

AUGUST 26, 2015

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON WEDNESDAY, AUGUST 26, 2015 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 4:00 P.M.

CITY COMMISSION PRESENT:

Sam Fugate, Mayor (arrived at 4:03 p.m.)
Dianne Leubert, Commissioner
Noel Pena, Commissioner
Al Garcia, Commissioner
Arturo Pecos, Commissioner

CITY STAFF PRESENT:

Courtney Alvarez, Interim City Manager/City Attorney
David Mason, Purchasing/IT Director
Tom Ginter, Director of Planning & Development Services
Emilio Garcia, Health Director
Deborah Balli, Finance Director
Diana Gonzales, Human Resources Director
Charlie Cardenas, Public Works Director/Engineer
Willie Vera, Task Force Commander
Ricardo Torres, Police Chief
Tony Verdin, IT Specialist
Susan Ivy, Parks Manager
Rose Morrow, Municipal Court Manager
Leo Alarcon, Tourism Director
David Bodiford, Accounting Supervisor
Stacie Pena, Accounting Manager
Joey Reed, Fire Chief
Rick Salinas, Volunteer Fire Department
Ron Gerd, Volunteer Fire Department
Linda Gerd, Volunteer Fire Department
Agent Guajardo, Task Force
Agent Villalobos, Task Force
Agent McGee, Task Force
Agent Tamez, Task Force

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the Robert H. Alcorn Commission Chamber at 4:00 p.m. and announced quorum with all five Commission members present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

**MINUTES OF PREVIOUS MEETING(S) – Required by Law
None.**

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.”

Mrs. Alvarez reported that she has been advised by the Kleberg County Attorney that they received yesterday notice from the Department of Interior that the Concession Agreement has been approved. Alvarez further stated that the next City Commission will

be a special meeting on Wednesday, at 6:00 p.m. where the Commission will be having public hearings on the budget and tax rate at this time. September 7th is a holiday; City Hall will be closed in observance of the holiday.

Jerry Bravonec, Carlisle Insurance and Mr. David Jacobson of Entrust made a brief presentation to the City Commission regarding the City's plan and projected plan for next year.

Jerry Bravonec reported that the last few months Entrust representatives have been coordinating with city staff regarding a detailed analysis of the plan. There are no material changes within the program for the upcoming year. Mr. Bravonec stated that a letter has been provided to the Human Resources Director stating that it is their recommendation for the City to continue with the current carrier for the 2015-2016 year.

Mr. David Jacobson reported that last year the City of Kingsville made some tweaks to the plan that was thought up by staff. No changes to the plan had been made in the last fifteen years. Mr. Jacobson further stated that he is projecting total expenses at \$2,944,067.00. The city should expect \$2,600 in refunds and should have a projected plan cost of \$2,900,037.00. Looking at previous year, the city's cost last year came in \$3,188,000.00. Jacobson further reported that as of yesterday, the city's expenditures were \$2,450,000.00. He further stated that he projects that the city's cost for this year will come in at \$3,170,000.00 with a cost to the City of Kingsville of \$2,900,000.00, due to the difference in large claims. In comparison from 2013-2014 and what is projected for 2015-2016, small dollar claims projected is \$1,668,000.00, up from \$1,363,000.00. This is due to having large dollar claims from the previous years; these individuals are in a different category of claims expense. The large dollar claims last year was \$1,025,000.00 and this year its \$209,000.00. Prescription cost is lower on a per head basis from previous year. Mr. Jacobson stated that it is recommended that the City fund \$3,600,000.00, and he is projecting the number at \$3,170,000.00. In large claims he is projecting \$600,000.00. Now looking at \$3.2 million versus \$3.6 million, if all goes well the City should generate \$400,000 additional in reserves for this year.

Commissioner Leubert asked what the index number that is being used for a small claim versus a large claim.

Mr. Jacobson responded that the City takes \$75,000 risk per person, the small dollar claims are individuals that have had less than \$37,500 claims in a year. The large dollar claims is the total amount of claims for those individuals that have over \$37,500 per year. For one who has a \$36,000 claim is considered a small dollar claim and one that has \$38,000 claim is considered a large dollar claim.

IV. Public Comment on Agenda Items³

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

No public comments were made.

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)

1. None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

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

Warrant Enforcement – 001-180

Ricardo Torres, Chief of Police reported that on some of the new things that the Kingsville Police Department is implementing through social media. Staff will be working with the Risk Management Department on training staff on active shooter situations. He further spoke about the effects of synthetic marijuana and how the City is handling the situation.

Chief Torres reported that the Warrant Officers overtime was reduced \$700 for this year.

Police Administration – 001-210

Catering line item was reduced by \$596; medical treatment was increased by \$1,200. Torres stated that they are fully staffed at this time, but may have 2 to 3 officers that are in the process for Corpus Christi Police Department. Equipment maintenance was down \$830.

Patrol – 001-210

Supplies was reduced by \$1,950, uniforms and personal wear was reduced by \$4,000, motor gas & oil was reduced \$1,500, this is due to the price of gas going down. Computers and Associated equipment was reduced by \$1,000; laundry reduced by \$3,000.

Communications – 001-210

Supplies reduced by \$1,350; uniforms and personal wear were increased by \$175; communications increased \$26,591 which was due to phone systems. AT&T overcharged about \$6,000 per month for the last fourteen months. Some of this will be reimbursed back to the city. Training and travel was increased as well.

Crime Investigations – 001-210

Division changed hours to try to reduce overtime. Supplies was increase by \$949; uniforms and personal wear reduced by \$3,927; motor gas & oil increased by \$2,123; vehicle maintenance reduced \$2,990, this is due to the purchase of four new vehicle this past year which will reduce maintenance.

Commissioner Pecos asked who found the discrepancy where the city was being overcharged on phone charges.

Mrs. Alvarez responded that the discrepancy was found by TeleSource of San Antonio.

Chief Torres continued to report on his budget. He stated that under line item for guns and ammunition was reduced by \$3,570; utilities increased by \$8,809; building maintenance decreased \$3,000.

Community Services – 001-210

Ductless mini split is being requested and has been included in the upcoming budget.

Chief Torres reported that Chapter 59 funds have not had a decent forfeiture seizure in over a year. Nothing was funded from these funds as they are not aware of how much money was available. In the past some donations were made to non-profit organizations, this year unfortunately, there are no funds available for donations. In the last nine years, over \$1 million dollars went to overtime, but this year there are no funds available. There is no money for vehicles; there is money for KPD network in the amount of \$12,000.

Mayor Fugate asked how much the maintenance contracts are.

Chief Torres responded that he is not sure. He stated that they use equipment that they have and are proactive in the gang issue and other things in the community so interdiction money comes second.

Mayor Fugate asked for the cost of maintenance contracts.

Chief Torres further stated that the communication trailer and cameras around KPD building are being worked on. He further reported on Operation Stonegarden and stated that the Sheriff has seen it fitting not fund them for 2014-2015. Torres commented that he will apply for Operation Border Star which has a 30% match and covers 70% of overtime cost.

Commissioner Pecos asked that when applying for Operation Stonegarden, is it filled out solely by the Sheriff Department or does the City have any input on it.

Chief Torres responded that the County Judge accepts the grant.

Fire Department – 001-220

Joey Reed, Fire Chief reported on the Fire Departments budget. Chief Reed stated that there have been more structured fires in the last year than the last couple of years put together. Reed stated that there isn't any capital items within this budget and have one

supplemental increase. Some changes have gone up and down within the personnel services and expenses. Certification pay was increased due to staff receiving their state certifications. There were some increases within group health insurance but some decreases in retirement and FICA expenses. Salary and wages compare to last year's budget had a difference of \$11,000 which is related to pay increases as per union contract. Chief Reed further reported that his department will be requesting an ambulance in the CO 2016, since the current ambulances are aging.

Mayor Fugate asked how much money is needed to complete the renovations at Station # 1.

Chief Reed responded there was \$49,000 in the capital budget this year which was simply for floors repairs. Repairs to the upstairs of Station #1 is also needed as there are some broken windows that are boarded, also place cubicles in the bedrooms. There are other repairs that need to be made at the station, but can be addressed at another time.

Commissioner Garcia asked with regards to overtime, in 2014 it was budgeted \$239,000 and in 2015 it was budgeted \$372,000 and this new year it is being proposed in the amount of \$230,000, which is roughly \$100,000 less.

Chief Reed stated that if you take the original budgets which last year, salaries were originally \$1,541,632.00 and the original overtime budget was at \$230,000. Reason for overtime budget being so large is that the department had four vacancies throughout most of the year and those positions needed to be filled by staff which caused overtime increases. It is necessary to have seven staff members per shift.

Mayor Fugate asked if the Fire Department is fully staffed now.

Chief Reed stated that he has one vacancy and one employee leaving within a month. There is also one vacancy within the dispatcher division.

Task Force 008-233

Willie Vera, Task Force Commander, reported on his department's budget. He first gave some highlights on the success of the Task Force. The Task Force has a total program income, state and federal assets interest total to \$1.6 million for the year. Total pending and awarded the Task Force has over \$5 million. The two bank accounts indicate that the federal account has over \$196,000.00, program income has \$1,517,000.00, and pending account has \$2.7 million. Vera further stated that the Task Force average budget is \$1.1 million yearly and the last four years, the Task Force has not exceeded their core budget or even come close to the projected budget. Commander Vera continued on his budget presentation. He reported that the Task Force has a scheduled auction for September 26, 2015 that will project some funds off the sale of vehicles. As for donations to the non-profit organizations, the Task Force will continue to issue them and in addition to this, the Task Force has received some additional request, \$2,500 for the Parks & Recreation Department, \$500 for TAMUK Continued Education Camp, and \$5,000 for Family Counseling Service. The \$5,000 for Family Counseling Service was not budgeted within the upcoming budget as the donation request came in late. But he further asked for the City Commission to approve the additional \$5,000.

Mayor Fugate asked where the Family Counseling Service is located.

Commander Vera responded that they are located in the Corpus Christi area but they have a satellite office in Kingsville.

Commissioner Leubert asked if the money being requested will stay within Kingsville. Commander Vera response was yes.

Commissioner Garcia commented that they do service our community.

Mayor Fugate commented that he would like to make it a condition that if money is donated, it must stay in Kingsville. Commander Vera responded that he can make it a condition of that donation. Mayor Fugate commented that because some of these programs are not fully staffed in Kingsville, it brings up the question as to whether the money stays within the community. Fugate further asked who runs the office in Kingsville.

Commissioner Garcia commented that he knows the individual, but not the name.

Mayor Fugate further commented that he is sure it's a good program, but is not familiar with it.

Commissioner Leubert asked when the last time the field officers received a raise was.

Mayor Fugate commented last year.

Commander Vera responded that depending on the longevity and position.

Commissioner Leubert further asked Commander Vera if he didn't want to propose a raise for them in this budget.

Commander Vera responded that he proposed a \$.50 raise for all agents, to be consistent with the contract of the Kingsville Police Department.

Commissioner Leubert asked if it was accepted. Mrs. Alvarez responded no.

Mayor Fugate commented that it's not a \$.50 raise across the board for Kingsville Police Department.

Commander Vera stated that Mrs. Gonzales stated that it was \$.15 to \$.50 on the contract, and it was his proposal to ask for a \$.50 raise for his employees.

Mrs. Alvarez commented that staff has to look, not just at this particular department, but how it impacts other departments and when you look at years of service for various positions in the different departments, there already equally compensated.

Commissioner Leubert further asked questions, on capital outlay. She stated that the budget shows a request for \$51,000 for a police vehicle and equipment, which was approved, but also requested for two pickup trucks for \$44,000, which was not approved. She asked if the department did not have funding for these vehicles.

Commander Vera responded that the funding is there, but it was not approved.

Mrs. Alvarez responded that staff called Commander Vera after realizing that the two vehicles requested were going to cost about \$100,000, which would be a big hit to his overall budget. Staff can't look at funds that are pending but rather looked at what's in the bank and try to make sure that the department had enough funds to get them through the entire year and hopefully the year after. Staff is looking at the long term rather than the short term. Alvarez further stated that when staff contacted the Commander about the vehicles, he advised that he had a nice seized truck that they were going to be receiving, so this is why he was ok with only purchasing one of the two vehicles.

Commissioner Garcia asked if the Task Force will be staying at their current location.

Commander Vera stated that the FCC Commissioner wants them to stay at this location for the reason that they prefer a live tenant. This will allow for the property to be maintained and take care of their equipment. Vera further reported that \$50,000 is given to the City for support services.

Commissioner Garcia asked if the Task Force receives IT support in his area. Commander Vera responded yes.

Commander Vera continued to say that they have Stonegarden Grant from the Sheriff's Office. They have been allotted for year 2014 to be utilized for this year and the next year. The 2014 grant allotment to the Task Force was over \$175,000. This includes \$85,000 for overtime, \$16,000 for fringe benefits, \$45,000 for equipment, and \$24,500 for fuel. The 2015 year was not funded for the Task Force but was for the Sheriff's Office which uses Task Force statistics to get grant.

Mayor Fugate asked if they Sheriff's Office uses the Task Force and Kingsville Police Department statistics, why wasn't the Task Force funded.

Commander Vera responded that they still have 2014 funds available that they are currently using and will rollover.

Mayor Fugate asked if there was any reason the Task Force wasn't funded. Commander Vera stated that Captain Longoria stated that they were going to utilize their 2015 grant for communications and infrastructure. Mayor Fugate commented that some of this money went to Jim Wells. Commissioner Pecos asked if Jim Wells was using their statistics. Mayor Fugate suggested that staff speak to Congressman Vela about this issue. Commander Vera stated that due to his agent's statistics, other entities get their money. Vera further stated that because the money situations the Task Forces had in recent years, they are only able to purchase one patrol vehicle every year. Since now the Task Force has the grant, they have one unit fully equipped that's already on the road and fixing to order a second unit because of the 2014 allotment.

Volunteer Fire Department – 001-225

Rick Salinas, Volunteer Fire Department Chief, thanked the Kingsville Fire Department staff for allowing the Volunteer's to support them with their operations. The Volunteer Department consists of 33 members and with the assistance of social media; the department is able to acquire new members such as individuals from the NAS Kingsville and TAMUK. Other individuals from around the United States are also inquiring on the Volunteer Fire Department. The department has ten EMS personnel which consist of one LVN, one paramedic, and eight EMTs.

Commissioner Leubert asked how long the Volunteer Fire Department has been in existence. Chief Salinas responded that it has been in place since 1909.

Mayor Fugate asked if City renovates pump house #19 for old fire truck for display and possibly make it a museum. Would the Volunteers be willing to maintain the museum?

Chief Salinas responded that it can be maintained by the Volunteer's. They have acquired the train center and little by little they are making any type of necessary repairs and maintaining the grounds. The Volunteers are willing to assist the community in any way possible. Salinas further stated that what concerned him the most is Personal Protective Equipment (PPE) and training. He stated that the PPE and training is vital for this department. Chief Salinas further discussed the item regarding wildland gear.

Mrs. Alvarez stated that she had spoken with Mrs. Gerd and the communications line item went up \$4,000 so a net budget effect would be to move \$4,000 up to the uniform and personal wear bringing up to \$41,600 and communications back at the current budgeted amount of \$11,000. Alvarez further stated that the current year and the prior two years, communications has never exceeded \$11,000 so that seems to be a fair amount. If we move \$4,000 from communications to uniforms and personal wear, that will bring them to \$41,600 which is more in line with what they had budgeted for 15, what they actually expended in 14 and in 13. With regards to travel and training the request was for \$10,000, the department was awarded \$6,000, and if you look at what was actually expended this year, last year, and prior year it never exceeded \$6,000, which is the reason for the reduction.

Chief Salinas stated that regarding training and travel, they were fortunate to have Refugio who has a training field and they were able to network with their staff. The Volunteers were able to take advantage of training at no cost to the department. The department did have scheduled training to go out to, but since Refugio volunteered their training for free, the department took advantage of the offer.

Commissioner Garcia stated that he would like more information on wildland gear and how many units is the department planning to purchase.

Chief Salinas responded that the department would like to purchase 30 at \$550 each.

Mrs. Alvarez commented that there was capital request for additional Nomax uniforms from the career Fire Department that was in capital outlay that was also not funded. Mrs. Alvarez further commented that we may need to caution about capital outlay for Volunteer Fire Department and not for the Kingsville Fire Department.

Chief Salinas commented that every five years, gear should be upgraded or changed out.

Commissioner Garcia asked how many units the department will be able to purchase with the dollar amount that has been allocated.

Chief Salinas commented that they may be able to purchase have the quantity.

Mayor Fugate commented that fighting grass fires, there won't be too many to fight within the city limits. This would be something that can occur out in the County.

Chief Salinas commented that the reason they brought this as a capital outlay item, is that gear that they have now is about to expire. This gear that they are trying to purchase last longer and are lighter in weight which allows them perform better.

CO Series 2000 – 036

Mrs. Deborah Balli, Finance Director stated that this fund has been closed. Due to no fund balance, nothing was budgeted.

CO Series 2002-2002A - 039

Mrs. Balli reported that the beginning fund balance for 2015-2016 is \$4,487.00 and staff budgeted \$4,033.00 which is for the North fence labor at the landfill. Once this expenditure is done, there will be a balance of \$900.00 at the end of 2015-2016. Eventually this fund will be closed as well.

CO Series 2007-General – 063

Mrs. Balli reported that this is a closed CO Series.

CO Series 2009 – 064

This Series has \$157.00 left in fund balance, so this will be a CO Series that will be closed as well.

Debt Service GO – 011-510

Mrs. Balli stated that the way this funds works is portion of our ad valorem taxes goes for our debt service portion that is paid with tax revenue. So basically this fund is to capture those revenues from tax valorem taxes and in turn we pay out our debt service for our tax supported debt. Balli further mentioned that at the beginning of the year, our fund balance was about \$517,000.00, after the revenues come in the debt service goes out and were using a small amount of fund balance to keep our INS tax rate the same. At the end of fiscal year 2015-2016, we will still have about \$459,000.00 in fund balance for this debt service fund.

Debt Service UF – 012-510

Mrs. Balli stated that this fund works similar to the general fund debt service with the exception that there is two funds that are transferring in to pay for the utility revenue supported debt service which is fund 55, Stormwater fund and fund 51 which is the utility fund. These two funds pay into the debt service fund and then we pay out our debt service payment with that fund. The beginning of the fund balance for 2015-2016, there is about \$428,000.00 in fund balance and at the end of 2015-2016 we will have about \$429,000.00, because we are transferring in exactly what we need to pay in debt service. The \$1,000.00 difference is just interest, what we earn on that checking account.

CO Series 2005 – 062

The fund balance in this CO Series was \$107,783.00, we have actually rolled a project over from fiscal year 2014-2015 which was to support some slip lining and manholes. This project was originally budgeted in the prior year and there were some issues in finding someone to come in and do the work.

Mr. Cardenas commented that this was the slip lining job that was to be done on Corral and 14th Street, but due to staff not receiving the appropriate bid for this job since it was a small amount for the appropriate bidders to bid on. Cardenas further commented that this will be spent this upcoming year.

Mrs. Balli commented that once this project is complete we will have about \$700.00 left in this fund balance and will eventually close this CO.

CO Series 2011 – 065

Mrs. Balli reported that in this fund, there is \$61,000.00 at the end of 2015-2016. This may be enough to do a project, at some point in time, but there isn't anything that staff has anticipated doing, so staff will leave this money in there and hopefully do a project or a partial project this upcoming year. Once a project is identified, staff will bring it to the City Commission and ask for approval to do the project and expend these funds.

CO Series 2011 – 066

Mrs. Balli reported that the beginning fund balance for this CO Series is \$1,327,000.00. We have expenditure booked for the Well #25 project of \$668,000.00. The overall project was budgeted at \$1.3 million and we are supposed to be doing about \$771,000.00 of that project this year, which is the drilling of the Well itself. At the end of 2015-2016, there will be approximately \$662,000.00 left over in this CO Series.

CO Series 2013 – 055

Mrs. Balli reported that this fund is the stormwater that we take in and it's based on Equivalent Residential Unit (ERU) and based on calculations received by HDR. These revenues that come in pay the debt service for this fund. What staff is seeing now is we are estimating that our revenues for this year were about \$224,000.00 and our debt service is running about \$290,000.00. We are running about a \$65,000.00 deficit on the amount of revenues being raised for paying out in our debt service. The fund balance at the end of 2015-2016 has an estimate of \$130,000.00. It will be able to cover the deficit for maybe two more years. In doing the calculations in the number of ERU's that we're billing out, we are basically need to have that fee at about \$1.65 instead of \$1.25, which is about \$.40 per month increase per ERU. The debt service payment payment will continue until September, 2033. We can either increase the fee a little bit to cover our debt service with those funds, if that doesn't happen then the utility will have to make up that difference. We have enough to cover about two more years of the deficit.

Commissioner Garcia asked when staff will be making this proposal, this budget year or next year.

Mrs. Balli responded probably next year. This year there is enough to cover this deficit but after 2015-2016 we would only have an additional two years of that deficit.

CO Series 2013 – 067

Mrs. Balli reported that in the beginning of 2015-2016, this fund we are estimating that the fund balance is \$331,900.00. This is the reason why staff is only able to budget for the amount of project that Mr. Cardenas is requesting. At the completion of these projects at the cost estimate, in this fund we will end 2015-2016 with a balance of \$2,300.00.

Commissioner Garcia asked that those streets not listed with overlay, will be done completely.

Mr. Cardenas responded yes, it will be a full depth construction.

CO Series 2013 – 068

Mrs. Balli reported that his CO Series is for the drainage pieces of the streets. The fund balance at the end of 2014-2015 is \$3,281,000.00. Staff has budgeted proposed \$2.5 million in drainage projects. If staff is able to accomplish these projects, we will still have \$793,000.00 in fund balance for the following year.

Mr. Cardenas commented that the list of street shown is for curb and gutters, if the need is there to do the curb and gutters.

Commissioner Garcia asked that on Caesar ditch, since the new development is going up, is there any consideration in covering the ditch.

Mr. Cardenas responded that staff may do a special presentation at a later time. There are some safety issues that need to be addressed, such as placing a guard rail.

Summary of Transfers

Mrs. Balli reported that the only things that are still budgeted in fund 091, is the New City Hall construction project and engineering service for about \$24,500.00. This is the only two projects that are in fund 091.

Mayor Fugate encouraged the City Commission to visit the new city hall site and see the progress being made.

Mrs. Balli stated that fund 065 CO Series 2011, is where the \$975,136.00 was earmarked for the New City Hall project. Fund 091, which is the landfill closure fund, staff had transferred out \$2,224,864.00 which broke down to \$1,724,000.00 for the new city hall and \$500,000.00 for the IT furniture. In fund 051 there was a budget amendment done for \$67,519.00, which is where all the funding is coming from for the new city hall. From Utility Fund, \$700,000.00 is for the Collections Building.

Commissioner Leubert asked for clarification on the landfill closure post-closure. She asked if that was scheduled to be paid back.

Mrs. Balli responded that a draft was prepared which was presented to the attorney today which will have a schedule of payback but it hasn't been presented. The amount that needs to be paid back is about \$2.224 and so on a 25 year payback the principal payment will be about \$89,000.00 plus interest. What needs to be decided is an allocation how much utility fund will pay and how much general fund will pay based on the usage of that building.

Commissioner Leubert commented that if citizens are being charged for it, it should be used for that solely. Leubert further asked what the Commission decided on the car allowances.

Mrs. Alvarez responded that the four that were proposed have been removed. This is something that she eluded too on the staff update that she would address when they got to the budget portion.

Commissioner Leubert further asked if staff is taxing the car allowances. Mrs. Balli responded yes. Leubert asked if staff received the information about the employee adjustment proposal that was spoken about earlier.

Mrs. Balli responded that Mrs. Gonzales is making those changes as they speak.

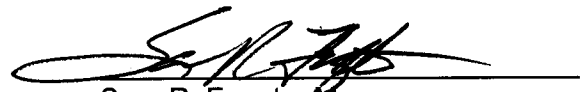
Commissioner Leubert asked if this is something that can be addressed at the next City Commission meeting as the Commission is not going to accept this budget during tonight's meeting.

Mrs. Alvarez commented that the information that was requested yesterday afternoon before the budget workshop to which staff stayed and worked on for an additional four hours last night on which was emailed to Commissioner Leubert. But before this meeting Leubert requested additional information which is what staff is working on at this time.

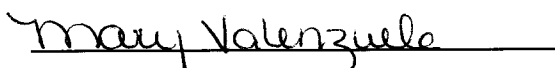
Commissioner Leubert commented that she hasn't had the opportunity to see the email that was sent prior to her attending this meeting.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:15 p.m.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, TRMC, City Secretary