

SEPTEMBER 9, 2013

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, SEPTEMBER 9, 2013 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 6:00 P.M.

CITY COMMISSION PRESENT:

Al Garcia, Mayor Pro-tem
Noel Pena, Commissioner
Arturo Pecos, Commissioner
Dianne Leubert, Commissioner

CITY COMMISSION ABSENT:

Sam Fugate, Mayor

CITY STAFF PRESENT:

Vince Capell, City Manager
Mary Valenzuela, City Secretary
James Bryson, Accounting Manager
Charlie Cardenas, Public Works Director/Engineer
Mark Rushing, Finance Director
Emilio Garcia, Health Director
Ruthie Valdez, Interim Library Director
Diana Gonzales, Human Resources Director
Courtney Alvarez, City Attorney
Robert Isassi, Planning & Development Services Director
Melissa Perez, Risk Manager
Diana Medina, Collections Manager
David Mason, Purchasing/IT Director
Stacie Pena, Accounting Supervisor
Bob Trescott, Tourism Director
Bill Donnell, Assistant Public Works Director
Joey Reed, Fire Chief
Ricardo Torres, Chief of Police
Rose Morrow, Municipal Court Supervisor

I. Preliminary Proceedings.

OPEN MEETING

Mayor Pro-tem Garcia called the meeting to order in the Robert H. Alcorn Commission Chamber at 6:00 p.m. and announced quorum with four members of the Commission present. Mayor Fugate absent.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by Mark Rushing, Finance Director followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Regular meeting – August 26, 2013

Mayor Pro-tem Garcia asked for a motion from the Commission to approve the minutes as presented. **Commissioner Pecos made a motion to approve the minutes as presented, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia voting: “FOR”.**

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

None.

III. Reports from Commission & Staff.² (City Manager's Staff Report Attached).

“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, Tourism, 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, Financial Advisor,. No formal action can be taken on these items at this time."

Mrs. Courtney Alvarez, City Attorney reported that the next special meeting will be on Monday, September 16, 2013 at 6:00 p.m. to adopt the Fiscal Year 2013-2014 Budget and Tax Rate. She further reported that the next regular scheduled meeting is scheduled for Monday, September 23, 2013 at 6:00 p.m. The deadline to submit agenda items for the September 23rd meeting is Friday, September 13, 2013. Mrs. Alvarez further stated that there was an ordinance for the introduction of the budget that is in the agenda packet as item number 3, in which the numbers were updated in section three it went from \$45,798,427 to \$45,803,437.

Commissioner Garcia reported that the Javelina Football team will be playing Monterrey Tech, Saturday, September 14, 2013 at 12 noon which will be aired exclusively on Channel 2 on the regular cable channels.

IV. Public Comment on Agenda Items³

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

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 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. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the transfer of fund balance from Fund 061 CO Series 2002-2002A - Utility Fund to Fund 039 CO Series 2002-2002A - General Fund. (Finance Director).

Mr. Mark Rushing, Finance Director stated that this is a reintroduction of the introduction that they had last time. It had referenced the wrong fund and account number. This relates to the arbitrage settlement in the realization that funds can be moved from utility fund to general fund.

Introduction item.

2. Consider introduction of an ordinance amending the fiscal year 2012-2013 budget for the City of Kingsville for deficit accounts and year end contractual amounts. (Finance Director).

Mr. Rushing stated that this is an end of the year budget amendment which will provide adequate funding for all the various departmental budgets in the City. He further stated that in the General fund there is an increase of \$100,000 received in payment in lieu of taxes, decrease in City Sales Tax \$34,000, decrease in Court Fines \$40,000, and a decrease in State Service Fee \$6,500 for a subtotal in the General Fund of \$19,500. He further reported on the expenditures in the general fund there were \$1,500 for Personnel for additional advertising, \$9,200 for the service center for a total expenditure amount of \$10,700. The net effect on the unassigned fund balance is \$8,800 increase. In fund 025, building security fund, needed is an additional \$2,712 in salary overtime for the security of the Courts. Fund 091, General Fund Capital Projects and Suplus, there was an increase of \$29,825 for professional services for TAMUK Kleberg Avenue project and an additional \$25,000 for the TAMUK Athletic Stadium as per an interlocal agreement, this total to \$54,825 for fund 091. Task Force fund 008 is an additional of \$28,295 relating to

awarded vehicles. He further stated that budgeted was \$40,600 which makes it a projected amount of \$68,895 and net effect was a decrease of \$40,600 for fund 008. In fund 059, there was an adjustment to the water sales projection of \$6,195 and there was also a corresponding in utility increase in expenditure that was related to 600.2. There was a transfer out to fund for \$171,488 and in 054 the corresponding transfer in for \$171,488.

Introduction item.

3. Consider introduction of an ordinance adopting the City Manager's budget, as amended, of the City of Kingsville, Texas and appropriating funds for the fiscal year beginning October 01, 2013 and ending September 30, 2014 in the particulars hereinafter stated. (Finance Director).

Mr. Rushing stated that the subtotal on the budget amendment is \$45,803,437 which is an adjustment of \$5,010 in which that amount was needed to increase in transfers out form 001, general fund into the fund 091, surplus and transactions. He further discussed the budget changes from proposed to adopted budget. Mr. Rushing reported that the \$300,000 is included in this for the Wild Wood Trails Subdivision.

Commissioner Garcia asked about the \$5,000 being moved from hotmix to Engineering, will that depilate our efforts to repair streets. Mr. Capell responded no, it is from saved of the lower cost estimates.

Commissioner Pecos asked if the City's portion for the Veteran's Van was included in the budget. Mr. Capell stated that the estimate cost was \$45,000 to \$50,000, which could cost the City anywhere from \$22,500 to \$25,000. He further stated that he has asked Judge Escobar's office to provide the City with a letter stating what the specific cost would be for this van so staff can submit to Commission for their approval.

Mr. Rushing continued to explain the following changes, increase in hotel/motel revenues for \$22,581 which relates to fund 002, Tourism. Increase in FY13 and FY14 expenditures/disbursements to the Conner Museum for \$25,647. Increase FY14 expenditures/disbursements in the general fund for higher estimated expenditures assessed to the City for the Appraisal District for \$6,071. Reallocation of payroll and benefit expenditures from Utility Billing Division to the Municipal Court Division to reflect the cost sharing arrangement of one full time employee at 75% in Municipal Court and 25% in Utility Billing for \$6,140. Increase expenditures in the General Fund for NASK airshow in the amount of \$2,400. Increase FY14 expenditures for demolitions and private property cleanups in the Community Appearance Division of the Planning Department in General fund in the amount of \$10,278. Increase FY14 expenditures for the third and final phase of the dumpster enclosure project at an estimated cost of \$20,000 using FY13 budget savings.

Mr. Capell stated that this should catch-up the City with the backlog of dumpsters not enclosed. All future dumpster enclosures will be paid for by the developer as part of new construction. And beginning in FY14 it is the City's intention to pay for dumpster enclosures for new sanitation customers and dumpster replacement or repairs using Sanitation Division revenues in the General Fund. Increase FY14 expenditure in the amount of \$5,000 in the Sanitation Division General Fund for estimated costs of dumpster enclosures for new commercial businesses in FY14 and needed dumpster repairs.

Commissioner Garcia stated that his concerns with the dumpster enclosure. He asked how many dumpster will be enclosed with \$20,000. Mr. Isassi stated that each dumpster enclosure cost approximately \$600, so it would cover 33 dumpsters.

Mr. Rushing continued to explain the changes. Increase FY14 professional services expenditure in the amount of \$5,000 for the next City streets engineering project by TAMUK. This requested expenditure increase of \$5,000 in General Fund 091 would be offset by a \$5,000 decrease to the proposed lease expense in the General Fund 001 for the oil distributor and hot mix laydown machine. The net effect of these changes on the total City budget is \$0, but it does require a transfer from General Fund 001 to General Fund 091 to cover the \$5,000 expenditure in Fund 091. Staff has moved \$300,000 City cash economic incentive for Wildwood Trails from FY13 to FY14.

4. 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, 2013 and ending September 30, 2014, 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. (Finance Director).

Mr. Rushing stated that this ordinance relating to the tax rate reads, this tax rate will raise more taxes for maintenance and operations than last year's tax rate. The tax rate will effectively be raised by 1.42 percent and will raise taxes for maintenance and operations on a \$100,000 home by approximately \$-9.91. He further explained that the reason for


the negative number is that the taxable values increased \$200,815,163 and debt service amount stayed about the same only changing about \$806. The sales tax factor in the calculation was \$57,832 less but the I&S Fund balance that was utilized last year was \$191,321. The fund balance utilized this year is \$116,810 for a net difference of \$74,511. He further stated that the total tax rate in this ordinance is .84220 which is the constant amount. He further stated that what you calculate the debt service schedule first, but not levying the full amount because pulling the fund balance in I&S down, so the taxpayers don't have to pay that amount. Effectively it is being lowered for them because the City is utilizing fund balance from the I&S. Last year's M&O tax rate was 0.663950, this year it's 0.654040, a drop of 0.009910, valued per \$100,000 in valuation. He stated that this proposed rate in the M&O is 0.654040 and the I&S portion is .188160 for a total of 0.84220.

Mr. Capell stated that this is the 3rd year that Commission adopts the same tax rate of .084220.

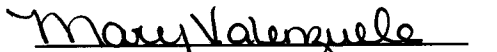
Commissioner Pena stated that the public notice was a bit confusing which it looked like there would be a tax increase.

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:40 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, City Secretary