laskowski, Mr. Rushing replied the amount for uniforms was offered by the Police department. Upon a question from Commissioner Laskowski, City Manager Yerena replied that the departments' with the most significant changes were allowed their input regarding the proposed changes.

There was discussion and questions regarding the accounts for unemployment rates and communications.

Mayor Fugate called for questions or comments. Commissioner Pecos stated he will be leaning towards the \$1,000 across the board for all employees. Commissioner Wilson stated this could be something that he supports. Commissioner Laskowski stated adopting a tax rate of .08 going up to 108%. Mr. Rushing stated right below rollback. Commissioner Pecos stated unless Staff can do some more reductions to lower the tax rate this is what he would like to see. Commissioner Wilson stated that would be the only way they could support it. Commissioner Laskowski stated that would be the only way it could be paid for. He stated that revenues over expenditures are based on the tax rate of 1/1000 of 1 cent below the rollback rate. City Manager Yerena asked if this was the direction the Commission was giving Staff. Mayor Fugate replied that was the consensus of the Commission.

INTRODUCTION ONLY

5. Consider introduction of 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, 2008 and ending September 30, 2009, 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. (City Manager).

City Manager Yerena stated this ordinance would adopt the ad valorem tax rate. He stated that the new numbers will be changed and brought to the Commission for approval at the next meeting.

INTRODUCTION ONLY

6. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter III, Article 7, Personnel Policies. (Human Resource Director).

Ms Gonzales stated that the different scenarios are included in this compensation plan. She provided some information on a correction to the Management Level 2.

INTRODUCTION ONLY

7. Consider introduction of an ordinance amending the Fiscal Year 2007-2008 Budget for the City of Kingsville to allocate an increase in Health Insurance expense in all Departments in the General Fund, Utility Fund and the Task Force Fund for the City's Self Insurance Fund. (Finance Director).

Mr. Rushing stated this is will get the City in line with the scenarios discussed. He stated this funding is needed to get the City in line and is spread out among the departments. He stated this is the same methodology used with the Auditor in times past which is a standing proration. Upon a question from Commissioner Laskowski, Mr. Rushing replied that the net receipts over disbursements as it stand in 07-08 has enough clearance to leave the City in the black and added that these are appropriations that are not offset by revenues.

Commissioner Laskowski requested quarterly reports from the health insurance company.

INTRODUCTION ONLY

8. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewers; providing for an increase in Sewer Rates. (City Manager).

City Manager Yerena stated this is the last step increase as provided in the Water and Sewer rate study according to the model. He stated the model would need to be revised to see what will be needed in the upcoming years. Upon a question from Commissioner Pecos, City Manager Yerena stated the City is still a little behind on its rates.

Commissioner Laskowski commented that he hopes that Staff has some projects planned for some capital outlay for these increased fees that are being collected and to make sure that the infrastructure is kept up-to-date on a regular basis.

INTRODUCTION ONLY

9. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter XV; providing for amendment to Section 15-3-54 and adding Article 9, Street Lighting and Regulations pertaining thereto. (City Engineer).

Mr. Gutierrez stated that the City currently does not have a policy. He stated that he currently has six requests for street lights and he needs a policy to follow because street lights are expensive. Commissioner Laskowski stated this is good because that way everyone is treated the same and their request is scrutinized with the same level of an ordinance.

Upon a question from Commissioner Pecos, Mr. Gutierrez replied that in the ordinance he is recommending the high pressure sodium lights. Commissioner Laskowski commented that in the late 90's early 2000 there was a program with AEP and that they were supposed to replace the burned out bulbs with an orange light over the blue light. He stated that he has noticed that AEP is using the blue lights contrary to what the upgrade was through the entire City of Kingsville. Commissioner Wilson stated the agreement was that from that point forward AEP would replace the ballast and the lamp to high pressure sodium. He suggested holding AEP accountable if this is not being done.

INTRODUCTION ONLY

10. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewers, providing for grease trap reinspection fee. (Public Works Director).

Mr. Donnell stated that many times the department goes out to do an inspection and the business does not have the appropriate documentation, so this requires the department to go out again. Mr. Garcia stated that some restaurants do not have grease traps but efforts are being made to get them to have them installed. Ms Alvarez stated that the inspector has the authority to go in to do inspections and require that the businesses have a grease trap. Commissioner Laskowski stated this ordinance was present by a previous superintendent. He suggested address assessing a penalty for non-compliance. Ms Alvarez stated this will be looked at and brought to the Commission at the next meeting. Commissioner Wilson stated this ordinance has been around long enough for businesses to comply.

INTRODUCTION ONLY

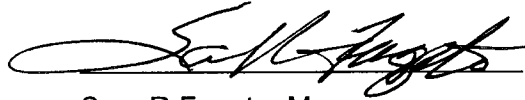
11. Consider awarding contract for health insurance. (Human Resource Director).

Ms Gonzales stated this authorizes renewing a contract for the services of Third Party Administrator to administer a self-insured program for the City. She stated that ENTRUST submitted the only bid that mirrored the City's current benefits. The employee will continue to have a \$200 monthly deductible per family unit, the premium costs remains the same at \$0 for employee only coverage and \$74.10 per month per employee/dependent coverage. The doctor co-pay remained the same at \$15.00 per office visit under \$200 then the deductible would apply. This action will incur \$213,281.76 in Stop Loss Premiums and \$67,568.40 in Administration Costs totaling \$280,850.16 in total Annual Fixed Costs. Total Expected Plan Costs is \$2,146,808.42 including the above \$280,850.16 of Annual Fixed Costs, \$1,675,958.26 of Expected Annual Claims Cost, \$65,000 Aggregating Specific and one additional risk laser of \$125,000. Funds for these insurance costs are included in the annual budget under each department's (116) line item. It is recommended that the renewal contract with Entrust be awarded.

Commissioner Laskowski made a motion to award contract to Entrust as the City's TPA, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Wilson, Pecos, Garcia, Laskowski voting "FOR".

VI. Adjournment.

There being no further business to come before the City Commission the meeting was adjourned at 7:33 P.M.



Sam R Fugate, Mayor

ATTEST:



Edna S Lopez, TRMC
City Secretary