

AUGUST 13, 2018

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 13, 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:

Jesús Garza, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Tom Ginter, Director of Planning & Development Services
Emilio Garcia, Health Director
Derek Williams, Systems Specialist
Diana Gonzales, Human Resources Director
Charlie Sosa, Purchasing Manager
Rudy Mora, Director of Engineering
Cynthia Martin, Downtown Manager
Susan Ivy, Parks Manager
Kyle Benson, IT Manager
David Solis, Risk Manager
Pete Pina, Landfill Supervisor
Bill Donnell, Public Works Director
Robert Rodriguez, Library Director
Deborah Balli, Finance Director
Manuel Buentell, Building Inspector
Adrian Garcia, Fire Chief
Ricardo Torres, Police Chief
Janine Reyes, Tourism Director
George Flores, Police Officer
Monica Flores, Communications Supervisor
Johnny Campos, Sergeant
Joe Fernandez, Parks Department

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 6:00 P.M. with 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 – July 9, 2018
Special Meeting – July 16, 2018
Regular Meeting – July 30, 2018

Motion made by Commissioner Leubert and Commissioner Pecos to approve the minutes of July 9th, July 16th, and July 30, 2018 as presented, seconded by Commissioner Lopez. The motion passed and approved by the following vote: Lopez, Hinojosa, Leubert, Pecos, Fugate voting “FOR”.

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

1. Public hearing regarding condemnation proceeding for structures located at 623 E. Avenue A, Kingsville, TX. (Director of Planning & Development Services).

Mayor Fugate announced and opened this public hearing at 6:02 p.m.

Mr. Manuel Buentello, Building Inspector stated that the property located at 623 E. Avenue A is in a state of disrepair. The property was to be found in overall conditions to be in a severe and hazardous state of disrepair. It is unsecured allowing easy access for animals, vagrants, and criminal activity. This property has had no water service since November, 2015.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so now 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 6:05 P.M.

2. Public hearing regarding condemnation proceeding for structures located at 411 E. Lee Avenue, Kingsville, TX. (Director of Planning & Development Services).

Mayor Fugate announced and opened this public hearing at 6:05 p.m.

Mr. Buentello stated that the property located at 411 E. Lee Avenue is in a state of disrepair. The overall conditions were found to be in a severe and hazardous state of disrepair. It is unsecured allowing easy access for animals, vagrants, and criminal activity. This property has had no water service since May, 2009 and no electrical service since June, 2009.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so now 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 6:06 P.M.

3. Public hearing regarding condemnation proceeding for structures located at 426 E. Richard Avenue, Kingsville, TX. (Director of Planning & Development Services).

Mayor Fugate announced and opened this public hearing at 6:06 p.m.

Mr. Buentello stated that the property located at 426 E. Richard Avenue is in a state of disrepair. The overall conditions were to be found in a severe and hazardous state of disrepair. It is unsecured allowing easy access for animals, vagrants, and criminal activity. This property has been without water service since December, 2002 and electrical service since July, 2007.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so now 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 6:08 P.M.

III. Reports from Commission & Staff.²

*"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."*

Mr. Jesús Garza, City Manager presented Mr. Joe Fernandez, Parks Department, the employee of the month for the month of June.

Mr. Bill Donnell, Public Works gave the Commission an update on the Streets. He stated that construction crews finished 19th Street between King and Kenedy. Crews have also completed sealcoat of Boyd Street. They are currently working on Chandler Street which they will be overlaying three blocks in the area. Drainage has been completed and the cleaning of the Caesar Ditch has also been completed. Crews will be working on Tranquitas Creek and are currently mowing Tranquitas Creek and have completed Ailsie and Franklin Adams. Crews are currently patching in Zone 6. Curb and gutter work is being done in Zone 3, as allowed and weed control as allowed in Zone 7. Donnell stated

that crews are replacing street name blades that are missing as well as those that are faded. The next street that crews will be working on is 2nd Street between Santa Gertrudis and Lee Street.

Mr. Rudy Mora, Engineer gave presentation update on the Splashpad at Flores Park and the Kiddie Pool at the Brookshire Pool. He stated that the Splashpad equipment has been completed. The Splashpad should be opening in mid-September. The Kiddie Pool has also been completed. Final touches are being made to the Kiddie Pool. Kiddie Pool should be opening on August 17th.

Mr. Garza reported that the Golf Course will be hosting a Volunteer Day on Wednesday, August 15, 2018 from 8:30 a.m. to 12:00 p.m. He stated that he will be out there lending a helping hand. Garza further reported that budget workshops will begin on Monday, August 20th at 4:00 p.m.

Mrs. Courtney Alvarez, City Attorney reported that the next regular scheduled City Commission is scheduled for Monday, August 27, 2018. Prior to this meeting there will also be a budget workshop on that day scheduled for 4:00 p.m. Alvarez further mentioned the upcoming budget workshops: August 20th, August 21st, August 22nd, scheduled to begin at 4:00 p.m. and continue on August 27th, August 28th and if needed, August 23rd. She mentioned that certain school districts in the City have already started school, so she asked that every use caution while driving on the roads and through school zones.

IV. Public Comment on Agenda Items.³

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

Mr. Albert Garcia, 1243 E. Yoakum, commented that has an issue with the increase of water by 2% and wastewater rates by 18%. He asked if the City Commission saw a way to address this shortfall without having to raise rates and not have waited until the budget workshops to increase rates. He further asked why the city is not capable of staying within the budget. He further commented that many citizens in Kingsville live on a budget and do not have high paying jobs that allow them to pay for more basic services, and asked if any of the Commission took this into consideration when approved the rate increases. He further stated that his other concern is the city contemplating the creation of an Animal Shelter Director. He stated that the city already a director for the Health Department that oversees the animal shelter. If the city cannot stay within budget and has to raise water and wastewater rates, how can the city contemplate the creation of a new department head when we do not have enough revenue to cover the current expenditures. Garcia asked how this is physically responsible? He stated that in his opinion, it is physically irresponsible as well as foolish. He then went on to comment that the current director does a good job in working with animal rescue groups and even has partnership with the University where they send students to volunteers to the shelter where they spend time with dogs as well as walk them. He stated that he is all for taking care of animals, but should the care of animals come at the expense of hard work and retired citizens who cannot afford to pay more for taxes. The new position would cost about \$50,000 to \$60,000 and does not include fringe benefits. He further commented that how does Commissioner Leubert propose that the city fund this new position if the city is currently unable to pay their bills. He asked how can the city take on new ones? Garcia stated that this council has a responsibility to the citizens and tax payers of this community to be good stewards of their tax money. He further commented that they are elected to put the best interest of the city first, and not push personal agendas, which will cost the tax payers more and take money out of their pockets. Garcia commented that he is not the only one and there are many tax payers, as himself, in this community who are tired of higher taxes and an administration that does not hold the line on taxes. He stated that they are asking for the council to set good policy for the benefit of the city and the tax payers alike. He further commented that if the tax payers need to show up to city council meetings, as this could be arranged. He also asked if their voice needs to be heard during budget hearings so that the council will know how they feel. He asked if they needed to form a citizens tax payers group so that the commission will collectively know how they feel or do they need to avail themselves of other remedies offered by the City Charter.

At this time, Mr. Garcia's three minute limit was up. Mayor Fugate asked the Commission if there were any objections in allowing more time for Mr. Garcia's comments. No objections were made, therefore Mr. Garcia was allowed to continue with his comments.

Mr. Garcia continued to comment that he urges the Commission to make the right decision for the city and the hard working and retired tax payers of the community. He further commented that he is asking the Commission to set a budget and not raise taxes. He also asks for the City Manager, department heads, and city staff to live within

such budget. He commented that every business has a budget, why should the City of Kingsville be any different.

Mr. Johnny Campos, 1700 E. King, commented that he would like to comment about the Health Plan design. He stated that he was part of the Task Force and attended the employee meetings that were made available. He stated that a question that was asked of them was what does the employee want? What is it that the employee accept? He stated that as there has been several proposals distributed, he has spoken to 90% of the employees at the Police Department and other employees within the city, and as far as the Police Department, if they had to pick a proposal, they would pick the one with a \$250 family deductible with 100% co-insurance and tiered premiums and \$100,000 stop loss, if they were forced to pick. He continued to state that what the employees really want, is for the city not to reduce the amount of money they take home. He stated that at where they are at now, based off the recent changes with the pharmacy plan, it causes some pay problems for some of them. He stated that the hourly rates are being reduced already due to the prescription plan. He said that they have had problems with the out-of-network which are problems that they are looking at as well. Campos stated that he would like for the Commission to consider the employees and what is currently getting paid, when making these decisions. He further stated that he would like for them to also see everything they do to maintain the city.

At this time, Mr. Campos's three minute limit was up. Mayor Fugate asked the Commission if there were any objections in allowing more time for Mr. Campos's comments. No objections were made, therefore Mr. Campos was allowed to continue with his comments.

Mr. Campos continued to comment that the Commission needs to see everything they do to maintain the city and keep the citizens safe and how all the employees are working together to build the city's vision. He asked that they keep this in mind when they make the decision on the City's Health Insurance Plan and other budget items that will affect an employees pay. He asked for the Commission to ask staff to revisit the budget and try to find the money to cover the line item, as it has been done in years past. He further stated that maybe the individuals pay get minimally impacted or not impacted at all.

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

- 1. Motion to re-appoint Mr. Daniel Burt to the Kingsville Historical Development Board for a three-year term. (Downtown Manager).**
- 2. Motion to appoint Mr. Todd Lucas to the Kingsville Historical Development Board for a three-year term. (Downtown Manager).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

- 3. Consider approving certification of 2017 excess debt collection and certification of 2018 anticipate collection rate. (Finance Director).**

Mrs. Melissa De La Garza, made the following statement for the Certification of 2017 excess debt collections: "I, Melissa De La Garza, Collector for the City of Kingsville solemnly swear, that the amount of excess debt service funds collected in 2017 for the City of Kingsville, Interest & Sinking Fund has been determined to be \$-0-."

Mrs. De La Garza made the following statement for the Certification of 2018 anticipate collection rate: " I, Melissa De La Garza, Collector for the City of Kingsville solemnly

swear, that the anticipated collection rate for 2018 for the City of Kingsville, Interest & Sinking Fund has been estimated to be 100%.”

Motion made by Commissioner Hinojosa to approve the certification of 2017 excess debt collection and of 2018 anticipate collection rate, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Hinojosa, Fugate voting “FOR”.

4. Consider accepting 2018 certified total appraised assessed and taxable values of all and new property. (Finance Director).

Mrs. De La Garza reported that the 2018 final values certified by the Kleberg County Appraisal District for the City of Kingsville for the net taxable value of \$846,850,235.00.

Motion made by Commissioner Hinojosa to accept the 2018 certified total appraised assessed and taxable values of all and new property, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Pecos, Lopez, Hinojosa, Leubert, Fugate voting “FOR”.

5. Consider proposed tax rate, take record vote, and schedule public hearings for August 27 & September 4, 2018. (Finance Director).

Mrs. De La Garza stated that after working with Mrs. Deborah Balli, Finance Director, they come before this Commission with the 2018 governing body summary on a proposed tax rate in the amount of \$.90500. She commented that this rate, as always, is just right below the rollback rate and the Commission usually adopts the propose rate right below the rollback, and 99.9% of the time, the Commission brings it down. She further commented that this is just a precaution just in case for some reason or another, and at this time they are considering the proposed rate of \$.90500 and also schedule two public hearings on August 27, 2018 and September 4, 2018 at 6:00 p.m. in the Helen Kleberg Groves Community Room located at City Hall, 400 W. King Avenue, Kingsville, TX. She further stated that now they are required to state the purpose of the revenues that are going to be attributed to any of the tax increases. She stated that herself, City Manager, and the Finance Director have discussed this and it is for the purpose of quality of life improvement, which includes the increase to the City personnel, an increase on the focus of maintenance to city parks and the IT Infrastructure. De La Garza stated that this is a new law that went into effect about two years ago that state that you have to state the reasoning for the increase. Mrs. De La Garza asked the Commission take a record vote on the consideration of the proposed tax rate of \$.90500 for 2018. She further stated that notice will be publishing in the Kingsville Record on Sunday, August 19, 2018.

Motion made by Commissioner Pecos that the proposed property tax rate be set at \$.90500 and that public hearings be set for Monday, August 27th and Tuesday, September 4, 2018 at 6:00 p.m. in the Helen Kleberg Groves Community Room located at City Hall, 400 W. King Ave., Kingsville, Texas, seconded by Commissioner Leubert.

Commissioner Hinojosa commented that in the past the Commission set the proposed property tax at a higher number and voted less than what was proposed. He further stated that he would feel better if they would leave it at \$.8455, this way they can make sure that they don't go higher than the existing tax rate.

Mr. Garza commented that the proposed budget that has been distributed does not account for an increase. He reiterated that the proposed budget that has been distributed does not account for a property tax rate increase.

Mrs. De La Garza commented that the City's effective rate for 2018 was \$.81971, this was the effective rate. She further commented that if the Commission is saying that they will not increase property taxes, the city would have to adopt its effective rate. In the past several years the city has been adopting last year's rate which gives the city a bit more revenue to be able to work with. Mrs. De La Garza further stated that she would like to make this very clear that the effective rate is \$.81971 for 2018.

Mayor Fugate commented that he understands but in the past the city has kept the same rate. He further asked Mrs. Alvarez, City Attorney, about how many years has the City kept the same rate.

Mrs. Alvarez's response was that it has been since 2010 that the City Commission has adopted the \$.84220, and since then, the Commission has always adopted a higher proposed rate, but the proposed budget has always been built on the \$.84220 and the City Commission has since 2010 adopted that rate when it finally came time for that vote.

Mayor Fugate commented that he understands Commissioner Hinojosa's concern, but it has been 14 years since he's been doing this and the Commission has never gone up, that he can recall. He further commented that he doesn't feel that it will be a problem and the reason why it is done this way a abundance of precaution. He further stated that he doesn't feel that anyone on this Commission intends to raise the tax rate, it just a budgetary procedure.

Commissioner Hinojosa commented that he understands, as once the proposed tax rate, the Commission can't go any higher, but this is why he is asking for the existing tax rate that is in place now. He further commented that the \$.81 will bring in the same amount of money that is in the budget which is about \$89,000 more, if the Commission goes with the \$.81. If the Commission goes with the \$.84, it will be about \$281,000.

Mrs. De La Garza commented that the reason for this is that the Kleberg County Appraisal District certified an increase in value of \$44,942,246 for 2018. Because of this increase in value the effective rate is going to be lower which is the way the formula works.

Mayor Fugate calls for a roll call vote at this time.

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

6. Consider condemnation of structure(s) located at 623 E. Avenue A, Kingsville, Texas. (Director of Planning & Development Services).

Motion made by Commissioner Pecos not able to repair building or structure is unsafe; and present condition is a violation of ordinances; and cannot be corrected without substantial reconstruction; then declare the building or structure to be a public nuisance and order its demolition by owner/agent/person in charge within 30 days; city shall abate in any manner it deems necessary and proper, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".

7. Consider condemnation of structure(s) located at 411 E. Lee Avenue, Kingsville, Texas. (Director of Planning & Development Services).

Motion made by Commissioner Pecos not able to repair building or structure is unsafe; and present condition is a violation of ordinances; and cannot be corrected without substantial reconstruction; then declare the building or structure to be a public nuisance and order its demolition by owner/agent/person in charge within 30 days; city shall abate in any manner it deems necessary and proper, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Hinojosa Fugate voting "FOR".

8. Consider condemnation of structure(s) located at 426 E. Richard Avenue, Kingsville, Texas. (Director of Planning & Development Services).

Motion made by Commissioner Pecos not able to repair building or structure is unsafe; and present condition is a violation of ordinances; and cannot be corrected without substantial reconstruction; then declare the building or structure to be a public nuisance and order its demolition by owner/agent/person in charge within 30 days; city shall abate in any manner it deems necessary and proper, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Pecos, Lopez, Hinojosa, Leubert, Fugate voting "FOR".

9. Consider options for City of Kingsville employee Health Insurance plan design benefits, especially employee contributions and deductibles. (Human Resources Director).

Mrs. Diana Gonzales, Human Resources Director stated that she would like to clarify a few things prior to getting started. The information in the packet there were three scenarios which was an answer to Commissioner Hinojosa's question. These were not the city's scenarios proposal which is the memo included in the packet, which goes back to the information that was presented with the three options of the \$100,000 specific Stop Loss. She stated that she just wanted to clarify this as she has been asked questions regarding that proposal that hadn't been seen before so she just wanted to clarify that to everyone including staff and to the public, that this was just an answer to a question that was asked that morning. She further commented that Ms. Sarah Parkey and Mr. Rick Medrano are present at tonight's meeting to answer any questions the Commission may have. She further stated that the City's proposal would be to continue with the \$750 individual deductible with the tiered plan starting out with the employee only of \$46.00 per month premium.

Commissioner Hinojosa stated that he was ready to make a motion.

Motion made by Commissioner Hinojosa that the city keep the \$100,000 Stop Loss and for the city to keep it the same on the employee only \$558.65. employee \$30.00; employee and spouse \$1,337.82 and \$118.00 employee; and the rest will be the same \$1337.82 employee and children, \$118.00 employee; employee and family \$1,337.82, \$118.00 employee; for a total cost that the city would end up paying additional is about \$51,000.00, to which there is enough money in the budget or in the fund balance to cover that.

Mrs. Gonzales commented that if she needs to clarify that, that is current. The one in the middle is the new rates for this fiscal year. The rates that Commissioner Hinojosa just read were the ones for this current fiscal year.

Commissioner Hinojosa responded that he knows this and this is his proposal, this is his proposal, this is his proposal.

Mrs. Gonzales further commented that the increase...

Mayor Fugate at this time stated that there is a motion made and asked if there was a second to Commissioner Hinojosa's motion.

Motion was seconded by Commissioner Lopez.

Mayor Fugate commented that he needed some clarification and asked if this was not anything that had been presented to the Commission.

Mr. Garza commented that he feels that there is some confusion on the numbers and what the total impact would be for the city. The numbers that were presented were based off the current fiscal year, so when the comment was made that the budget impact would be about \$53,000.

Commissioner Hinojosa corrected Mr. Garza and stated that it was \$51,000 and stated that he is reading from the information that was provided by staff.

Mr. Garza commented that he understood but was confused as to, may he just misunderstood and asked for Mrs. Gonzales to assist in clarifying this to staff and the Commission.

Mrs. Gonzales stated that the information that is displayed on the projector screen, is the new rates the new cost per month. This includes the new rates with the increase for this new year, which is according to the quotes staff has from Entrust. There was already going to be an increase compare to the amount the city paid this year, the current year that we are in. The increase is what is shown on the screen now. She further stated that if the city was to remain with the employee contribution the same, it would be an additional \$115,000 that has to be added to the plan.

Mrs. Alvarez commented that this information was shown to the Commission at the last meeting, two weeks ago.

Mr. Garza commented that the part that Commissioner Hinojosa is reading is the top of the page that was distributed.

Commissioner Hinojosa commented that \$250.00 monthly deductible is the current, which is his proposal.

Mr. Garza responded that this was correct.

Mayor Fugate asked Commissioner Hinojosa if this was his proposal?

Mrs. Alvarez commented in the packet, yes.

Commissioner Hinojosa responded no, this wasn't his proposal.

As several individuals were speaking at one time, it was hard to understand who was saying what.

Mayor Fugate at this time asked that only one individual speak at a time, as this information is to go on the record.

Commissioner Hinojosa commented that his proposal is on the total cost per month on the employee, instead of the \$553 for it to be \$558.65 and the \$30.00 stay the same for the employees. Employee and spouse, his proposal is \$1337.82 and the employee cost per month \$118.00. Employee and children \$1,337.82 and the employee cost per month of \$118.00. Employee and family, \$1,337.82 with employee cost of \$118.00; and the city would have to come up with the \$51,000.

Mr. Garza asked if he could help clarify. Garza displayed a document on the projector screen and stated that the section that Commission Hinojosa is reading from, is current. If he scrolls down to all the proposed, the numbers are different, because it is different next year versus the current. He further commented that the total cost of the premium, is not something that the city sets. The total cost of the premium is set by the insurance company and helping us figure out how we allocate cost. He further commented that he feels that this is where the confusion is that, the numbers that Commissioner Hinojosa is reading is, what Hinojosa is proposing is in essence is for the city to keep the same premium cost that the city has this year, but this is not happening as the city does not set the premium cost, the insurance company sets the total cost of the premium. Garza stated that the city decides how the city wants to split the total cost of the premium between employer and employee.

Commissioner Lopez commented that this is right, and this is what they are saying; they want to keep the premium the same.

Mr. Garza commented that he is not sure that the city can do this.

Commissioner Lopez further commented that for the employees, they don't want that increase.

Commissioner Hinojosa asked why not? It is a proposal.

Mr. Garza commented that he thinks that what Commissioner Hinojosa is trying to do is to keep the employee contributions the same and keep the monthly deductible at \$250. He further commented that what staff is saying is that the budget impact would be \$115,000 and not \$51,000.

Commissioner Hinojosa commented that he knows this, but after he looked at both of them, he is going back to the \$51,000, and he also commented that he knows that there is a change here, on the \$553 which is what they proposed but he thinks that if they gave the city a projected cost of \$3.4 million dollars, it would go with the current which was pretty close \$3.5 which was the proposed bottom line. He stated that where the three proposals, and this is what he is saying.

Mr. Garza commented that his position and staff's position is to accomplish the goal that the Commission is trying to proposal that the budget impact would be at \$115,000 and not \$51,000.

Commissioner Hinojosa commented no, as his proposal is the \$558 and not the..

Mr. Garza commented that Hinojosa's proposal is not based on the cost to the city for fiscal year 2019.

Commissioner Hinojosa commented that it is the current premiums that the city is paying now.

Mrs. Alvarez commented that this would be expanding...

Commissioner Hinojosa commented that he understands what Mr. Garza is saying, but this is his proposal.

Mrs. Alvarez continued with her comment and stated that it is her understanding that those rates that are in the current year will be expiring, similar to as car insurance rates expire at the end of the term. So when your company comes in to renew you, they give you a new rate and that's what you go with. This is kind of the scenario here, and she gets that it's kind of confusing but, she doesn't see how legally the city can force Entrust to keep the rates that we currently have moving into next year or if they have already notified us that the rates will be going up to what is in the chart being displayed (Exhibit A). She further stated that she just wants to make sure that this was known.

Commissioner Lopez commented that she understands what Mrs. Alvarez is saying and it makes sense what she is saying, but what they are saying is that the city will pick up the rest . They don't want the premiums not to go up for the employees.

Mr. Garza commented that the budget impact would be \$115,000 and not \$51,000, which is what he is trying to clarify.

Commissioner Hinojosa commented that he will change it to that, where the city will be picking up the \$115,000 based on the figures of \$553, and after him being corrected that it would be illegal and asked staff if they saw his figures. He further commented that he would go along with the proposal (Exhibit A), as being what he is proposing at this point as he feels that there is enough in the fund balance to cover the \$115,000. He stated that he thinks that the city can apply the 25% and still have enough money in the fund balance as he knows that staff is worried about the Stop Loss reimbursements, but that is his proposal.

Mayor Fugate asked if this was what staff is recommending?

Mr. Garza asked if his corrected motion was good? Mrs. Gonzalez responded yes.

Mrs. Alvarez stated that she wants to clarify that Commissioner Hinojosa is amending his motion and that the second to the amendment...

Mr. Garza stated that he is asking in terms if this is the real option.

Mayor Fugate asked Commission Hinojosa, so that he understands if he is amending his motion?

Commissioner Hinojosa responded yes, after he was corrected that it being illegal, his first motion where he had asked that for the \$553 he asked for \$558, now he is changing it to \$553, the \$1,117, \$1,026, and \$1,530 and leaving the \$30 and \$118 the same and the city to pick up the \$115,000.

Mayor Fugate stated that motion is that the monthly family deductible stay at \$250; for employees only is \$553.49...

Mrs. Alvarez asked if it would be easier to say that Commissioner Hinojosa's proposal A that is included in the agenda packet be adopted?

Mayor Fugate responded yes.

Commissioner Hinojosa responded that this was correct.

Mayor Fugate asked if there was a second to the amendment?

Commissioner Lopez seconded the motion.

To make this clear to those who are reading these minutes, I have attached Commission Hinojosa's Proposal A as Exhibit A, to these minutes.

Amended motion was the following:

Commissioner Hinojosa amending his motion to state that he would like the \$250.00 monthly deductible/100% co-insurance with coverage of Employee only total cost per month to employee \$30; employee & spouse \$118; employee & Child(ren) \$118; and employee & family \$118; with the city picking up the additional \$115,000 (this proposal is labeled as Comm. H. Proposal A). The amended motion was seconded by Commissioner Lopez.

Mayor Fugate asked if this is what staff is recommending? Commissioner Pecos also asked that this is something that he would like to know. Mayor Fugate commented that it is ok if it isn't, but he wants to know.

Mr. Garza responded that this is not what staff is recommending.

Mrs. Gonzales stated that the information in the packet had what she read earlier, which was the \$750 annual with the tiered rates which the memorandum was in the packet.

Motion failed by a 2-3 vote. Hinojosa and Lopez voting "FOR". Leubert, Pecos, Fugate voting "AGAINST".

Mayor Fugate asked what staff was recommending.

Mr. Garza stated that staff is recommending the change to the annual deductible of \$750 for an individual with family being \$1,500 as well as the employee contribution to a tiered approach which would have the employee contribution for employee only at

\$46.00; employee & spouse \$126.00; employee & child(ren) \$90.00; and employee & family \$166.00.

Commissioner Pecos asked if this was Plan B? Mr. Garza commented that he isn't sure how it was labeled by staff.

Mrs. Gonzales commented that from the original three, it is the middle sheet which is Scenario A, which was the original document that was sent out.

Commissioner Leubert commented that she knows that the employees want the \$250 per month deductible. She further asked if staff has explained to the employee how the \$750 works and what is the overall employee feeling about the \$750.

Mr. Garza commented that he would piggyback off of what Sgt. Campos commented about earlier. Garza further commented that in his interaction that he has had with employees, he thinks that if employees were to pick between the employee contributions going up and/or the deductible going up, he feels fairly confident that the employees would prefer to stay at the \$250 and pay a little more per month, if given the two options.

Commissioner Leubert commented that this is what she is getting from employees.

Mr. Garza further commented that this is the sense that he gets and as Sgt. Campos commented, if the employees had to pick an option between the deductible and the employee contribution, they would pick the tiered employee contribution going up and leaving the \$250 monthly deductible.

Motion made by Commissioner Leubert to keep the \$250 monthly deductible with the tiered premiums.

Commissioner Hinojosa asked what is the tiers.

Mrs. Alvarez responded that the tiers starting with the \$46 per month.

Commissioner Leubert stated that it's the \$250 monthly deductible...

Mr. Garza asked that the option be displayed on the screen.

Commissioner Leubert commented that it will still cost the city some and it won't cost a whole lot. The employees are going to be paying...she commented that it is the second one from the displayed sheet.

Mr. Garza commented that it is the middle one on the page being displayed (Exhibit B). With the option that Commissioner Leubert just discussed, the employee contributions would go up to the \$46, \$126, \$90, and \$166; would stay at the \$250 and what the city would have to add would be the \$37,574. The city would still be needing to add money to keep the \$250 monthly deductible but it is not over the \$100,000 from the previous example that there was a motion on.

Mayor Fugate asked if the \$39,901.08 plus the \$37,000?

Commissioner Leubert further commented that this would also give the employees with families a reduction making it go down to \$90.00.

Mrs. Gonzales commented that this would be for employee & child(ren).

Mr. Garza commented that the handout will show how many employees are enrolled in each plan. This shows that 32 employees would see a reduction in their premium. It also shows that 119 employees are under the family plan which have an increase of \$48.00 per month.

Commissioner Leubert commented that when budget comes around, staff can look at increases and other stuff. She stated that she is listening to the employees and this is the plan that they are comfortable with; they don't mind the tiers, but the \$250 per month, protects them.

Mr. Garza commented that as he stated earlier, if the employee had to pick from between the two, he would agree from what Sgt. Campos stated and what from what he's heard is that they would prefer the monthly premium to go up to keep the \$250 deductible.

Mayor Fugate commented that he is not clear on what it will cost the city.

Mr. Garza stated that the \$37,574 is what will cost the city additionally to keep that plan.

Commissioner Hinojosa asked Mr. Garza that during the budget process will he be able to come up with \$3.47956 and asked if Garza would be able to give the Commission a breakdown on this, during the budget process?

Mr. Garza responded yes. Staff definitely has the breakdown as to how they come up to those numbers.

Mayor Fugate reiterated that the motion is that the monthly deductible stay at \$250 per month, and that there is a tiered increase in premiums that are outlined in page one as proposed.

Mrs. Alvarez commented so that the employee contribution would be either \$46, \$126, \$90, and \$166 per month.

Mr. Garza commented that this is what Commissioner Leubert motioned.

Commissioner Leubert commented that this was her motion.

Motion was seconded by Commissioner Pecos.

Mayor Fugate read the motion just to be clear on what the motion was as made by Commissioner Leubert: to maintain the \$250 family monthly deductible and to go to a rate of \$46 for employees only, \$126 for employee & spouse, \$90 for employee & child(ren), and \$166 for employee & family.

Both Commissioner Leubert and Commissioner Pecos stated that this was correct.

Commissioner Lopez commented that she is looking at the people that are enrolled, 119 employees are going to have to pay an additional \$48 per month, which she has a problem with.

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

10. Consider a resolution approving the extension of an application and agreement for the historic district Façade Grant Program from Adelmo & Yolanda Luera for Al's Hair Design for property located at 321 E. Kleberg Avenue, Kingsville, Texas (due to health hardship). (Downtown Manager).

Motion made Commissioner Lopez and Commissioner Hinojosa to approve this resolution, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".

11. Consider waiver of certain fees for the Fiesta de Paloma in downtown on September 15, 2018. (Downtown Manager).

Motion made by Commissioner Hinojosa to approve the waiver of certain fees for the Fiesta de Paloma in downtown on September 15, 2018, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Hinojosa, Fugate voting "FOR".

12. Consider waiving JK Northway rental fees for the Ranch Hand Festival Rodeo in November 2018. (Tourism Director).

Motion made by Commissioner Hinojosa to approve waiving JK Northway fees for the Ranch Hand Festival Rodeo in November 2018, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Pecos, Lopez, Hinojosa, Leubert, Fugate voting "FOR".

13. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Section 15-6-21-Definitions to include a definition for Brewery. (Director of Planning & Development Services).

Introduction item.

14. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter XV, Article 6, Zoning, amending Appendix A-Land Use Categories to add Brewery. (Director of Planning & Development Services).

Introduction item.

15. Consider introduction of an ordinance amending the FY17-18 Budget to purchase a Lenco BearCat G3 vehicle for the Kingsville Police Department's SWAT Unit. (Police Chief).

Mr. Ricardo Torres, Chief of Police gave a PowerPoint presentation to the City Commission and audience regarding BearCat G3 vehicle. Chief Torres stated that the funds for the purchase of the BearCat G3 would be from Chapter 59 funds.

Commissioner Pecos asked what the cost would be for this purchase. Chief Torres responded that the cost would be \$298,000, which would be funded 100% from Chapter 59 funds.

Introduction item.

16. Executive Session: Pursuant to Section 551.074, of the Texas Open Meetings Act, the City Commission shall convene in executive session to deliberate the evaluation & duties of the City Manager. (Mayor Fugate).

Mayor Fugate announced the Executive Session and convened the meeting into close session at 7:18 p.m.

Mayor Fugate reconvened the meeting into open session at 7:35 p.m.

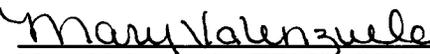
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:35 P.M.



 Sam R. Fugate, Mayor

ATTEST:



 Mary Valenzuela, TRMC, CMC, City Secretary