

AUGUST 20, 2015

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON THURSDAY, AUGUST 20, 2015 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 4:00 P.M.

**CITY COMMISSION PRESENT:**

Sam Fugate, Mayor  
Dianne Leubert, Commissioner  
Noel Pena, Commissioner  
Al Garcia, Commissioner  
Arturo Pecos, Commissioner

**CITY STAFF PRESENT:**

Courtney Alvarez, Interim City Manager/City Attorney  
Tom Ginter, Director of Planning & Development Services  
Deborah Balli, Finance Director  
Diana Gonzales, Human Resources Director  
Charlie Cardenas, Public Works Director/Engineer  
Tony Verdin, IT Specialist  
Jimmy Saenz, Golf Course Manager  
David Mason, Purchasing/IT Director  
Leo Alarcon, Tourism Director  
Cynthia Martin, Downtown & Volunteer Manager  
Robert Rodriguez, Library Director  
Emilio Garcia, Health Director  
Melissa Perez, Risk Manager  
Willie Vera, Task Force Commander  
Susan Ivy, Parks Manager  
David Bodiford, Accounting Supervisor  
Stacie Pena, Accounting Manager  
Jessica Storck, Legal Assistant

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate called the meeting to order in the Robert H. Alcorn Commission Chamber at 4:03 p.m. and announced quorum with all five Commission members present.

**INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)**

Mayor Fugate stated that he would like to waive these proceedings.

**MINUTES OF PREVIOUS MEETING(S) – Required by Law**

NONE

**II. Public Hearing - (Required by Law).<sup>1</sup>**

NONE

**III. Reports from Commission & Staff<sup>2</sup>**

*“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.”*

Due to audio not recording what was discussed during reports from Commission and staff, there are no minutes for this section.

**IV. Public Comment on Agenda Items<sup>3</sup>**

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

Due to audio not recording, there are no minutes for this section of the agenda.

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)*

**Motion made by Commissioner Pena to approve the consent agenda as presented, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".**

1. Consider final passage of an ordinance amending the Fiscal Year 2014-2015 General Fund Budget to accept funds from Kleberg County for Golf Course irrigation equipment. (Director of Finance).

### **REGULAR AGENDA**

#### **CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:**

VI. **Items for consideration by Commissioners.**<sup>4</sup>

2. Review and discuss proposed fiscal year 2015-2016 budget for departments of the City of Kingsville. (City Manager).

There is no audio recording for the following department budget presentations: Budget Overview-Citywide, City Commission, City Manager/City Secretary, Human Resources, Planning, and Legal Department. Therefore, there are no minutes stating what was discussed during those presentations.

Audio begins recording with the Building Services budget presentation.

#### **Building Services – 001-160**

Mayor Fugate comments that the Building Services budget is less this year than last year.

Mr. Tom Ginter responded that there are reductions in some of the line items.

Commissioner Garcia asked if there were enough inspectors such as plumbing, electrical inspectors, and building inspectors to cover the work load that comes in on a day to day basis.

Mr. Ginter responded that he is fully staffed for the workload that comes in. He further stated that there are two certified plumbing inspectors on board at this time.

Commissioner Pena asked if this department was asking for additional staff. Mr. Ginter's response was no.

#### **Community Appearance – 001-160**

Mr. Ginter commented that this department has the same personnel, one supervisor, two inspectors, two equipment operators, and one administrative assistant. The current administrative assistant has turned in her resignation. Staff will begin the hiring process for this position. Ginter further stated that there is no equipment being sought in this budget request. Staff will work on voluntary demolitions as payments for these demolitions are 100% paid back to the City.

### **Finance Administration – 001-180**

Mrs. Deborah Balli reported that regarding the audit for this year, it was finished earlier than in the past. For this upcoming budget year, auditors will be coming between October and December to do some interim work. The goal is to complete the audit by March 31<sup>st</sup>. With the interim work done earlier, this should lower the audit fees. The other initiative is that for the next upcoming year the city budgets will be submitted to GFOA Certification Program. Balli continued to say that last year the Investment Policy was certified by the Government Treasures of Texas Association. As for the actual budget itself, salaries were changed due to employees that are having their anniversaries and some hourly employees got some of the benefits from the smoothing out that happened with the steps and grades. Balli stated that the only increase that is being requested is for assistance during the budget season and audit season. Balli further stated that some money was moved around between line items, which brought their budget down overall.

Mayor Fugate asked about the Celanese \$100,000.00 revenue. He stated that he recalls that in the past it was said that they would earmark this for economic development and used \$25,000 of this money was set aside for the Texas A&M University-Kingsville stadium. He asked if this money was being spent.

Mrs. Balli responded that this money is in a line item for renovation and this money is budgeted every year in the 103.0 City Special Budget.

Commissioner Pena asked that on the revenue side, the biggest increase is in court fines. He recalls during his first or second year of being a City Commissioner he asked to see any outstanding collections and the response he received was that staff didn't have the ability to do a query and compare actual fines with actual collections. He further stated that his concern is the money that has not been collected which causes a jump in revenue.

Mrs. Balli stated that the reason for the jump in revenues is because we have taken on some additional avenues to do collections. A Warrant Officer was hired that is bringing in additional revenues as well as Linebarger which is doing some collections for the City. Balli further stated that we also have Unibase and a call system that calls individuals reminding them of their court dates. Balli further stated that staff has been going through some of the old case files that hasn't been gone through for quite some time, which now we have a better handle on the numbers the Commission is looking for. Overall, Municipal Court has added one staff person as of last year. This year it is being asked to make the part-time employee change to full-time as next year this office will be receiving truancy cases which cause more court dockets.

Commissioner Leubert commented that this is justifiable.

Mrs. Balli further stated that within Municipal Court Budget there is a request for some training money to allow all Municipal Court Specialist to be certified at Level 1. These court specialists have to be certified because they answer technical type questions on a daily basis.

Commissioner Garcia asked that on most of the delinquent fines that have been stacked up, as they are listed and information received on put on a spread sheet, are they being turned over to Linebarger for collection.

Mrs. Balli responded that the old cases are brought back before the judge. Those that cannot be turned over to the Judge are being turned over to Linebarger for collection.

Commissioner Garcia commented that staff is making the first effort locally then it's being turned over to Linebarger for collection.

### **Municipal Court – 001-180**

Mrs. Balli commented that she has already touched base on everything she was going to speak about regarding Municipal Court. The only thing that hasn't been discussed is where Municipal Court will be housed. Balli further stated that once staff comes before the City Commission with their counter list of wants and needs for the Certificates of Obligation (CO) 2016 possibility of going out that Municipal Court building be part of those things included in the CO's 2016. Balli further stated that there are several options that will be presented in the future.

Commissioner Leubert commented that somebody brought up something that makes sense to look at the location next to the Kingsville Police Department.

**Municipal Court Technology – 031-180**

Mrs. Balli reported that the revenues coming from certain fees on the cases. The only thing that has been included in this year's budget is a capital outlay request to purchase a video conferencing system which would allow staff to leave the inmates where they are housed and just conference them in for court proceedings.

Mayor Fugate commented that this should cut back on officer hours to bring in inmates into court.

Mrs. Alvarez commented that there will still be officers with some overtime, but they will just be at the Sheriff's Department taking the individuals into the conference room.

**Utility Billing – Collections – 051-620**

Mrs. Balli reported that one of the request personnel wise is to change the part-time position to full-time position so that this individual is there the full eight hours. Balli further reported that there are also a few increases being asked for in this budget. At this time utility billing is one person short as they lost their Meter Technician and is currently interviewing to get this position filled. Once this position is filled, this department will be fully staffed. The other initiative that is being taken on in Utility Billing is some customer training for all the employees that deal with the public. This should help on handling different types of customers.

Mayor Fugate commented that when he first came on board as Mayor, Mr. Carlos Yerena had all staff members trained in customer service through Coastal Bend College.

Commissioner Garcia asked how many meter readers are within this department. Mrs. Balli responded that there are two meter readers which also take care of all disconnects and maintenance of meters.

**Utility Billing – Meter Readers – 051-620**

Mrs. Balli reported that there is not much change done within this budget.

Commissioner Garcia asked if Mrs. Balli has heard of any difficulties in the meters apparatus going out or malfunctioning. Mrs. Balli responded that there is a budget for the exchange of meters when there are service problems. But there hasn't been anything out of the ordinary that they are seeing at this time.

**Purchasing/Technology – 001-190**

Mr. David Mason reported that within the Purchasing Division there aren't many changes made. In 190.2, Technology there is a few projects that are being worked on this year. They will begin work on the telephone system at Public Works, next week, and try to get this completed. Once staff moves into the new city hall and phone lines are disconnected, it will affect the trunk line to public works. The wireless project begins on August 31<sup>st</sup> and will begin the wireless project from building to building.

Mayor Fugate asked if there was enough money in this budget for the move to the new city hall.

Mr. Mason responded that of the \$500,000, \$100,000 is for IT and \$100,000 is for furniture for the new city hall. Mason further stated that this budget will be very tight.

Mrs. Alvarez commented that staff is going to try and make it work as best we can and that's one of the reasons why we try to leave a healthy amount above the minimum fund balance, as there is a lot of variables with the transition that were about to take.

Mayor Fugate commented that whenever you move, there are always some unforeseen expenses while moving.

Mr. Verdin commented that staff is working on the phones and wireless connections which will actually lower the overall communications cost, as the phone system is more

modern and will centralize the actual cost of the phone system as well as the wireless. The wireless is centralized so the actual internet cost will come down overall.

Commissioner Garcia asked what the wireless range is. Mr. Verdin responded that the ranges on these radios, depending on the hop, it is normally three miles.

Commissioner Leubert commented that there is a common thread on catering, is this where everyone pays for coffee and other things.

Mrs. Balli responded that some of the catering is used for the employee appreciation week. Some of the catering is also for coffee and water services.

### **City Special – 001-103**

Mrs. Balli stated that City Special is used for the types of things that affect all departments. City Special Personnel is for Economic Development Director Consultant. The City pays the salary minus \$40,000.00 which is what is owed back so that the difference between all salary line items and the \$40,000 is our \$65,000 amount that is budgeted for that position. The other increase within this budget is for Halo-Flight which was \$5,000 last year and they put in a request for an additional \$5,000 donation. The other change is under the Election line item as there is an election in 2016. Under the property and liability insurance we did receive a small decrease in the amount the city has to pay for in that insurance. Last it was budgeted \$197,000 and this next fiscal year it is being budgeted \$190,000.

Mrs. Alvarez commented that regarding the property insurance line item, credit needs to go to the Risk Manager for working with staff and going through and inventorying all of the city assets, especially all the new ones that have been taken on with Golf Course and Parks Department which was a lot of labor. Alvarez stated that by watching the Risk Manager do her stuff and then Georgina from TML coming in to make sure things were covered as well as the representative for the windstorm that met with all three of them to try and make sure that they could take off things that are no longer needing to be covered and add on things that need to be covered. Alvarez further stated that while it is not reflected now, once the Risk Manager does her budget presentation, the Commission will see that how well the Worker's Compensation rates have come in favorably and that's reduced the amount that the city had to fund in the proposed budget by about \$30,000.00.

Commissioner Garcia asked if the City is still paying for an agent of record. Mrs. Alvarez responded that she is not sure of that. Commissioner Garcia stated that the reason he is asking is that a comment was made by Mrs. Alvarez that the windstorm representatives came out and the agent of record should have been out here to guide this process.

Mrs. Alvarez responded that whenever the Risk Manager comes up to present her budget, which will be done during tonight's meeting, she will be able to answer some of these questions.

Commissioner Garcia commented that he does not need a presentation from the Risk Manager, he was only making a comment that the agent of record should have been working with her in retrieving values and take off assets.

Mrs. Melissa Perez, Risk Manager commented that the city goes through this process every year. Ms. Georgina Ybarra is always present as well as several individuals to see this process through.

Commissioner Garcia commented that what he is leading to is does the City need an agent of record as the city has all these individuals helping out.

Mrs. Alvarez responded yes, because of the Health Insurance and the supplemental insurance.

Mayor Fugate commented that they are there more for health insurance as opposed for casualty insurance.

Commissioner Garcia responded no.

Mrs. Alvarez commented that what her experience has been in observing what Carlisle does for the City it's primarily to help with the health insurance and the supplemental

benefits to make sure that when we receive the reports from Entrust they know what questions to ask or what reports might need additional detail to them.

Commissioner Leubert asked if this was a legal issue that we have to have, a liaison, between our health insurance and us. Leubert stated that she knows that it used to be a whole lot more money than it was cut back.

Mrs. Alvarez responded that she would have to check as she believes that the County also has an agent of record, which kind of helps you shop for insurances.

Commissioner Garcia commented that when you have an agent of record for insurance, it encompasses the whole thing.

Mrs. Alvarez asked if what Commission Garcia is stating that there might be some untapped service that we could request of them that we have not previously done so during her experience with the City.

Commissioner Garcia's response was yes.

### **City Special 051-103**

Mrs. Balli reported that the City has never had a City Special Department in the Utility Fund, so staff decided to create a new department to cover the same type of expenditures that affect all of the city departments. In the Utility Fund is their share of insurance shore which is the Other Post Employment Benefit (OPEB) Commitment. Balli further stated that she forgot to mention that while looking at the 103.0, you would have seen an \$117,000 for the OPEB Commitment. She further stated that the City Manager had mentioned to put in \$150,000.00 budgeted for this next year to shore the insurance fund the Utility Fund contribution, of the \$150,000, is the \$24,016.00. Balli further stated that what was also put in was their share of the Insurance Property Liability and the South Texas Water Authority (STWA) contract for water.

Commissioner Leubert asked what OPEB is.

Mrs. Balli responded that OPEB is for other pensions that we use to shore up the insurance fund. Balli further stated that we need to make sure we have enough in fund balance for insurance which is why we have to do an additional contribution sometimes to make sure that this fund is healthy. Balli stated that the auditors would like to have about \$600,000.00 in fund balance.

Mayor Fugate asked what the city has in fund balance.

Mrs. Balli stated that we will end the year with \$300,000 at the end of this year. By putting in another \$150,000 this year we will have \$450,000. Balli further stated that by putting in \$150,000 each year until we build up to the \$600,000.00. Balli reported that the city is doing a lot better on claims this year, which will bring us to a better position than we expected.

Mayor Fugate stated that he can see where the \$25,000 was paid to the University out of the Celanese funds, but he was under the impression that the purpose of this money was to be set aside for any economic development program that we have, is the city placing that money aside?

Mrs. Balli responded that she hasn't seen any initiative that really told her that these funds were earmarked for specific projects. This money generally goes into the General Fund. Balli commented that if staff needs to earmark this money for specific purposes then staff can do that.

### **Municipal Building – 001-102**

Mr. Charlie Cardenas reported this fund took some hits this year with repairs to Air Conditioning Units at the GSC Building and City Hall. This budget will also help run the new city hall. Cardenas stated that within the proposed budget, staff is looking into hiring two part-time employees for the maintenance of the grounds (janitorial services) and mowing around departments such as Kingsville Police Department and other city facilities. He further stated that the maintenance numbers will remain the same at this time, as we are not sure what the maintenance would be for the new city hall.

Mayor Fugate commented that if all staff from the second floor at the current city hall will be moving, is there any need for the elevator to be functional any longer.

Mr. Cardenas responded no, but the second an individual gets into the elevator, it must be certified.

Mayor Fugate stated that whoever gets hired in maintaining the grounds, staff needs to give them some skills in gardening as they will be managing flowerbeds and manicuring lawns.

Commissioner Leubert asked why the city isn't hiring one full-time employee rather than two part-time employees.

Both Mayor Fugate and Commissioner Pecos responded so that benefits won't have to be paid.

Mrs. Alvarez responded that while staff was reviewing the budget last week, it showed that the city was negative \$415,000.000, it seemed like a prudent thing to do. Aside from the \$12,700 in insurance you have the other supplemental benefits.

Commissioner Leubert asked whose department these two part-time employees will fall into.

Mr. Cardenas responded that the two position will fall under his supervision. He also commented that these two employees can also be used for janitorial services for the new city hall and any other departments they may be needed.

Commissioner Leubert asked who cleans up the downtown area.

Mr. Cardenas responded that the Tourism Department and Cynthia Martin assist with the cleanup of the downtown area.

Commissioner Leubert commented that in the past six months she has seen Mr. Miguel Martin maintaining the downtown area.

Mr. Cardenas stated that George of the Tourism as well as crews of the Sanitation Department assist in the clean of the downtown area.

Commissioner Pecos commented that Mr. Nick Harrel also assist with maintaining the downtown area. He is usually seen watering plants around the trees.

Mr. Cardenas commented that city services for the new city hall was done in-house rather than it being contracted out. This includes storm water, water, and sanitary sewer, which was a total of over \$300,000 worth of work that the city saved on.

### **Risk Management – 001-120**

Mrs. Melissa Perez, Risk Manager reported on the Risk Management budget. Mrs. Perez commented that in her previous employment she was in charge of 30 janitors and stated that she knows what needs to be clean. She continued to comment that if the Commission wants to make her in charge of the two part-time employees, she will make sure things get cleaned. Mrs. Perez continued to report that as of August 6<sup>th</sup>, she has completed her 3<sup>rd</sup> anniversary with the City of Kingsville. She reported that under the line item for safety incentives, every year at the Christmas Banquet, all the employees that are accident free are presented with a check. The past few years she came up short by a few thousand dollars, and after speaking with the Human Resources Director and Finance Director it was determined that she wasn't allocating the taxes that goes into paying all the checks. This year it has been included into the budget to cover those cost. The taxes totaled up to \$8,057 which up the budget to \$23,057 for this particular line item.

Mrs. Alvarez commented that this also includes the additional employees that were added on from Parks and Golf Course Departments that were not eligible in the existing fiscal year budget for incentive due to the city guidelines, an employee must be employed for one year to be eligible for this incentive.

Mrs. Perez commented that within her budget, there are a few line items that were decreased which are line items that are utilized for the Christmas Banquet, Safety Week, tailgates, and employee recognition events that are expanded from her budget. Perez

further stated that all other line items are the same with the exception of the training & travel line item being decreased.

Commissioner Garcia asked that with regards to training & travel, what occurred this time that didn't happen last time.

Mrs. Alvarez responded that everybody's core travel, except the City Commission was cut for this fiscal year. There was some within KPD and Fire Department that was not decreased.

Mayor Fugate and other members of the Commission responded that this is not right.

Mrs. Balli commented that this was done by looking at some of the discretionary type of spending and looked into those that needed the training to maintain their certification that their job requires. Balli further commented that employees will need to take a closer look as to where they are going and if it is really needed. If something comes along to where they really have to attend that particular training, staff will take a look at it and see if adjustments can be made, but this initial effort needs to be done in order to scale down.

Mayor Fugate commented to Mrs. Alvarez that we need to lead by example, and is requesting for his travel to be reduced by \$1,000.

Commissioner Pena commented that he has told Mary that he would also like to give \$1,000.

Commissioner Leubert commented that she would like to wait until the end of the budget year, so that she knows her money will go to a department who really needs it.

Mayor Fugate responded that it's up to each Commission member to decide what they would like to do.

Commissioner Pena commented that he would like to assign some of his travel & training budget to a particular project.

Mrs. Alvarez asked if he was talking about the existing year budget or future year budget.

Commissioner Pena responded this year's budget.

Mrs. Alvarez responded that staff has already prepared a budget amendment that includes the \$1,000 that Commissioner Leubert had requested to be done and if somebody else is going to make a change for the existing year allocation, staff can add that on so long as staff finds out today.

Commissioner Pena commented that he had already told Mary.

Mrs. Alvarez responded that it wasn't told what that was designated towards. Alvarez further stated that if the Commission will let staff know after the meeting where they would like that money to go towards, it can be added to the existing budget amendment.

Commissioner Leubert asked if hers was already done. Mrs. Alvarez responded yes.

Mayor Fugate commented that he would like for staff to reduce his training and travel budget by \$1,000 for the upcoming budget.

Mrs. Perez stated that her office maintains the Emergency Management Department as well as Annexes. Her office continues to conduct safety trainings every month with the Public Works Departments and all other city departments. Online TML training is utilized for these trainings. Perez stated that the city's workers compensation cost was significantly lower this year. She reported that in the accident and injury record it shows that in 2012-2013 it was 97, 2013-2014 it was .78, 2014-2015 was .70 and 2015-2016 was .58.

Mayor Fugate asked Mrs. Perez what she attributes this to.

Mrs. Perez responded that the first year she was employed with the city, the previous city manager did not allow modified duty. Injuries have decreased significantly and now we are bringing employees back to light duty modified duties.

Commissioner Leubert commented kudos on the modified work for those positions.

Mrs. Perez further commented that as the Risk Manager she does safety inspections on city departments and respond to all accidents and claims. Perez stated that within the Emergency Management Department, the city has a total of 22 annexes to which all have been updated.

Commissioner Garcia asked if Mrs. Perez is coordinating with Tomas Sanchez from Kleberg County and are the city and county annexes coinciding with each other.

Mrs. Perez responded that she works closely with Mr. Sanchez. Each entity is responsible for the updating of their own annexes.

Mrs. Alvarez commented that the State has a model annex for the different areas, so each governmental entity throughout the state takes that model annex and tweaks it to their particular needs.

Commissioner Garcia commented that his eventual question is will it viable when we do have an emergency or are the annexes going to be coordinated.

Mrs. Perez responded that for example, if there is a hurricane that is going to land in Kingsville tomorrow, Mr. Sanchez has his EOC and the city has its own. Each entity has phone numbers to keep in contact for the initial individuals that are in the EOC rooms. Both entities coordinate with each other at all times.

Mayor Fugate commented that when the City decided to go with our own Emergency Management, it was a good thing. He further thanked Mrs. Perez for all her hard work.

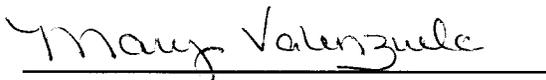
#### **VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 5:55 p.m.



Sam R. Fugate, Mayor

#### **ATTEST:**



Mary Valenzuela, TRMC, City Secretary