

AUGUST 9, 2010

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 9, 2010 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL/200 EAST KLEBERG AVENUE AT 5:00 P.M.

CITY COMMISSION PRESENT:

Sam R Fugate, Mayor
Al Garcia, Commissioner
Charles E Wilson, Commissioner
Stanley Laskowski, Commissioner
Arturo Pecos, Commissioner – arrived at 5:37 P.M.

CITY STAFF PRESENT:

Carlos Yerena, City Manager
Edna S Lopez, City Secretary
Courtney Alvarez, City Attorney
Bill Donnell, Public Works Director
Frank Garcia, Wastewater Superintendent
Yolanda Cadena, Health Director
Ken Clark, Director of Development Services
Jennifer Vela, Code Enforcement Officer
Diana Gonzales, Human Resource Director
Mark Rushing, Finance Director
John Garcia, Risk Manager
Caron Vela, Accounting Manager
Rudy Najera, Systems Information Technician
Don Erebia, Fire Captain
Bob Trescott, Downtown Manager
Ricardo Torres, Police Chief

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the workshop at 5:03 P.M. and called for the preliminary proceedings.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by City Manager Yerena, followed by the Pledge of Allegiance and the Texas Pledge

CONVENE INTO REPORTS FROM COMMISSION & STAFF – ITEM III- REGARDING BUDGET WORKSHOP FOR CITY DEPARTMENTS.

City Manager Yerena called for Mr. Rushing to provide a synopsis on the assumption that were made on the budget. Mr. Rushing provided information from a cover letter that had been previously emailed to the Commission. He stated that fund 001, the additional Sanitation revenues of \$456,160 had been moved to fund 087. He stated one factor is the sales tax and how the current year is coming and projections for next year which will be short a couple of hundred thousand which will play a factor as this budget is developed. He stated that the Form 5's and Form 6's have not been included. He stated that the motor oil & gas and utilities were stepped up 4%. He stated fund 051 and 054 does not include any numbers as it relates to revenues and expenditures relative to the model that a decision has not been made but that there was a presentation on.

Commissioner Laskowski asked if this budget was built with tax revenue just under the roll back rate and if there is still a \$496,000 deficit. Mr. Rushing replied that net receipts over disbursements at this point would be, but it does include a method of pulling out the maintenance on the bridge and street. He further explained there is a transfer of \$232,000 from General Fund over to the Capital Projects Fund, and \$168,000 is budgeted in the regular budget for the streets. He suggested pulling those amounts out and doing the mechanism that is with the CO 2009 where it can be expended and then reimbursing from the CO, then the City would be pretty close in the CO model presented which has \$485,000 for street and maintenance. He added that if the mechanism is used then the City would be pretty close to being balanced for the 001 fund in the general fund. Commissioner Laskowski stated that is assuming that the City would go out and issue bonds in 2011. Mr. Rushing stated the City has

eighteen (18) months to do a bond issue, and then explained the financing. Commissioner Laskowski voiced his concern about things that are not in the budget, yet.

Mr. Rushing touched on the amount of monies that would be needed to finish the remodeling of the fire station, approximately \$17,000. Ms Alvarez stated other items in the cover letter are: the Library and Health Department, motor oil & gas, and utilities were kept at the department requested amounts. She added that the fund 090 Landfill closure and post-closure budget was in the original summary recap which was about \$250,000 annually and the remodeling of the fire station.

Mr. Rushing provided information on the highlights of differences between last year's budget and the budget that is before them. He stated the Appraisal District went up \$20,000, the JLUS dropped down \$21,000, the election is down \$15,176 but we know that additional monies will be needed, the sirens were dropped off because it was in last year's budget, equipment for the Risk Manager was up in 2010 but not in this budget, the permit revenue is up, landfill fees were pared back in the revenues, and garbage fees were budgeted up \$180,554.

There was discussion on the Solid Waste Department's overtime budget. City Manager Yerena explained Staff is working at cutting down on overtime and restructuring. Mr. Rushing explained that this department does not employ a floater that's the reason for the overtime.

There was discussion on the revenue for ambulance billing and on the budget for remodeling the fire station.

Upon a question from Commissioner Laskowski, City Manager Yerena replied that the equipment that was replaced has not been sold in auction. Mr. Donnell stated there are four sanitation trucks, a brush tractor, and two sedans, worth approximately \$60,000 total.

Mr. Rushing provided information on the utility fund. He stated the increase in salary and benefits is over \$15,000. In the debt service, he stated it increased by \$230,629. Mr. Rushing touched on the cost on the remodeling of the old school. He stated that the JLUS grant amount of \$12,500 went away.

City Manager Yerena stated also included are some salary increases of certain percentages for Commission consideration. He stated what Staff will do is get as close to a balanced budget and then provide the different scenarios for salary increases. Commissioner Laskowski voiced his concern about adjustments that still need to be made to get closer to where the budget needs to be without having to go above the rollback rate. City Manager Yerena stated the intent was to try to get close to a break even budget and traditionally the Commission has looked at right below the rollback rate. He added that was what Staff was shooting for and from here based on the direction from the Commission; Staff would start looking at alternatives, the raises. Mr. Rushing stated he could get a balanced budget but the issue is the raises. City Manager Yerena added he would look at restructuring to get to a balanced budget. Upon a question from Mayor Fugate, Mr. Rushing replied that the Commission could vote for a tax rate below the rollback rate or that the City won't exceed the rollback rate. Commissioner Laskowski stated he would like a budget to have at least \$50,000 revenues over expenditures. Commissioner Laskowski stated he is not for pulling from fund balance to give raises. City Manager Yerena stated that is not what Staff is looking at doing. Mr. Rushing stated that's the reason for the mechanism for fund 091. Mayor Fugate asked if the City could set the tax rate just below the rollback rate. Mr. Rushing replied without a percentage increase the City has shown them a method to get there. Mayor Fugate asked what if they want to give a percentage increase. City Manager Yerena stated then they would have to look at restructuring.

6:00 P.M. – Regular Session of the Agenda continues.

Mayor Fugate called the meeting to order at 6:00 P.M. with all members present.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Mayor Fugate called for consideration of the minutes of the Special Meeting of Tuesday, August 3rd, 2010. **Commissioner Laskowski made a motion to approve the minutes, as presented, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Wilson, Pecos, Garcia, Laskowski voting "FOR".**

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

1. Public Hearing regarding condemnation proceeding for structure located at 800 West Kleberg. (Building Official).

Mayor Fugate opened the public hearing at 6:01 P.M.

Mr. Clark stated this structure is located at 800 W Kleberg; the building official has been out at the site to try to get it cleaned up. He stated they are moving ahead with the process and recommends this property be condemned.

Commissioner Laskowski asked if the Fire Marshal has done a site inspection because this is a paint and body shop and if property is condemned and the owner does not follow through than the City is responsible for disposing of any hazardous waste which could be very costly. Mr. Clark replied that he didn't know if the Fire Marshal has inspected, but this building has a lot of junk in it. Upon a question from Mayor Fugate, Ms Alvarez replied that the City will be responsible for all the cost which will be billed to the property owner if the property owner does not pay within a period of time than a lien is place on the property but that would be a cost that the city would incur. Mr. Clark stated that the owner has been made aware of the expense. Commissioner Garcia suggested attaching the uncollected portion to the property owner's additional property. Ms Alvarez stated she did not believe that could be done.

Mayor Fugate closed the public hearing at 6:07 P.M.

III. Reports from Commission & Staff²

"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, Keep Kingsville Beautiful, 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, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project. No formal action can be taken on these items at this time."

City Manager Yerena reported that Staff met with Representative of Congressman Ortiz's office for a briefing on the EDC grant of Pan American School, also invited where Representatives from the University, the Dean of Engineering and Dean of Business Schools. He reported on the City maybe doing a community video tour, at no cost to the City, the organization is the National League of Cities.

Ms Alvarez reported on working with Staff on ordinances and meeting with the Unions.

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. Consider condemnation of structure located at 800 W Kleberg. (Building Official).

Mayor Fugate called for a motion.

Commissioner Pecos made a motion to that the building or structure is unsafe; and present condition is a violation of ordinances; and cannot be corrected without substantial reconstruction; then declared the building or structure to be a public nuisance and order its demolition by owner/agent/person in charge within a specified time (city shall abate in any manner it deems necessary and proper) in 45 days, seconded by Commissioner Garcia. There was lengthy discussion on the Fire Marshal checking for hazardous materials. The motion was passed and approved by the following vote: Fugate, Wilson, Laskowski, Garcia, Pecos voting "FOR".

2. Consider accepting certified total appraised, assessed, and taxable values of all property and total taxable values of new property in the City of Kingsville as certified by the Kleberg County Appraisal District. (City Manager).

Ms Melissa DelaGarza, Tax Assessor Collector addressed the Commission, and stated she was present to submit the certified values from the Kleberg County Appraisal District. She stated the 2010 Final Value provided from the Appraisal District was \$682,398,818 an increase of \$11,113,352 from the Final Values for 2009.

Commissioner Laskowski made a motion to accept the certified appraised taxable value, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Wilson, Pecos, Garcia, Laskowski voting "FOR".

3. Consider a proposed tax rate; if proposed tax rate will exceed the effective tax rate or the rollback rate (whichever is lower), take record vote and schedule public hearings. (City Manager).

Ms DelaGarza referred to the City of Kingsville Governing Body Summary 1A and stated this was the City's benchmark where last year rate is compared to this year rate to come up with the effective rate of .78669. She stated that last year's rate was .80187. She stated she worked with Mr. Rushing on the spread sheet. She added the rollback rate is .84227 and the rollback rate is the target rate which the City cannot go above that rate without having a rollback election. She added that is the highest rate, but at this time what needs to be decided is a proposed rate for the 2010 year. Ms DelaGarza stated the proposed rate that was looked at was .84220 which is right below the rollback rate. She added the City cannot go any higher than the proposed rate but can go lower at the time the City decides to adopt the budget. She added a record vote has to be taken on the proposed rate and schedule the two public hearings. An ad will be in Wednesday and Sunday paper. Ms DelaGarza stated the I & S fund rate is .21677 is the debt rate, and that cannot be touched, whatever is published on Wednesday that rate has to be adopted for the debt, from that the Maintenance & Operation rate is subtracted and that is what the Finance Director will be working with to balance the budget. She added the debt rate cannot be touched that is based on the bond payments that need to be made for 2010, 2011 that will be published in the notice. She stated the expected sales tax revenue is \$1,231,000.

Mr. Rushing stated this is based on bond payments and 2% mechanism discussed with Southwest.

Ms DelaGarza stated the first public hearing date would be on August 23rd and second public hearing date on September 7th, 2010.

Mayor Fugate called for a motion. **Commissioner Pecos made a motion to accept the tax rate of .84220 and not to exceed that rate, with public hearings on Monday, August 23rd at 6:00 P.M. in the City Commission Chambers and Tuesday, September 7th, at 6:00 P.M. in the City Commission Chambers, seconded by Mayor Fugate. The motion was passed and approved by the following vote: Fugate, Garcia, Wilson, Laskowski, Pecos voting "FOR".**

4. Discuss and consider proposal regarding the local Golf Course being operated by Balt Ramos, Inc. (Mayor Fugate).

Mr. Balt Ramos addressed the Commission and stated in 2008 he signed a contract with the County. He stated that revenues are down and in March he met with both the County

Judge and the Mayor on how to move forward. He stated he understands the tough decisions that need to be made but the question is, does this community want a golf course. He stated the community, the University, the Winter Texans, and the Navy utilizes the golf course. He stated a golf course enhances the quality of life for the community and he likes what he does. He stated the proposal to the County and City is that the City consider allowing his company to merge with the City parks. His proposal allows his company to stay in place, and that he has \$250,000 maintenance equipment that he can use. He stated that his proposal is if the City would consider splitting up the cost at \$50,000 annually for two years. He asked the Commission if they could figure out how they could supplement the county. Mayor Fugate asked if there has been a request to split some of the monies given to the park. Mr. Ramos replied he had not made that request.

Mr. Ramos stated if the community leaders would pull together they could help keep the golf course. Mayor Fugate stated there needs to be a meeting with the County, University, and the City to see what can be done.

Ms Alvarez stated the City currently has a commitment for a specific amount of monies for water trade. She added that last year there was an amendment due to the drought. She stated that if the Commission was looking towards doing some kind of modification or amendment so long as the details are worked out and both parties agree that can be done. She added the present agreement would be in place until both parties agree to a modification or the Commission would vote to rescind it. Commissioner Garcia voiced his concerns about the replacement of equipment at the parks. Mr. Ramos handed out some information to the Commission. There was discussion on the City owned parks. Commissioner Laskowski stated before moving forward Mr. Ramos needed to know what he was getting into in maintaining the City owned parks. Mayor Fugate stated there are provisions in place in the agreement with the County.

There was lengthy discussion on possibly cancelling the agreement in its entirety. There was lengthy discussion if Mr. Ramos would be able to replace park equipment. Mr. Ramos stated he is just advocating on a solution to save the golf course.

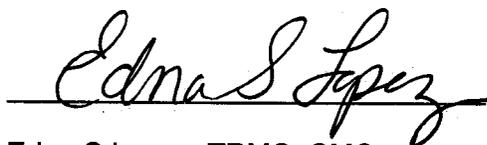
VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:01 P.M.



Sam R Fugate, Mayor

ATTEST:



Edna S Lopez, TRMC, CMC

City Secretary