

AUGUST 26, 2019

**A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 26, 2019 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 4:00 P.M.**

**CITY COMMISSION PRESENT:**

Sam R. Fugate, Mayor  
 Edna Lopez, Commissioner  
 Hector Hinojosa, Commissioner  
 Dianne Leubert, Commissioner  
 Arturo Pecos, Commissioner (arrived at 4:11 p.m.)

**CITY STAFF PRESENT:**

Courtney Alvarez, City Attorney  
 Kyle Benson, IT Manager  
 Susan Ivy, Parks Manager  
 Deborah Balli, Interim City Manager  
 Charlie Sosa, Purchasing Manager  
 Diana Gonzales, Human Resources Director  
 Emilio Garcia, Health Director  
 Adrian Garcia, Fire Chief  
 Ricardo Torres, Police Chief  
 Bill Donnell, Public Works Director  
 Cynthia Martin, Downtown Manager  
 David Solis, Risk Manager  
 Rudy Mora, City Engineer  
 Derek Williams, IT Department  
 David Bodiford, Accountant  
 Janine Reyes, Tourism Director

**I. Preliminary Proceedings.****OPEN MEETING**

Mayor Fugate opened the meeting at 4:01 p.m. with four Commission members. Pecos arriving at 4:11 p.m.

**CONVENE INTO BUDGET WORKSHOP At 4:00 P.M.:**

Review and discuss proposed fiscal year 2019-2020 budget for departments of the City of Kingsville. (Interim City Manager).

Mr. Bill Donnell, Public Works Director gave the presentation for the Public Works Departments. He commented that although the budget for these departments is very lengthy and expensive, he would like them to know that what is asked for is just to maintain what they have. Major breakdowns with the equipment are very costly and is not budgeted, for major breakdowns.

Solid Waste Department – there is an increase in motor oil & gas, dues and memberships. There is a supplemental request for \$400 increase in training and travel as there are two employees needing to update their TCEQ-MSW license. He further stated that there is an approved one-time supplemental request to move Recycling Center to Public Works, \$60,000.

Commissioner Lopez asked what the \$60,000 was for. Mr. Donnell commented that this was for the building and electrical and part of the parking lot.

Mrs. Balli commented that this is also for the concrete pad that needs to be laid out for the building and all other expenses that will be incurred in order to make the move of the Recycling Center. Commissioner Lopez asked what the cost would have been to renovate the building where the Recycling is at now. Mrs. Balli responded that the money that the Police Chief had set aside for the Bear Cat are the funds that will be used to update the Dr. Pepper Building. Commissioner Lopez asked for the total. Mrs. Balli responded that they have not done a cost analysis as of yet. Commissioner Lopez asked that staff give her the total when staff receives it.

Commissioner Hinojosa asked if the \$60,000 was just an estimate or if staff has a ready contract. Mr. Donnell responded that it is an estimate and staff is will try to work within that budget. Hinojosa asked where it will be built. Mr. Donnell stated that it would be inside the fence by the Water Department sheds which is on the Westside of the property.

Landfill Department has a 1% COLA adjustment as all other departments. Additional longevity pays and anniversary increases. Decrease in group health. There is a request of an increase of \$800 in training and travel for 2 employees Class A renewal.

Commissioner Hinojosa asked that under vehicle maintenance there is \$150,000 budgeted and in Fund 087 there is \$77,000 where is this money coming from, Fund 087 or general fund.

Mr. Donnell responded that it will start with the general fund. Mr. Hinojosa asked which vehicles will come from general fund. Mr. Donnell stated that funds will not be used from the 087 fund, unless funds run out from the 001 fund.

Solid Waste Capital Projects Fund 087 – Mr. Donnell mentioned that for a bit of history, there was an additional garbage fee approved in February of 2008. Commissioner Hinojosa asked this is part of the \$21 charge. Mr. Donnell responded that it was a \$3.00 increase on the side of that. Hinojosa commented that he recalls this fee being there prior to 2008.

Mrs. Balli commented that the additional garbage fee is what was approved in 2008, which is the \$3.00. She further commented that the way it is in Incode, it is part of the \$21.00 as it is not broken apart.

Mr. Donnell stated that for the Solid waste revenues, it is the same that is being proposed, \$560,000.

Commissioner Hinojosa asked for a breakdown of the \$21.00 fee.

Mr. Donnell stated that in Fund 087 pays for part of the debt service on CO Series 2009 that will be fully paid in 2021. Amounts include both principal & interest for FY 20 \$49,765 and FY 21 \$48,029. Rollouts and dumpsters, \$71,900. Vehicle maintenance on Sanitation vehicles \$77,000. Capital lease for one Commercial and two residential \$95,379. New capital lease for Articulated Dump Truck, \$51,150. Initial capital lease recordation, \$314,044; this expenditure is offset with a corresponding revenue line item for the same amount which nets this to \$0, which is an accounting requirement. Included is also some alley maintenance for an amount of \$50,000.

Commissioner Hinojosa asked that in the budget, \$96,827 was paid back to the general fund, he asked for staff to explain this to him as he is not understanding it.

Mrs. Balli responded that the transfer from fund 087 for the \$96,000 is for the City Hall payback, so it is for both the general fund and the utility fund payback. This is how the payments were structured. Commissioner Hinojosa asked if Fund 087 and 090 are part of the general fund money. Mrs. Balli responded yes. Hinojosa further asked if this could be used to supplement the general fund? Mrs. Balli responded that when the City Hall was built there was funds pulled out of Fund 090. Staff setup a payback schedule and when it was originally set-up fund 087 would make those payments for both the general fund and utility fund.

Mayor Fugate asked Mrs. Balli how long this has been done this way. Mrs. Balli responded that it has been done this way since the move was made to this building.

Commissioner Hinojosa asked how many more years is left. Mrs. Balli responded that she believes it was done as a 25-year payback schedule.

Landfill Closure Fund – proposed budget is at \$267,000. Request expenditures, \$100,000 for drainage improvements to comply with Landfill permit. Engineering construction and monitoring wells for the landfill permit for \$152,000.

Commissioner Hinojosa asked if these were estimates. Mr. Donnell responded that these were tight estimates with staff doing the work.

Engineering General Fund – Mr. Rudy Mora, Engineering reported in personnel, 1% COLA adjustment; addition of longevity pay, anniversary increases, and increase in group health. He further stated that there is a supplemental request for Infrastructure Management Services which would be split funded with Utility Fund, \$20,000. There is also an approved supplemental request for new truck also split funded with Utility Fund for \$17,500.

Public Works Service Center – Mr. Donnell stated that in this budget there is a decrease in utilities.

Public Works Garage – Mr. Donnell stated that for this budget, there is a supplemental request for Cummings software for \$1,804. Another supplemental request for low profile oil drain evacuators for \$1,309. Removed prior year supplemental request for brake drum caddy and truck ramps for \$1,390. There is an approved supplemental request for 4 post lift for a cost of \$8,899 and Robinair recovery system for \$5,528.

Public Works Streets – Mr. Donnell reported that in this department there is a decrease in motor, gas & oil. An increase in capital lease payments and a decrease in capital lease interest payments. Street Fund 92, Mr. Donnell reported that the budget for this fund is \$812,000. The expenditures are as followed: \$791,471 for streets. The streets chosen for FY 19-20 maintenance were selected from prior years that were not addressed because of change in staff, weather days, etc. Caesar Street completion to be done by end of August 2019. Corral/Santa Rosa construction to begin Spring 2020 depending on available funding. There is a transfer to general fund of

\$50,000. This is for reimbursement for street crew for street maintenance. Update end of FY 20 is estimated fund balance of \$475,848. A list of streets was displayed for fiscal year 20.

Commissioner Hinojosa asked if the street work will be done as listed on the list displayed? Mr. Donnell responded that it will not be done as listed on the list, it will be by priority first.

Commissioner Lopez asked if this is a list from the 20-year plan? Mr. Donnell responded that this is a list from the 20-year plan but trying to catch the program up. Commissioner Lopez further asked if staff would consider contracting out street work? This would allow the street crew to focus on other things.

Utility Fund 51 – Mrs. Balli reported that the water revenues snapshot for FY 18-19 will finish short this year due the drop in the consumption. What was budgeted was \$4,794,000.00, and it is being estimated at \$4,400,000.00. For FY 19-20 it is being budgeted at \$4,500,000.00. She further stated that in FY 19, Commission approved a 2% increase in water rates. For FY 20, water rate study recommends a 1% increase, this is not included in the proposed budget. Consumption decline, from October 2017 through June 30, 2018 it was 894,045,127 gallons consumed and for October 2018 through June 30, 2019 684,448,900 gallons consumed. Sewer revenues snapshot, FY 18-19 activity estimated, \$3,750,000 and FY 19-20 proposed budget is \$3,900,000. In FY 2019, Commission approved a 18% increase in sewer rates. For FY 20, water rated study recommend a 16% increase, this is not included in the proposed budget. Sewer consumption decline for October 2017 through June 30, 2018 was 633,710,000 and for October 2018 through June 30, 2019, 465,710,000.

Public Works Water – Mr. Donnell reported that there is an increase in professional services, audit services. This department has the same personnel increase as all other departments. There is an approved supplemental request for chemicals for \$10,000. Decrease in supplies and minor equipment. There is an increase in professional services for audit fees, memberships, and dues and other services. There is an approved supplemental request for annual contract increase of \$10,000. Decrease in state fees, utilities and property insurance.

Commissioner Hinojosa asked what the state fees are down? Mr. Donnell responded that it was due to property insurance. Mrs. Balli responded that it is due to all the types of insurance that are within this category.

Ground Maintenance – Mr. Donnell stated that this department has the same personnel increases as all other departments. In operations, there is a decrease in motor gas & oil, decrease in professional services and an increase in professional services for audit services and laundry. There is an approved supplemental request in equipment maintenance for \$4,000. This is a one-time supplemental and it needed to have been marked as permanent as equipment maintenance funding is needed on an on-going basis.

Utility Billing – Mrs. Sharon Shaw reported that her department has the same noted personnel changes as all other departments. She continued to state that some notable changes and additions to her budget. There is a request for \$2,700 for 3 scanners & Laserfiche fees. This equipment will allow CSR's to scan in application cards into Laserfiche for reference, no longer needing to keep the cards in paper form. There is a request for \$900 to replace the shredder. Incode E-Billing module for \$5,990. This module would replace paper bills sent to customers who wish to receive billings sent electronically. Would save money on printing and postage. Current e-billing through PSN is not tied to the billing system. Request for \$1,238 for Incode E-Billing annual maintenance fees.

Commissioner Hinojosa asked if the credit card discounts had gone down from \$74,000 to \$55,000 and asked if this was correct. Mrs. Shaw responded that this was correct. He further asked Mrs. Shaw to explain why. Mrs. Balli responded that what had happened was that staff was seeing that all credit card fees were hitting utility fund and it should have been split between Municipal Court and Utility Fund. She further stated that through the reconciliation they are seeing that all the credit card fees were hitting utility fund and they should have been split between Municipal Court and Utility Fund so some reclassifications were done which is why it looks like the fees went down in utility fund and up in general fund, but not they are doing a reclass to get them into the right place where they belong.

Mrs. Shaw continued with the budget presentation for the Meter Readers Division. She stated that in this division there is a decrease in uniforms & personal wear and minor equipment and an increase in supplies. There is an approved supplemental request for water meters for a total of \$122,077. Approved supplemental request in professional services for water meter testing for an amount of \$50,000. Increase in professional services for audit fees and training & travel. Decrease in laundry and property insurance and an approved supplemental request for water meter parts for an amount of \$19,812. Mrs. Shaw further stated that the \$122,077 is for additional end points for water meters, based on current fail rate of end points. There were roughly 1500 end points still in the ground to be replaced and FY 19-20 will have the coverage go down to 25% which means that we will pay 75% of the replacement cost. Water meter verification, \$50,000. Larger meter

calibration to verify the accuracy of the meters which need to be performed on an annual basis. Water meter parts, \$19,812 for additional meters and parts needed for replacement.

Commissioner Lopez asked if staff contracted someone to change the endpoints. Mrs. Balli responded yes. City has someone making those changes.

Public Works Wastewater – Mr. Donnell reported that in overall supplies category there is an approved supplemental request in chemicals for Hydrex 60909 for \$12,000. Decrease in motor gas & oil and minor equipment & furniture. Increase in lab supplies. There is also an approved supplemental request in professional services for engineering services for an amount of \$15,000. Decrease in communications and an increase in professional services audit fees. The South Plant operations, overall supplies category, decrease in motor gas & oil. An approved supplemental request in professional services for engineering services for \$15,000, permit renewal. An approved supplemental request in training & travel for stormwater training for \$1,100 and an increase in professional services for audit services. The \$15,000 professional services permit renewal required every 5 years. For sewer construction, there is a decrease in motor gas & oil, increase in professional services audit-services, Approved supplemental request in sewer lines & manholes for \$33,000 and a approved supplemental request for high pressure sewer cleaner for \$62,385.

Engineering Utility Fund – Mr. Mora reported that there is a decrease in supplies. There is an approved supplemental request in professional services for infrastructure management system funded with general fund 3000 for \$20,000. Increase in professional services in audit fees, training & travel for engineering and training and travel for Public Works admin and membership dues. Approved supplemental request for new truck which is split funded with general fund 3000.

Capital Projects – Mr. Mora reported that the Capital Improvements Manager position replaced with Engineering Assistant position. This position was changed due to the difficulty of filling the position of Capital Improvements Manager.

Utility Fund Capital Projects Fund 054- Mr. Mora stated that the 10-year capital & maintenance plan has a total estimated cost for 10-year capital needs is \$40 million dollars. This includes Water, Waste Water, & Water Production. The source of funds is to be determined. Total estimate cost for 10-year maintenance needs \$6 million dollars. Source of funds is Fund 54 via utility rate increases. Due to the drop-in consumption, the ability to provided funding to this fund is limited for FY 20. Fund 54 in FY 20 will fund over \$1,854,476 in maintenance related items, with some carry-over projects from FY 19. The expenditures for Water Construction are \$600,000, which is the city's share for I-69 TXDOT Utility Line Relocation Project. We are still working with TXDOT for firmer numbers on the City's cost. If numbers come in less, then the excess funds will drop to fund balance and will be available for other projects. Water Production, \$125,000 carry over project, ground storage tank replacement for Well #23; \$25,000 carry over project for water well rehab; and \$152,300 carry over project for ground storage tank replacement for Well \$19. Expenditures continue with water meters; \$60,000 for water meters endpoints that are now covered only at 50% warranty in FY 18-19 and will be 25% in FY 19-20. Wastewater South Plant, \$600,000 Capital Lease for Clarifier. With the City having to come up with funds to cover the I-69 TXDOT project, we were able to cover the clarifier with a 7-year capital lease, allowing the funds set aside for the clarifier to cover the TXDOT project. This amount is offset by a \$600,000 revenue for the initial capital lease recordation, which is an accounting requirement. Capital Lease Payment, principal & interest \$95,430; \$536,000 carry over project for clarifier; \$160,746 carry over project for effluent line for second clarifier; \$100,000 carry over project for stainless steel isolation gates. Interest only payment of \$100,000 for future capital projects was not budgeted as these funds will be used to pay the capital lease payment on the clarifier.

Storm Water Fund 55 – Mr. Mora reported on this budget. He stated that Ordinance #2012-48 created a Stormwater Utility System to provide stormwater drainage service to collect and direct stormwater runoff for benefitted properties within the utility service area upon payment of SW drainage utility fee. Existing fee of \$2.25 is being recommended to remain the same. Storm Water revenues for FY 19-20, proposed budget is \$405,000. Expenditures is \$291,800 transfer for debt service payment.

CO Series 2005 – Mr. Mora reported that for expenditures, \$37,040 is for sewer repair on 14<sup>th</sup> Street & King Street and \$13,460 for sewer line repairs. This has been budgeted to close out this fund. Sewer line repair expenditures that normally occur in Fund 051 will be coded here first.

Drainage Fund 68 – Mr. Mora stated that Certificate of Obligation Series 2013 is for drainage fund. He stated that what he is currently working on is a drainage contract for streets that lack curb and gutter. The estimated cost for this project is \$800,000. Mora went on to the Transportation Alternative Set-Aside (TASA) Program grant. He stated that his is for the Safer Route to Schools. He stated that the city contributed a 20% match for this project. If not able to get money for safe routes to schools, the other option would be TASA. The construction cost is \$689,743 with administrative cost of \$103,469. In-kind services from engineering would be \$56,908. Federal participation is \$608,135, Economic Disadvantage County \$92,433; cash match

of \$20,694 and in-kind services from engineering of \$56,908. Expenditures of \$689,793. Sidewalks and ADA ramps at \$698,193; street signs \$1,200 and crosswalks \$5,400. Mr. Mora then gave the Commission an update on the drainage master plan. He stated that this was completed in August 2018. A presentation was made to the Commission on September 2018. There is a plan to submit a Flood Mitigation Application to TWBD in January 2020. The 86<sup>th</sup> Legislature Session has allotted \$793 million for drainage projects. Infrastructure updates, I-69 south expansion on schedule for May 2020 start date. State lighting maintenance, 2-year maintenance agreement from Ricardo to Corpus Christi.

Commissioner Lopez asked if these lights would be those on the Highway 77. Mr. Mora responded yes.

Mrs. Balli continued the presentation of the budget with what would have been presented the next day. She reported on miscellaneous funds for the City. She stated that building security has a proposed budget of \$10,000. A \$3 on every conviction if governing body has passed required ordinance establishing building security fund; to be used only for security personnel, services, and items related to buildings that house the operation of the Municipal Court. Municipal Court Technology fund, it is proposed at \$13,000. Up to a \$4 on every conviction if governing body has passed required ordinance establishing the municipal court technology fund; to be used only to finance the purchase of or to maintain technological enhancements for the municipal court.

Golf Course – Revenues are \$9,922 per agreement from County, the City must set aside 3% of Golf Course Revenues for capital projects. County contribution for 50% cost share of capital projects at \$34,000 and \$6,519 for additional transfer from General Fund to meet 50% County contribution. Expenditures, \$38,000 Fairway Project; \$17,399 TURCO Widespin Top Dresser; \$8,925 John Deere Ztrak Mower.

Mayor Fugate commented that the County gives the city \$35,000 to assist with the electric bill. He asked if \$34,000 is over and above? Mrs. Balli responded yes. The city gets the \$35,000 for everyday expenditures and this \$34,00 would be specific for the capital projects.

Mrs. Balli continued with her presentation. She stated that the total for the three projects is \$64,324 with the County contributing \$34,000. City Contributions has a beginning fund balance of \$17,559; \$6,519 additional contribution transfer; and 3% golf revenues transfer of \$9,922. Ending fund balance is estimated at \$3,676 and will remain in the fund for future capital projects.

Commissioner Hinojosa asked how many bank accounts does the city have? Mrs. Balli responded that there are about eight to ten accounts.

Mrs. Balli reported on Debt Service Fund. In GO Debt Service, which is Fund 011, the proposed I&S tax rate is .16782. Expenditures in the GO Debt Service fund, which is for certain bond funds which one of those series is CO Series 2011 which had an original issue of \$10,000,000.00. The maturity date is September 20, 2032; total principal & interest remaining is \$7,782,340. Payments split with UF (53.8504% from general fund and 46.1496% from utility fund). Principal for 202 is \$201,939 and interest for 2020 is \$133,239. GO Debt Service, CO 2013 which is a \$1,260,000.00 with a maturity date of September 30, 2023. Total principal & interest remaining is \$421,350; 2020 principal \$100,000 and interest for 2020 is \$7,100. CO Series 2013, \$5,230,000.00 original issue. Maturity date is September 30, 2033. Total principal and interest remaining is \$1,066,100. Principal for 2020 is \$50,000 and interest for 2020 is \$23,800. CO Series 2016, \$6,740,000.00 original issue. Maturity date is September 30, 2036. Total principal and interest remaining is \$6,762,925; principal for 2020 is \$820,000 and interest is \$135,650. CO Series 2009, \$4,270,000.00 original issue. Maturity date September 30, 2021. Total principal & interest remaining \$116,188. This is split funded between general fund pays 15.831% and Fund 087 pays 84.169%. The general funds portion of the principal is \$8,708 and interest is \$654. Fund 087 pays their debt service through a transfer to fund 011. Principal for 202 is \$46,293 and interest is \$3,472. Revenue Supported Debt Issues CO Series 2011, \$10,000,000 Original Issue. Maturity Date September 30, 2032. Total Principal & Interest Remaining - \$7,782,340. Payments split with GF (53.8504%-GF, 46.1496%-UF); 2020 Principal - \$375,000 x 46.1496% = \$173,061; 2020 Interest - \$247,425 x 46.1496% = \$114,186. UF debt service, limited tax refunding bonds Series 2014, \$9,040,000 original issue. Maturity date is September 25, 2025. Total principal & interest remaining is \$5,511,625. Principal for 202 is \$810,000 and interest is \$110,580.

Commissioner Hinojosa asked if Estrada Hinojosa has given the city a date when the city can refinance. Mrs. Balli stated that she has requested that information but has not received it as of yet.

Mrs. Balli reported on transfers that will be made. General fund to Tourism fund, \$25,000 for JK Northway. General Fund to Golf Course; \$9,922 contract requirement; \$6,519 to meet county match on golf course capital projects. General fund to utility fund 051, \$23,352 as 50% cost of Engineer Assistant. General fund to TX CDBG Main Street Grant fund, \$50,000 grant cash match. General fund to Park Maintenance fund 093, \$25,000 for annual transfer for Park Maintenance items. General fund to Economic Development fund 098 of \$46,800 estimated sales tax revenue for Neessen Polaris incentive agreement. General fund to TASA grand fund 100, \$85,000 grant cash match down to \$49,148. General fund to insurance fund 138k \$145,372 additional contribution to Shore up Fund. Tourism fund 002 to General fund 001, \$33,457, 50% cost to

Downtown Manager; \$35,000 Administrative Annual allocation. Tourism fund 002 to Insurance fund 138, \$1,125 additional contribution to Shore Up Fund. Tourism fund 002 to Façade Grant Fund 202, \$50,000 façade grant funding. Utility fund 051 to general fund 001, \$1,350,000 for administrative annual allocation. Utility fund 051 to Debt Service Fund 012, \$1,205,597 debt service payments; \$195,000 additional fund balance funding as per recommendation from Financial Advisors and \$1,250 continuing disclosure. Utility Fund 051 to UF Capital Projects Fund 054, \$95,430 various CIP Maintenance Projects. Utility Fund 051 to Self-Insurance Fund 138, \$33,922 additional contribution to Shore Up Fund. She further announced other transfers that transpired. Balli also went over the fund balance review with reserve requirements. She stated that the estimated beginning fund balance for general funds is \$6,544,657. In Utility Fund is above (below) minimum at \$324,027.

Mrs. Balli stated that the current tax rate is \$.83000. Rate that proposed budget is based on (M&O Rate = .66218, Tax Valuation \$8,789,022). Rate Increase? Since this is the last year that there will be an 8% range do, we want to increase it above the \$.83000. Balli gave an example as, if this year we were limited to 3.5% using our effective tax rate of \$.81247, then adding in 3.5%, the rollback rate would be \$.84091 which is less than the prior tax rate of \$.84220 which means that we would not be able to set that rate without an election. Some various options are, halfway between the effective tax rate of \$.81247 & rollback rate of \$.89361 = \$.85304. On a \$100,000 home, it would additional cost \$23.04. It would give us an additional \$198,246 to put away into a special fund for future unanticipated needs. Prior year tax rate of \$.84220 provides additional amount of \$104,974 (\$12.20 additional cost to taxpayer); \$.83500 provides additional amount of \$43,022 (\$5.00 additional cost to taxpayer; and \$.84000 provides additional amount of \$86,044 (\$10.00 additional cost to taxpayer).

Commissioner Leubert asked that if the tax rate goes up to \$.85304, it would cost the taxpayers \$23.04 on a \$100,000 valued home. Mrs. Balli responded that this was correct. Commissioner Leubert further commented that of the amounts that have been presented, if the city goes down, then some services will not be able to be provided.

Mrs. Balli commented that one other thing that we need to be mindful is that this year, based on the services and revenue that we have, this year it is at a deficit of \$1.1 million dollars. She further commented that next year the city may not be able to budget deficit at that level. At that level now, we are still only making \$300,000 above the minimum. She stated that next year it may be where the city will need to make some harder decisions as the city can't continue to deficit budget at that rate. She further commented that this year, she thinks we will end up at \$900,000 deficit budgeted. This next year at \$1.1 million, the city does not have the fund balance reserves to be able to continue to do that.

Mayor Fugate commented that he had seen in the newspaper that the County will be reducing the tax rate and asked if this would hurt them for next year.

Mrs. Balli responded that yes, this is a true statement. It will affect them as they are under the same restriction as the city.

Commissioner Hinojosa commented that the County no longer has the JK Northway or Golf Course which is how they can do what they do.

Mayor Fugate commented that the County may be getting some of the JK Northway back.

Commissioner Hinojosa commented that he would like to see how much of the debt service is in there that is needed. He further asked if there was any excess debt service for next year where the excess can be used as a payment to the debt service and use the difference to go into the M&O. Mrs. Balli responded that she is not sure what that amount would be. She further stated that there is a portion that can be used which was done last year, where we didn't have one of the funds make the transfer in because we pulled down the fund balance. She stated that the City's auditors feel comfortable with the city being at the general fund, just because of the city's debt service, so they really don't want the city pull down to far in the case something should happen to the revenues. Commissioner Hinojosa commented that he would like to see this in black & white; how much is in there for next year.

Mrs. Balli commented that by next year, we should end up at \$656,000. There are some funds that are there. She stated that she can speak with the auditors and see what they are comfortable with, if the Commission chooses to do this next year.

There being no further presentations or discussion, Mayor Fugate recessed the meeting at 5:45 p.m.

#### **REGULAR MEETING RESUMES AT 6:00 P.M.:**

Mayor Fugate opened the meeting with all five Commissioner members present at 6:05 p.m.

#### **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)**

##### **August 12, 2019 - Regular Meeting**

**Motion made by Commissioner Pecos to approve the minutes of August 12, 2019 as presented, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Hinojosa, Leubert, Pecos, Fugate voting "FOR".**

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

### **1. Public Hearing on a proposed tax rate increase from \$.83000 to \$.89000 for Fiscal Year 2019-2020. (Finance Director).**

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

Mrs. Deborah Balli, Finance Director stated that the proposed tax rate is \$.83000 which is the same rate as last year. The effective tax rate is \$.81247, and the rollback tax rate is \$.89361.

Mrs. Alvarez announced that a second public hearing will take place on September 3, 2019, at 6:00 p.m. at the Helen Kleberg Groves Community Room, City Hall, 400 W. King Ave., Kingsville, TX. The meeting at which a vote for the tax rate will be taken is scheduled for September 9, 2019 at 6:00 p.m. in the Helen Kleberg Groves Community Room, City Hall, 400 W. King Ave., Kingsville, TX.

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 further comments, Mayor Fugate closed this public hearing at 6:07 P.M.

## 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, Condemnation Update, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports, Utilities Billing Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works; Landfill Update, Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Health Department, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Employee Recognition, Health Plan Update, Tax Increment Zone Presentation, **Main Street Downtown**, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation, Golf Course, Library Summer Programs, Grants Update. No formal action can be taken on these items at this time."*

Mrs. Alvarez announced upcoming Commission meetings.

Commissioner Lopez stated that she received a text message from a citizen that she would like to read. The message stated that as much as she was hesitant about losing her driveway for a few weeks for the Caesar construction, she more bothered by the fact that the Eastside of Caesar is only getting resurfaced with rock and not completely redone like the Westside.

Commissioner Pecos made a comment but was not picked up on the audio as he was not speaking into the microphone.

Mrs. Cynthia Martin, Downtown Manager gave an update on Main Street Downtown.

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

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

No public comments made.

## V.

### **Consent Agenda**

### **Notice to the Public**

*The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member 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 Lopez to approve the consent agenda as presented, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".

1. Motion to approve final passage of an ordinance to rezone of Colonia Mexicana, Block 5, Lot 30-32 also known as 510 E. Avenue D, Kingsville, Texas from C2 (Retail District) to MU (Mixed Use District). (Director of Planning & Development Services).
2. Motion to approve final passage of an ordinance to rezone of McBryde AC, Block 5, Lot W/2 5, also known as 1100 East Avenue B, Kingsville, Texas from R1 (Single Family District) to RP2 (Planned Two-Family Residential District). (Director of Planning & Development Services).
3. Motion to approve final passage of an ordinance amending the Fiscal Year 2018-2019 budget to receive and expend Park donations for Healthy Family recreational programs. (Parks Director).
4. Motion to approve final passage of an ordinance amending the Fiscal Year 2018-2019 budget to expend funds for storm debris remediation. (Public Works Director).
5. Motion to approve final passage of an ordinance amending the Fiscal Year 2018-2019 budget to expend funds for repairs to the South Treatment Plant Turblex blower and North Plant lift station pumps. (Public Works Director).
6. Motion to approve final passage of an ordinance amending Chapter XV, Article 1, Building Regulations, revising the schedule of permit fees. (Director of Planning & Development Services).
7. Motion to consider reappointment of Dr. Judith Cox and Mrs. Janice Becker to the Library Board each for three-year terms. (Library Director).

**REGULAR AGENDA**

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

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

8. Consider appointing Ryder Takesuye to the Main Street Advisory Board for a two-year term. (Downtown Manager).

Motion made by Commissioner Lopez to approve the appointment of Ryder Takesuye to the Main Street Advisory Board for a two-year term, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Hinojosa, Fugate voting "FOR".

9. Consider a resolution authorizing the Interim City Manager to enter into an Interlocal Agreement between the City of Kingsville and Texas A&M University-Kingsville relating to the John E. Conner Museum. (Tourism Director).

Mrs. Janine Reyes, Tourism Director stated that after two meetings with Texas A&M University-Kingsville and city staff, both parties agreed to the following funding for the John E. Conner Museum: \$40,000 for Fiscal Year 2019-2020 with the option to apply for additional discretionary HOT art funds and \$30,000 for Fiscal Year 2020-2021 with the option to apply for additional discretion HOT art funds. As part of the receipt of those funds, the John E. Conner Museum will participate in at least two City sponsored festivals each year.

Motion made by Commissioner Pecos to approve the resolution authorizing the Interim City Manager to enter into an Interlocal Agreement between the City of Kingsville and Texas A&M University-Kingsville relating to the John E. Conner Museum, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Pecos, Lopez, Hinojosa, Leubert, Fugate voting "FOR".

10. Consider introduction of an ordinance amending Chapter XV-Land Use, Article 3-Subdivisions, section 15-3-1 through 15-3-19, revising platting procedures. (Director of Planning & Development Services).

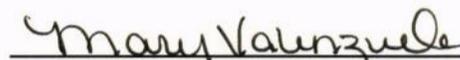
Introduction item.

**VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 6:17 P.M.

  
Sam R. Fugate, Mayor

**ATTEST:**

  
Mary Valenzuela, TRMC, CMC, City Secretary