

AUGUST 31, 2016

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON WEDNESDAY, AUGUST 31, 2016 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 4:00 P.M.

CITY COMMISSION PRESENT:

Sam Fugate, Mayor
Edna Lopez, Commissioner
Arturo Pecos, Commissioner
Noel Pena, Commissioner
Al Garcia, Commissioner

CITY STAFF PRESENT:

Jesús Garza, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Tom Ginter, Director of Planning & Development Services
Emilio Garcia, Health Director
Bill Donnell, Assistant Public Works Director
Diana Gonzales, Human Resources Director
Susan Ivy, Parks Manager
David Solis, Risk Manager
Deborah Balli, Finance Director
Charlie Cardenas, Public Works Director/Engineer
Sharam Santanilla, Capital Improvement Manager
Leo Alarcon, Tourism Director
Robert Rodriguez, Library Director
Stacie Pena, Accountant Manager
David Bodiford, Accountant Supervisor
Cynthia Martin, Downtown Manager
Ricardo Torres, Chief of Police
Julian Cavazos, Police Department

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:00 P.M. with all five Commission members present.

CONVENE INTO BUDGET WORKSHOP:

Review and discuss proposed fiscal year 2016-2017 budget for departments of the City of Kingsville. (City Manager).

Mr. Jesús Garza, City Manager reported tonight's presentation will consist of compensation and benefits for all city employees. Benefits will be discussed first as it effects all employees, civil service and non-civil service employees. The compensation study is primarily focused for non-civil service employees.

Mrs. Diana Gonzales, Human Resources Director reported that staff went out for bids on the Health Plan. It was reviewed by the consultant Carlisle. City employees will continue to pay \$30 for employee only on their Health Insurance and \$118 month for family. There are no changes to the benefits. Mike Cook of Nationwide has looked at the offers that are available to the employees and he has been able to look at efficiencies as well such as consolidate instead of having so many companies from six to three. Dental will be going from Ameritas to Metlife. Dearborn National provides the employee life insurance that is provided by the City. This pays one years' worth the salary of the employee up to \$50,000. This is the same company that is providing the short-term and long-term disability as well as group term life insurance and accidental critical illness. This year on the group term life, employees have \$100,000 cover guaranteed without any medical questions asked. For the spouse it is guaranteed \$20,000.

Commissioner Garcia asked that on the guaranteed issue, is that for term. Mrs. Gonzales responded that it is group term life. Garcia further asked if this was up to the extent of the employment of the employee. Gonzales responded yes, but there is an option to convert to an individual policy.

Mrs. Gonzales reported that on the critical illness is offered through Dearborn. Cincinnati Life offers whole and term life insurance. In addition, employees also have the option for some secondary retirement supplemental such as Nation Wide and ICMA. Some revisions that staff will be looking into is updating the mileage reimbursement, refocusing the safety pay for frontline employees as well as the safety day that is awarded. Staff is reviewing the separation pay policy.

At this time employee that come work for the City and leave after six months, the current policy allows them to take all their vacation accrued and half of their sick leave. This is something that needs to be reviewed and possibly change from six months to twelve months. Staff is also looking into implementing a sick leave pool for catastrophic events.

Mr. Garza reported that staff is looking into evaluating the city cell phones policy. Staff has been looking a data to see what is the usage rate on the phones in contrast to what the city is paying. Staff is considering into going to a bring your own device option and receive a cell phone stipend, instead of having city phone. By doing this, it will result in some savings to the City. There's about 93 lines, including other electronic devices, and the city pays about \$3,000 per month for the data service. The average daily use of minutes is less than 30 minutes. These changes are not being proposed at this time, but it's something that needs to be looked into for this next fiscal year. Garza further discussed the Employee Health Clinic that the County Judge is trying to put in place. For the last several months, the County Judge has been spearheading some meetings, inclusive of various employers within our area such at the King Ranch and KISD discussing the concept of establishing an employee health clinic being runned by Spohn. Spohn has been a part of these meetings as well and the first time for them doing an employee health clinic. The employee health clinic would be housed in the Exxon Building, which is a building owned by the County. The County has been spearheading some buildout estimates to determine what the cost would be to renovate for this clinic. The estimated cost as of now is about \$300,000 of capital cost. The vision that the County Judge has is for this cost to be split between the different entities that choose to be a part of this clinic. The city has been in discussion with Carlisle to see if this is a benefit to the city. With the increase in employee age, health cost will be going up. The Wellness clinic is a good idea for preventative care. This clinic is not only for employees but well be opened to the entire community. There is no money allocated for this clinic in the city's proposed budget.

Commissioner Garcia asked why compete with doctor's that already see patients. Mr. Garza commented that a Nurse Practitioner will see the patients that come into the clinic and will also be able to write prescriptions.

Mayor Fugate asked that if this is something that the City needs to participate now or is this something that the city can join at a later time. Mr. Garza responded that this is something that the city would need to agree on now or not join at all.

Commissioner Pena commented that he is uncomfortable in committing to this clinic as he feels that more information is needed.

Mr. Garza commented that as for the compensation study that was performed it does not include the positions of City Manager, City Attorney, or Municipal Judge.

Mr. Bob Longmeyer representative for Public Sector Personnel Consultants, presented to the City Commission the Compensation Study that was done on employees of the City of Kingsville. The City of Kingsville employs 334 employees. The study done is based on salary schedule from minimum to maximum. This study compares salaries by the position rather than by the employee performance. This study shows that 77% of jobs are behind market. If it is considered more than 5% behind the mid-point, that's the criteria for behind market. It was found that about 80% of jobs fell into these criteria. Another 15% were at market and a couple that were ahead of market. With those that are ahead of market it is not recommended that anyone's salary go backwards. First Southwest helped identify eight criteria to select eleven comparator organizations in addition to local private sector. Some are local where Kingsville competes for recruitment and retention of staff. Some are across the State but have similar factors. These organizations were most closely aligned to those factors. Some of the entities that were compared to this study were Alice, Balch Springs, Kingsville ISD, Eagle Pass, Kleberg County, and a few others. Longmeyer commented that the 3-year implementation plan is as follows, year 1, move non-exempt onto new salary schedule. This will align the positions by 95% market. Combine salary ranges where applicable. Adjust exempt employees based on FLSA rules. Move exempt to within 95% of market. The total cost of year one for non-exempt employees is \$123,000 and exempt employees will cost \$64,000. Year 2 has us moving non-exempt jobs into proper ranges based on survey findings. Move exempt jobs to 100% of market. Provide COLA to anyone not affected in year 1 or year 2. Update anniversary increases on salary range. The total cost for year 2 for non-exempt employees is \$193,000 and for exempt employees is \$60,000, with approval from the Commission in 2017. Year 3 will provide COLA and/or longevity pay. The longevity pay would be at \$48 per year of service. A ten-year employee would receive \$480, paid as one-time bonus or added to salary depending upon payroll ease.

Commissioner Pecos asked that for non-exempt employees, for year one will cost the city \$183,000 and for the exempt will cost \$64,000 for a total of \$187,000. Mr. Garza responded that this was correct and has been built into the budget presented. Garza passed out a handout showing some of the increases being proposed for year one and year two. Commissioner Pecos asked what the cost will be for the second year. Mr. Garza responded that the cost would be

\$193,000 for non-exempt and \$60,000 for exempt. This is based on information now as dollar amount may change because of attritions or any assumptions made now may change for year two. If the City doesn't have funds for year 2 then we don't do the second year. There is nothing binding the Commission to do all three years.

Commissioner Garcia asked if this is an additional amount that needs to be included in the budget. Mr. Garza responded that the amount for year 1 is already included in the upcoming fiscal year. Commissioner Garcia further asked if for the next fiscal year (2018-2019) the City will be funding an additional \$193,000. Mr. Garza stated that this is correct which is the reason why staff would need to have this conversation with the Commission next year. This will all depend if there are sufficient funds for year 2. Commissioner Garcia commented that he doesn't discount that the City need to do something but it is a lot of money. Mr. Garza commented that if the dollar amount for year two causes for concern, year 2 can be revisited later. At this time staff is focused on year one. Commissioner Garcia commented that staff needs to take into consideration COLA increases for year two and year three. Mr. Garza responded that it would already include it. Commissioner Garcia stated that he is concerned about the unknown for the future and would like to see year two spread out among two years.

Mayor Fugate commented that every year the Commission approves raises but never with a study being done. Fugate further commented that the greatest asset are our employees and they need to be compensated for work done. Staff needs to concentrate on year one and then deal with year two the next fiscal year.

Mayor Fugate recessed the budget workshop at 5:18 P.M.

REGULAR MEETING RESUMES AT 6:00 P.M.

Mayor Fugate reconvened this meeting into the regular meeting of the agenda at 6:00 P.M. with 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

1. Public Hearing on a proposed tax rate increase from \$.84220 to \$.89000 for Fiscal Year 2016-2017. (Finance Director).

Mayor Fugate announced and opened this public hearing at 6:01 P.M.

Mrs. Deborah Balli, Finance Director, reported that the budget for Fiscal Year 2016-2017 was based on the tax rate of \$.84220.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so at this time with a five-minute time limit. Additional time cannot be extended by City Commission.

There being no comments made, Mayor Fugate closed this public hearing at 6:03 P.M.

2. Public Hearing on proposed Fiscal Year 2016-2017 budget. (Finance Director).

Mayor Fugate announced and opened this public hearing at 6:03 P.M.

Mayor Fugate commented that the proposed budget is posted on the City's website as well as a copy made available for review in the City Secretary's Office.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so at this time with a five-minute time limit. Additional time cannot be extended by City Commission.

There being no comments made, Mayor Fugate closed this public hearing at 6:04 P.M.

III. Reports from Commission & Staff²

"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Convention and Visitor's Bureau, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works- Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects,

Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Chapter 59 project. No formal action can be taken on these items at this time.”

Mayor Fugate thanked staff for all their hard work in preparing the new fiscal year budget. He also thanked Susan Ivy for her assistance in the Xeriscape Garden.

IV. Public Comment on Agenda Items ³

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

No public comments 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)

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. Review and discuss proposed fiscal year 2016-2017 budget for departments of the City of Kingsville. (City Manager).

No further discussion took place on the proposed fiscal year 2016-2017 budget.

2. Consider authorizing staff to negotiate the purchase of land for the landfill. (City Manager).

Mr. Garza commented that the landfill is currently going through a permit amendment to increase its capacity. An opportunity has risen to purchase property adjacent to the landfill that would help guarantee that increased capacity challenges are met.

Motion made by Commissioner Garcia, Commissioner Pena, Commissioner Pecos to authorize staff to negotiate the purchase of land for the landfill, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Pena, Pecos, Garcia, Fugate voting “FOR”.


3. Executive Session: Pursuant to Section 551.074, Texas Government Code, Open Meetings Act, Personnel Matters, the City Commission shall convene in Executive Session to deliberate the evaluation of the City Manager, the City Attorney and the Municipal Court Judge. (Mayor Fugate).

Mayor Fugate announced the Executive Session and convened the City Commission into closed session at 6:05 P.M.

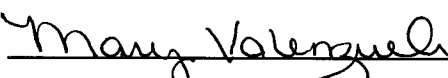
Mayor Fugate reconvened the City Commission meeting into open session at 6:48 P.M.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:49 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, TRMC, City Secretary