

AUGUST 28, 2009

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON FRIDAY, AUGUST 28, 2009 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 – arrived at 12:00 noon
Arturo Pecos, Commissioner
Stanley Laskowski, Commissioner

CITY STAFF PRESENT:

Carlos Yerena, City Manager
Edna S Lopez, City Secretary
Courtney Alvarez, City Attorney
Frank Garcia, Wastewater Supervisor
Naim Khan, City Engineer
Yolanda Cadena, Health Director
Macario Mayorga, Water Supervisor
John Garcia, Risk Manager
Al Lopez, Fire Chief
Ricardo Torres, Police Chief
Rudy Najera, Information Systems Specialist
Diana Gonzalez, Human Resource Director
Fidel Gonzalez, Task Force Commander
Ken Clark, Director of Development Services
Joe Casillas, Water Production Supervisor
Anita Stewart, Secretary
Dora Byington, Purchasing Director
Bill Donnell, Public Works Director
Caron Vela, Accounting Manager
Dianne Leubert, Solid Waste Superintendent
Robert Rodriguez, Library Director
Wilma Castillo, Collections Manager

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chambers at 11:30 A.M. and announced quorum as present.

Mayor Fugate called for public comments.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S) – Required by Law

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

NONE

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, Tax Increment Zone Presentation. No formal action can be taken on these items at this time.”

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

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member or a citizen, in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

NONE

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. ORDINANCE NO. ORD2009-23 Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter VII, Article 6, Schedule II, providing for No Parking on the southernmost side of Corral Avenue lying anywhere between its intersection with University Boulevard and its intersection with Armstrong Street. (City Engineer).

Mayor Fugate explained the University has requested this due to traffic congestion in that area.

Commissioner Garcia made a motion to approve the ordinance, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Laskowski, Pecos, Garcia voting “FOR”. Wilson “ABSENT”.

Mayor Fugate deviated from the agenda and called for Agenda Item #3.

2. Review and discuss proposed fiscal year 2009-2010 budget for departments of the City of Kingsville. (City Manager).

City Manager Yerena stated the latest sheet shows the General Fund Net Revenues over Expenditures, at \$84,833. He stated the Fire Chief met with the Volunteers and changes were made, the Main Street Manager is also included this position will be funded by 50% of Hotel/Motel Tax. The Main Street Manager budget is included. He stated the printing and publishing line item would also be funded by Hotel/Motel Tax. Both, City Manager Yerena and Ms Alvarez stated this does fall within the law.

Fire Chief Lopez stated he met with members of the Volunteer Fire Department and the request for \$5,500 will take care of the items needed. Mr. Rushing stated the overall total including utilities is \$92,662.

Mr. Rushing explained the increases to General Fund Total Expenditures. He added that the operating budget for the Emergency Management Coordinator is included. He stated he has requested an inventory list from the County regarding equipment. Mayor Fugate stated the City should go under the assumption of not receiving anything. Commissioner Laskowski voiced his concern about the City being so limited in the budget and about not having the facility to accommodate Staff during an emergency. Suggestion was made to use the Recycling building.

Upon a question from Commissioner Laskowski, City Manager Yerena replied the plan in the garage department is to hire a senior mechanic. Commissioner Laskowski suggested adding another position due to the savings that occurred after the superintendent was moved to the Risk Manager position. Commissioner Garcia recommended increasing the monies for Training and Travel. Mr. Rushing stated a recap on health insurance was emailed to the Commission.

3. Discuss proposed water and sewer rate study for the City of Kingsville. (City Manager).

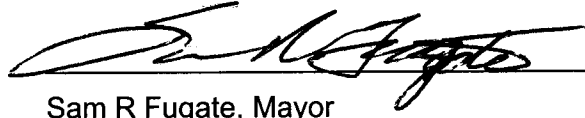
Mr. Rushing explained he had received information from Grady in reference to a couple of scenarios staying within the perimeters of purchasing the \$7.8 million in capital assets and possibly going out for Certificates of Obligation 4.7 in 2011. He stated that in running some of the scenarios you can see at what threshold and what risk factor if the City doesn't increase the rates this next fiscal year. He stated that those revenues if not bumped up will be short approximately, \$96,000. He stated he is running revenue projects really lean, about 98.5% of expected. He stated he could go back to that budget and cut as much as possible. Mayor Fugate called for questions. Commissioner Laskowski explained the projected increase in revenues. Mayor Fugate stated there are a lot of capital improvement projects needed, but water and sewer rates have been raised significantly over the past years. He added that with the proposed water rate increase the City is still very competitive with the area. Commissioner Laskowski asked about the building of one water well in 2011, stated he had the impression that the two water wells were in good shape. Mr. Donnell and Mr. Casillas explained the water well situation.

Mr. Rushing stated that the key element is to determine what the needs assessment is for the next five years and then do variations of the model. Upon a question from Commissioner Laskowski, Mr. Rushing replied that in the current budget, \$300,000 is transferred to the capital projects fund and the debt service is \$1,343,000,000. Mr. Rushing explained the contribution needed towards projects.

Commissioner Laskowski asked if the sewer rates are not increased would the \$300,000 still be put in the capital projects fund. Mr. Rushing replied if there is no rate increase, you would not be contributing to anticipated expenditures but you run a high risk of depleting the fund balance. He added that in this scenario the amount would be bumped up to \$830,000. Mayor Fugate stated if the 2% & 4% is not done, then the monies for projects will not be there. These monies go to capital improvement plan and the City doesn't have to borrow as much money. Mr. Rushing stated as proposed this model would leave the City in the threshold so not to deplete the City's three month operating. The perimeters given to Grady were not to fall below the three month operating. He explained that Cities are penalized if they do not comply with their policy. Mr. Rushing stated even though the policy is two months the City stands at 4.5 months. Mayor Fugate suggested planning some schedules to spend the monies. Commissioner Wilson stated it is hard to justify the increases if the City has so much in reserves. Commissioner Laskowski voiced his concern about not putting monies in capital outlay for the purchase of vehicles. He further voiced his concern about raising rates. Mr. Rushing stated there will be more information for the Commission on Monday. Upon a question from Mayor Fugate, Mr. Rushing stated one month operating is approximately, \$639,000. Mayor Fugate suggested budgeting for capital outlay out of Fund 054 to take care of 2010 needs.

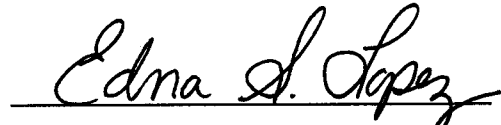
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 12:50 P.M.



Sam R Fugate, Mayor

ATTEST:


Edna S Lopez, TRMC, City Secretary