

MAY 29, 2018

**A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, MAY 29, 2018 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 6:00 P.M.**

**CITY COMMISSION PRESENT:**

Sam Fugate, Mayor  
Edna Lopez, Commissioner  
Hector Hinojosa, Commissioner  
Dianne Leubert, Commissioner  
Arturo Pecos, Commissioner

**CITY STAFF PRESENT:**

Jesus Garza, City Manager  
Mary Valenzuela, City Secretary  
Courtney Alvarez, City Attorney  
Kyle Benson, IT Manager  
Tom Ginter, Director of Planning & Development Services  
Bill Donnell, Public Works Director  
Rudy Mora, City Engineer  
Deborah Balli, Finance Director  
Derek Williams, IT  
David Solis, Risk Manager  
Jennifer Bernal, Community Appearance Supervisor  
Robert Rodriguez, Library Director  
Pete Pina, Landfill Supervisor  
Diana Gonzales, Human Resources Director  
Richard Flores, Golf Course Manager  
Susan Ivy, Parks Manager  
Cynthia Martin, Downtown Manager  
Jeanine Reyes, Tourism Director  
Ricardo Torres, Chief of Police

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate opened the meeting at 6:00 P.M. all five Commission members present.

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

The invocation was delivered by Mrs. Courtney Alvarez, City Attorney, followed by the Pledge of Allegiance and the Texas Pledge.

**MINUTES OF PREVIOUS MEETING(S)**

**Regular Meeting – May 14, 2018**

**Motion made by Commissioner Lopez to approve the minutes of May 14, 2018 as presented, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Lopez, Leubert, Pecos, Fugate voting “FOR”. Hinojosa “ABSTAINED”.**

**Special Meeting – May 17, 2018**

**Motion made by Commissioner Lopez to approve the minutes of May 17, 2018 as presented, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting “FOR”.**

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

1. 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, 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, Investment Report, **Quarterly Budget Report**, Monthly Financial Reports, Utilities Billing Update; Police-Communications Update; Police & Fire Department – Grant Update, Police & Fire Reports; **Streets Update**; Public Works; Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements,*

*Public Information, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Landfill Update, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation, Demolition Update, Planning Development Update, **Golf Course Update**, Municipal Court Update, **Monthly Performance Report**. No formal action can be taken on these items at this time."*

Mayor Fugate read and presented a proclamation, plaque, Key to the City, and a watch to former City Commissioner Al Garcia for his dedicated service to the City of Kingsville City Commission for the past 22 years. Mayor Fugate thanked Commissioner Garcia for all his dedication and hard work he has contributed to this community.

Mr. Al Garcia, thanked the community and the City Commission for having given him the opportunity to serve his community for the past 22 years.

Mr. Bill Donnell, Public Works Director gave a Streets Update. Donnell stated that on the road construction projects, the department had been working on the JK Northway parking lot prior to the Annual Gypsy Rally. The department did start on 11<sup>th</sup> Street between Alice and Elizabeth on a repair where the alley crosses, there was some base failure. Donnell stated that the crew was pulled from this project to work behind Fire Station No. 2, where the road base failed which could cause a fire truck to not be able to get in or out; this project will take the rest of this week making this repair. After this is done, the crew will be moved to Lee Street, between Armstrong and Wanda. Future streets are at 11<sup>th</sup> Street to Elizabeth to Ailsie and a full depth construction on 19<sup>th</sup> Street next to the Washeteria on King to Kenedy. Crews have been mowing from Tranquitas Creek, from N. Armstrong as well as Golf Course Road, Shelly Drive and King and Caesar overpasses. Crews are patching in Zones 8 & 9, weed spraying in Zone 6, and sweeping Zone 11 and thoroughfares. Donnell stated that a question was asked about sweeping the zones in residential areas, staff is working on getting back to doing the sweeping in residential areas, but due to staffing issues and sweeper issues caused for crews to stay off the residential areas but will be worked back into slowly. Donnell further stated that the new street sweeper should arrive next week.

Mr. Jesús Garza, City Manager stated that the RFP that had been discussed in the past, the streets RFP came about due to staff falling behind with the SMIT Program, some of it is staffing issues and other issues. There are street priority issues as this division gets tasked with other projects. Staff proceeded to posting an RFP in order to get a third-party company to come on board to assist with street improvements utilizing the funds from the Street User Fee. Garza stated that this process is currently ongoing and this specific RFP closed in mid-June with the anticipation of the review process occurring at the end of June with bringing forward a recommendation to the City Commission at the first meeting in July. After the approval is done, the finalizing of contracts will begin to take place, which staff is looking forward to finalize by the end of July so that staff can start assigning some road improvement repairs to the third-party company, that may get awarded the bid.

Mr. Richard Flores, Golf Course Manager presented the Commission with a power-point update on the Golf Course. The power-point presentation included pictures of the Golf Course greens renovation week 6. Flores stated that things are going according to plan, it has been a bit rough out there due to weather conditions. The course is on schedule to open on June 1<sup>st</sup>. The greens are a little thin, but no worse than a heavy aerification and top dressing, which is regular procedure. Flores stated that he plans on opening them on June 1<sup>st</sup>, mainly to alleviate the pressure from temporary greens and start on a full watering routine on the greens and tee's, as well as on some fairways. He stated that he says some fairways as it does no good to water dirt, unless it is tilled up, fertilized and seeded. He continued on with his presentation, on number 8 green. He stated that it is filling in nicely. The irrigation system is working on number 6 and the sand trap. Flores stated that as they move forward, they will be cleaning up around all the greens as well as weed eating and edging around the sand traps. There will also be new tin cups and tee markers set up. Flores stated that with the upcoming hot days approaching, the weather will slow down progress at the Golf Course.

Commissioner Hinojosa asked if all the greens are ready to be played by June 1st? Mr. Flores responded that they will be ready by June 1<sup>st</sup>. Commissioner Hinojosa further asked that by looking at the picture on the presentation, he sees a lot of white stuff and asked what this was. Mr. Flores responded that this is sand. Commissioner Hinojosa further asked if they were ready to be played on? Mr. Flores responded yes. Flores also stated that what staff will do is that they will double cut them today; tomorrow they will top dress and will drag them in and will continue the growing program, which is to fertilize heavy and water and should be puttable on Friday. Flores continued to state that they may be a little bumpy as they grow-in but with the amount of golf the course is receiving at this time it's not going to deter opening them up.

Commissioner Leubert asked when staff expects the greens to be fully ready to play on? Mr. Flores responded that completely to be grown-in, he would give them another couple of weeks, but it does require more fertilizer and top dressing and water.

Commissioner Hinojosa asked if staff could delay the opening of those greens for another two weeks? Mr. Flores responded that it can be delayed, which would be better for the greens. He further stated that he has been telling everyone June 1<sup>st</sup>, but it would protect the greens if it was delayed another couple of weeks. Commissioner Hinojosa commented that he would like to see it held off for another couple of weeks but stated that this was just his opinion.

Commissioner Pecos asked if the Golf Course would recommend what is being said by Commissioner Hinojosa? Mr. Flores responded that he would recommend another two weeks. Flores stated that it is better to open them up when they are ready although it may create some negativity in the way the golfers view the operations. Commissioner Pecos commented that he agrees with Commissioner Hinojosa's comments.

Commissioner Hinojosa commented that he was at the golf course yesterday and spoke with some of the golfers and they stated that they don't mind waiting another two weeks, but it would need to be communicated to them that this is the plan.

Mr. Flores commented that staff can do this and he is not opposed in doing the right thing for the golf course and the city.

Commissioner Pecos asked Mrs. Courtney Alvarez, City Attorney if the Commission needed to make a motion.

Mrs. Alvarez and Mayor Fugate both responded no, it is not their decision. It is an operational decision to be made by staff. Mayor Fugate commented that what the Commission is doing is just advising. Fugate further commented that the City Commission doesn't get into the operational decision making.

Commissioner Hinojosa commented that the Commission can make recommendations. Mayor Fugate commented that only recommendations can be made.

Mr. Jesús Garza presented the Quarterly Budget Report for the second quarter ending March 31, 2018. Garza reported that a lot of these numbers on this report will be at 50% and some will not be. Total revenues with the General Fund is close to 60% of the revenues. Ad Valorem taxes are collected primarily the first two quarters of the year because of when they are due and this number will always be higher at the end of the second quarter. At the end of March 31<sup>st</sup>, we are at 92% of what was budgeted which equates to \$5.3 million dollars. At this time last year, at the end of March we were at \$4.9 million dollars. From a collection standpoint, it was budgeted at 98% collection rate with our taxes. In non-property tax revenue, which includes sales tax, permits & fees, and a few others, it is at about 50%. Sales tax is a bit higher than the 50%; it has been received in the first six months \$2.46 million dollars in sales tax revenue which is an increase from the \$2.425 that was received last fiscal year. Garza commented that when staff went through the budgeting process for sales tax revenue, the expectation for sales tax revenue was increased; budgeted was \$4.575 and this year staff budgeted receiving \$4.7. Garza further commented that for historical purposes, five years ago in FY 13-14, what was budgeted at that time was \$4.3, so it has increased somewhat in just that five-year period. Permits & Licenses through the Planning Department, which is an area that staff has been tracking and seeing a decrease for a while and continues to decrease even this fiscal year. After six months and after the end of March, we are at only 43% of estimated revenues for this department. A financial figure for this is \$111,000, close to \$112,000. If you contrast that to fiscal year 2017, it was at \$142,000 after six months, which is quite a drop. Percentage wise it may seem not that bad, we are in the 40 percent tile, it is simply because of the amount that was budgeted is different. Last fiscal year it was budgeted in receiving \$275,000, and last year after six months we were at 51% of that, but now we are at 43% of \$256,000. The number that is budgeted for Planning continues on the downward spiral. From a budgetary standpoint in fiscal year 2015 it was budgeted \$361,000 and this fiscal year it was budgeted at \$256,000, which shows a downward spiral.

Commissioner Hinojosa commented that he was a little confused on the sales tax section of the report. Where the report states "actual first quarter", it says \$5.3 million dollars year-to-date, Hinojosa asked which is correct, should it be second quarter? He further commented that there are some others on page 9 and page 10 of the report, which shows first quarter. He stated that he is only trying to see which is correct.

Mr. Garza responded that it is a typo, they should read second quarter.

Commissioner Hinojosa further asked that on sales tax, it was mentioned that staff budgeted more than what was budgeted last year, he asked for staff to explain that on the sales tax at the end of the year, staff adjust the sales tax, which goes back to an accrual method, and further asked if this was correct. He stated that right now it is being recorded on a cash basis but there are some sales tax in October and November that really belong to last year and asked if this was correct.

Mr. Garza responded that this was correct because of when they are received. When staff budgeted, it is based off of estimates which is part of the reason that when staff goes through the audit process, the audit process doesn't begin until January, because things like sales tax don't reconcile until the end of the year even though the fiscal year doesn't end until October 31<sup>st</sup>. The numbers that are listed for the budget, are numbers that staff estimates as to where staff thinks we are going to be with revenues and when staff goes through the CAFR exercise, that confirms the numbers with actuals.

Commissioner Hinojosa further asked that in the sales tax, it was mentioned that the amount budgeted was increased from last year, is staff keeping track as far as the amount of money is coming in on a monthly basis? Because, it is not a comparison to apples to apples, because of those two months.

Mr. Garza responded that staff is comparing apples to apples simply because when this report was produced last year.

Commissioner Hinojosa commented that he disagrees.

Mr. Garza continued his comment and stated that it was sort of under the same assumption. When staff compares CAFR to CAFR, the numbers will be slightly different. Garza further commented that the purpose of the increase, last year we were tracking through these quarterly budget reports and even monthly reports, an increase in sales tax. For example, if you would go back to last year, just on this report, it shows that sales tax, after six months, it was at 53%, so we continue to track an increase in sales tax revenue, which is the rationale that we utilize to increase the budgetary amount for the sales tax for this fiscal year. Garza stated that because the way the accounting process works, that the actuals may be slightly different, which is why the city goes through the CAFR exercise. Garza stated that when staff goes through the budget exercise, as this summer, staff will utilize the CAFR number, which is now finalized a couple of months ago, that's the number that will be utilized in comparing the historical data which is what is projected for next year.

Commissioner Lopez asked that in Permits & Licenses, the shortfall in there is it due to not having anyone on staff, where we have the vacancy, is this the reason.

Mr. Garza responded no. He further stated that staff is seeing a decrease in residential permits as well as a decrease in commercial permits as well. The city went through some years of some pretty large projects, such as big apartment complexes and went through years where there were more residential permits, so it is simply just due to decrease of development. Because there is a decrease in development, and revenues are down, staff is holding that one particular position that Lopez was referencing, staff is holding it open simply because of the money. Garza stated that the department is not bringing in the money that it needs to sort of continue to run. This specific position is not one that is charged with bringing in new development, so from staff's standpoint there is no direct positive correlation between the Building Inspector and the revenues. Garza further stated that even though there are some small fees that are associated with doing some inspections, but in terms of workload, our current employee is covering that workload. Garza referred to a report that was given sometime back, which is based on a calendar basis. Some of the figures shown on this report, back in 2016, there were 44 single-family residential permits and in 2017, there were 29. For 2018, when this report was done back in January or February, it showed 3. Garza stated that by seeing this report, there is just a decrease in development. As for commercial development, in calendar year 2017, there were 13 commercial developments and in 2018 there was only 1, at the time of this report, which was earlier this year.

Mr. Garza continued with reporting on the quarterly report ending March 31<sup>st</sup>. He stated that relating to Municipal Court fines, this is one that historically has been talked about being behind, but he is happy to report that for this fiscal year we are hitting the 50% mark. This fund is more or less on track with what was budgeted this fiscal year. He stated that staff did budget a significant amount this year than what was budgeted last year. Last year it was budgeted \$835,000 in revenue for Municipal Court, which is why it was falling behind last year when staff was tracking through the budget report. This fiscal year staff only budgeted \$760,000. He stated that staff dropped the expectation which meant now that it is more on track from a percentage standpoint, although it does continue to decline as well. Municipal Court specifically with us, is one of those departments where you will

probably see a plateau. We know that we are not a growing community to the degree that we would all like too, and so the number of citations that are issued and court cases that are heard by the Municipal Court Judge are at a consistent basis and so Municipal Court revenues isn't something that we shouldn't expect to continue to increase yearly. Where we are right now is just simply trying to figure out where that plateau is so that staff can budget accordingly. By just looking at the numbers, in fiscal year 2016 it was budgeted \$960,000, in fiscal year 2018 it was budget \$835,000 and in this fiscal year it was budgeted \$760,000. With this, staff keeps dropping the expectation the Municipal Court revenues to match the reality of the amount of money that is coming in. In the Parks Department and Golf Course, inclusive with the contributions from the County, staff may recall that the County provides the city with \$550,000 annually, which of that, the city transfers \$25,000 for Tourism for the JK Northway, so really it is \$525,000 for the Parks. Combing both Parks and Golf Course, we are at 42% of expected revenues, which from a number standpoint we are at \$118,000 this year compare to \$112,000 last year. Garza stated that for the Golf Course specifically, it was budgeted revenues at \$277,000 this fiscal year with expenditures being estimated at \$555,000. Staff has gone through the exercise internally of already having staff enter what is called EA's, which are expected annual amounts, and with this, the gap is getting wider and so for example it was budgeted subsidizing the golf course by an amount of \$277,000, and where we will end up at the end of this fiscal year is closer to \$360,000 due to a decrease in revenues and an increase in expenditures.

Commissioner Hinojosa asked if the Golf Course can be given back to the County? Mr. Garza responded that this is a discussion that the Commission needs to have.

Mr. Garza continued to state that later in the meeting, there is an agenda item to discuss fees. Part of it is the increase in maintenance expenses that staff is experiencing due to the improvements, but also part of it is that staff has always discussed addressing fees as we address the improvements, so staff introduced increasing fees during the budget workshop last summer and committed into not having the conversation until the improvements happened. Because the improvement is a few weeks away from being completed, is why staff is bringing the item up. The revenues for the Golf Course and Parks, excluding the contributions, the Golf Course at \$100,000 and the Parks at \$22,000.

Commissioner Hinojosa asked that the money that is received from the County, is it received on a monthly basis? Mr. Garza responded "yes".

Mr. Garza stated that Solid Waste Fund is on track, right at 50%. In the Tourism Fund, as this report was being finalized, staff needs to clarify some of the numbers, of which staff will do a better job in showcasing them for the next report. Garza stated that what he is referring to is, this fiscal year the city transferred \$25,000 from the County's Park contribution to offset expenditures for the JK Northway. This wasn't a number that existed historically. He stated that the top figure which is \$554,000 and compare it to the \$490,000 from last year, the \$490,000 from last year is not inclusive to the \$25,000 that the county is contributing. Garza commented that staff needs a better way to show the comparison from apples to apples as it could be somewhat deceiving by just basing it off of these numbers. Garza stated that the same applies to the JK Northway, which shows the revenue being at \$61,000 in comparison to \$36,000 last year. A big reason for this is because of the additional \$25,000 that was mentioned. On the revenues front for the JK Northway, it shows \$29,000 in revenues for the JK Northway, but this is already taking into account six months' worth of the \$25,000 transfer from the county, so in reality the revenues for the JK Northway is north of \$17,000. The apples to apples comparison for the JK Northway in revenues would be the \$24,000 from last year with the \$17,000, once staff excludes the contribution from the county that is being received this year. This is something that will be clarified for the next report. Garza stated that what staff projected for being the deficit for the JK Northway was about \$124,000 and even though revenues aren't coming in to par, we are still anticipating that gap being around \$125,000 to \$135,000. He further stated that it is obvious that it is being used less, hence why revenues are less, but because it is being used less, the expenses aren't going to meet what we expected them to be, cause it not operational and not having to contract labor to clean it.

Commissioner Hinojosa asked if the JK Northway can be given back to the County? He further asked that if for the Tourism Fund, is there a separate bank account for that?

Mr. Garza responded that as for a bank account, he is not sure if it's a separate bank account, but staff does track it differently in a separate line item.

Commissioner Hinojosa stated that his question was bank account. Mrs. Deborah Balli, Finance Director and Mr. Garza responded yes.

Mr. Garza continued with his report, with Utility Fund. The Utility Fund is one of the funds that have been talked about showing some concern. For this year, after six months, it is

hitting north of 50%. For the past years it was hitting lower than what staff expected. A lot of this was from issues that staff had with some equipment and as that issue has been resolved, we have been able to get a better grip around the revenues for the Utility Fund. The Street Maintenance Fund, after six months it is right on track with the estimated annual of \$812,000, so it is right at \$404,000 after six months. For the benefit of the new Commission, staff listed some overarching some of the funding that was actually budgeted and actually spent for the last few years on streets. The Insurance Fund, which is a topic of high interest for staff, it was budgeted, for the first time, exceeding \$4 million dollars in expenditures at \$4.1 and after six months we are above the 50% mark for the \$4.1. Garza stated that he didn't want to say this for a cause of concern, because we do have stop loss insurance that reimburses the city some amounts as we go through the year, but it is something to keep track of.

Commissioner Hinojosa asked that in the \$8.6 increase, what this because of claims or was it because of the increase on the administration from Entrust? Was it an increase from year to year, has there been an increase?

Mr. Garza asked that specifically over year of the administrative or overall? Staff would need to pull this information.

Commissioner Hinojosa commented that he would like to see if this had anything to do with the increase. Mr. Garza commented that staff can get this information to him and include in the next report so it can also be accessible to the public.

Mr. Garza continued with the budget report. Revenues over expenditures, this shows that expenditures are estimated at \$4.1, as mentioned. Garza stated that in the past, it was discussed how the revenues for the insurance fund are at \$3.5, creating the \$600,000 more or less deficit that is being covered through fund balance through the insurance fund.

Commissioner Hinojosa asked that in Fund 98, 71% of that is been expensed? It was budgeted at \$155,000 and \$111,000 has already been spent. Is this because the city hasn't received the money from the EDC Corporation? He stated that he knew that there was a \$41,000 amount budgeted that was going to come in from the EDC. Has any of this money been paid? Mr. Garza responded that the city has received it. Commission Hinojosa further asked what is the reason for it being so high on the expenditures?

Mr. Garza responded that the Economic Development Fund is one that is used not only for EDC. The EDC Fund also includes some other activities such as, it will be used whenever the city accepts revenues for the sale of property or for the exchange of property or for when we do certain things such as later on the agenda there is an item for an Economic Development study which would come from this particular fund. Garza further stated that what is being specifically asked, is what the \$111,000 has been spent on, staff can produce a detailed report to Commissioner Hinojosa and sent it to him.

Commissioner Hinojosa commented that he would like to see that report. Hinojosa further commented that nothing that he has noticed is the money that was used in lieu of taxes, one at one time part of general fund. He stated that they didn't have any in lieu of how's, it used to belong to the general fund and now it moved out. Hinojosa asked when the City took over the EDC.

Mr. Garza responded that the agreement with the EDC began in 2015, prior to him being hired by the City.

Mayor Fugate commented that taxes had nothing to do with the EDC coming into the city. This was something that the Commission, at that time, decided that they would set the \$100,000 aside for economic development purposes. This was a decision that, that commission made, at the time the city started getting the money from Celanese.

Commissioner Hinojosa further asked if the city receives any money from the County? He stated that in the past they used to contribute.

Mr. Garza commented that we don't, but they contribute to the EDC.

Mayor Fugate commented that EDC gets money form the county.

Mr. Garza commented that the last pages of the report consist of a list of budget amendments that were brought to the Commission for approval throughout the year. Accounts receivables are monies that are owed to the city. About a year and a half ago, staff realized that there were collections for services some of the items, such as utility

ambulance billing. Therefore, staff went through a process of hiring a company, which is Southwest Recovery to assist the city in collecting outstanding funds owed to the city.

Commissioner Hinojosa asked that with regards to the Sanitation Services, the receivable was \$410,000, was this from water? Mr. Garza response was "no". Garza stated that the sanitation service would be simply just for garbage. Commissioner Hinojosa also asked that out of the \$410,000, \$350,000 was uncollectable? Mr. Garza stated that staff budgets a certain amount as uncollectable. Commissioner Hinojosa stated that he has the same question for the Sewer Account, where there is \$300,000 receivables, \$654,000 from water and \$311,000 from sewer and \$603,000 as uncollectable. Mr. Garza responded that this was correct and stated that there is a lot of opportunity. Commissioner Hinojosa commented that its free water and sewer.

Mr. Garza stated that it is definitely very challenging situation for the city, especially with the transient population. A lot of these, there are people that come in then leave and never pay their bill.

Commissioner Hinojosa commented that maybe the city needs to increase the deposit.

Mr. Garza stated that as for the Capital Outlay projects, a lot of these projects have been completed. At the last City Commission meeting, staff brought to the Commission the street sweeper and the new garbage trucks, which were approved, and are listed on this report. The report may show it as in process, but it's a project that has been completed. Also listed on this report are number of transfer that staff does. Financial policy allows staff the flexibility to transfer within funds an amount up to 10%. For amounts that are greater than 10%, they require Commission approval. For amounts that go from one fund to another fund, also requires Commission approval. As per the Financial Policy, staff must report, in the quarterly report, all the inter-fund transfers that staff makes that are below the 10% amount.

Commissioner Hinojosa stated that he has a request for staff. He stated that he knows that the Commission gets these budget reports on a quarterly basis, he asked if the Commission could receive them on a monthly basis.

Mayor Fugate responded that they could talk about it.

Commissioner Hinojosa commented that when ever Mr. Garza wants to give a report on Streets, he wanted to do it on a quarterly basis, but then the Mayor instructed him to do them on a by meeting basis. Hinojosa stated that what he is requesting is for the financial reports be done on a monthly basis, not the first meeting but at the second meeting.

Mayor Fugate commented that by asking for a report on streets department as oppose to an overall financial report is a little bit different. This has never been done in the past, they are usually done quarterly. Fugate stated that it has been discussed in the past doing a monthly report instead of staff getting up during Commission meetings and spending 45 minutes, if staff could just put a report together and giving it to the Commission, and if any of the Commission members have any questions on an individual basis, they can come in and see the City Manager.

Commissioner Hinojosa agreed with the Mayor's comment regarding a monthly report for the City Commission.

Mr. Garza commented that from a financial standpoint, staff can look at some options on putting something together for the City Commission.

Mayor Fugate commented that it does not have to be reported during a meeting. All staff has to do is get it to the Commission and if there are any questions, they can be brought up to the City Manager.

Mr. Garza commented if this would be a report similar to the one being reported on now, but inclusive to financing.

Commissioner Lopez commented that she agrees with Mayor Fugate on those reports. She further commented that these reports were also posted on the City's website for the public to review. She stated that the Mayor says to do these reports on a monthly basis, but she would like for them to be produced on a biweekly basis. The previous City Manager produced the report on a weekly basis.

Mayor Fugate commented that those reports were done every two weeks.

Mr. Garza commented that the Commission is talking about two different things. One thing is about finances and the other is just general updates and what Commissioner Lopez is referring to is a staff report that was put together. On the financial side, staff can explore options on putting a report together on a monthly basis.

Mayor Fugate commented that the bimonthly reports had financials in them as well. The report included everything. Fugate further stated that if staff wants to take that out, he doesn't have any objections to that.

Mr. Garza commented that reviewing this on a quarterly basis, as to this degree is important, but on a monthly basis, staff will explore some options on the financial part. As for the operational part, there is this report that shows a lot of data and includes other reports as well. Garza stated that both reports are available online. The monthly financial report will be available online as well once it is created.

Commissioner Lopez stated that she would encourage the City Manager to get with the IT Department to retrieve the old reports from the previous city manager. This would give staff an idea of what reports were given to the Commission in the past. She further commented that she would like to see these reports done and published online.

Mrs. Courtney Alvarez, City Attorney reminded staff that the next City Commission meeting is scheduled for June 11<sup>th</sup>, with agenda items due for this meeting on June 1<sup>st</sup>.

Commissioner Hinojosa commented that he will not be present at the June 11<sup>th</sup> City Commission meeting.

Commissioner Lopez thanked the Police Department, Fire Department, and the Volunteer Fire Department for their support to the to the Lady Lions Softball Team who are heading to the State Championships. These departments assisted in the escorting of buses.

Mayor Fugate commented that the Santa Gertrudis Softball Team is heading to State, which is a great thing for our community. He further congratulated the TAMUK Track and Field Team for their win of the National Championship.

Commissioner Hinojosa commented that on Thursday he attended the IOC Meeting at Coastal Bend College. He encouraged everyone to attend this training. He stated that he would like to see the County take part in this training.

Commissioner Lopez commented that when the move took place to the new building, they were told that we would live stream our meetings and asked if staff was still working on this.

Mr. Garza responded that staff is working on this, it is going to be considered in the new budget. Staff is looking into some software programs that would be able to be the host of that. The City has already invested in some technology in this building but may need to additional technology to supplement existing one in the building. Garza further commented that there is an in-house committee that will look at improving the city's social media, which in the next couple of months, staff will be giving an update on that.

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

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

Mr. Joe Henkel, 618 Pippin Lane, commented that he would like to comment on agenda #9 regarding the strategic plan. He stated that he has noticed that the city's revenues are going down, and this is an effort to try and develop a long-range plan to change that trend. He stated that Mr. Salazar, the price of this strategic plan seemed very expensive to him, but after looking at it extensively, he can see why the cost is what it is. He stated that he also wants to compliment Mr. Salazar for negotiating for a significant discount on the price. Henkel further commented that this was helpful and it just so happened that the lady that represents the vendors is a native of Kingsville, so she comes back once a year to visit with family, plus she has experience with the Corpus Christi EDC. He stated that they think it is an important expenditure to provide a clear direction and plan and measurable goals for the EDC. He further commented that one of the reasons this particular vendor is worthwhile is because they are in the sight location business themselves, so by participating with that company we are automatically in their data base and are familiar with Kingsville, which is helpful. He stated that he would like to extend the support of the entire Board of Directors of the EDC which approved the proposal by a unanimous vote.

Mr. Jerry Saavedra, American Heart Association representative, stated that he is here on behalf of Smoke-Free Texas which is a Statewide Coalition which includes the American Cancer Society and the American Lung Association. He further commented that as a

father of a six-year-old son, and an eight-year-old daughter and former waiter, who had to work in an environment that allowed smoking indoors which caused him to be exposed to second hand smoking. Now with two kids and having to be the bread winner, has increased his risk of a lot of diseases that he will speak about later. He stated that every year, about 42,000 people die from exposure to second hand smoke. This is not from smoking ourselves, this is being exposed from secondhand smoke. Workers in the bar industry are the ones most at risk by having to be breathing in second had smoke. He stated that one statistic is that over the course of an eight-hour work shift, one can inhale smoke up to the equivalent of smoking 36 cigarettes. City across the State of Texas have adopted a comprehensive smoke-free indoor workplace ordinance. This is simply asking those that want to smoke to step outside so that your choice to smoke doesn't hurt anyone else's health. This is not about banning people from smoking, it's simply just taking it outdoors. This is for improving the quality of life for the community.

Anna Ramon, American Cancer Society representative commented that she is here with a support group in favor of agenda item #13. She stated that 154,000 people will die of lung cancer in the United States, which is more than colon, breast, and prostate cancer combined. Smoke is the leading cause of cancer deaths in Texas. About 80% of cancer related deaths are due to smoking. She further read some statistics regarding the economy in Texas due to smoking. She stated that more people will be diagnosed with different types of cancers.

Larry Lee, 342 Anthony Lane, commented that he is in favor of the extension of the greens. He stated that he has been asked to speak on the proposed fee increase on behalf of a group of avid golfers that play at the L.E. Ramey Golf Course on an almost daily basis. He stated that before the Commission votes to increase the fees at the golf course, they need to consider the horrible and almost unplayable condition of the course. It is in terrible condition and does not appear to be properly maintained. The fairways are like concrete, have very little grass and seldom feel the touch of water. The rough isn't being mowed and increases the time of play because players spend excessive time looking for golf balls. The tee boxes on some of the fairways are almost grassless and have uneven surfaces to hit off of, but they don't have an abundance of weeds. He stated that Mr. Flores, states in his request to increase the fees that revenue will come from outside areas as well as local residents and newly developed golfers. His fellow golfers do not believe this will happen under the current conditions and management practices. He stated that he can remember when this golf course was in great condition and people would actually come from the surrounding area to play. There was a time when the golf course would have such a large tournament on Memorial Day they would have to close the course to outside play because they had morning and afternoon tee times to accommodate all the golfers. He stated that he played yesterday, and other than the group of 10 people, there was almost no one on the course and yet they city wants to increase the price of golf. Lee stated that the Commission talks about the \$2,000,000 spent on golf course but over \$150,000 was spent on beautification and an artificial putting green, neither of which had anything to do with actually improving the playability and condition of the golf course. The current temporary greens they are playing on are very bad and are not being properly maintained. He said that they use to have a large group of Winter Texans that stayed in their local RV parks and played golf at course, but management, not talking about Richard, and the condition of the golf course over the years has driven most of them away. Memorial Day Tournament has been cancelled and people have stopped coming to Kingsville to play golf. It is sad that the local golf teams have to practice and play on such a poorly maintained golf course and then are expected to compete at golf tournaments where they actually play on fairways with real grass and good greens. He commented that before the Commission decides to vote, to please come to the golf course and see what deplorable condition it is in. He stated that the men's restroom is often filthy with water, urine, and feces on the floor or commode seats and is seldom cleaned. He stated that he has pictures of such conditions. The golf course needs a janitorial service or someone's position description needs to be changed to include the phrase "and other duties as assigned." He stated that when Jason Alfaro was in position, he forwarded some pictures showing the urinal overflowing, which finally got fixed. He stated that all they are asking for is a decent golf course to play at.

Rosalee Wiesfeld, 801 N. 16<sup>th</sup> Street, McAllen, TX, is hear to speak on smoke-free Texas and the efforts to help Kingsville to introduce and adopt a comprehensive smoke-free ordinance. She further commented that the Texas Department of State and Health Services offers free signs to all businesses and will assist in distributing them. She stated that Texas A&M Agri-life Extension supports this ordinance.

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.)*

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

**1. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter XV, Land Use, Article 6 Zoning, Air Installation Zoning Regulations, Section 41, Responsibility of Developers: Subdivisions, providing for an annual notice to property owners in the CCLUA about t AICUZ and CCLUZ. (Director of Planning & Development Services).**

**2. Motion to approve final passage of an ordinance amending the Fiscal Year 2017-2018 budget to expend funds to purchase survey equipment for the Engineering Department. (City Engineer).**

**REGULAR AGENDA**

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

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

Mayor Fugate asked if there weren't any objections from the Commission, he would like to move agenda item #9 before agenda item #3. No objections were made by the Commission. Agenda item #9 was read and discussed.

Mayor Fugate asked if there weren't any objections from the Commission, he would like to move agenda item #13 before agenda item #3. No objections were made by the Commission. Agenda item #13 was read and discussed.

**3. Consider a resolution appointing Edna S. Lopez as Mayor Pro Tempore. (City Attorney).**

**Motion made by Commissioner Hinojosa to approve the resolution appointing Edna S. Lopez as Mayor Pro Tempore, seconded by Commissioner Leubert. The motion was passed and approved by the following: Pecos, Hinojosa, Leubert, Fugate voting "FOR". Lopez "ABSTAINED".**

**4. Consider a resolution appointing a Commission Member to the City of Kingsville Audit Committee. (City Attorney).**

**Motion made by Commissioner Lopez to approve this resolution appointing Commissioner Hector Hinojosa to the City of Kingsville Audit Committee, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Lopez, Hinojosa, Leubert, Pecos, Fugate voting "FOR".**

**5. Consider a resolution appointing two representatives and two alternates to the Coastal Bend Council of Governments. (City Attorney).**

**Motion made by Commissioner Hinojosa to approve this resolution appointing Commissioner Leubert and City Manager, Jesús A. Garza as representatives to the Coastal Bend Council of Governments and appoint Commissioner Arturo Pecos and Commissioner Edna Lopez as alternates to the Coastal Bend Council of Governments, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".**

**6. Consider accepting donation of surplus recycling equipment from NAS-Kingsville. (Community Appearance Supervisor).**

Mrs. Jennifer Bernal, Community Appearance Supervisor stated that the Naval Air Station has contacted her department to offer some equipment from a dissolved recycling program the base had at one time. This equipment includes 2 cardboard balers, 2 compressors and various boxes of tie down. The equipment is in good condition and would be greatly useful in the operations for the department.

**Motion made by Commissioner Pecos to accept donation of surplus recycling equipment from NAS-Kingsville, seconded by Commissioner Hinojosa. The**

motion was passed and approved by the following vote: Leubert, Pecos, Lopes, Hinojosa, Fugate voting "FOR".

**7. Consider accepting donations from various sponsors for Parks summer programs and equipment. (Parks Manager).**

Motion made by Commissioner Leubert and Commissioner Pecos to approve the acceptance of donations from various sponsors for Parks summer programs and equipment, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Pecos, Lopez, Hinojosa, Leubert, Fugate voting "FOR".

**8. Consider introduction of an ordinance amending the Fiscal Year 2017-2018 Budget to accept and expend park donations. (Parks Manager).**

Introduction item.

**9. Consider introduction of an ordinance amending the Fiscal Year 2017-2018 budget to fund an Economic Development Strategic Plan. (City Manager).**

Mr. Manny Salazar, Economic Development Director, stated that over the last three years they have wrapped up their efforts and brought on the retail coach to assist with the recruitment efforts as the data, contact the developers and retailers. The projects that are in the works right now will make a difference in the Kingsville landscape in the years to come. He stated that he and the City Manager attended the ICSC ReCon Conference, which is the largest real estate conference in the world. This conference has about 40,000 in attendance. He stated that the reason for attending is that this is where all the developers and retailers are. Over the two days they were there, they had 24 meetings with developers. This would allow for them to put Kingsville on the market and show all the potential we have and why they should look at Kingsville for their next project. He stated that he and Mr. Henkel have been working on this for several months now where they have been looking at firms that can conduct an Economic Development Strategic Plan for Kingsville. The EDC appointed a committee to look at this and they have unanimously selected a firm called Newmark Knight Frank to be the vendor for the plan. The plan will provide data used by site selectors, recommendations on ways to improve the attractiveness of the community to site selectors and sectors to target for development. There are a lot of stakeholders involved in this plan. This plan will be a sixteen-week plan. The price that was secured for this plan is \$50,000. The EDC is requesting \$10,000 to help with the cost of the study. Other participating entities include AEP, TAMUK, and Kleberg County, hopefully. He stated that he had met with Judge Madrid regarding this and they will include it in their budget workshop and try to fund this project as well. This plan will focus and industrial and commercial development only. This plan will consist of multiple roundtable discussions. He further stated that the end result of which will be increased tax base and jobs for the community.

Commissioner Leubert asked if this is a match making entity. Mr. Salazar commented that in a lot of ways yes. Leubert commented that it would keep it simplified; they are finding the best businesses for us to make tax base. Mr. Salazar commented yes. They will give us all the leads the data and all the different things that are needed in order to place Kingsville on the radar for future development. Commissioner Leubert further asked that if this company not only provide the data, they also support you after the study. She further stated that a lot of times the companies do a study, the information is given then they walk away. Mr. Salazar stated that they will have a year of follow-up help, which is basically not done as per his understanding, but because the individual of the company has a vested interest in Kingsville, she will be offering that to us.

Commissioner Hinojosa commented that this is a good idea, but his concern is where the money is coming from to pay for this service. He stated that what was mention was the cost of \$50,000 and that the County, AEP, Chamber and others will pay for this. How much will each entity pay for this plan.

Mr. Salazar stated that the EDC has \$5,000 budgeted for this plan. AEP has committed \$5,000 for the plan, Kingsville Area Industrial Foundation is being asked to pitch in \$10,000, University has already sent in \$10,000, and asking for the County and the City to give \$10,000 each.

Introduction item.

**10. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter IX-General Regulations, Article 8- Parks and Recreation, providing for revised fees for the L.E. Ramey Golf Course. (Golf Course Manager).**

Mayor Fugate commented that he takes exception to what was mentioned earlier in the meeting regarding the golf course. He stated that the small group of golfers that are there every day, they need to understand and realize that if it wasn't for the City of Kingsville, they would be going to Alice or Falfurrias right now, as this golf course would not be in existence, if it wasn't for the City. Fugate further commented that the city has

spent millions of dollars on the golf course trying to get this thing in playing shape. He stated that this started way before the City took it over two years ago. It is a small group that don't add anything and only complain. Fugate further commented that whether they play there or not, this course will remain open and maybe do better, as far as he's concern. He commented that if people want to go out there and play golf, you can go out there and play and if you don't, then don't. He stated that the city needs to raise the fees on this course. The proposed fees are still less than what the course in Alice is charging.

Mr. Garza stated that this comes down to the deficit and what is the deficit the commission and the city feels comfortable in absorbing. Over the last several years that the city has taken over, the golf course it can be conveyed that the first fiscal year that deficit was \$234,000 in 2016 it was \$229,000, 2017 it was \$271,000, and in this fiscal year it is at \$277,000, with the expectance of it continuing in increasing. Primarily because of the expense of operating and running the golf course will continue to rise.

Mr. Flores stated that the cost of maintain the golf course has gone up. When the golf course was in good shape, it hosted a lot of tournaments as it mentioned. Flores is proposing to go up on fees, but not to the level of the surrounding golf course. This is something that will need to be done if we want the golf course to remain open.

Commissioner Lopez commented that she respects what the Mayor said, but if the customers aren't happy with the golf course, who will be the customers. They will eventually leave with the city raising fees. She stated that she thinks that staff needs to slow down. The golfers have valid complaints, as she has visited the golf course. She stated that her opinion is that the city needs to slow down on these fees. Getting upset with them for speaking up is something we do not need to do.

Mr. Garza commented that the conversation to this point was to look at these fees with the improvement. But if the direction of the Commission is not, then staff won't. There are consequences for and against for what happens; the deficit will continue to climb. The reason for the conversation on these fees now, is to assist staff in preparing the budget with the new fees and the estimated in revenues that we might expect with the increase in fees, but ultimately this is a policy direction that needs to come from the Commission. The deficit that the gold course creates, how much is the Commission and city willing to absorb; what point does the Commission say we have reached this number and we need to do whatever we need to do to keep that deficit at an amount.

Commissioner Hinojosa commented that he respects what he said about the golfers, but before the city increase the rates, we need to take care of the golf course. It needs a lot of maintenance. He stated that he recommends maintaining the golf course better than what it is already. He recalls that in the past, the Street Department was used to maintain the course. He stated that he was out there yesterday, and he saw the mess in the men's bathroom. The maintenance at the golf course needs to be looked into before increasing the fees.

Commissioner Pecos stated that everything takes money. The proposed increase fees are very minimal. He stated that the few dollars that will be increased will assist with the improvement of the course. When the city took over the course, we knew that we were going to run into this situation. But with small increases we can improve this course.

Commissioner Lopez commented that staff needs to take a look at the membership fees as they are high.

Commissioner Hinojosa commented that we need to give the course a better appearance before making an increase in fees.

Commissioner Leubert commented that she played at the course over the years, most recent was in the last six months. It is not in great shape; however, we haven't received rain, but if you want something nice, we will need to do something in order to make it better. She stated that maybe we can wait until the greens are better, then we can make the increase.

Mr. Garza stated that staff is looking at a start date for the increase to start on July 1<sup>st</sup>.

Commissioner Hinojosa commented that he would like to be present at the meeting when this item comes back to the Commission.

Mayor Fugate commented that there are a lot of hidden cost in a golf course and in the last year, the city has spent over \$250,000 on a new water system, \$250,000 on greens. The golf course was not secured and had to put up a new fence. He further stated that these are things that the city was left with. And with the letter that the Commission received today, which is from a small group of very vocal golfers. The vast majority of people that play that golf course aren't going to have any objections to these fees. The individuals involved in the letter don't support the golf course. Fugate further stated how many golfing shirts do they own, they don't buy their tees, balls, or gloves; they don't even buy their beer from there. Fugate stated that there have been problems with this

group bringing beer to the course and not buying it from there. Fugate continued to comment that this group does not speak for the vast majority of people that play at this course. Fugate stated that they certainly don't speak for him and they don't speak for those that he plays golf with. He stated that he is tired of hearing all the complaints. He further stated that the tax payers of this community have spent a lot of money trying to get this thing into order. Fugate agrees with Commissioner Pecos on the \$2.00 increase, which is nothing.

Commissioner Hinojosa commented that he doesn't see any problem with the \$2.00 increase, he would just like to see it in better shape before implementing the increase.

Commissioner Pecos commented that it is being worked on.

Commissioner Hinojosa further commented that he doesn't see them working on it as he was out at the course yesterday.

Both Commissioner Pecos and Mayor Fugate responded that they are working on it.

Commissioner Lopez commented that maybe if staff waits until it looks a little better, maybe people will want to pay, but she does see it happening right now. She further commented that she has received a lot of complaints about the course.

Mrs. Alvarez commented that if the second reading get pushed back to June 25<sup>th</sup> so that we can try and have a fuller Commission for that particular vote, by the time the publication is done for the newspaper for two consecutive weeks, then ten days after the second publication, will give you the effective date of July 11<sup>th</sup>.

Introduction item.

#### **11. Discussion on the FY19 Budget Development Calendar and process. (City Manager).**

Mr. Garza stated that one of the items that staff is going to pursue is bringing a third party to run a goals and objective exercise for the city. This is an idea that stemmed from simply having a new Commissioner and was discussed with the Mayor. It would be a good idea to bring in someone from the outside with a fresh perspective to develop goals and objectives for the city. This will not only help us guide the city's budget in terms of some of the supplemental request that may get approved verses not get approved. Garza stated that this can also help develop goals and objectives for his performance. He stated that staff solicited proposals from individuals that could come in and do this exercise for the city. What staff decided to do is proceed with a retired City Manager. The individuals name is Toby Hammett Futruell who is a retired City Manager from the City of Austin but currently resided in the Corpus Christi area and is a professor with the MPA Program at Texas A&M Corpus Christi. As a former City Manager, she directly understands what goes into developing a budget and understand the synergy between Commissions and Councils. Staff envisions this process is that staff will work on scheduling one on one meeting between the Commission and Ms. Futrell. She would like to meet on a one on one basis prior to meeting as a group, so that she can get to know individually what your individual priorities are and what your goals are before convening as a group. This will require a special city commission meeting the week of June 18<sup>th</sup>, to have the group work session with her and staff. He further asked the Commission on their preference on the date and time of date that they would like to schedule this meeting. What was conveyed to her was that this would be no more than a four-hour session. In this session she would summarize with the group the collections of goals and objections that she obtains on the one-on-one meeting with the Commission. She will also identify where there is overlap and where there's not overlap and work with the Commission as a whole to be able to make decisions on what to prioritize and in what order. Garza commented that this will help establish goals and objectives for both the city and himself, which would help when its time for the commission to evaluate him.

Commissioner Hinojosa commented that this would assist the Commission when it comes time to evaluate the City Manager.

Commissioner Pecos asked how much the consultant would charge.

Mr. Garza responded that the cost would be \$4,000 for the entire exercise.

Commissioner Lopez asked when it was decided that the city would get a consultant.

Mr. Garza stated that this was something that was decided as staff. Ultimately this is the City Manager's proposed budget and we as staff typically kind of developed the process. Garza stated that in year's past, he has done things such as surveys and him himself in the past has done the one on one's, then provide the summary to the Commission. He further commented that it is important for us to bring in someone from the outside to bring a fresh perspective to everything.

Mayor Fugate commented that it has been along time since we have done any planning or goals settings.

Commissioner Lopez asked where this money is coming from to pay the consultant.

Mr. Garza responded that it will be a combination of various department accounts that will pay for this fee. Garza further went over briefly the budget calendar. Garza commented that as per ordinance, the City Manager, City Attorney, and Municipal Court Judge would go through an evaluation in July. He stated that last year he requested for his evaluation to take place in November, which it did. He simply added his into July as it is per ordinance but would prefer for his evaluation to be pushed to November as there is value in his occurring after the budget, so that Commission can account for the budget process in the evaluation. He stated that the City Attorney and Municipal Court Judge evaluations should remain in in the usual timeline, as per ordinance. The calendar shows that the first meeting in July, the Health Insurance will be discussed. Dates for workshops in August are also listed on the calendar, the date that the Commission would receive the proposed budget. In comparison to last year, a couple more workshops were added to this year's budget process. This would give staff and the Commission adequate time to go over the budgets.

Mayor Fugate commented that this year for the budget workshops, he would like for staff to concentrate on numbers.

Both Commissioner Hinojosa and Commissioner Lopez agree with Mayor Fugate.

Mr. Garza stated that the process will be a better process this year than last year.

Commissioner Lopez asked that staff not change numbers, just leave true numbers as budgeted.

Commissioner Hinojosa commented that last year in the budget calendar, there is only the general fund and he hopes that in this year, staff will go over all the funds.

Mr. Garza responded that staff went over all the funds.

**12. Consider introduction of an ordinance amending the Fiscal Year 2017-2018 Budget for interfund and interdepartmental transfers. (Finance Director).**

Mrs. Deborah Balli, Finance Director reported that this is as per policy and how the city does its transfers, we needed to do an interfund budget transfer for credit cards fees which require Commission approval. On the other, funds need to be moved from one project line to another but because it is a different division, it also requires Commission approval because it is more than 10% of the original budget.

Commissioner Hinojosa asked that for the line item of \$103,000 on the building, is this an additional amount that that is needed to finish the building.

Mrs. Balli responded yes. The \$103,000 covers, due to change orders and everything on the original contract, it caused additional architectural fees due to those changes, so the money that was needed to pay for additional architectural fees it ate into the furniture budget. The \$103,000 is for the additional architectural services and fix some issue with the back door that is needed to be fixed and additional network switches, due to changes on the layout to the first floor.

Commissioner Hinojosa asked that there was \$112,000 left over from the pumphouse and asked if that was going to need anymore money.

Mrs. Balli responded that, that project is done. All staff is doing is moving the savings from the pumphouse by taking \$103,000 from those savings and putting it into the Municipal Building with the balance of that going down to water meters within that fund, that was set aside, as we are having to pay 25% on the warranty this year verses having a 100% coverage, so we are hitting that 75% coverage on our water meters.

Introduction item.

**13. Discuss and give direction to staff on preparing a smoke-free ordinance for the City of Kingsville. (Commissioner Pecos).**

Commissioner Pecos stated that he believes this had been discussed in the past but decided to wait until the election was over. He asked City Attorney if the city had been working on an ordinance for a smoke-free ordinance in the past prior to the election.

Mrs. Alvarez commented that staff had been working with Mr. Saavedra and Mrs. Weisfeld but had not worked on nor developed an ordinance as of yet. She stated that there is currently existing in Chapter 9, Article 9, City Smoking Regulation Ordinance, but its not as comprehensive as to what most of the other cities have adopted. So, it doesn't go as far as it needs too, to protect the workers that were discussed.

Commissioner Hinojosa asked if we can mimic off of another city in order to save time.

Mrs. Alvarez commented that we have recently received a copy and have begun the format, so staff just needs to know the Commissions preferences with regards distance from an entrance or if there is going to be a smoking area outside and what the distance should be from the entrance of a building.

Mr. Garza stated that more importantly, the purpose for tonight's discuss is to help clarify direction for staff. Staff had the ability to put together the draft ordinance for the Commissions review, but staff doesn't want to necessarily spend the time doing this if the direction from the Commission isn't to go down that path.

Mayor Fugate commented that he senses that this Commission wants to see something put in place. Fugate stated that that most places in Kingsville are already non-smoking. There may just be a hand full of bars that still allow smoking. He further stated that you can get into the argument of how far the government goes, when its already being done.

Commissioner Pecos stated that the American Legion is a smoke-free environment.

Mayor Fugate stated that it is a great thing and something that may need to be done but its already being done.

Mr. Saavedra stated that the current ordinance includes restaurants, but there are a lot of exemptions in the ordinance so bars are given special treatments. But with the comprehensive ordinance, what it does is that it creates a level of playing field saying that these are the rules that the city is going to set and apply them equally to all businesses.

Mayor Fugate commented that he doubts if there has ever been a Mayor in Kingsville that has told an owner that they could not have smoking within their restaurant; people are doing it on their own. Fugate commented that he does not disagree with what they are trying to do, but he thinks a lot of people are already doing it for health reasons.

Mr. Saavedra commented that there are 96 cities and half of them have done it just in the last three years. He stated that this is also thinking about the future as well, such as future businesses coming into the community.

Mayor Fugate stated that he wants a great deal of distance and he wants businesses that sales cigars and humidors to receive an exemption.

Commissioner Leubert stated that people choose to go to these places that allow smoking. They choose to go to these places and the workers have a choice not to work there. This is her opinion. She further made some comments that were not picked up on the audio.

Commissioner Lopez asked if this ordinance gets put in place, who will be enforcing it.

Mr. Garza commented that from his understanding, after having some conversation in-house discussing the what if. It would be one of those things that someone would call in a violation. This all would need to be vetted out. He stated that in other communities it is on a call-in basis.

Commissioner Lopez commented that she agrees with Commissioner Leubert, Kingsville doesn't have a big problem. If people don't want to go to a bar where there are people smoking, well then you don't go. She stated that some people go out to relax and smoke, and she doesn't see the problem in that. To tell someone not to smoke, is not for the Commission to say.

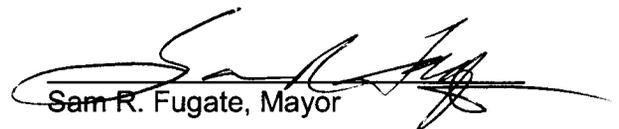
Ms. Ramon commented that while the use of tobacco usage has been at a low, in the past three decades there has been an increase in e-cigarettes. New studies are showing that this is leading to going back to traditional tobacco products. She stated that they were able to get a letter from Golden Family Bingo that actually did comprehensive smoke-free in several of their locations because cities went that route. She stated that they saw an increase in their day time sales because people were actually going to play bingo on their lunch breaks and saw a positive economic benefit by going smoke-free in the bingo halls. This is the largest bingo operator in the United States.

Commissioner Leubert commented that Corpus Christi went through this as well. One of the biggest opponents of smoke-free was a restaurant/bar that increased sales. This was a choice that the people made by going into those places.

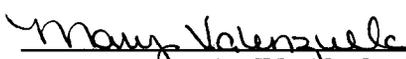
Mayor Fugate asked for staff to get something together on this. Fugate asked staff to bring this item back when there is a full Commission present.

## VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 8:13 P.M.

  
Sam R. Fugate, Mayor

## ATTEST:

  
Mary Valenzuela, TRMC, CMC, City Secretary