

JULY 20, 2011

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON WEDNESDAY, JULY 20, 2011 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL/200 EAST KLEBERG AVENUE AT 4:00 P.M.

CITY COMMISSION PRESENT:

Sam R Fugate, Mayor
Al Garcia, Commissioner
Charles Wilson, Commissioner
Stanley Laskowski, Commissioner
Arturo Pecos, Commissioner – arrived at xxxx

CITY STAFF PRESENT:

Vincent J Capell, City Manager
Edna S Lopez, City Secretary
Courtney Alvarez, City Attorney
Mark Rushing, Finance Director
Bob Trescott, Downtown Manager
Bill Donnell, Asst Public Works Director
Naim Khan, Public Works Director/City Engineer
David Mason, Purchasing Director
Diana Gonzales, Human Resource Director
Diana Medina, Collections Supervisor
Yolanda Vasquez, Municipal Court Supervisor
John Garcia, Risk Manager
Mary Ann Trejo, Litter Abatement Officer
Caron Vela, Account Manager

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:05 P.M. in the City Commission Chambers and announced quorum as present, with Commissioner Pecos absent.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

Mayor Fugate called to forego the formalities.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

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

NONE

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, Chapter 59 project. No formal action can be taken on these items at this time.”

Ms Alvarez updated the Commission on the discussion regarding the Interlocal with the County on the Parks. There is \$200,000 annual contribution, with regard to the water trade the amount is \$46,000 to cover water, trash and landfill fees. In exchange for that the County is supposed to put \$30,000 worth of capital improvements into the City parks. She stated there was only one year that the City bumped that amount up to \$66,000. There is an Interlocal with the County wherein prior to August 15th, the County Judge

and the City Manager are supposed to exchange proposed budgets for the Health and Library Departments. The third update is that late afternoon she received a revised contract from HDR on the storm water study which is already in the agenda packet for Monday's meeting and posted. Some tweaking was done so the fees were decreased, she is still rechecking to see if any other changes were made and she will provide a memo on that towards the end of the week.

IV. Public Comment on Agenda Items³

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

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 2011-2012 budget for departments of the City of Kingsville, including but not limited to the following: (City Manager).

- 100 City Commission (Mayor and City Manager)

City Manager Capell stated he has provided them a detailed breakdown of their budget, as well as the City Manager's budget. The budget was prepared by Ms Lopez, City Secretary which is pretty much consistent with what it's been in the past. The detail schedule shows details of each line item. He stated that at a previous meeting, the Mayor mentioned he was willing to give up \$5,000 of their travel budget but this is not shown on this detail. Mr. Rushing will make that change before the budget is adopted. City Manager Capell stated this detail does not reflect \$1,900 for account #226 – Computers, that was added after the schedule was prepared. Commissioner Laskowski stated that the detail was showing that amount but that a new computer was ordered at a cost of \$1,400. Commissioner Garcia stated his basic use of the computer is for the agenda and does not download from the internet.

City Manager Capell stated he would like to see a reserve for technology equipment. Every year, every department that has computers contributes to this reserve so when it is needed the money is set aside. Right now, when somebody's computer fails a budget amendment is needed. Commissioner Laskowski stated the travel account has about \$5,000 left so new laptops can be purchased with that money. Mayor Fugate called for questions or comments.

- 101 City Manager (City Manager)

City Manager Capell stated there are a couple of things going on in this budget. A detailed summary was provided. The travel and training of \$14,000, and other City Manager training conferences was changed to \$2,500. He stated he budgeted for only one National League of Cities Conference, but there is some other travel that could occur which could be the second League of Cities Conference. He stated he doesn't have a good feel for what travel requirements there might be. The other change to this budget is that \$2,200 was added to computers. The City Manager's office is now three people, the City Manager, City Secretary and the Downtown Manager. He explained the change of the Downtown Manager from the Planning Division to this department. He stated he will be working along with the Downtown Manager with the priorities that the City Commission has for him with regard to downtown revitalization, increase tourism and economic revitalization downtown. The City Manager's office for the first time has two divisions. The total budget only increased by about \$700, most is in salary line items because the City Manager's salary has changed and of course, the benefits along with it. The supplies line item decreased by \$500, the services category decreased by \$4,800.

Regarding the Main Street Tourism budget, City Manager Capell stated this budget increased due to a proposed increase to the Downtown Manager's position. He stated with the change to the Downtown Manager's position he did not intend for the Kingsville Convention and Visitor's Bureau to pick up any of the extra costs. The budget reflects an even sharing of those costs. If the costs were taken out of what the KCVB pays for, it would actually increase the salary cost from \$3,500 to \$7,500, to \$41,889. It would increase the total cost for the City Manager's division from \$269,000 budget to \$285,000 that is proposed. He then asked the City Commission how they want to handle this; his suggestion is for the increase in the compensation and benefits that the City take that on and to cap what the KCVB pays (\$28,662) and what they are currently paying. If this proposal is accepted the Manager's budget will have to be modified.

Upon a question from Commissioner Laskowski, Mr. Trescott replied printing is something that comes up from time to time, but most is done in-house. The brochure for the downtown businesses is being worked on but there hasn't been discussion on the printing. City Manager Capell stated once he has a chance to devote some time they will see changes.

- 102 Municipal Building (Public Works Director/City Engineer)

Mr. Khan stated when putting the numbers together, he looks at safety and a pleasant working environment in the building. On the other hand, he has to remember that the City offices will not be staying in this building for a long time. This is an old building and doesn't want to spend too much money. In professional services, there's an increase because last year it was under budgeted and has had to transfer money into this line item. Professional services included the cleaning of the building and the elevator. Upon a question from Commissioner Laskowski, Mr. Khan replied the certification of the elevator is included in this line item. Upon a question from Commissioner Garcia, Mr. Khan replied the roof was repaired and there are no problems. City Manager Capell called for further questions. Commissioner Garcia commented about the flags poles that are located on the building. Mayor Fugate stated some of the stone was lost where the flags were hung. Mr. Khan stated he hasn't been able to find the right person for the job and this is not an easy fix. City Manager Capell stated this needs to be addressed and fixed. Mayor Fugate suggested checking with Mr. Joe Hinkle, President – Kleberg Bank.

- 105 Train Depot (Public Works Director/City Engineer)

Mr. Khan stated he had spoken to Ms Carol Ann Anderson, Tourism Director about this budget. There is an increase to professional services because the building needs to be cleaned from bird waste. Ms Anderson is requesting more money to be able to do more advertising in magazines. Commissioner Wilson stated there are ads that are specific to the train depot. There's an increase for building maintenance due to this being an old building. Upon a question from Commissioner Pecos, Mr. Khan replied this budget does not have money for moving the red caboos from its present location to the location of the train depot. There has not been any discussion on moving the red caboos. It was suggested to explore options on something being done with the caboos.

- 110 Human Resources (HR Director)

Ms Gonzales stated this budget has an increase for one line item - supplies but another line item was decreased because a printer will be replaced. Upon a question from Commissioner Garcia, Ms Gonzales replied that the line item for training & travel has charges that have not posted because they were charged to a credit card. She will be attending two conferences scheduled for later this fiscal year.

- 120/125 Risk/Emergency Mgmt (Risk Manager)

Mr. Garcia stated this budget is same as last year; the only change is for educational materials which includes money for defensive driving. The budget for Emergency Management also remained the same. No additional equipment is being mandated at this time.

- 140 Legal (City Attorney)

Ms Alvarez stated as with HR, supplies and services total out to be the same total amount of dollars. Some shifting around was done from computers, \$600 to communications to get an air card, in an event a laptop could be made mobile so they will still have access to the City's email and internet. The dollar amounts are the same. Ms Alvarez stated the balance in professional services could be consumed prior to the end of the fiscal year. With regard to train & travel, there will be several seminars that will be attended. Mayor Fugate called for further questions.

- 160 Planning (Asst Director of Public Works)

Mr. Donnell stated this department tries to eliminate the obstacles for the developers. This budget does not have a lot of activity and he hasn't really moved forward with training or professional association, but the new Director of Development Services will probably be going to training and applying for different membership. There is a decrease in training & travel due to the previous Director traveling out-of-state for meetings regarding the JLUS. Upon a question from Commissioner Garcia, City Manager Capell replied it is hard to say at this time if the amount of money in training & travel is enough.

With regard to Permits & Licenses, Mr. Khan stated they have budgeted money for a new computer because this department has never had a new computer.

In the Code Enforcement Department, Ms Mary Ann Trejo, Litter Abatement Officer stated Ms Vela, Code Enforcement Officer was unable to attend but she has summarized the department's goals and how it reflects on the budget. The budget is fairly similar to last year; the department with Commission approval will evolve from Code Enforcement to Community Appearance. This will expand the department's goals, not only to enforce codes but to initiate more beautification programs which will involve the schools and community. The department plans to create and implement a school campaign program, the Halloween carnival will be expanded, and continue

to be proactive with the Adopt-a-Spot Program. The Community Appearance department will continue with code enforcements but will reintroduce the Code Ranger program. With additional staffing, the Community Appearance department foresees more inspections, court cases, abatements and liens. Budget increases made throughout the individual expenditures reflect the additional staff member in this department.

Upon a question from Commissioner Laskowski, City Manager Capell replied the year-to-date monies in the printing & publishing line item is for updating the Keep Kingsville Beautiful brochure. Once the department is reorganized contact information will change. Commissioner Laskowski stated several local banks contributed to the printing of the last brochure. City Manager Capell stated not knowing if the banks will contribute he would like to keep the budget where it is and if they contribute the money will not be spent.

City Manager Capell stated he hopes to replace calling several different phone numbers for various problems relating to community appearance and replacing that with calling only one number. He stated if that happen the City needs to make sure that the telephone system is the type of system that can record messages, take phone calls if somebody is already on the phone. There may be an additional expense to make sure the City has the right type of phone system. Currently there are two employees in this department; there will be three when the Community Appearance Supervisor is hired. City Manager Capell stated that Ms Trejo and Ms Vela deal primarily with debris and alleys which is a small piece of the total effort to make the community look good. There are a lot of people involved in this one effort.

- 190 Purchasing/Technology (Purchasing Director)

City Manager Capell stated he recently assigned Mr. Mason additional responsibilities. For good affect, the City needs some help on the technology side. The department is a different department. Mr. Mason stated his budget is staying the same. He stated the previous Director loaded the department with forms and supplies. He stated hasn't spent money in training & travel, because he was not able to attend the Texas Public Purchasing meeting, but would like to attend next year. Upon a question from Commissioner Laskowski, Mr. Mason replied both him and his secretary need new computers, and his desk is on bricks because it is too low. Commissioner Garcia asked about computerizing the purchase order ledger. City Manager Capell explained this will be eliminated when the Pcard is used.

With regard to the IT budget, Mr. Mason stated he has always looked at budgets and programs as a plan to succeed, but this one he looked at as a plan to fail. He stated that he can't tell that the City has had a comprehensive IT program. A couple of improvements have been made this year. The City has purchased a terminal server. A rack for the server is needed. He stated the City Manager requested the cost to upgrade everyone to Windows 7 and Office 2000. The price is approximately \$27,000. Since the City now has a site license for Adobe Acrobat and Microsoft office, his recommendation is to order computers with no software. City Manager Capell stated he would like to change the computer purchasing decisions. He would like to centralize the decisions; basically Mr. Mason would make the decision with the assistant of the department director as to a standard configuration. This would lessen the complexity and the time consuming nature of ordering the computer. If someone needs something special that can be handled separately.

- 180 Finance (Finance Director)

Mr. Rushing stated he would make some adjustments to this department's budget. Professional services should be \$2,134, the audit services should be \$45,000, printing and publishing should be \$3,840, travel should be \$8,500, subscription should be \$945, and these adjustments represent \$12,057 in reduction. This would bring the overall cost to the department \$12,000. He stated the key element is that the line item for communications increased because he received a City cell phone. Upon a question from Commissioner Garcia, Mr. Rushing replied this year, Incode will be offered in Grand Prairie so the travel line item increased. He stated he has been with the City for five years and has not attended an Incode update. Upon a question from Commissioner Garcia, Mr. Rushing replied the department has services that the Commission allowed them to budget for in this fiscal year, in Professional Services to bring someone in to assist his department with special revenues. The temporary employee will be employed until the end of this fiscal year. He stated they are looking whether or not those services will be needed for next fiscal year and that will be strictly up to the City Manager and the Commission. Commissioner Garcia asked Mr. Rushing if he needed continued help in that area. Mr. Rushing replied he believed they are still studying that and the City Manager would make that determination. City Manager Capell stated he did not feel that he has adequately assessed whether or not that person should be cut and would like to keep that person on until he has made that assessment. The position is included in next year's budget. His overall effort in the Finance Department and other departments is to eliminate things that are unnecessary to help make us more efficient while maintaining internal controls. Once that is done he can better assess the need for this position and others. He is not necessarily looking at reducing staff as much as he is redeploying them, making sure they are working as efficiently and productively as possible. Upon a question from Commissioner Garcia, Mr. Rushing replied they are

restructuring which there's been a lot of initiatives that were brought on this year that are labor intense. He stated he thinks this department is in good shape.

With regard to Municipal Court, Mr. Rushing stated the overall budget stayed the same. The initiative to bring the Warrant Officer to assist in serving the warrants which should bring in additional revenue to equal or exceed the salary cost of that position. Upon a question from Commissioner Laskowski, Mr. Rushing replied the Omni fee would be passed on to the perpetrator that has the warrants against them. The cost of Omni & the State would be passed on to others and wouldn't be absorbed in the City's cost. There is no technology cost. There is no money budgeted in the line item – Computer & Associates because the technology fund is there for that purpose.

- 620 Utility Billing (Finance Director)

Mr. Rushing stated overall the budget in Utility Billing was reduced by \$3,038 on the core when salaries and capital outlay are eliminated. They are hoping to do more with less. In this current year, remote scanners are included so that checks are scanned in and batched in immediately. Mr. Rushing explained some new procedures put in place after the robbery. He touched on weed liens and paving liens. Commissioner Laskowski commented that this budget had a reduction of \$5,700 in computers & associates, but that the travel account was increased from \$800 to \$3,000. Mr. Rushing explained that the Collections Supervisor will be attending the Incode training which will be offered in Grand Prairie.

In the Meter Reader Department, the cost has overall been reduced by \$807. There's an increase to provide for the GPS. The GPS is to make sure the employees are where they are supposed to be at and when meter readings are picked up they can see if it is an efficient route.

- 103 City Special (Finance Director)

Mr. Rushing stated that the core of the City Special there is no capital outlay but there are some salaries included. In the supplies and services aspect, the overall increase is \$45,390. He explained the amount for postage which has decreased about \$2,000. The Greater Kingsville Economic professional service was increased. City Manager Capell stated he received a letter requesting that this line item be increased by \$5,000. This had not been increased since 1991. He stated he had previously increased the amount by \$3,000 but later received the letter asking for \$5,000. He asked the Commission what they wanted to do: to increase the amount by \$2,000 or to leave it as is or back to where it was. The consensus of the Commission was to increase it by \$5,000.

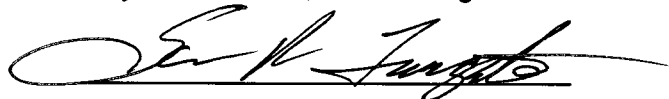
Mr. Rushing stated the Appraisal District increased by \$23,201. This amount is prorated based on the appraisal values which this would be a portion increase over our current budget. Commissioner Laskowski commented that he thought it was based on the number of parcels by entity and the adopted budget is taken and divided by the number of parcels. Mr. Rushing stated he thought it was appraised values.

Regarding the Call Center, Mr. Rushing stated if the City doesn't get a renter; the City will have to pick up the tab with ORCA. The last payment will be made by the previous tenant in August 2011. Commissioner Laskowski stated that the City could ask for a deferral as was done once before.

In professional services, Mr. Rushing stated that once every two years the City does a GASB full blown actual study so this is reduced by \$10,000. The monies, \$37,760 for the search for the City Manager was pulled out, and the golf course monies, \$36,375 was also pulled out. Mr. Rushing stated the line item for training increased by \$1,000. There is an increase of a couple thousand for equipment rent and for elections there is an increase of \$11,113. In claims against City the budget is \$30,000 not knowing specifically which department that would be related to. The insurance in property liability is at \$180,000 which is broken out, 50% general fund and 50% utility fund. He stated the tax office was budgeted at the same level based on parcels. Mayor Fugate called for questions or comments.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at xxxxxxx



Sam R Fugate, Mayor

ATTEST:



Edna S Lopez, TRMC, CMC

City Secretary