

City of Kingsville, Texas

AGENDA CITY COMMISSION MONDAY, SEPTEMBER 25, 2017 REGULAR MEETING

**CITY HALL
HELEN KLEBERG GROVES COMMUNITY ROOM
400 WEST KING AVENUE
6:00 P.M.**

I. Preliminary Proceedings.

OPEN MEETING

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S)

Minutes for September 5, 2017

Minutes for September 11, 2017

APPROVED BY:



Jesus A. Garza
City Manager

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

None.

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** & 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, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time."*

IV. Public Comment on Agenda Items.³

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

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being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon.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)

1. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter III, Article 7, Personnel Policies. (Human Resource Director).
2. Motion to approve final passage of an ordinance amending the Fiscal Year 2016-2017 budget to accept and expend Park donations from TRAPS. (Parks & Recreation Director).
3. Motion to approve final passage of an ordinance amending the Fiscal Year 2016-2017 budget to cover end of year deficit accounts. (Finance Director).
4. Motion to approve a resolution authorizing the City Manager to enter into an Engagement Letter Agreement between the City of Kingsville, Texas and John Womack & Co., P.C. for the 2016-2017 Fiscal Year Audit. (Finance Director).
5. Motion to approve support of and participation in certain events and parades for Fiscal Year 2017-2018 as stated in the memo and attachments. (Downtown Manager).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

6. Consider a resolution approving the City of Kingsville's 2017 Tax Roll as submitted by the Kleberg County Tax Assessor-Collector pursuant to the Texas Property Tax Code, Chapter 26, Section 26.09(e). (City Manager).
7. Consider introduction of an ordinance authorizing the historical redesignation of streets in La Colonia Mexicana to include the original street names with the existing street names, having no impact on addresses. (City Manager).
8. Consider request for extension for more time to make improvements to structure at 404 W. Richard Ave. (Director of Planning and Development Services).
9. Consider introduction of an ordinance amending Chapter 5 of the Kingsville Parks Master Plan to add a supporting narrative and figure table. (Parks & Recreation Director).
10. Consider a resolution authorizing the City to submit an application to the Texas Parks and Wildlife Department's Local Park Grant Program for the purpose of requesting park improvements at Dick Kleberg Park, with an anticipated cash match, authorizing the

Parks & Recreation Director to submit the grant and act as the grant official on the City's behalf with such grant program. (Parks & Recreation Director).

11. Consider a resolution revising the City of Kingsville Investment Policy and Investment Strategies, designating the City Manager, Director of Finance, and City of Accounting Manager as the authorized City representatives with full authority for investment purposes, and providing for disclosure of financial interest. (City Manager).
12. Consider a resolution adopting the new City of Kingsville Purchasing Policy and Procedures Manual. (Purchasing Manager).
13. Consider a resolution setting the FY17-18 Fund Balances for the City of Kingsville General Fund and Utility Fund. (City Manager).
14. Consider a resolution authorizing the Mayor to enter into a water supply contract with the South Texas Water Authority. (City Attorney).
15. Consider accepting donation from Keep Kingsville Beautiful in the amount of \$831.13 from "Fill the Flower Pot" fundraiser. (Finance Director).
16. Consider a resolution amending the City of Kingsville Administrative Policy No.600.02-Health Insurance. (Human Resource Director).
17. Consider a resolution amending the City of Kingsville Administrative Policy No.600.03-Life Insurance. (Human Resource Director).
18. Consider accepting a \$4,000 grant from the Union Pacific Foundation for a project at the Train Depot. (City Manager).
19. Consider introduction of an ordinance amending the Fiscal Year 2017-2018 Budget to accept and expend a grant from the Union Pacific Foundation for the Train Depot Project. (City Manager).
20. Consider appointment of a commission member to the City Health Plan Design Taskforce. (City Manager).
21. Executive Session: Pursuant to Section 551.087, Texas Government Code, Deliberations Regarding Economic Development Negotiations Exception, the City Commission shall convene in executive session to deliberate the offer of a financial or other incentive to a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations. (City Manager).

VII. Adjournment.

1. No person's comments shall exceed 5 minutes. Cannot be extended by Commission.
2. No person's comments shall exceed 5 minutes without permission of majority of Commission.
3. Comments are limited to 3 minutes per person. May be extended or permitted at other times in the meeting only with 5 affirmative Commission votes. The speaker must identify himself by name and address.
4. Items being considered by the Commission for action except citizen's comments to the Mayor and Commission, no comment at this point without 5 affirmative votes of the Commission.

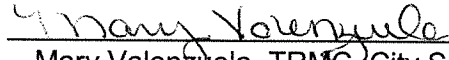
NOTICE

This City of Kingsville and Community Room are wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 361/595-8002 or FAX 361/595-8024 or E-Mail mvalenzuela@cityofkingsville.com for further information. Braille Is Not Available. The City Commission reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Section 551-071

(Consultation with Attorney), 551-072 (Deliberations about Real Property), 551-073 (Deliberations about Gifts and Donations), 551-074 (Personnel Matters), 551-076 (Deliberations about Security Devices), 551-086 (Certain Public Power Utilities: Competitive Matters), and 551-087 (Economic Development).

I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board located at City Hall, 400 West King Ave, of the City of Kingsville, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time:

September 22, 2017 at 4:00 P.M. and remained so posted continuously for at least 72 hours proceeding the schedule time of said meeting.



Mary Valenzuela, TRMC, City Secretary
City of Kingsville, Texas

This public notice was removed from the official posting board at the Kingsville City Hall on the following date and time: _____

By: _____
City Secretary's Office
City of Kingsville, Texas

MINUTES OF PREVIOUS MEETING(S)

SEPTEMBER 5, 2017

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON TUESDAY, SEPTEMBER 5, 2017 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
Arturo Pecos, Commissioner
Al Garcia, Commissioner
Noel Pena, Commissioner

CITY STAFF PRESENT:

Jesús Garza, City Manager
Courtney Alvarez, City Attorney
Tom Ginter, Director of Planning & Development Services
Diana Gonzales, Human Resources Director
Kyle Benson, IT Manager
Emilio Garcia, Health Director
Jason Alfaro, Parks & Rec Director
Derek Williams, Systems Specialist
Bill Donnell, Asst. Public Works Director
Deborah Balli, Finance Director
Adrian Garcia, Fire Chief
Ricardo Torres, Police Chief
Rick Salinas, Volunteer Fire Chief
Susan Ivy, Parks Manager
Richard Flores, Golf Course Manager
Israel Vasquez, Facility Maintenance Manager
Leo Alarcon, Tourism Director

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 – August 14, 2017

Motion made by Commissioner Pena to approve the minutes of August 14, 2017 as presented, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Pena, Pecos, Garcia, Fugate voting “FOR”.

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

1. Public Hearing on a *proposed* tax rate increase from \$.84220 to \$.88681 for Fiscal Year 2017-2018. (Finance Director).

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

Mayor Fugate commented that the proposed budget is with the same tax rate for last ten years.

Mrs. Alvarez commented that the tax rate is \$.84220.

Mrs. Deborah Balli, Finance Director reported that the calculation for this year's tax rate came out to the effective tax rate of \$.84299, rollback tax rate is \$.88682. Last year's tax rate is \$.84220 and our proposed tax rate is \$.88681, based on staff having room to work with during the budget workshops. The budget is built on last year's tax rate of \$.84220. This is the second public hearing and the vote to adopt the City of Kingsville's 2017-2018 fiscal year's tax rate will take place on September 11, 2017 at a City Commission meeting at 6:00 P.M. in the Helen Kleberg Groves Community Room, located at 400 W. King Ave., Kingsville, Texas.

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.

No other comments were made on this public hearing.

Mayor Fugate closed this public hearing at 6:06 P.M.

2. Public Hearing on proposed Fiscal Year 2017-2018 budget. (Finance Director).

Mayor Fugate announced and opened this public hearing at 6:06 P.M.

Mrs. Balli reported that this is a public hearing for the proposed budget and at the proposed tax rate, the budget will raise more total property taxes than last year's budget by \$596,617.00 or 8.96%, and of that amount \$262,087.00 is tax revenue to be raised from new property added to the tax roll for this year. This is based on the proposed tax rate.

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.

Amita Perkins, 402 W. Henrietta, commented that she would like to read a letter to the City Commission that is going to be published in the Kingsville Record this coming Sunday, Letters to the Editor. Perkins further read the letter that stated, Citizens wonder why City Manager and City Council continue to overspend. Editor, Kingsville Citizens: Jesus Garza, the city manager and budget officer has stated that he believes the future growth of Kingsville lies in beautification, ignoring the current citizens of Kingsville and what would be best for them. Let's start with spending monies where they need to be spent: on streets, sewer system and drainage; rather since 2015, hiring three management people and proposing hiring an event planner; rather than spending \$600,000 plus on the cottage renovation that houses only the Planning and Development Department and the Economic Development Commission, rather than proposing half a million dollars on renovations downstairs at the old City Hall. The initial plan was to move all employees to the new City Hall. Mr. Garza and the City Commission need to follow through on the commitment to house all personnel under one roof to maximize citizens services and minimize utility cost. Why waste \$850,000 on the Historic Pump House or \$120,000 on the City Hall landscaping? How about the \$21,000 aluminum bridge purchased for the golf course to replace a wooden bridge that could have probably been built for \$800? The span of the bridge is too short for the opening so that more money is spent for the new bulwark so that it will fit. How's that for brilliance? And on that note, since the City has taken over the golf course, the city has lost \$1.7 million dollars in the last four years. Proposed budget for the 2017-2018 is \$39.6 million dollars. Expenditures are \$47.2 million dollars with a Net Annual Surplus Deficit of \$7.6 million dollars; were operating in the red. General Fund proposed departmental budget chart shows 17.55% spent on administration and 8.48% spent on streets. Perkins further commented that she is urging the citizens of Kingsville to attend the next meeting at 6:00 P.M., September 11, 2017 at City Hall. Citizens can contact Mr. Garza and Mayor Sam Fugate as well as City Commissioners, Edna Lopez, Al Garcia, Noel Pena, and Arturo Pecos to voice your concerns.

Gloria Bigger-Cantu, 725 W. Henrietta, commented that she has been a long time Kingsville resident and taxpayer. She stated that she is here tonight to express her concerns of the spending decisions made by the City Manager, Mr. Jesús Garza. It is her opinion and many other people do not benefit the majority of the Kingsville residents, but only a concentrated few. There seems to be a lot of overspending going on in the City of Kingsville that is not good for the greater of the community. Mrs. Bigger-Cantu stated that if the city was to take a poll and ask its residents these questions, what would their response be; do you think spending \$850,000 on the pump house project would benefit the services of the residents of the people; do you believe it is necessary to spend \$500,000 in renovating old City Hall Municipal Building? Do you think that it's necessary to spend \$120,000, that much money, on the City Hall landscaping? Would you like the City of Kingsville to spend this money on fixing the streets, instead of spending the money on the pump house, old city hall renovations or landscaping? She further asked Mr. Garza and the City Commission what do they think Kingsville residents would say? She stated that the response would be to fix the streets. She also stated to fix the downtown street to ensure the safety of pedestrians and motorists. She commented that five individuals have tripped and fallen on that street. Bigger-Cantu stated that these expenditures are in Mr. Garza's proposed 2017-2018 budget. These expenditures that she totaled up is in the amount of \$1,470,000.00 that he is proposing to spend. Since Mr. Garza was hired in November 2015, he has made many spending decisions that include spending \$944,000.00 on the city hall complex cottage building which houses only two departments. She asked if that was a cost effective measure? How many people does it benefit, how many people are housed in this building? She stated that she isn't aware if anyone informed Mr. Garza that the initial plan was of the old Historic King High was restored and became the new city hall. The plan was to move all personnel to the new city hall. She further commented that everybody was supposed to move to this facility. She understands that Mr. Garza made the decision not to move all the employees to this facility. However, he is making the decision to spend half a million dollars to renovate a building that houses a few employees. Moving the employees will centralize the services for the citizens. This was the original plan besides spending half a million dollars on that building, the utility cost of operating both buildings totals \$73,967.00. She stated that she and other people are asking Mr. Garza and the City Commission to rethink that decision and move the employees to the new city hall as it is half empty and has plenty of space. She stated that this would be a logical move and would make more sense to her as well as some of the citizens. She stated that she is very familiar with the history of the new city hall and she is here to say, Mayor Fugate initialing the plans to turn this historical building to a city hall. She stated that she recalls when Mayor Fugate was on the Kingsville School Board in 2005, requesting that they sale the building to the City, she attended that meeting and wrote the story for the newspaper. Eventually KISD transferred the title to the City of Kingsville and thanks to Mrs. Helen Groves who donated \$1 million dollars for the rehabilitation of the new city hall. She further commented that thanks to the King Ranch family members, community, and the city tax payers for making this new city hall a reality. She stated that she believes that the city spent \$4 million dollars to complete the project. She commented that the initial project cost was \$6 million dollars, but wasn't sure of the cost at the end. She stated that she appreciates Mayor Fugate's efforts. Besides Mr. Garza, City Manager two other city managers were involved in this project, Carlos Yerena, and Vince Capell. She further commented asked if it would be more feasible to save half a million dollars plus utility cost to have the employees move here in order to centralize services, which would really benefit the people. This was the initial plan, why change it. Bigger-Cantu further asked Mr. Garza and City Commission to make decisions and provide services for the good of all people.

No further comments were made.

Mayor Fugate closed this public hearing at 6:14 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 & 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, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time."

Mr. Garza stated that improvements have started on the Municipal Building exterior. Some of the aluminum window covers have been removed. Garza further commented that we continue to support our communities to the North, as they continue to recover from Hurricane Harvey and continue to assist in any way that we can and will continue so, until we can. There are several other storms forming in the Gulf of Mexico, therefore, staff is in the process of evaluating our own internal emergency procedures and operations. Staff is having meetings with the county and stakeholders so that we are better prepared in case that something arises in the future. Garza asked the Commission if they have feedback for staff to let staff know so that we can make sure that we are prepared as best as possible.

Mrs. Courtney Alvarez, City Attorney, reminded staff of the next regular meeting on Monday, September 11th which will be the meeting where the Commission will be voting on the budget and tax rate.

Commissioner Pecos commented that there is another hurricane forming in the gulf and Kingsville was lucky that this last hurricane did not hit our area. He stated that he had the opportunity to go down to Refugio, which had no media attention but also received damage from Hurricane Harvey. He further commented what he saw while visiting the area.

Commissioner Lopez commented that she saw a post on Facebook from the Salvation Army that stated "We want to thank the Kingsville Community and Kingsville Fire Department for the amazing donation to us today. The truck arrived as we were running out of supplies and were able to replenish and serve more people because of your donation. Thank you Kingsville, Texas." Lopez further thanked the community and staff for a great job.

Commissioner Garcia commented that while visiting the area of Refugio, what this area will need is volunteers to help in the cleaning process. Garcia further commented that Kingsville needs to be careful with its reserves, as what happened in Houston could occur here as well.

IV. Public Comment on Agenda Items.³

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

No public comments were made.

V.

Consent Agenda

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. Review and discuss proposed fiscal year 2017-2018 budget for departments of the City of Kingsville. (City Manager).

Mr. Garza reported some of the changes to the proposed budget that occurred during the workshop process is the removal of \$1 million dollars that was scheduled to be put into a street capital improvement fund. In order to do this, the original proposal was to reduce the fund balance in general fund from 25% to 20%, but this has now changed. Garza further reported that the total budget from what was originally proposed and from what is being proposed tonight, the new total for the budget is \$45,992,448.00, the original budget document that was given to the Commission was closer to \$47 million dollars. The budget is balanced with the tax rate of \$.84220. Garza commented that traditionally the budget has been balanced with a certain amount above the minimum, so the proposed budget is at \$305,000.00 above the 25% requirement for the general fund and as for the Utility fund, it is at \$355,000.00 above the new minimum of 20%, as it was recommended drop the Utility fund balance from 25% to 20% to fund some projects. Overall, some revenues have decreased and others have increased. Some of these are fines and permits revenues are shown to be decreased slightly. Ad valorem and sales tax revenues have increased. Some of the key improvements are Public Safety, for the first time near in nearly 30 years staff is changing the civil service numbers and proposing the additional of one fire fighter position. Garza commented that we are continuing to invest in equipment such as the Police Department will continue to receive new vehicles, thanks to the Chapter 59 funds that they have available to them. In the Parks Department, there is increase funding for parks maintenance via the parks maintenance fund that was created the fiscal year this past year. Traditionally the Parks Department only relied on \$40,000.00 for maintenance which is not nearly enough to maintain our parks, so it has been increased for them. This next fiscal year you will see some continual improvements at the pool with an

additional pool for small children and hopefully receive some grant money to build some trails at Dick Kleberg Park. Garza commented that he has been approached by a foundation that would like to match the city 50/50 for a new dog park that was proposed in the plan. Enhancements will continue in neighborhood parks. Relating to the golf course, you can expect to see the irrigation and drainage improvements. As for infrastructure, expect to see the continuation of the street maintenance program which was established in 2013. The street user fee will continue but is expected to see a slight decrease in the revenues brought in by that fee but nonetheless will continue to value engineer and continue to do the work as expected. Staff continues to do drainage improvements so there will be an additional concrete phase and targeting some of the drainage improvements as traditionally in the past it's been tailored towards curb and gutter. Street improvements, will specifically target some of the areas that through research from staff has determined some major improvements such as the corner of Kleberg and Ninth Street over by H.E.B. It has been discovered that some of the drainage in this area has collapsed therefore staff will be addressing this problem in the upcoming new fiscal year, this is the reason why this corner holds a lot of water. This next fiscal year we will have the completion of the drainage master plan. Staff is in the process of finalizing those public hearings and the timeline which is expected to start this Fall. As for Downtown revitalization, that will continue. Staff is awaiting the award of an EDA Grant that can potentially turn \$900,000 into a little over \$2 million dollars. This grant would assist in the street improvements in the downtown area. Staff should expect to receive notice on the grant by this Fall. If the grant doesn't come through, staff will focus on investing the \$900,000 into the downtown area. As for the Utility Fund, one of the issues that has been a challenge for staff over this last year has been the water meter issue. This issue has been corrected for the most part and hoping to start seeing the revenues on the water sales go up a little bit, so we have budgeted as such in a small increment of \$50,000 but staff wants to be conservative with that. Staff is proposing an increase to the stormwater fee by \$1.00 to assist with those increase expenses, as had been discussed through the budget workshops. This would not only keep up with increased expenses but the debt obligation on that fee which was called by the original consultant to go up in fiscal years 2015 and 2016, but didn't. Now, we are trying to make up for those increases not occurring. Garza further commented that there has been a continuation investment in technology. One of the goals that Garza has for staff and for the city is to become more 21st century. Garza has spoken with staff about becoming a 21st century city and so in the budget there is additional investments in Information Technology Infrastructure, whether it's internet, phones, software to help out staff be more efficient and to improve customer service. Garza stated that all of these things are continuing and thanked the Commission for their support. He further commented that staff is also making some focus on improvements to the JK Northway with the addition of a part-time position. After going through a master planning process for the JK Northway which called for some drastic improvements to the JK Northway. The only way this will work is that if we actually have the ongoing revenue at the facility to keep up and maintain those improvements, so it's important that we increase a specific focus in that area if we truly want to make those major improvements to the JK Northway. Improvements to the city facilities, as mentioned by a resident earlier, so there is a continual improvement for the municipal building in the first floor. This will house Municipal Court and the Collections Department which have a total of over 12-15 employees which will provide a better workspace for those departments.

Mayor Fugate commented that it was never the intention of moving Municipal Court to the new City Hall. Fugate further commented that we can go back to when staff first started talking about moving into this building and there were questions about what we were going to do. Were we going to build a new building over by the police station or put the Municipal Court in the old Larkin Building located behind the new city hall,

although that building was demolished under the order of Mrs. Groves. Therefore, it was proposed to keep them at the facility that they are in now and renovate that building. Fugate commented that he would argue with anyone that what we are going to spend renovating the first floor of the Municipal Building will be a lot less than going out and building a new structure. Fugate stated that it is important that our citizens know the true facts about that facility and the Municipal Court was never intended to be in this building.

Mr. Garza stated that for clarification purpose on some of the comments that were made, he would like to make sure that some of this information is on the record. Garza stated that the city's expenses do show to be higher than the revenues, but this is primarily driven by the fact that we are expending some funds that we have in some accounts such as CO 2016 Series as well as some other accounts. Operational funds such as salaries, maintenance expenses which are directly tied to the revenues; and the reason why that the deficit shows the way it is which is because of big projects. A number was given in terms of the deficit being above \$7 million dollars which will actually be less due to the removal of \$1 million dollars from the street capital improvement program that was proposed, so that net deficit would be much less in the proposed budget when it was originally distributed. There was also a comment made about investment and streets. The pie graph that show in reference 8%, is only general fund, it does not take the nearly \$850,000 per year that comes in from the street user fee. On the general fund side, it is generally driven by just the staffing, so that 8% in the general fund that is attributed to streets is primarily the overhead expense of the operation. This does not account for the \$800,000 to \$900,000 that is received from the street user fee. Garza stated that it could be deceiving what our investment is with streets, so staff will try its best to communicate it in a more efficient and effective manner.

Commissioner Lopez commented that the percentage that the city will be using for the utility fund reserves, going down to 20%, she feels staff needs to weigh the benefits of what the city is going to get with the money that will be taking from the reserves. Lopez stated that staff needs to remember that there is a problem with that if the city doesn't continue to grow the reserves and the city can get into a lot of trouble. She stated that we don't want to be unprepared for any financial crisis as the city has always been prepared. She has given it some thought and she doesn't agree, and with what happened with the counties next to us, she doesn't agree lowering the reserves. Lopez stated that it doesn't matter if the financial company says that the city can do this or that, that money needs to be there just in case. Lopez commented that she totally disagrees with that.

2. Consider introduction of an ordinance adopting the City Manager's budget, as amended, of the City of Kingsville, Texas, and appropriating funds for the fiscal year beginning October 01, 2017 and ending September 30, 2018 in the particulars hereinafter stated. (Finance Director).

Mrs. Balli reported that the ordinance that is before the city commission for the adoption of the budget, is numbers that Mr. Garza provided which is \$45,992,448.29. This includes all the changes that were discussed during budget workshops. Balli stated that there will probably be another additional \$3,000 that will be added to the budget, for some vehicle maintenance for the Fire Department.

Mr. Garza commented that even with this change, it will still keep the city with the \$300,000 above 25% minimum.

Introduction item.

3. Consider introduction of an ordinance establishing and adopting the ad valorem tax rate for all taxable property within the City of Kingsville, Texas for fiscal year

beginning October 01, 2017 and ending September 30, 2018, distributing the tax levy among the various funds, and providing for a lien on real and personal property to secure the payment of taxes assessed. (Finance Director).

Mrs. Balli stated that this ordinance has been adjusted to reflect what the budget is built on. With it being built on with the \$.084220 rate, the tax rate will raise more taxes for maintenance and operations than last year's tax rate. The tax rate will effectively be raised by 3.58% and will raise taxes for maintenance and operations on a \$100,000 home by approximately \$29.67.

Introduction item.

4. **Consider introduction of an ordinance amending the Code of Ordinances of the City of Kingsville, Texas by amending Chapter V-Public Works, Article 6-Stormwater Utility System, Section 21- Fee Calculation, to increase the monthly stormwater utility fees for the purpose of funding the stormwater utility system. (Finance Director).**

Mrs. Balli stated that the budget that was submitted for proposed has an increase in the stormwater rate from \$1.25 to \$2.25 per ERU. This increase will cover our obligations of debt service that this fee was established for. It will allow a slight buildup of some reserves for a future project or other expenditure that comes up. It is staff's recommendation to increase this fee by \$1.00.

Mrs. Alvarez commented that this is the fee that the City Manager previously had reminded was initially proposed to be increased by the engineers that helped design the original stormwater fee, and that increase wasn't done previously.

Mayor Fugate asked that the \$1.00 that is going to be increased, was that what the engineers proposed.

Mr. Garza commented that staff had to reassess the calculation because we missed the two years of it having to go up. It was not only increased enough to cover the debt service payment on it, but increased enough to also help offset some other expenses related to stormwater. Garza stated that the increases is also paying for the lease payment on a new street sweeper and is assisting with some of the overhead expenses associated with the operations of the street department for mowing creeks and clear ditches, as it is all stormwater related.

Mayor Fugate commented that there have been several people talking about hurricanes and being prepared. Having funds available to assist in stormwater drainage is a good idea.

Introduction item.

5. **Consider introduction of an ordinance ratifying classifications and prescribing the number of positions in such classifications for the classified service in the Fire Department by adding one new fire fighter position. (Human Resources Director).**

Mrs. Diana Gonzales, Human Resources Director, stated that this is just to correspond with the budget which added one new fire fighter position. This will bring the fire fighter number from 18 to 19.

Introduction item.

6. **Consider a resolution authorizing the Fire Chief to enter into a Cooperative Agreement between the Texas A&M Forest Service and the City of Kingsville Fire Department for Department of Defense Firefighting Property Program Equipment. (Fire Chief).**

Adrian Garcia, Fire Chief, stated that this is giving staff to go into a cooperative agreement between the Texas A&M Forest Service. This is a free military truck that staff would like to take possession of to make it a high water vehicle in case of flooding and the need to evacuate citizens from flooded areas. In addition to this, we will be able to utilize it as a second brush truck, which we currently only have one. It is estimated about \$2,000 to paint and place our decals on the truck. There is one thing that needs to be fixed on the truck, this is the rear light on the truck, which will cost about \$300.00.

Motion made by Commissioner Pena to approve the resolution authorizing the Fire Chief to enter into a Cooperative Agreement between the Texas A&M Forest Service and the City of Kingsville Fire Department for Department of Defense Firefighting Property Program Equipment, seconded by Commissioner Lopez and Commissioner Garcia. The motion was passed and approved by the following vote: Lopez, Pena, Pecos, Garcia, Fugate voting "FOR".

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:44 P.M.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, TRMC, City Secretary

SEPTEMBER 11, 2017

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, SEPTEMBER 11, 2017 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
Arturo Pecos, Commissioner
Al Garcia, Commissioner
Noel Pena, Commissioner

CITY STAFF PRESENT:

Jesús Garza, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Tom Ginter, Director of Planning & Development Services
Diana Gonzales, Human Resources Director
Kyle Benson, IT Manager
Emilio Garcia, Health Director
Jason Alfaro, Parks & Rec Director
Derek Williams, Systems Specialist
David Solis, Risk Manager
Bill Donnell, Asst. Public Works Director
Charlie Sosa, Purchasing Manager
Ricardo Torres, Police Chief
Deborah Balli, Finance Director
Cynthia Martin, Downtown Manager
Robert Rodriguez, Library Director
Adrian Garcia, Fire Chief

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)

Special Meeting - August 21, 2017

Motion made by Commissioner Lopez to approve the minutes of August 21, 2017 as presented, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Lopez, Pena, Pecos, Garcia, Fugate voting "FOR".

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

None.

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 & 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, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time.”

Mayor Fugate read and presented a proclamation for “Day of Remembrance in Kingsville” for September 11th to Fire Chief Adrian Garcia, Chief of Police Ricardo Torres, and Volunteer Fire Chief Rick Salinas.

Mayor Fugate requested a moment of silence in honor of those individuals who lost their lives in the attacks of 9/11.

Mrs. Courtney Alvarez, City Attorney, reported that the next regularly scheduled City Commission meeting will be on Monday, September 25, 2017, with the deadline to submit agenda items for this meeting scheduled on Friday, September 15, 2017. Alvarez further announced that due to staff attending the TML Annual Conference on October 3rd – 6th, 2017, the deadline to submit agenda items for the October 9th City Commission meeting will be moved to September 27, 2017. She further commented that during last week’s City Commission meeting, the question of how long the City has had the same tax rate of \$.84220, this rate has been the same since September 2010.

Commissioner Lopez commented that she attended the 9/11 Remembrance Ceremony that was hosted by Turcotte-Piper Mortuary this morning, where she also presented a Proclamation. She commented that Mr. Roy Cantu, employee of the Turcotte-Piper did a great job in preparation for the ceremony.

Mayor Fugate thanked Commissioner Lopez for filling in during his absence at the 9/11 Remembrance Ceremony.

IV. Public Comment on Agenda Items.³

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

Mrs. Gloria Bigger-Cantu, 725 W. Henrietta, commented that she is long time local resident and tax payer. She further thanked the Commission for their service as an elected official. She commented that some of the Commissioners have been on the Commission for a while, and they are appreciated. She further stated that she is not here to antagonize anyone as she respects all and hope that she is respected in her opinions. Friendships have been built for quite some time, but she is here to emphasize that the main concern and priority of the City is to ensure safety for the citizens and provide services for the people. She further commented that she would like to go back to the basics, safety first, fix the streets which should be the top priority, finish fixing the downtown street. Mrs. Bigger-Cantu further commented that during tonight’s meeting, the City Commission will be voting on the City Manager’s Proposed Budget. She is asking the City Manager to rethink some of his proposed expenditures that do not address the needs of the majority people, but only a concentrated few. She understands that there will only be \$800,000 to be used on the streets which she thinks

is coming from the Street Users Fee. She further commented that this is not a personal attack on City Manager, Jesús Garza, as she considers him fine man. She stated that she met him two years ago when he was hired as the City Manager, but however, she doesn't see him here in Kingsville as a longtime resident, because no doubt he is an ambitious individual and doesn't blame him, as she has met with him before, in his office, and he was very polite and really good listener, which she appreciated. While she likes Mr. Garza, she does have problems with some of his expenditures. She stated that she has read his proposed expenditures in the newspaper and the fact that he wants to spend \$500,000 on the old City Hall and \$120,000 in landscaping. She stated that she has read a lot of these stories in the newspaper and the management people he has hired. She further commented that \$120,000 is very excessive. She saw the Dr. Pepper Building, where the Community Appearance is housed, and the landscaping is beautiful. She thinks that this landscaping was done by employees of the City. She further commented that she does understand a little bit about budgets, as she has written stories on budgets. She still thinks that \$850,000 on the Historic Pump is not necessary. She commented once again, let's go back to basics, safety, and fixing the streets. She stated that she asked someone at City Hall what they were going to do with that, and she understands that the City was going to build two restrooms and she asked why. She stated that what she was told was that they would be built for the Kingsville Farmers Market attendees. As she is a Board member of the Kingsville Farmers Market and they meet once a month and the people that want to use the restrooms go to the Train Depot or to City Hall.

As the three-minute time was up, with the Commission's approval, Mrs. Bigger-Cantu was allowed to continue with her comments.

Mrs. Gloria Bigger-Cantu continued with her comments and stated let's go back to basics, let's fix the streets. She commented that the other thing that she is really concerned about is the fact that the City is only going to have 20% in the Utility Fund Balance, when traditionally the City has 25%. She understands that this money is used for emergencies such as hurricanes and with Mr. Garza wanting to buy eight items, it really bothers her, because to her it's like a savings, the city putting in 25% but the City Manager wants 20%. She stated that the City Manager wants to buy a backhoe loader and a lot of stuff such as a dump trailer and asked if this is it necessary. She commented that once again, she would like that money to go to fixing the streets, and to her it's a problem. She then commented about the Pink House as she sees it as a safety hazard. Nothing has been done and doesn't believe that the individual has obtained a permit for it. Mrs. Bigger-Cantu commented that she hopes the City Commission rethink the expenditures but she feels that the City needs to spend more than \$800,000 on streets. She further stated that she read an article where they quoted Mr. Garza saying that for the downtown revitalization, the city is looking at spending \$2.4 million dollars if they got a grant. She states that if the City has a million dollars, she would like to see the downtown street fixed. This is important to her as she fell, not downtown but over by the University and broke her wrist which is permanently damaged. Bigger-Cantu went on to reading the Mission Statement that is on the City's website which states, on behalf of the citizens of Kingsville, a unique community and home of the renowned King Ranch, Texas A&M University and Kingsville Naval Air Station, the City Commission will promote the safety, health and general well-being of the community within the bounds of fiscal responsibility while preserving and advancing the quality of life resulting in exceptional civic pride. Mrs. Gloria Bigger-Cantu commented that she hopes the Commission will continue doing this.

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

- 1. Motion to approve a resolution authorizing the City Manager to enter into an amended contract for Professional Services with Hardy-Heck-Moore, Inc. for a National Register of Historic Places Nomination, to update Schedule A with a new project timeline. (Downtown Manager).**
- 2. Motion to approve a resolution authorizing the Mayor to enter into a Interlocal Cooperation Agreement between the City of Kingsville and Texas A&M University-Kingsville related to Veterinary Technology Training Program. (Health Director).**
- 3. Motion to approve a resolution authorizing the Chief of Police to enter into a Memorandum of Understanding Addendum for a Multidisciplinary Team Enhancement Program of the Children's Advocacy Center of the Coastal Bend. (Chief of Police).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

- 4. Consider final passage of an ordinance adopting the City Manager's budget, as amended, of the City of Kingsville, Texas, and appropriating funds for the fiscal year beginning October 01, 2017 and ending September 30, 2018 in the particulars hereinafter stated. (Finance Director).**

Mr. Garza, City Manager briefly went over some handouts that were provided to the City Commission regarding proposed budget adjustments and net surplus deficit. Garza reported that when the proposed budget was passed out, the budget was at \$47.2 Million Dollars and the proposed that was last week was at \$43 Million Dollars and the one that's on the agenda today is close to \$46 million dollars, this is due to the \$3,000 increase that was approved at the last meeting for maintenance related to the high-profile vehicle that we will be acquiring for the Fire Department. One of the documents that was passed out to the Commission show what is being proposed. Garza commented that it is very important for the City to be transparent on what is being proposed through now. As the Commission is familiar with the budget process, it is understood that there could be some errors and mistakes and miscalculations that must be corrected throughout this process which are documented in the handouts. Ove

the last several weeks, it's not only been an opportunity for staff to present the budget to the City Commission but also an opportunity for staff to go through the budget and make adjustments as needed, which all changes have been denoted. Some of the highlights are re-adding \$9,300 for Park Maintenance budget. Garza commented that he was never intending to cut that off so it was added back. Funds were also added for street signs to be used for the redesignation project that was presented at a previous meeting. Funds were also added to complete the Santa Gertrudis project. When this project was awarded it was only going up to the creek, so funds were added in order to do a change order once the new fiscal starts to be able to do this project all the way to 14th Street.

Mayor Fugate asked how much money was going to be spent on this particular street.

Mr. Garza responded that he believes that what was approved was nearly \$650,000, and what staff has in the budget is an additional \$100,000 for a total of \$750,000. Garza further commented that based on the bid that staff received staff knows that the change order will be closer to \$70,000, but staff wanted to have some extra money in case of the unforeseen.

Mayor Fugate further asked where this money was coming from.

Mr. Garza responded that \$50,000 will be coming from the General Fund and \$50,000 from the Street User Fee Fund.

Commissioner Lopez asked Mr. Garza to repeat what he just stated.

Mr. Garza stated that from the \$50,000 is from the General Fund and \$50,000 from the Street Fund for the total of \$100,000, which is noted on the handouts that were given to the City Commission. Garza further stated that the budget is with the existing tax rate which is \$.84220 with the budget at \$45,995,448.00. Garza further commented on the Net Surplus Deficit by stating that this document was given to the Commission during budget workshops. He also stated that some operations do run on the red and have been discussed in the past, of which some are the Golf Course, JK Northway and how the Utility Fund has been dipping into the reserves for the last four years, which causes for some concerns. The majority of the Net Surplus Deficit is primarily driven by funds that we have saved in a bank account, for example \$3.3 million dollars that is coming from CO Funds. These are revenues that will not be received next year, these are funds that have been sitting in an account from the time the city received the CO's. Garza further stated that he is aware that there is a perception issue with the Net Surplus Deficit, and it is important to show a five-year history of what the adopted Net Surplus Deficit has been. It shows that it's been higher in previous years. The Net Surplus Deficit that is in the proposed budget is the lowest it has been in four years. While it is a high number, it's trending downward based on some of the historical information that is being provided.

Mayor Fugate commented that this is not only CO money, is it Chapter 59 money and grant money that is included as well.

Mr. Garza responded that it's all inclusive, it's whatever fund staff is pulling money from to be able to spend such as, for example, fiscal year 15, the reason for that year to be so high is because it's the year the city paid for the completion of the City Hall project. Funds were pulled from the fund where money was borrowed from and put it on the expenditure side.

Mayor Fugate commented that these are funds the City was planning on spending on this project for years.

Mr. Garza further stated that in the General Fund Balance is at 25%, the budget as presented is at \$305,000 above that. Traditionally over the last several years it's always been \$300,000 above that. This was give staff some room in the case of budget

amendments when things come up. The Utility Fund, the budget does have it dropped from 25% to 20%, and with the new rational of the 20%, the city is \$366,000 above the new minimum of 20%. Garza stated that the history of the fund balance in the Utility Fund has been dipped into and shows how its trending downward and this is why conversations need to take place this Fall regarding the revenues in the Utility Fund, not because staff is over spending, it that the City has been relying on these fund balances to fund operations. Mr. Garza stated that in terms of the overall budget, Public Safety is a big priority which this budget adds a Firefighter position for the first time in almost 20 years, as well as continuing its investment on streets. Garza stated that staff can provide different scenarios for the Commission, if they please, on how to increase the city's revenues, whether the city changes the street user fee for residential or commercial or both. If this is something the Commission may want to see, staff can provide information relating to it.

Motion made by Commissioner Pecos to approve this ordinance adopting the City Manager's budget, as amended, of the City of Kingsville, Texas, and appropriating funds for the fiscal year beginning October 01, 2017 and ending September 30, 2018 in the particulars hereinafter stated, seconded by Commissioner Garcia.

Commissioner Lopez commented that the City has had citizens comment about the budget and they have concerns, which she feels that they are right to have concerns. Lopez further commented that all she heard from the City Manager is that we probably won't be able to do this or won't be able to that, which she feels is a concern. Lopez also stated that her other concern is lowering the utility reserves to 20%, which is a big concern for her. Lopez further stated that the budget process that was followed this year was very confusing, especially when the Commission was given all of the approved numbers by the Commission last year, which were not the true numbers, which was very confusing due to the fact that she studied the budget with those numbers. Lopez stated that the citizens have concerns, it's taken a long time to fix streets and doesn't feel that the City is making a dent on anything. She understands that the City doesn't have the staff to do it and understands that the city needs to hire more personnel. But when you have full-time employee going to part-time and what staff is doing is not saving any money, as now staff wants to hire an Event Planner for that part-timer, which she is aware of the City Manager's explanation, where the City is not hiring more positions, but the city is not saving any money. Lopez said to look at what happened to the surrounding communities, such as Port Aransas. Lopez commented that she has a concern about lowering the reserves.

Mr. Garza commented that he agrees with Commissioner Lopez concerns, and she has the pledge from his part to be able to manage the funds on the expenditures side. Even though the City has a requirement on the fund balance, the city always comes out higher than that once we go through the audit numbers. Garza stated that staff never spends 100% of the money that is budgeted because of turnovers and other things that occur throughout the year. Garza again commented that the Commission has the pledge from his part to manage the city's expense accordingly throughout the year, to ensure that the money that the City has in the account continues to stay as high as it can be. Hopefully next year when it comes the time to make adjustments to the revenues, which will be discussed this Spring, it can be increased to the 25%. Garza stated that he doesn't disagree that this is a hardcore move to drop it to 20%, but this is something that has been trending down over the last four years. Garza stated that the goal of his administration is to not cause problems but to find solutions for problems that have been brewing for the last four years, which is his priority as well as his staffs priority.

Mayor Fugate thanked staff for all the hard work on the budget process, particularly the Finance Department. It is not easy to put a budget together as it's not easy to please

everyone. He knows that there is some concern about the financial liability of this city, but he will refer everyone back to the City's Audit, that was received three months ago from Womack & Womack, where Mr. Womack said that this City is in great financial condition, the City is solid, not living month to month, not worried on September 1st if we will make it until October 1st. Fugate stated that the City has monies to meet as many needs as possibly can. Certainly, there are projects as well as some things that he would like to see done, but there is only so much money to go around. With redoing Sixth Street from end to end, and fixing to do Santa Gertrudis and continuing doing residential streets. Fugate stated that he challenges anyone to look at the numbers and see the money other cities is spending, this Commission has done more than any Commission in the past. Fugate commented that we are still living in the past, where we didn't take care of business and allowed our streets go into disrepair. Fugate commented that the City has a plan to address this and ask for our citizens to be patient. Mayor Fugate commended the Mr. Garza, City Manager, on this budget and knows the hard work that has been put into and trying to get it balanced.

Commissioner Garcia commented that along with the expertise Mr. Garza brings to our City, we also need to recognize Courtney Alvarez that has been active in this process and has been the City Attorney for many years as well as filled in as Interim City Manager in the past. Mrs. Balli also has the experience of being a City Manager in a different city and is a CPA. Mr. Tom Ginter also has experience in the City Management position. With all these individuals having the experience as City Managers, the City has a lot of help. Garcia further commented that the City Commission is not only relying on Mr. Garza. There is a lot of advice been given along the process and feels that the City is doing the right things. There are a lot of things as Mayor Fugate mentioned, but he looks at this process in a global view and need to bring a lot of things up that have been neglected in the past and if the city is to grow, everything needs to be addressed at once which takes money and streets will be worked on. Garcia further commented that if the city concentrated all its money on streets, it would take about five to six years or more just to work on streets and nothing else would get done. The City of Kingsville is not the only city confronting this, cities throughout the nation are confronting this issue as well. Some streets in Kingsville have been completely redone. The city is taking the worse streets and redoing them.

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

- 5. Consider final passage of an ordinance establishing and adopting the ad valorem tax rate for all taxable property within the City of Kingsville, Texas for fiscal year beginning October 01, 2017 and ending September 30, 2018, distributing the tax levy among the various funds, and providing for a lien on real and personal property to secure the payment of taxes assessed. (Finance Director).**

Mrs. Deborah Balli, Finance Director, stated that the rate that the budget is proposed is the city's current tax rate of \$0.84220. This tax rate will raise more taxes for maintenance and operations than last year's tax rate. The tax rate will effectively will be raised by 3.58% and will raise taxes for maintenance and operations on a \$100,000 home by approximately \$29.67. The allocation of the tax rate for the M&O Operations is \$0.69055 and for debt service the allocation is \$0.15165.

Motion made by Commissioner Pecos stating, "I move that the property tax rate be increased by the adoption of a tax set at a rate of \$0.84220, which is effectively a 3.58% percent increase in the tax rate", seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Lopez, Pena, Pecos, Fugate voting "FOR".

6. Consider ratifying the property tax increase reflected in the 2017-2018 Annual Budget of the City of Kingsville. (Finance Director).

Mrs. Balli stated that the basic reason for a tax increase is due to a change in valuation rather than our tax rate, as the City is setting the tax rate at the same rate as last year.

Mayor Fugate commented that the increase tax rate comes from new property and not existing property. Mrs. Balli responded that this was correct.

Motion made by Commissioner Pena to approve ratifying the property tax increase reflected in the 2017-2018 Annual Budget of the City of Kingsville, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Lopez, Pena, Pecos, Garcia, Fugate voting "FOR".

7. Consider final passage of an ordinance amending the Code of Ordinances of the City of Kingsville, Texas by amending Chapter V-Public Works, Article 6-Stormwater Utility System, Section 21- Fee Calculation, to increase the monthly stormwater utility fees for the purpose of funding the stormwater utility system. (Finance Director).

Mrs. Balli stated that this ordinance will amend the stormwater fee by \$1.00 per ERU to cover existing debt service and to solely increase the reserve of this fund.

Motion made by Commissioner Pecos to approve this ordinance amending the Code of Ordinances of the City of Kingsville, Texas by amending Chapter V-Public Works, Article 6-Stormwater Utility System, Section 21- Fee Calculation, to increase the monthly stormwater utility fees for the purpose of funding the stormwater utility system, seconded by Commissioner Garcia.

Mayor Fugate commented that this fee in its original study was to be increased and we missed those years when it should have been increased. This is something that was planned but didn't do, and now we are correcting it.

The motion was passed and approved by the following vote: Pena, Pecos, Garcia, Lopez, Fugate voting "FOR".

8. Consider final passage of an ordinance ratifying classifications and prescribing the number of positions in such classifications for the classified service in the Fire Department by adding one new fire fighter position. (Human Resources Director).

Mrs. Diana Gonzales, Human Resources Director, stated that this ordinance is adding one fire fighter position so it will be from 32 to 33 eligible positions. This will increase one fire fighter as per 143 of the Local Government Code. The municipality governing body would need to approve the increase. The financial impact for this one position is \$74,500, which is included in the City Manager's approved budget. Should there be any changes where there is additional personnel allowed through a grant, it would have to come before the Commission for approval to increase the number.

Motion made by Commissioner Pecos to approve this ordinance ratifying classifications and prescribing the number of positions in such classifications for the classified service in the Fire Department by adding one new fire fighter position, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Pecos, Garcia, Lopez, Pena, Fugate voting "FOR".

9. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter III, Article 7, Personnel Policies. (Human Resource Director).

Mrs. Gonzales stated that this item was discussed during the budget workshops. The changes to the comp plan include the reclassification of Lead Telecommunications Operators, renaming the Help Desk Coordinator to Help Desk Technician, and the addition of a Facilities Event Specialist. It also include the separation of, under the management level schedule we had a City Engineer and a Public Works Director, which includes the separation of that to City Engineer in Management Level 1 and the change from Assistant Public Works Director to Public Works Director Management Level 2. A change in the name of Police Communications Supervisor to Communications Supervisor as it is in charge for the dispatching of Fire and Police. The removal of Sanitation Supervisor with the combination of the creation of Solid Waste Supervisor which incorporates both sanitation and landfill. The changes were incorporated in the City Manager's adopted budget.

Introduction item.

10. Consider a resolution amending the City of Kingsville Administrative Policies and Procedures Manual, Policy 630.02 Night Shift Differential Pay. (Human Resources Director).

Mrs. Gonzales stated that the City of Kingsville has a policy for night differential pay that applies to communications personnel in the Police Department. They were original getting \$.20 per hours for hours worked from 2:00 P.M. to 10:00 P.M. and \$.40 per hour for hours worked from 10:00 P.M. to 6:00 A.M. In the budget, this usually ranges from \$5,000 to \$5,500 per year, it would budgeted it separately and what is being proposed is to change this to a flat rate of \$15.00 per pay period, which equals to the same amount. Instead of the employees getting it only when they work, because they do have a rotating shift, this just spreads it out during the year. This equals to the same amount that was budgeted for shift differential pay which is included in the budget.

Motion made by Commissioner Pena to approve this resolution amending the City of Kingsville Administrative Policies and Procedures Manual, Policy 630.02 Night Shift Differential Pay, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Garcia, Lopez, Pena, Pecos, Fugate voting "FOR".

11. Consider a resolution nominating certain person(s) as candidate(s) for election to the Board of Directors for the Kleberg County Appraisal District. (City Attorney).

Mrs. Alvarez stated that this item comes before tax entities every two years asking for nominations from each of the taxing entities for individuals who can bring to the Board knowledge and expertise in establishing policies and procedures for the districts organization and operations. Commissioner Garcia has served on this Board for several years and is willing to be a nominee again.

Motion made by Mayor Fugate to nominate Commissioner Al Garcia as candidate(s) for election to the Board of Directors for the Kleberg County Appraisal District, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Lopez, Pena, Pecos, Fugate voting "FOR". Garcia "ABSTAINED".

12. Consider appointments of members to the Parks & Recreation Advisory Board. (Parks & Recreation Director).

Mr. Jason Alfaro, Parks & Recreation Director, stated that this item will authorize the selection and appointment of the Parks and Recreation Advisory Board which was created and approved by the City Commission on June 26, 2017; Anise Ortiz, Corrie Mosqueda, Jose Canales, Linda Castneda, Seferino Mendientta, Trisha Gottschalk, and DJ Flores.

Motion made by Commissioner Pena to approve the appointments of members to the Parks & Recreation Advisory Board, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Pena, Pecos, Garcia, Lopez, Fugate voting "FOR".

13. Consider accepting \$535 donation from the Texas Recreation & Park Society. (Parks & Recreation Director).

Motion made by Commissioner Garcia to approve the acceptance of \$535 donation from the Texas Recreation & Park Society, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Pecos, Garcia, Lopez, Pena, Fugate voting "FOR".

14. Consider introduction of an ordinance amending the Fiscal Year 2016-2017 budget to accept and expend Park donations from TRAPS. (Parks & Recreation Director).

Introduction item.

15. Consider introduction of an ordinance amending the Fiscal Year 2016-2017 budget to cover end of year deficit accounts. (Finance Director).

Mrs. Balli stated that this is something done every year which is for end of year cleanup of different deficit accounts for several reasons.

Introduction item.

16. Consider a resolution adopting the City of Kingsville Fund Balance Policy. (Finance Director).

Mrs. Balli stated since the city reduced the fund balance for Utility Fund, this Fund Balance Policy needed to be amended so that this type of adjustments could be made. New requirements were also inserted into the policy as to how the fund balance is calculated.

Motion made by Commissioner Pecos to approve the resolution adopting the City of Kingsville Fund Balance Policy, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Lopez, Pena, Pecos, Fugate voting "FOR".

17. Consider awarding RFP #17-15 for Golf Course Irrigation Components Installation Services, as per staff recommendation, and authorizing staff to negotiate a contract. (Purchasing Manager).

Mr. Charlie Sosa, Purchasing Manager, stated that this item authorizes the award of RFP #17-15 and for staff to enter negotiations for the Golf Course irrigation components installation services. The City published a Request for Proposal #17-15 in the newspaper on May 17, 2017 and May 24, 2017. Request for proposals were accepted until 2:00 P.M. on June 13, 2017 and two responsive proposals were received. The proposals were from Maldonado Nursery and Landscaping and Green Scape Six. It is recommended to award RFP #17-15 to Maldonado Nursery and Landscaping for an amount of \$97,116.00, which is the lowest bid and best value to the City. Sosa further commented that the reason why this took a while to come to the Commission for

approval is that staff was waiting for the drainage plan for the golf course to be completed.

Mayor Fugate asked if staff has verified work from this company. Mr. Sosa responded yes.

Commissioner Garcia asked about the timeline for this project. Mr. Sosa stated that once project begins it should be completed within 60-90 days.

Motion made by Commissioner Pena to approve the award RFP #17-15 for Golf Course Irrigation Components Installation Services, as per staff recommendation, and authorizing staff to negotiate a contract, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Pena, Pecos, Garcia, Fugate voting "FOR".

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:54 P.M.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, TRMC, City Secretary

CONSENT AGENDA

AGENDA ITEM #1

**City of Kingsville
Human Resource Department**

TO: Mayor and City Commissioners

CC: Jesús A. Garza, City Manager

FROM: Diana Gonzales, Human Resource Director

DATE: August 29, 2017

SUBJECT: Ordinance – City of Kingsville Classification & Compensation Plan FY 2017-2018

Summary: In preparation for the beginning of each new fiscal year, the City of Kingsville Classification & Compensation Plan is brought before the City Commission. The plan incorporates classification and title changes included in the City Manager's budget. Below are the proposed changes for FY 17-18.

Position	FY 16-17	Proposed FY 17-18
NON-EXEMPT		
Re-class	Class 8 Lead Telecommunications Operator	Class 11 Lead Telecommunications Operator
Rename	Class 9 Help Desk Coordinator	Class 9 Help Desk Technician
Add		Class 17 Facilities & Events Specialist
EXEMPT		
Change	ML1 City Engineer/Public Works Director	ML1 City Engineer
Change	ML4 Assistant Public Works Director	ML2 Public Works Director
Change	ML7 Police Communications Supervisor	ML7 Communications Supervisor
Remove	ML7 Sanitation Supervisor	None



City of Kingsville
Human Resource Department

Background: Each fiscal year the City Commission authorizes a classification and pay structure for City employees.

Financial Impact: The financial impacts will be detailed and incorporated in the City Manager's final proposed budget.

Recommendation: To approve the FY 17-18 City of Kingsville Classification & Compensation Plan to correspond to the City Manager's proposed budget.



ORDINANCE #2017-_____

AMENDING THE CITY OF KINGSVILLE CODE OF ORDINANCES BY AMENDING CHAPTER III, ARTICLE 7, PERSONNEL POLICIES; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING FOR AN EFFECTIVE DATE AND PUBLICATION.

WHEREAS, this Ordinance is necessary to protect the public safety, health, and welfare of the City of Kingsville.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

I.

THAT Section 3-7-1 of Article 7: Personnel Policies of Chapter III. Administration of the Code of Ordinances of the City of Kingsville, Texas, shall be amended to read as follows:

§ 3-7-1 ADOPTION OF THE JOB CLASSIFICATION AND COMPENSATION PLAN.

The City of Kingsville Classification and Compensation Plan dated effective as of October 1, 2017 is hereby adopted by reference providing for certain classifications and positions as more particularly defined therein. Classified positions and incumbents thereof who have completed the designated probationary period and any extensions thereof shall be subject to the terms and conditions of all policies incorporated by reference and adopted by the City Commission by resolution. Except members of the Fire and Police collective bargaining units, all other employees (executive, managerial, or hourly) serve at will, at the pleasure of the City Manager, or designee, or at the pleasure of the City Commission if appointed by the City Commission, and shall have and continue such at-will status, notwithstanding any other provision of this Classification Plan, any other City Ordinance, or any rule or regulation of the City.

All Non-Exempt Non-Civil Service employees of the City of Kingsville are placed in a step according to the City of Kingsville Fiscal Year 2017-2018 Hourly Chart.

New hires shall be placed at the compensation Class for the designated positions. New hires may be placed in the Step within the designated Class corresponding to the years of experience the new employee brings to the City correlating to the designated duties of the position not to exceed the Ten (10) Year Step unless approved by City Commission.

Non-Exempt employees promoted, transferred or temporarily assigned to a position in a higher classification range shall commence at the first step of the higher Class that causes an increase in the employees' hourly pay rate. Each promoted, transferred or temporarily assigned employee shall then proceed to the next step after one (1) year in their current position and shall proceed to each step thereafter on the 3rd, 6th, 10th, and 15th year or until the employee reaches the fifth step of the compensation schedule.

Employees demoted, transferred, temporarily assigned, or accepting a position in a lower Class shall commence at the same step of pay in the lower Class as the employee held at the time of such demotion, transfer, temporary assignment or acceptance of the lower Class position. Employees meeting these criteria shall proceed to the next step of the compensation plan, as scheduled, based on years of City service.

All management employees of the City of Kingsville shall be placed in a step program to receive a scheduled salary increase on the anniversary date of their 1st, 3rd, 6th, 10th, 15th, 20th and 25th year of service in the Management Level position. Percentage increases shall correspond to the Management Level Step Program included in the Classification and Compensation Plan for Fiscal Year 2017-2018.

Executive Level 1 & 2 positions shall receive a cost of living adjustment when Non-Exempt Non-Civil Service employees receive a cost of living adjustment. The City Commission shall evaluate the performance of and recommend salaries for Executive Level 1 & 2 positions each July to prepare for the up-coming fiscal year.

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall be codified and become effective on and after adoption and publication as required by law.

INTRODUCED on this the 11th day of September, A. D., 2017.

PASSED AND APPROVED on this the 25th day of September, A. D., 2017.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

**CITY OF KINGSVILLE
CLASSIFICATION AND COMPENSATION PLAN
FISCAL YEAR 2017-2018**

Original Introduction: _____
Approved: _____

CITY OF KINGSVILLE
CLASSIFICATION AND COMPENSATION PLAN - NON EXEMPT
FISCAL YEAR ~~2016-2017~~ 2017-2018

11	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 4</i>	<i>Step 5</i>	<i>Step 6</i>	<i>Max1 Step 7</i>	<i>Max2 Step 8</i>
	\$ 14.80	\$ 15.25	\$ 15.70	\$ 16.18	\$ 16.66	\$ 17.16	n/a	n/a
	<i>Community Appearance Inspector</i>		<i>Paralegal</i>					
	<i>Lead Maintenance Technician</i>		<i>Lead Telecommunications Operator</i>					
12	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 4</i>	<i>Step 5</i>	<i>Step 6</i>	<i>Max1 Step 7</i>	<i>Max2 Step 8</i>
	\$ 15.39	\$ 15.86	\$ 16.33	\$ 16.82	\$ 17.33	\$ 17.85	\$ 18.38	\$ 18.93
13	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 4</i>	<i>Step 5</i>	<i>Step 6</i>	<i>Max1 Step 7</i>	<i>Max2 Step 8</i>
	\$ 16.01	\$ 16.49	\$ 16.99	\$ 17.49	\$ 18.02	\$ 18.56	\$ 19.12	\$ 19.69
	<i>Foreman</i>							
14	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 4</i>	<i>Step 5</i>	<i>Step 6</i>	<i>Max1 Step 7</i>	<i>Max2 Step 8</i>
	\$ 16.65	\$ 17.15	\$ 17.66	\$ 18.19	\$ 18.74	\$ 19.30	n/a	n/a
15	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 4</i>	<i>Step 5</i>	<i>Step 6</i>	<i>Max1 Step 7</i>	<i>Max2 Step 8</i>
	\$ 17.32	\$ 17.84	\$ 18.37	\$ 18.92	\$ 19.49	\$ 20.07	\$ 20.68	n/a
	<i>Building Inspector</i>		<i>Health Inspector I</i>					
	<i>Crime Scene Specialist</i>							
16	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 4</i>	<i>Step 5</i>	<i>Step 6</i>	<i>Max1 Step 7</i>	<i>Max2 Step 8</i>
	\$ 18.01	\$ 18.55	\$ 19.11	\$ 19.68	\$ 20.27	\$ 20.88	n/a	n/a
	<i>Engineer's Assistant</i>							
17	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 4</i>	<i>Step 5</i>	<i>Step 6</i>	<i>Max1 Step 7</i>	<i>Max2 Step 8</i>
	\$ 18.73	\$ 19.29	\$ 19.87	\$ 20.47	\$ 21.08	\$ 21.71	n/a	n/a
	<i>Health Inspector II</i>		<i>Facilities & Event Specialist</i>					

OTHER POSITIONS	Min	Max
	\$ 10.00	\$ 15.00

Seasonal/Temporary Employees

Example of positions include: Pool Manager/Attendants/Instructors/Lifeguards, Recreational Assistants, etc.

STEP 1	New Hire
STEP 2	Step following completion of one (1) year of employment.
STEP 3	Step for eligible employees with three (3) years of current uninterrupted City service.
STEP 4	Step for eligible employees with six (6) years of current uninterrupted City service.
STEP 5	Step for eligible employees with ten (10) years of current uninterrupted City service.
STEP 6	Step for eligible employees with fifteen (15) years of current uninterrupted City service.

Clarification Step 7 Maximum step due to FY 16-17 reclassification; individuals in this step not eligible for additional steps.

Clarification Step 8 Maximum step due to FY 16-17 reclassification; individuals in this step not eligible for additional steps.

The hourly chart shall be relevant to all non-exempt, non-civil service employees maintaining a position in the same CLASS, unless otherwise approved by the City Manager.

CERTIFICATION PAY - NON-EXEMPT EMPLOYEES (EXCLUDES CIVIL SERVICE PERSONNEL)

Class/Grade/Unit	Monthly	Per Pay Period Basis *	Class/Grade/Unit	Monthly	Per Pay Period Basis *
TCEQ 1 or D	\$30.00	\$13.85	TCEQ II or B	\$55.00	\$25.39
TCEQ C	\$40.00	\$18.47	TCEQ III or A	\$85.00	\$39.24

* Rounding may be required for payroll purposes.

CITY OF KINGSVILLE
CLASSIFICATION COMPENSATION PLAN - EXEMPT
FISCAL YEAR 2017-2018

	Minimum	Midpoint	Maximum
EXECUTIVE OFFICER – 1 City Manager	\$ 103,098	\$ 124,967	\$ 146,836
EXECUTIVE OFFICER - 2 City Attorney Municipal Court Judge	\$ 93,513	\$ 113,349	\$ 133,185
MANAGEMENT LEVEL - 1 City Engineer/ Public Works Director Finance Director	\$ 76,933	\$ 93,252	\$ 109,571
			Fire Chief Police Chief
MANAGEMENT LEVEL - 2 Assistant City Attorney Economic Development Director	\$ 73,720	\$ 88,812	\$ 104,354
			Planning & Development Services Director <u>Public Works Director</u>
MANAGEMENT LEVEL - 3 Human Resources Director Parks and Recreation Director	\$ 63,293	\$ 76,719	\$ 90,145
			Tourism Services Director
MANAGEMENT LEVEL - 4 Assistant Public Works Director Health Director	\$ 60,279	\$ 73,066	\$ 85,852
			Library Director
MANAGEMENT LEVEL - 5 Risk Manager	\$ 54,675	\$ 66,273	\$ 77,870
MANAGEMENT LEVEL - 6 Accounting Manager Building Official Capital Improvements Manager City Secretary Facilities Manager	\$ 47,230	\$ 57,249	\$ 67,267
			Golf Course Manager Information Technology Manager Parks Manager Purchasing Manager
MANAGEMENT LEVEL - 7 Accounting Supervisor Collection's Supervisor Community Appearance Supervisor Downtown Manager Garage Supervisor Solid Waste Supervisor Municipal Court Supervisor	\$ 42,839	\$ 51,926	\$ 61,013
			Police Communication's Supervisor Sanitation Supervisor Street Supervisor Systems Specialist Wastewater Supervisor Water Production Supervisor Water Supervisor

MANAGEMENT LEVEL STEP PROGRAM - ANNIVERSARY INCREASES BASED ON CURRENT POSITION

1ST YEAR	3%	15TH YEAR	2%
3RD YEAR	3%	20TH YEAR	2%
6TH YEAR	3%	25TH YEAR	2%
10TH YEAR	2%		

AGENDA ITEM #2

**City of Kingsville
Parks & Recreation Department**

TO: Jason Alfaro, Parks & Recreation Director
FROM: Susan Ivy, Parks Manager
DATE: September 5, 2017
SUBJECT: Agenda Request – Authorize receipt of additional donation from TRAPS for Maintenance Rodeo

Summary:

We are asking for Commission approval to receive a \$535.00 donation from Texas Recreation & Park Society for expenses incurred in hosting the 2016 South Region TRAPS Maintenance Rodeo at Dick Kleberg Park.

Background:

In October, 2016 Kingsville Parks & Recreation hosted the Annual TRAPS South Region Maintenance Rodeo at Dick Kleberg Park. Donations were solicited from several businesses and TRAPS offered some assistance through their network as well. We were originally advised that they would be donating \$500.00 from Musco Lighting and that amount was included along with a \$600.00 donation from Aquatic Renovations in a previous budget amendment/agenda item back in November, 2016. It was approved. TRAPS ended up sending us the donation from Musco and increased it to \$1035.00 to cover all of our award expenses. Since \$500.00 of the \$1035.00 had already been approved we need to approve the additional donation of \$535.00.

Financial Impact: This donation will add \$535.00 additional dollars to funds available to expend in our recreation program line item.

Recommendation: We ask that City Commission authorizes the receipt of this additional donation in the amount of \$535.00 from Texas Recreation & Park Society and authorize the budget amendment to reflect its receipt in the Parks Budget line item for Recreational Programming.



ORDINANCE NO. 2017-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2016-2017 BUDGET TO ACCEPT AND EXPEND PARK DONATIONS FROM TRAPS.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2016-2017 budget be amended as follows:

**CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT**

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
Fund 001-General Fund					
Revenue					
4-4503	Parks	Park Donations	58003		<u>\$ 535</u>
Expenses					
5-4503	Parks	Recreational Programs	31499	<u>\$ 535</u>	<u>\$ 535</u>
				<u>\$ 535</u>	

[To amend the City of Kingsville FY 16-17 Budget to accept and expend an additional park donation from the Texas Recreation & Park Society as per the attached memo from the Parks Director. This is in addition to the funds accepted in November 2016.]

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

INTRODUCED on this the 11th day of September, 2017.

PASSED AND APPROVED on this the ___ day of _____, 2017.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #3

**City of Kingsville
Finance Department**

TO: Mayor and City Commissioners
CC: Jesus A. Garza, City Manager
FROM: Deborah Balli, Director of Finance
DATE: August 31, 2017
SUBJECT: Budget Amendment-End of Year Deficit Accounts

Summary:

This item authorizes the approval of an end of year budget amendment to cover deficit accounts.

Background:

At the end of Fiscal Year 16-17 the following budget amendments are needed to transfer between funds or transfer between departments to cover deficit funds.

General Fund

Police Patrol

Transferring \$620 from PD General Fund Budget to Homeland Security Grant Fund to keep expenditures together for reporting purposes.

Fire

Transferring \$2059 from Fire General Fund Budget to FEMA Assistance to Firefighters Grant Fund to keep expenditures together for reporting purposes.

Police-Admin

Transferring \$2,303 Group Health Insurance Budget to Police-Admin from Police-Patrol.

Police-Community Services

Transferring \$ 867 Group Health Insurance Budget to Police-Community Services from Police-Patrol.

Garage

Transferring \$1,162 Group Health Insurance Budget to Garage from Streets.

Fund Transfers



**City of Kingsville
Finance Department**

Transferring \$4,168 from General Fund to Fund 008-Task Force to cover 1-months credit on the \$50,000 administrative transfer from FY 16. Credit was applied to outstanding invoice receivable.

Task Force

Record transfer of \$4,168 from General Fund for 1-months credit on the \$50,000 administrative transfer from FY 16.

Law Enforcement Officers Stand-Police

Record revenue received in FY 16-17.

Utility Fund

Ground Maintenance

Transferring \$957 Group Health Insurance Budget to Meter Readers.

Facilities Maintenance

Transferring \$6,090 Group Health Insurance Budget to Public Works-Capital Improvements.

FEMA Assistance to Firefighters

Record amended grant revenue of \$5,086.

Record transfer of \$2059 from Fire General Fund Budget to FEMA Assistance to Firefighters Grant Fund to keep expenditures together for reporting purposes.

Homeland Security Grant

Record transfer of \$620 from PD General Fund Budget to Homeland Security Grant Fund to keep expenditures together for reporting purposes.

Financial Impact:

This budget amendment will reduce General Fund Unassigned Fund Balance by \$4,168.

Recommendation:

Staff recommends authorization of this end of year budget amendment.



ORDINANCE NO. 2017-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2016-2017 BUDGET TO COVER END OF YEAR DEFECIT ACCOUNTS.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2016-2017 budget be amended as follows:

**CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT**

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
Fund 001 General Fund					
Expenses					
5-2102	Police-Patrol	Minor Equipment	21700		\$ 620
5-2200	Fire	Minor Equipment	21700		\$ 2,059
					<u>\$ 2,679</u>
5-6900	Fund Trsfrs	Transfer To Fund 077	80077	\$ 2,059	
5-6900	Fund Trsfrs	Transfer To Fund 080	80080	\$ 620	
				<u>\$ 2,679</u>	
5-2101	Police-Admin	Group Health Insurance	11600	\$ 2,303	
5-2105	Police-Com Svcs	Group Health Insurance	11600	\$ 867	
5-3030	Garage	Group Health Insurance	11600	\$ 1,162	
				<u>\$ 4,332</u>	
5-2102	Police-Patrol	Group Health Insurance	11600		\$ 2,303
5-2102	Police-Patrol	Group Health Insurance	11600		\$ 867
5-3050	Streets	Group Health Insurance	11600		\$ 1,162
					<u>\$ 4,332</u>
5-6900	Fund Trsfrs	Transfer To Fund 008	80008	\$ 4,168	
Equity					
2		Unassigned Fund Balance	61002		<u>\$ 4,168</u>

Fund 008-Task Force**Revenue**

4-0000	Transfer In From Fund 001	75001	<u>\$ 4,168</u>
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Fund 009 Law Enf Off**Stand-Police****Revenue**

4-0000	State Grants	72010	<u>\$ 875</u>
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Fund 051 Utility Fund**Expenses**

5-6101	Ground Maintenance Facilities	Group Health Insurance	11600	\$ 957
5-8020	Maintenance - UF	Group Health Insurance	11600	\$ 6,090
				<u>\$ 7,047</u>
5-6202	Meter Readers Capital	Group Health Insurance	11600	\$ 957
5-8021	Improvements-PW	Group Health Insurance	11600	\$ 6,090
				<u>\$ 7,047</u>

Fund 077 FEMA Assistance to Firefighters Grant**Revenue**

4-0000	Federal Grants	72005	\$ 5,806
4-0000	Transfer From Fund 001	75001	\$ 2,059
			<u>\$ 7,865</u>

Expenses

5-2200	Fire	Minor Equipment	21700	<u>\$ 7,865</u>
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Fund 080 Homeland**Security Grant****Revenue**

4-0000	Transfer From Fund 001	75001	<u>\$ 620</u>
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Expenses

5-2100	Police	Minor Equipment	21700	<u>\$ 620</u>
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[To amend the City of Kingsville FY 16-17 Budget to transfer funds to cover deficit funds with end of year transfers as per the attached memo from the Director of Finance.]

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

INTRODUCED on this the 11th day of September, 2017.

PASSED AND APPROVED on this the __ day of _____, 2017.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #4

RESOLUTION NO. 2017-_____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN ENGAGEMENT LETTER AGREEMENT BETWEEN THE CITY OF KINGSVILLE, TEXAS AND JOHN WOMACK & CO., P.C. FOR THE 2016-2017 FISCAL YEAR AUDIT; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the City Manager is authorized and directed as an act of the City of Kingsville, Texas to enter into an Engagement Letter Agreement Between John Womack & Co., P.C. and the City of Kingsville, Texas for the 2016-2017 Fiscal Year audit in accordance with Exhibit A hereto attached and made a part hereof.

II.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the 25 th day of September, 2017.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

JOHN WOMACK & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. WOMACK, CPA
MARGARET KELLY, CPA

P. O. BOX 1147
KINGSVILLE, TEXAS 78364
(361) 592-2671
FAX (361) 592-1411

August 17, 2017

Mayor Sam Fugate, City Commissioners and City Manager
City of Kingsville
P. O. Box 1458
Kingsville, Texas 78364

We are pleased to confirm our understanding of the services we are to provide the City of Kingsville for the year ended September 30, 2017. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the City of Kingsville as of and for the year ended September 30, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Kingsville's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Kingsville's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary comparison schedules.
3. GASB required supplementary pension information.
4. OPEB.



PRIVATE COMPANIES PRACTICE SECTION, AICPA DIVISION FOR CPA FIRMS

We have also been engaged to report on supplementary information other than RSI that accompanies City of Kingsville's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

1. Combining statements for the CAFR and
2. Individual Fund Statements and Supporting Schedules.
3. Schedule of Expenditures of Federal Awards.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose

of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our single audit. Our reports will be addressed to management and the governing Board of the City of Kingsville. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and

not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a single audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and,

accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Kingsville's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of City of Kingsville's major programs. The purpose of these procedures will be to express an opinion on City of Kingsville's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, depreciation schedules (if needed) using your assigned life and depreciation method, schedule of expenditures of federal awards, and related notes of the City of Kingsville in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, depreciation schedules, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also

responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on October 30, 2017.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, depreciation schedules, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Other Matters and Limitation on Liability

In the unlikely event that differences concerning our services or fees should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense of both parties, the City agrees to participate in mediation, under the Commercial Mediation Rules of the American Arbitration Association, before any claim is asserted.

In the event that John Womack & Co., P.C. is found to be negligent in provision of any services covered by this agreement which result in damage to the City, John Womack & Co., P.C.'s liability to the City will be limited to actual damages or losses incurred by the City. John Womack & Co., P.C. will not be liable to the City for any punitive damages.

Engagement Administration, Fees, and Other

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. We

will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate. We will not undertake any accounting services (including but not limited to reconciliation of accounts and preparation of requested schedules) without obtaining approval through a written change order or additional engagement letter for such additional work.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our report to however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of John Womack & Co., P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to cognizant agencies or their designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of John Womack & Co., P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is

contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately November 07, 2017 and to issue our reports no later than March 30, 2018. John L Womack is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We estimate our fee for these services will be \$69,500 for the audit, \$17,500 for the GASB 34 and the GFOA report presentation, \$9,000 for the Fixed Assets, \$8,500 for the state and federal grants and \$5,500 for the Retirement System disclosure reporting requirements for GASB 68, plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the City of Kingsville and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. You have requested that we provide you with a copy of our most recent external peer review report and any subsequent reports received during the contract period. Accordingly, our 2017 peer review report accompanies this letter.

Sincerely,

A handwritten signature in black ink that reads "John Womack & Co., P.C.". The signature is written in a cursive, flowing style.

John Womack & Co., P.C.

RESPONSE:

This letter correctly sets forth the understanding of the City of Kingsville.

Management Signature: _____

Title: _____

Governance signature: _____

Title: _____



BUMGARDNERMORRISON

CPAs • Tax • Audit & Accounting

Report on the Firm's System of Quality Control

To the Owner of John L. Womack & Company, P.C.
And the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of John L. Womack & Company, P.C. (the firm) in effect for the year ended August 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As part of our review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of John L. Womack & Company, P.C. in effect for the year ended August 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. John L. Womack & Company, P.C. has received a peer review rating of *pass*.

Bumgardner, Morrison & Company, LLP

BUMGARDNER, MORRISON & COMPANY, LLP

February 1, 2017

Bumgardner, Morrison & Company, LLP
Certified Public Accountants

Members: American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
AICPA Private Companies Practice Section
AICPA Employee Benefit Plan Audit Quality Center
AICPA Government Audit Quality Center

1501 E Mockingbird Lane, Suite 300
PO Box 3750
Victoria, Texas 77903-3750
Phone: 361.575.0271
Fax: 361.578.0880
Website: BMCcpa.com

AGENDA ITEM #5

City of Kingsville Downtown

TO: Mayor and City Commissioners

CC: Jesus A. Garza, City Manager

FROM: Cynthia Martin, Downtown Manager

DATE: September 15, 2017

SUBJECT: Request for City Support for Events & Parades

Summary:

The City Commission has a tradition of granting support for certain community parades and events that are held each year downtown. Instead of bringing these forward as individual agenda items, it is requested that the City Commission waive the street closing fees and support costs for the attached listing of parades and events for this fiscal year.

Background:

For any event requiring temporary closure of one or more streets, City ordinances require a fee to be paid for the requisite street closure(s) and require that City be reimbursed any actual costs and expenses incurred by them in support of the event. Ordinances also allow the City Commission to waive these requirements. Event organizers are still required to comply with all City ordinances and state laws with regards to health and safety issues. And are still required to submit a request for a permit for the required street closure(s).

Financial Impact:

The total parade/event costs to the City for FY 2017-2018 is \$9,750 of which \$450 are street closing fees.

Recommendation:

It is recommended that street closing fees be waived and the services provided by the City in support of these parades and events be considered as in-kind sponsorship.



Event Costs to the City FY 2017-2018

Ranch Hand Festival, Nov. 17 & 18, 2017

Public Works

Barricades: Build-up & Tear-down \$15/hr. (10 men/8hrs) = \$1,200

Trash & Recycling: Delivery/Pickup/Dumping \$6 each x average 10 containers x 2 = \$120

Dumpsters: \$30 (x3) = \$90

Other

Street closing permit fee for large events = \$150

Cost of \$1,560

Stride for Health 5/10K Run, Nov. 18, 2017

Public Works

Barricades: Build-up & Tear-down \$15/hr. (10 men/6hrs) = \$900

Other

Street closing permit fee for large events = \$0 (to be paid by organizer)

Cost of \$ 900

PDAP (Palmer Drug Abuse Program) Drug Free Walk & BBQ, April 21, 2018

Public Works

Barricades: Build-up & Tear-down \$15/hr. (10 men/4hrs) = \$600

Trash & Recycling: Delivery/Pickup/Dumping \$6 each x average 10 containers x 2 = \$120

Other

Street closing permit fee for large events = \$150

Cost of \$ 870

KISD Annual Community Fair, Aug. 24, 2018

Public Works

Barricades: Build-up & Tear-down \$15/hr. (10 men/4hrs) = \$600

Trash & Recycling: Delivery/Pickup/Dumping \$6 each x average 10 containers x 2 = \$120

Other

Street closing permit fee for large events = \$150

Cost of \$ 870

Total event costs \$4,200

Parade Costs to the City FY 2017-2018

Community Parades (5)

TAMUK Homecoming Parade, Oct. 19, 2017

Veteran's Day Parade, Nov. 11, 2017

MLK Day Parade, Jan. 15, 2018

4th of July Parade, July 4, 2018

HM King High School Homecoming Parade, Sept. 17, 2018

Public Works

Barricades: Build-up & Tear-down \$15/hr. (10 men/6hrs) = \$900

Other

Parade permit = \$0

Cost of \$ 900 per parade

Christmas Parade (1)

La Posada Parade, Dec. 2, 2017

Public Works

Barricades: Build-up & Tear-down \$10/hr. (15 men/6hrs) = \$900

Trash & Recycling: Delivery/Pickup/Dumping \$6 (x20) = \$120

Dumpsters: \$30 (x3) = \$90

Other

Parade permit = \$0

Cost of \$1,110

Total parade costs \$5,550

Downtown Parades and Events FY 2017-2018

TAMUK Homecoming Parade, Oct. 19, 2017

Veteran's Day Parade, Nov. 11, 2017

Ranch Hand Festival, Nov. 17 & 18, 2017

Stride for Health 5/10 K Run, Nov. 18, 2017

La Posada de Kingsville Parade, Dec. 2, 2018

MLK Day Parade & Celebration, Jan. 15, 2018

PDAP (Palmer Drug Abuse Program) Drug Free Walk, April 21, 2018

4th of July Parade & Celebration, July 4, 2018

KISD (Kingsville Ind. School District) Annual Community Fair, Aug. 24, 2018

HM King High School Homecoming Parade, Sept. 17, 2018

REGULAR AGENDA

AGENDA ITEM #6

RESOLUTION NO. 2017-_____

RESOLUTION APPROVING THE CITY OF KINGSVILLE'S 2017 TAX ROLL AS SUBMITTED BY THE KLEBERG COUNTY TAX ASSESSOR-COLLECTOR PURSUANT TO THE TEXAS PROPERTY TAX CODE, CHAPTER 26, SECTION 26.09(E).

WHEREAS, the duly appointed Kleberg County Tax Assessor Collector has submitted the 2017 Tax Roll for the City of Kingsville; and

WHEREAS, the City Commission has reviewed the appraisal and tax rolls, and set the tax rate at the level necessary to support the approved budget of the City of Kingsville.

NOW THEREFORE BE IT RESOLVED by the City Commission of the City of Kingsville, Texas that:

"The 2017 Tax Roll for the City of Kingsville is hereby approved pursuant to Section 26.09 (e) of the Texas Property Tax Code".

PASSED AND APPROVED by majority vote of the City Commission on the 25th day of September, 2017.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary


APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

**SUBMISSION OF THE 2017 TAX ROLL FOR THE CITY OF
KINGSVILLE PURSUANT TO SECTION 26.09(e) OF THE TEXAS
PROPERTY TAX CODE**

The 2017 Tax Roll for the City of Kingsville is hereby submitted for approval at the next regular scheduled meeting of the City of Kingsville Commissioner's Court. The 2017 Tax Roll is submitted for approval under Section 26.09(e) of the Texas Property Tax Code and was calculated in compliance with the same code by multiplying the values from the Certified Appraisal Roll plus/minus any changes in value approved by the Kleberg County Appraisal Review Board by the tax rate adopted by this governing body for the 2017 tax year. Values and taxes are at a ratio of 100% of appraised value. The 2017 Tax Roll for the City of Kingsville is stored in the Kleberg County Tax Office in compliance with the State Records Retention guidelines. A copy of the tax roll for reference purposes and convenient availability is filed with the Kleberg County Clerk's Office.

I, Melissa T. De La Garza, PCC – Kleberg County Tax Assessor-Collector, hereby certify the figures from the 2017 Tax Roll as reflected on the attached summary page taken directly from the 2017 Tax Roll. I certify that the foregoing information, and the roll it represents is accurate and correct to the best of my knowledge. Certified and submitted this 25th day of September 2017.



**Melissa T. De La Garza, PCC
Kleberg County Tax Assessor-Collector**

Improvements:		Number	Amount		
Homesteadable		3,960	280,302,284--:		
New Homesteadable		550	3,787,515 :	Impr. Total	
Non-Homesteadable		4,396	378,468,716 :--	662,558,515--:	
New Non-Homesteadable			0--:		
Land:		Number	Amount		
Homesteadable		3,892	37,602,572--:	Land Total	
Non-Homesteadable		5,454	83,429,244--:--	121,031,816--:	
Acres	7,285.295	9,324			Total Market
					916,944,360
Productivity:		Number	Amount		
Agricultural Market		130	10,250,920--:	Productivity Mkt	Total Accounts
Timber Market			0--:--	10,250,920--:	11,224
Agricultural Use Value		130	476,190		
Timber Use Value			0		
Exempt Agricultural Market			0		
Exempt Agricultural Value			0		
Other:		Number	Amount		
Minerals			0--:	Other	
Personal Property Market		1,173	123,103,109--:--	123,103,109--:	
Miscellaneous:		Number	Amount		
Homestead Market Value		3,932	320,109,561		
Homestead Cap Value		3,932	317,891,230		
Tax Increment Zone Market			0		
Tax Increment Zone Base			0		
Deductions:		Exemption	Number	Amount	
Constitutional Exempt				0-----:	
Productivity Loss		130	9,774,730-----:		
Homestead Cap Loss		387	2,218,331-----:		
Homestead			0--:		
Homestead Frozen			0 :	Homestead Total	
Homestead Local			0 :--	0--:	
Homestead Local Frozen			0 :		
Homestead Local %			0 :		
Homestead Local % Frozen			0--:		Total
					Deductions
					115,044,771
Over 65	8,400	1,539	12,689,451--:		
Over 65 Frozen			0 :	Over 65 Total	
Over 65 Local			0 :--	12,689,451--:	
Over 65 Local Frozen			0--:		
Disabled Person			0--:		
Disabled Person Frozen			0 :	Disabled Person	
Disabled Person Local			0 :--	0--:	
Disabled Person Lcl Frzn			0--:		
Disabled Veteran HS Full		85	8,151,900--:		
Disabled Veteran		230	2,333,696 :	Disabled Veteran	
Disabled Veteran Frozen			0--:--	10,485,596--:	
Abatements		1	5,467,510--:		
Pollution Control			0 :		
Freeport			0 :	Other Exemptions	
HB366		63	16,630 :--	79,876,663--:	
Prorated Exempt			0 :		
Other		443	74,392,523--:		Net Taxable
					801,899,589
Frozen Taxable Value Loss			0		
Frozen Limit (CAD Original)			.00		
Frozen Limit Adjusted (Transfers)			.00		Net Taxable
Frozen Tax Levy Used			.00		Less Frozen
Late Agricultural Penalty		2	139.48		801,899,589
Late Correction Penalty			.00		
Late Rendition Penalty		317	5,632.27		
Total Tax Levy				Actual Levy	Calculated Levy
	0.00842200		6,759,370.83		6,759,370.09

Calc sequence: DV Tot HS,Dis Vet,Ovr 65,Ovr 65 Lcl,Hmstd,Hmstd Lcl,Disabled,Disabled Lcl,Other.
Apply Ownership Interest to Hmstd, Over 65, Dis Person, Hmstd Lcl %, Hmstd Lcl, Hmstd Min, Dis V
Apply Disabled Veteran exemption to Non-Homestead then to Homestead values.

AGENDA ITEM #7

**City of Kingsville
Public Works**

TO: Mayor and City Commissioners

CC: Jesus A. Garza, City Manager

FROM: William Donnell, Asst. Public Works Director

DATE: September 18, 2017

SUBJECT: La Colonia Mexicana Sign Project

Summary:

This project was brought to the City of Kingsville requesting to replace street name signs in La Colonia Mexicana to include current street names and the original street names.

Background:

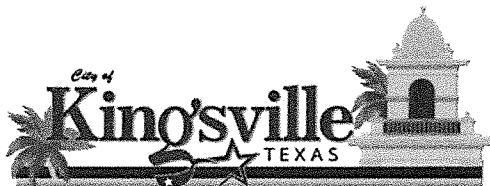
The original street names on the filed plats for La Colonia Mexicana were renamed at some point to the names on the existing streets signs. Some historians have approached the City about redesignating the streets to add the original street names to signs to better preserve the history of the community. This agenda item will change the existing signs by adding the historic name on the bottom of the street sign in brown. The current street name will remain on the top of the street sign in green. *This action does not rename the streets so there are no address changes.* It only adds the historic name below the existing name on the street signs in La Colonia Mexicana. So, from 6th Street to 14th Street: Ave A would add Sims, Ave B would add Perez, Ave C would add Chaparral, and Ave D would add Garza to the street signs.

Financial Impact:

This project will expend approximately \$1,688.40 from (001-5-3050-52200) to purchase the signs and brackets required for the installation of 36 signs in La Colonia Mexicana.

Recommendation:

Staff recommends approval of this project to add the historic names on the street signs.



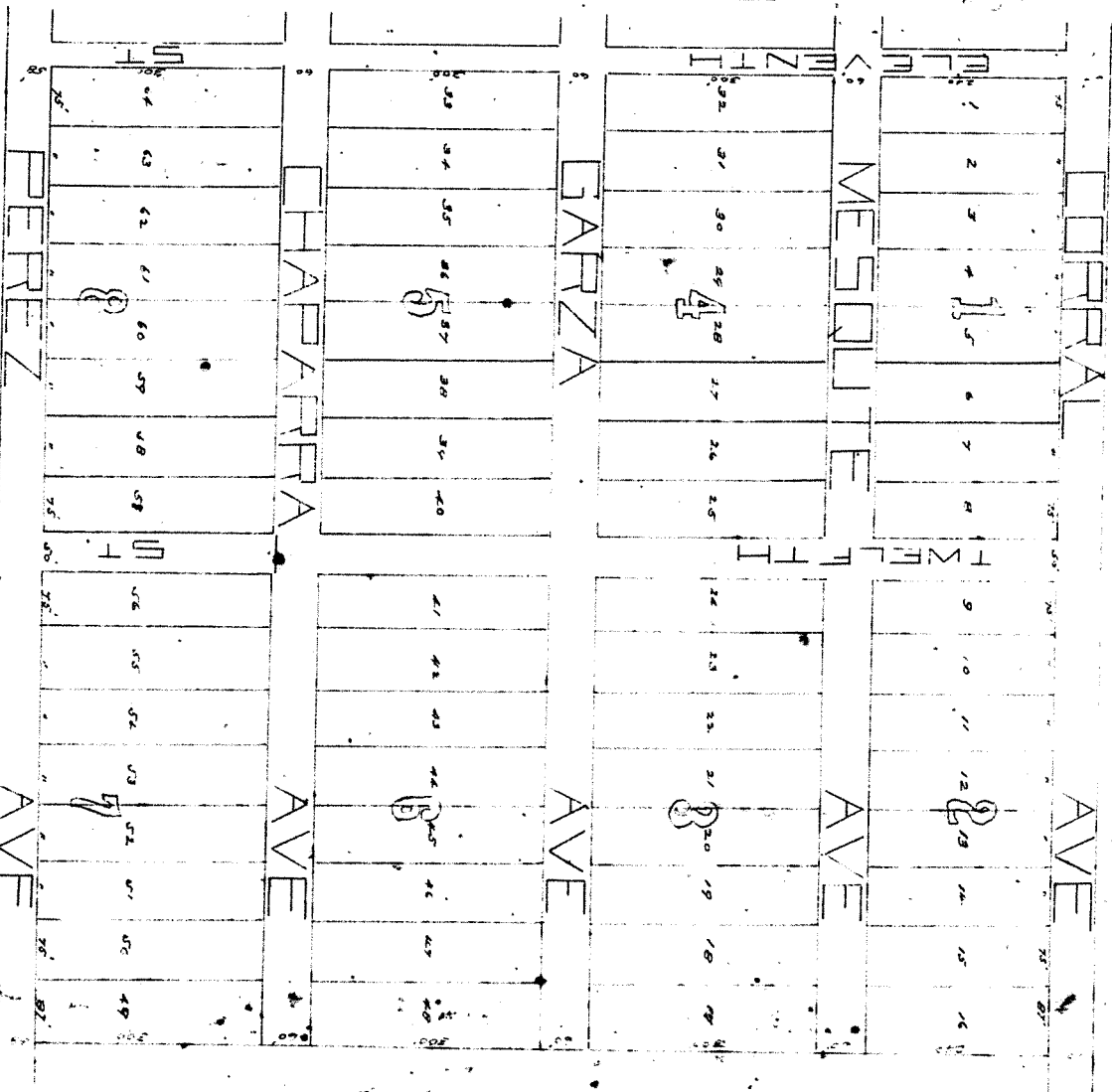
SCALE 100 FEET = 1 INCH

Hejlskov.

NOTARY PUBLIC KIDDERG COUNTY, NEBR.

CIVIL ENGINEERING SOCIETY

County Clerk, Henderson County, Tenn.



ORDINANCE NO. 2017- _____

AN ORDINANCE AUTHORIZING THE HISTORICAL REDESIGNATION OF STREETS IN LA COLONIA MEXICANA TO INCLUDE THE ORIGINAL STREET NAMES WITH THE EXISTING STREET NAMES, HAVING NO IMPACT ON ADDRESSES; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING FOR AN EFFECTIVE DATE AND PUBLICATION.

WHEREAS, the neighborhood originally named La Colonia Mexicana, which includes the present-day street names of Avenues A, B, C and D, had different street names for those streets on the plat originally filed by Kleberg Town and Improvement Company on October 5, 1914; and

WHEREAS, the originally platted name for Avenue A was "Sims", Avenue B was "Perez", Avenue C was "Chaparral", and Avenue D was "Garza"; and

WHEREAS, historians have advised that this neighborhood was a significant Mexican American neighborhood for the Kingsville community and their research could not locate a reason for the street name changes in the past; and

WHEREAS, the historians have requested the afore-mentioned streets be redesignated, so that the original historic name could appear in brown on the bottom of street signs along with the existing street name in green at the top of the street signs; and

WHEREAS, this action would not be a street renaming but merely a historical street redesignation, so the current addresses in the area would remain the same and the historical designation would not negatively affect any citizens; and

WHEREAS, this action would serve to preserve some of the history and culture of the founding of the city and there is funding in the FY17-18 budget for this project, which would require new signs and sign brackets at 36 street poles; and

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

I.

THAT from 6th Street to 14th Street, the following streets shall be re-designated with new street signs that reflect the existing street name at the top of the sign in green and the original historic street name at the bottom of the sign in brown: Avenue A will add "Sims", Avenue B will add "Perez", Avenue C will add "Chaparral", and Avenue D will add "Garza", here within the city limits of Kingsville, Texas.

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

VI.

THAT this Ordinance shall not be codified but will become effective on and after adoption and publication as required by law.

INTRODUCED on this the 25th day of September, 2017.

PASSED AND APPROVED on this the 9th day of October, 2017.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

Effective Date: _____

AGENDA ITEM #8

City of Kingsville
Department of Planning and Development Services

TO: Mayor and City Commissioners

CC: Jesus A. Garza, City Manager

FROM: Tom Ginter, Director

DATE: September 15, 2017

SUBJECT: Extension request from Joel Gonzalez for more time to make improvements to property at 404 W. Richard (original town, block 19, 20)

Summary: Joel Gonzalez property owner at 404 W. Richard had been approved for a 90 day extension to make improvements to his property. He is asking for another extension.

Background: At the June 26, 2017, City Commission meeting, Mr. Joel Gonzalez was granted a 90 day extension to allow the property owners more time to improve the property. Enclosed are the minutes of the meeting which include the public hearing and the agenda item. Since the following communication has occurred:

1. June 27, 2017 he was sent an email informing him of the City Commission decision.
2. We had a phone conversation on July 6, 2017 discussing the timeline and his action plan.
3. July 26, 2017 he was sent an email reminding him of the deadline.
4. August 30, 2017 he was sent 2 emails concerning the deadline.
5. After the second email he responded in which he is requested additional time to make the improvements.
6. September 11, 2017 he received an email informing him that his request for an extension would be on the September 25th agenda.
7. Mr. Gonzalez did come into the office, Tuesday, September 12th. He did ask questions about obtaining a roofing permit. He was also told that if he did the work himself he would have to register as general contractor and that his application would have to go



City of Kingsville
Department of Planning and Development Services

to the Historical Development Board for review and approval. At this point he has not obtained a roofing permit.

Financial Impact: The financial impact is somewhat dependent upon the direction that is taken by the City Commission. Either way there will be some cost to the City.

Recommendation: Mr. Gonzalez has owned this property since May 17, 20016. Until we started this process, Mr. Gonzalez had made no attempt on obtaining the necessary permits to renovate this structure. My concern is if he couldn't accomplish it in the first extension request what make this second request any different. Also while the precedent argument can be overdone, in this process it does seem to have an impact. Would the commission establish a trend that another extension could be expected by a citizen?



Tom Ginter

From: Tom Ginter
Sent: Tuesday, June 27, 2017 5:20 PM
To: 'joelgonzalesr2007@yahoo.com'
Cc: Theresa Cavazos; Daniel Ramirez
Subject: 404 W. Richard

Dear Mr. Gonzalez:

The City Commission has given you 90 days to make some effort on making repairs to the structure at 404 W. Richard. They want to see some progress on this house. So you know they have dealt with the previous owner Francisco Garza on this same thing, so they have heard it before on this structure. As far as progress goes, here are some examples:

1. A scope of work that is planned
2. A timeline of work to be done on the house
3. Permits obtained for the work to be done

90 days is up September 24th. If no progress is being made I will put it on a future agenda for the City Commission to review. If you have any questions, please feel free to ask. If you desire to see me, please call and we can set up an appointment to talk about this.

Tom Ginter
Director of Planning and Development Services
City of Kingsville
(O) 361-595-8053
(C) 361-219-8830

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

1. Public hearing regarding condemnation proceeding for structures located at 426 E. Alice, Kingsville, Texas. (Director of Planning & Development Services).

Mayor Fugate announced and opened Public Hearing #1 at 6:03 P.M.

Mr. Ginter announced that at the last City Commission meeting, the Commission approved to give the property owner a 90 day extension on this property. As of today, no permits have been obtained or work on the structures.

Mayor Fugate asked if anything has changed with the property or anyone spoken to staff regarding this property.

Mr. Ginter responded no.

Mayor Fugate further asked if the property was still without water? Mr. Ginter responded yes.

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.

No comments were made from anyone in the audience.

City Attorney, Courtney Alvarez reported that for the record it does show where there was an update inspection that was done by the City Inspector on June 6, 2017. The inspection report shows that the property is still unsecured and is still hazardous as well as not having water since May 10th of last year. All proper notices were sent to the property owner. Additional photographs were taken that continue to show that the shed is without walls and being held up by poles. This condemnation is for both the house and the shed.

There being no further comments, Mayor Fugate closed this public hearing at 6:05 P.M.

***2. Public hearing regarding condemnation proceeding for structures located at 404 W. Richard, Kingsville, Texas. (Director of Planning & Development Services).**

Mayor Fugate announced and opened Public Hearing #2 at 6:05 P.M.

Mr. Ginter announced that Mr. Gonzales, owner of the property, called him and told him that he would not be able to make the meeting tonight. Ginter then read an email he received from Mr. Gonzales. The email read: Mr. Ginter, I Joel Gonzales owner of property 404 W. Richard received a notice stating that the City of Kingsville will hold a meeting on June 26, 2017 where the Commission will recommend for demolition the property stated above. I have plans on repairing the property making it livable and safe for rental or for sale. Unfortunately I haven't been able to repair the property because of not having the financial means to do so as work has been slow this past year. Things are looking better for my job and I plan on starting repairs on my property in the months to come. I am asking for additional time to start repairs and ask the commission to allow for more time to make repairs. Please feel free to contact me at the number or email listed on this email...end of email.

Mrs. Alvarez reported that the prior building official also inspected this property back on October 11, 2012 and notice was sent to Mr. Garza who on November 7, 2012 sent a letter that he intended to repair the property. Photographs from March 2013, March 2015, April 2017, and June 2017 all show that the property is continuing to deteriorate. Photos taken on June 6 show that the roofing has a hole in it as well as holes in the exterior walls and has the doors open as well as missing the electric meter. This

property has been without water since January 2006, for eleven (11) years this property has been without water.

Mr. Garza asked how long the current owner has owned the property. Mr. Ginter responded that the current owner has owned the property for about six months.

Commissioner Pena asked who is Mr. Garza. Mr. Ginter commented that Mr. Garza was the previous owner of the property.

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 6:09 P.M.

3. Public hearing regarding condemnation proceeding for structures located at 425 E. Kenedy, Kingsville, Texas. (Director of Planning & Development Services).

Mayor Fugate announced and opened Public Hearing #3 at 6:09 P.M.

Mr. Ginter reported that he has had no contact with anyone regarding this property.

Mrs. Alvarez commented that the building official has inspected this property. Reports will show that the property is hazardous and unsecured. No water service since April, 2017. The remarks in the appraisal roll state that there is no roof, doors, broken windows and missing flooring and walls. The building official did send the required notices.

Commissioner Lopez asked if this property has had two owners as well.

Mrs. Alvarez responded that it was initially owned by Mrs. Nielson's Estate and obtained by another property owner.

Commissioner Lopez then asked who Anna Alarcon was. Mrs. Alvarez responded that this is also a prior property owner, and they have both received notices.

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.

Erica Noell, owner of 425 E. Kenedy, commented that she purchased this property about six months ago. She plans on remodeling the home next year.

Commissioner Garcia commented that the photos in the information packet are from 2015 and very little for 2017. Garcia further asked that with the combination of photos, the conditions remain the same with no improvements.

Mrs. Alvarez reported that there was another inspection done on April 17th. Notice letters went out that same day. Photos are from April 23, 2015 and June 1, 2017. Photos will show that the placard has been placed on the property. This property has had no water service since April 2017.

Commissioner Lopez asked if this owner has been notified.

Mrs. Alvarez responded that notice letters have been sent to her.

Commissioner Lopez asked if notices were sent by certified mail.

Mrs. Alvarez commented that notices are sent certified and regular mail as well as publish a notice in the local newspaper and post placards at the property.

Commissioner Pena asked why the property had water in April.

Ms. Noell commented that she has not had water service at this property.

Mr. Garza responded that specifically to the condemnation, it was over a year ago that the most recent condemnation came to Commission, with this, it has been mentioned that they have 90 days, but there was condemnation that came over a year ago, so it has been more than 90 days.

Commissioner Lopez commented that her concern is that someone is living there and has been living there under these conditions.

Mrs. Alvarez commented within violation of the code.

Commissioner Lopez further commented that she understand but he's been living there and she can't do that and this is her opinion.

Mrs. Alvarez asked if there was proof that he was living in the house or living in the RV that is illegally on the property.

Commissioner Lopez commented that he is living in the house.

Commissioner Garcia commented that even if a person is living in the house, you have to have water and electricity. It is unhealthy to be living like this and as they Mayor alluded to the neighbors have been dealing with this for a number of years, this didn't happen overnight.

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

*** 9. Consider condemnation of structures located at 404 W. Richard, Kingsville, Texas. (Director of Planning & Development Services).**

Mr. Garza commented that this property had new ownership within a year and to reiterate Mr. Ginter's point, the owner did reach out stating that he was not able to make it in today and is requesting additional time.

Commissioner Pecos asked if this property had a current owner.

Mr. Garza commented that as he was briefed, this property owner has had this property for less than a year. Even though the violation letters date longer than that, the specific owner was not the original owner when these notices were mailed.

Commissioner Lopez asked if permits have been pulled for this property.

Mr. Ginter commented that no permits have been pulled.

Commissioner Lopez asked if the owner has owned this property for six months.

Mr. Ginter responded that the owner took ownership of the property about a year ago May 2016.

Mayor Fugate asked Mrs. Alvarez if this was the second time this property has come to the Commission, with a previous owner.

Mrs. Alvarez responded that it is the first time with this owner, but it did come up with a prior owner.

Commissioner Garcia asked if any building permits have been obtained.

Mr. Ginter responded that his guess is that he is waiting for the Commission's decision, but no permits have been obtained.

Mayor Fugate commented that the citizens need to understand that it's the wrong message you send to this Commission. Citizens need to show the Commission that they are trying to do something with their property and to wait to see what the Commission decides to do, is wrong.

Commissioner Lopez asked if the property owner just recently contacted staff regarding this property and no other contact had been made prior. Mr. Ginter responded no other contact was made prior. Lopez further asked how many letters are sent to the property owners before bringing the item to the Commission. Mr. Ginter responded that there is a letter sent certified, one sent by regular mail, a placard is placed on the property and notice is published in the local newspaper.

Mr. Garza commented that he is inclined to recommend an extension.

***Motion made by Commissioner Lopez to give an extension of 90 days to the property owner, seconded by Commissioner Garcia.**

Commissioner Pecos commented that he doesn't feel that the property owner will be able to repair this property in 90 days.

Mayor Fugate commented that he understands that it cannot be done in 90 days, but what the Commission is looking for is action. Someone needs to tell this property owner that the worse thing he can do is to wait and see what the Commission's decision will be.

The motion was passed and approved by the following vote: Garcia, Lopez, Pena, Pecos, Fugate voting "FOR".

10. Consider condemnation of structures located at 425 E. Kenedy, Kingsville, Texas. (Director of Planning & Development Services).

Mayor Fugate commented that he is sorry that this property owner was taken advantage by these contractors and he hopes that the contractor that his assisting the property owner now is going to treat her right.

Motion made by Commissioner Pena to extend this condemnation for 90 days, seconded by Commissioner Lopez.

Commissioner Garcia asked the property owner if she stated earlier that work would begin in a year.

Ms. Noell responded that work would begin in six months.

Commissioner Garcia requested that the motion be amended to extend for six months instead of 90 days.

Commissioner Pena amended his motion to six month extension, seconded by Commissioner Lopez. The motion was passed and approved by the following vote; Lopez, Pena, Pecos, Garcia, Fugate voting "FOR".

11. Consider final passage of an ordinance amending the zoning ordinance by changing the zoning in reference to KT&I Co., Block 7, Lot W/23, Pt 4, 31.55 acres, also known as area behind 221 W. Sage Road from R1-Single Family to AG-Agriculture District, applicant Victoria Avalos. (Director of Planning and Development Services).

No discussion or action taken.

Tom Ginter

From: Tom Ginter
Sent: Wednesday, July 26, 2017 9:51 AM
To: 'joelgonzalezsr2007@yahoo.com'
Subject: 404 W. richard

Mr. Gonzalez:

Last time we talked you stated to me that you had intentions of coming in at the end of July to get a building permit or at least discussing what you needed to do prior to your 90 days , is that still your intention? It is almost August 1 and your 90 days is up September 24. I need to see some movement in regards to work on the house or I will put it back on the agenda for the City Commission to review. Please contact me as to your desire.

Thank you

Tom Ginter
Director of Planning and Development Services
City of Kingsville
(O) 361-595-8053
(C) 361-219-8830

Tom Ginter

From: Tom Ginter
Sent: Wednesday, August 30, 2017 8:40 AM
To: 'joelgonzalezsr2007@yahoo.com'
Cc: Theresa Cavazos
Subject: 404 W. Richard

Mr. Gonzalez:

I sent you an email on July 26 reminding you that a building permit was to be obtained if you wanted to not be on the agenda when your 90 days is up for the renovation of the house at 404 W. Richard. Obviously we have not heard from you so at this point we will start the process again to have the house put on the City Commission agenda for condemnation.

Tom Ginter
Director of Planning and Development Services
City of Kingsville
(O) 361-595-8053
(C) 361-219-8830

Tom Ginter

From: Joel Gonzalez <joelgonzalezsr2007@yahoo.com>
Sent: Wednesday, August 30, 2017 1:02 PM
To: Tom Ginter
Subject: Re: 404 W. Richard

Mr. Ginter, I am working on either getting a building permit for 404 W Richard Ave. I would ask the city for more time to start the renovation. Materials and labor prices have gone up. With paying for utilities, insurance on my home, car notes and other monthly payments due every month, it has been very challenging financially, to save more than i would have liked to at this point. I'm not saying that i can't accomplish this challenge, but i'd like more time. Please consider my request for more time allowance in the renovation process on 404 W. Richard. Thank you

On Wednesday, August 30, 2017 8:39 AM, Tom Ginter <tginter@kingsville.onmicrosoft.com> wrote:

Mr. Gonzalez:

I sent you an email on July 26 reminding you that a building permit was to be obtained if you wanted to not be on the agenda when your 90 days is up for the renovation of the house at 404 W. Richard. Obviously we have not heard from you so at this point we will start the process again to have the house put on the City Commission agenda for condemnation.

Tom Ginter
Director of Planning and Development Services
City of Kingsville
(O) 361-595-8053
(C) 361-219-8830

Tom Ginter

From: Tom Ginter
Sent: Monday, September 11, 2017 9:40 AM
To: 'joelgonzalezsr2007@yahoo.com'
Subject: Property at 404 W. Richard

Mr. Gonzalez:

In response to your email dated August 30th. Your 90 days is up Sunday, September 24th. There is a City Commission meeting, Monday, September 25th. On the agenda will be an item for you to request another 90 days extension regarding the property at 404 W. Richard. It is imperative that you be present at this meeting so you can make the extension request to the City Commission yourself. If you have any questions please feel free to ask.

Tom Ginter
Director of Planning and Development Services
City of Kingsville
(O) 361-595-8053
(C) 361-219-8830

AGENDA ITEM #9

City of Kingsville
Parks & Recreation Department

TO: Mayor and City Commissioners

CC: Jesus A. Garza, City Manager

FROM: Jason Alfaro, Parks Director

DATE: September 15, 2017

SUBJECT: Agenda Request – Introduction of Ordinance to Amend Chapter 5 of the Kingsville Parks Master Plan

Summary:

The Kingsville Parks & Recreation Department is introducing an amendment to Chapter 5 of the City of Kingsville Parks Master Plan, which was approved on March 27, 2017.

Background:

The reason for the proposed amendment to the plan document is to better align the recommendations of the Parks Master Plan, adopted March 27, 2017 and effective April 13, 2017, with Texas Parks and Wildlife Department grant criteria. The development of a system-wide ranking of park facilities/recreation programs clarifies existing information in the Plan in a more apparent format. The attached Exhibit A includes a brief narrative and supporting figure for the prioritization of park facilities/recreation programs, this information will be added to the existing adopted Parks Master Plan upon approval of this amendment by City Commission. Staff worked with Josh Donaldson of Halff & Associates to prepare this Exhibit A as they were the consultants hired to work on the initial Parks Master Plan.

Financial Impact:

This action provides no financial impact to the City of Kingsville, though it may improve the possibility of grant funding being awarded by the Texas Parks and Wildlife Department.

Recommendation:

Authorize the amendment to Chapter 5 of the Kingsville Parks Master Plan using the amended content provided by Halff & Associates providing a system wide ranking of priorities to be addressed.



ORDINANCE NO. 2017-_____

AN ORDINANCE AMENDING CHAPTER 5 OF THE KINGSVILLE PARKS MASTER PLAN TO ADD A SUPPORTING NARRATIVE AND FIGURE TABLE; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission had City staff and paid consultants undertake a series of studies and public hearings/meetings on the elements of the comprehensive plan for parks in Kingsville;

WHEREAS, the City staff and the consultants also met with the Kingsville Parks Advisory Committee at their meetings on February 1, 2017 and March 6, 2017 to discuss the plan;

WHEREAS, the Parks Master Plan contains general policies that are propose to be used by the City in the preparation of land use and development ordinances, in decisions regarding the provisions of City services and capital improvements, and in other policy considerations by the City Commission and its various boards, commissions and committees for the parks in Kingsville;

WHEREAS, the City staff and the consultants have met numerous times over the last year and there have been public forums to give citizens the opportunity to comment on and participate in the Kingsville Parks Master Plan;

WHEREAS, the Kingsville Parks Master Plan was completed and presented to the City Commission, and a presentation on the final plan was held on March 20, 2017;

WHEREAS, the Kingsville Parks Master Plan was adopted by the City Commission on March 27, 2017 via Ordinance #2017-16;

WHEREAS, staff has learned that clarifying the priority of park projects mentioned in Chapter 5 of the Parks Master Plan that would be beneficial for the City in applying for grants, especially those to the Texas Parks & Wildlife Department;

WHEREAS, the proposed amendment to Chapter 5 is to better align the recommendations of the Parks Master Plan with Texas Parks and Wildlife Department grant criteria. The development of a system-wide ranking of park facilities/recreation programs clarifies existing information in the Plan in a more apparent format;

WHEREAS, the attached Exhibit A includes a brief narrative and supporting figure for the prioritization of park facilities/recreation programs, this information

will be added to the existing adopted Parks Master Plan upon approval of this amendment by City Commission;

WHEREAS, City staff and the consultants who prepared the Master Plan have worked to prepare the suggested revisions in Exhibit A of Chapter 5 to help increase the City's scoring potential on grant applications for park improvements.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

I.

THAT, the Kingsville City Commission hereby adopts the revised Chapter 5 for the Kingsville Parks Master Plan dated 2017, as is attached hereto and included herein for all purposes, to be incorporated with the previously adopted chapters of the City's Parks Master Plan.

II.

THAT, the City Commission reserves the right to amend the Parks Master Plan at any time by adding or removing elements or by amending in part or in whole the elements listed in the Plan.

III.

THAT, until such time as the existing zoning, subdivision and other land use and development regulations of the City are amended to conform with the Parks Master Plan, the terms and provisions of such existing land use and development regulations shall control in the event of any conflict or inconsistency with the Parks Master Plan.

IV.

THAT all Ordinances of parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

V.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

VI.

THAT this Ordinance shall become effective on and after adoption and publication as required by law.

VII.

THAT this Ordinance shall not be codified but will become effective on and after adoption and publication as required by law.

INTRODUCED on this 25th day of September, 2017.

PASSED AND APPROVED on this the 9th day of October, 2017.

Sam R. Fugate, Mayor

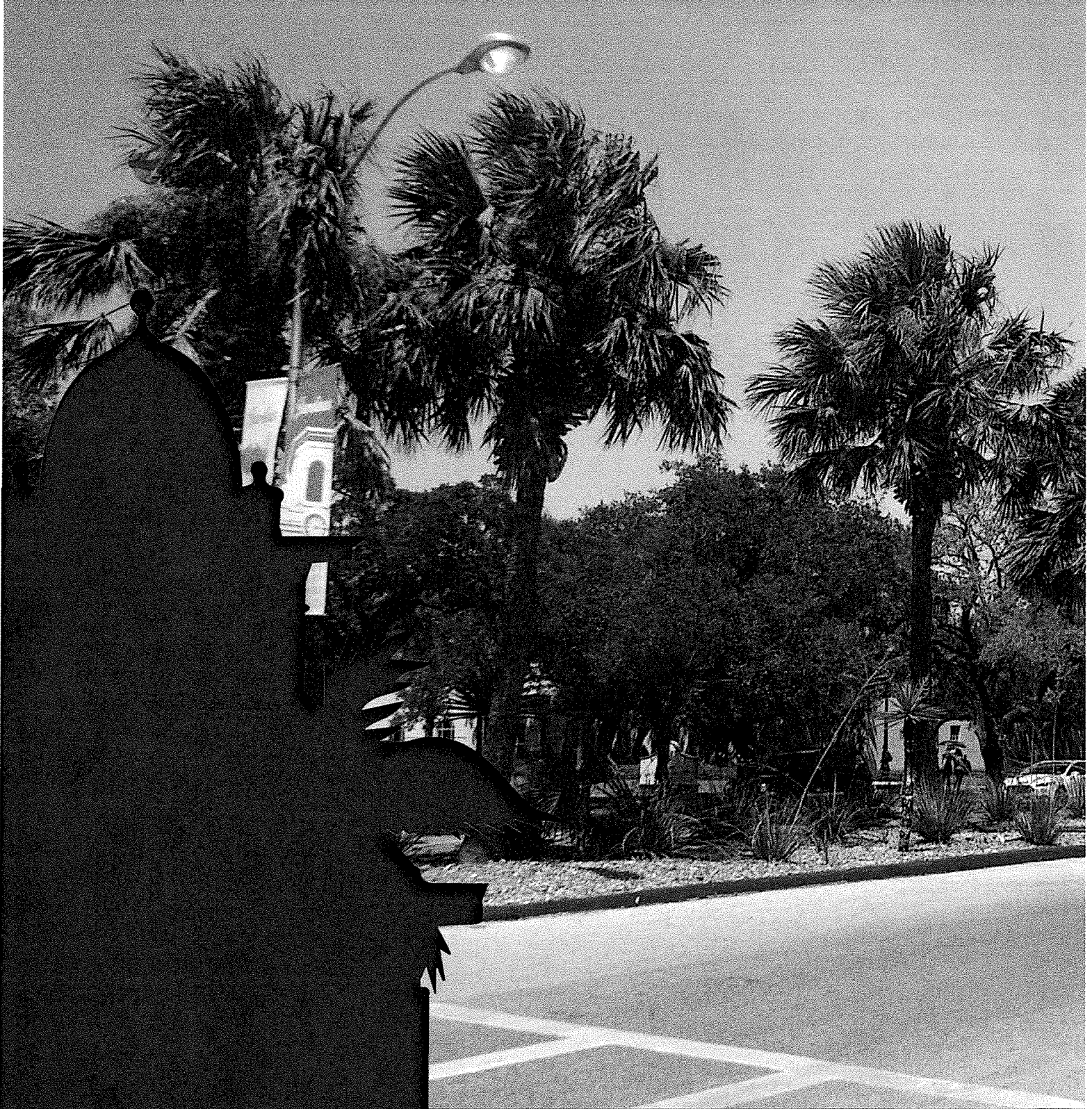
ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

CHAPTER 5 IMPLEMENTATION PROGRAM



CITY OF KINGSVILLE PARKS MASTER PLAN

5. IMPLEMENTATION PROGRAM

CHAPTER 5, PROVIDES AN IMPLEMENTATION FRAMEWORK FOR THE RECOMMENDATIONS PRESENTED IN PREVIOUS CHAPTERS. THE IMPLEMENTATION PROGRAM PREPARED FOR THE KINGSVILLE PARKS AND RECREATION SYSTEM PRIORITIZES RECOMMENDED ADMINISTRATIVE ACTIONS AND CORRESPONDING CAPITAL PROJECTS TO FACILITATE SYSTEM-WIDE DEVELOPMENT AND REDEVELOPMENT.

IMPLEMENTATION PROGRAM PARAMETERS

In order to efficiently implement Master Plan recommendations, this chapter identifies an implementation program which: **A)** Prioritizes the plan's proposed actions and initiatives; **B)** Provides funding strategy recommendations; **C)** Identifies potential partnering opportunities; and, **D)** Suggests general park system operations and maintenance guidelines. The chapter also outlines methods to administer the Master Plan - including details about plan updates so that the document continues to accurately represent the City's parks and recreation needs over the next several years. The Master Plan's implementation program is intended to guide City staff, and the City of Kingsville's elected and appointed officials, for the next five (5) to ten (10) year period, and should be revisited and updated on a regular basis.

The implementation program described within this chapter includes four (4) major components: **A)** An Action Plan; **B)** System-wide Capital Priorities; **C)** Capital Priorities for Dick Kleberg Park; and **D)** Park Facility/Recreation Prioritization, non property specific. The Action Plan is designed to prioritize all general policy, programming, regulatory, operational, and capital actions and initiatives that were previously described in **Chapter 4**. The Action Plan addresses capital actions and initiatives only in general terms, and does not address anticipated project costs. The supplementary Capital Priorities lists identify estimated cost ranges associated with capital projects including: park land acquisition, new facilities, or the major renovation of existing facilities.

The Action Plan and Capital Priorities lists are represented by the following figures:

- **Figure 5.1: Kingsville Parks and Recreation Action Plan (page 89).**
- **Figure 5.2: Kingsville Parks and Recreation Capital Improvement Priorities (page 93).**
- **Figure 5.3: Dick Kleberg Park Capital Improvement Priorities (page 94).**
- **Figure 5.4: Park Facility/Recreation Programming Prioritization (page**

PROGRAM PRIORITIZATION

The actions and projects identified in **Figures 5.1, 5.2, and 5.3** were prioritized based on public input, PAC and City staff input, and the needs assessment found in **Chapter 3**. The criteria used to prioritize the park facility needs of Kingsville include:

- Level of need based on citizen input (on-line survey results, stakeholder interviews, open house meeting, etc.)
- Level of need based on per capita park land, distribution, and general accessibility.
- Assessment of existing park facility inventory in the City.

ACTION PLAN

The Kingsville Parks and Recreation Master Plan's Action Plan is presented in **Figure 5.1**. The actions and initiatives identified within the figure are described in more detail in **Chapter 4**. These actions and initiatives exhibit a high degree of consistency with all three (3) criteria referenced in the previous subsection, and should receive the highest level of attention by the City over the next ten (10) years. All recommendations are divided into two (2) categories, based on the level of need and estimated ease of implementation:

- Short-Term Priorities. To be initiated or completed within the next five (5) years.
- Long-Term Priorities. To be initiated within the next six (6) to ten (10) years, or as opportunities occur.

Note that the level of prioritization illustrated in the Action Plan is intended as a decision-making guide rather than a mandate. Any item listed in **Figure 5.1** may be initiated sooner than recommended if unique circumstances or opportunities arise.

FIGURE 5.1: KINGSVILLE PARKS AND RECREATION ACTION PLAN

Action		Time Frame (Priority)		
		Short-term (Year 1-5)	Long Term (Year 6-10)	Ongoing
I. PARK LAND ASSEMBLY				
I.1	Improve neighborhood park levels of service through public partnerships.	✓		✓
I.2	Develop the lawn next to City Hall into a civic "green"	✓		
I.3	Partner with KISD to improve field space south of Memorial Middle School.	✓		
I.4	Partner with KISD to formalize a relationship for field space at John Gillett Intermediate School for Brookshire 1 Park.		✓	
I.5	Partner with KISD to increase the parking capacity at Brookshire 2 Park/ Brookshire Pool.		✓	
I.6	Develop a plan to add linear parks to the municipal park system.	✓		

I. Actions listed in numerical order. Priority is non-sequential.



*"Do what you can, with what you have,
where you are."*

~ Theodore Roosevelt

FIGURE 5.1: KINGSVILLE PARKS AND RECREATION ACTION PLAN

Action		Time Frame (Priority)		
		Short-term (Year 1-5)	Long Term (Year 6-10)	Ongoing
I.7	Assemble land for a community park in north Kingsville.		✓	
II. PARK FACILITIES				
II.1	Construct a skate park at Brookshire 2 Park.	✓		
II.2	Construct wading pool for children at Brookshire 2 Park.	✓		
II.3	Prepare and implement a concept design for Los Hermanos Flores Park.	✓		
II.4	Add a splash pad to Los Hermanos Flores Park.	✓		
II.5	Add a signature element (pump track) to Brookshire I Park.		✓	
II.6	Develop a signature trail head at Corral Park for Tranquitas Creek	✓		
II.7	Construct a signature covered basketball court facility at Thompson Park.		✓	
II.8	Allocate money for the rehabilitation of the L. E. Ramey Park trap and skeet range.		✓	
II.9	Develop the remaining property at L. E. Ramey Park in a manner that responsibly utilizes available Parks and Recreation Department resources.		✓	
III. COMMUNITY CONNECTIVITY				
III.1	Amend land development ordinances to incorporate provisions for the development of multi-use trails and sidepaths.	✓		
III.2	Adopt design standards for multi-use trails.	✓		
III.3	Amend land development ordinances to require connection between single-family and multi-family to the existing and proposed trail system.	✓		
III.4	Construct multi-use trails along key corridors.			✓
III.5	Construct sidepaths along key thoroughfares.			✓
IV. NATURAL AREAS				
IV.1	Identify areas within the existing Kingsville parks system for natural resource preservation.	✓		
IV.2	Prepare and implement a prairie or woodland restoration plan for one (1) or more of Kingsville's park properties.		✓	
IV.3	Incorporate tools in the City's land development ordinances which encourage natural resource preservation.	✓		
IV.4	Acquire parcels for the assembly of interconnected greenways.			✓









I. Actions listed in numerical order. Priority is non-sequential.

FIGURE 5.1: KINGSVILLE PARKS AND RECREATION ACTION PLAN

Action		Time Frame (Priority)		
		Short-term (Year 1-5)	Long Term (Year 6-10)	Ongoing
V. PARK PLANNING, DESIGN, AND MAINTENANCE				
V.1	Develop a park management plan for maintenance.			✓
V.2	Establish standards for maintaining natural and riparian areas.	✓		
V.3	Promote parks to be accessible for people of all abilities and ages.			✓
V.4	Compile and maintain a park system inventory.			✓
V.5	Develop an aquatic facilities plan to distribute water recreation activities throughout the City.	✓		
V.6	Remove fences around basketball courts in parks.	✓		
V.7	Develop a park system lighting program including standards for trails.			✓
V.8	To help with maintenance needs, evaluate the removal of Kenedy Park from the municipal park system.	✓		
V.9	Develop a unified way-finding and park signage to help promote a sense of place.			✓
VI. RECREATION PROGRAMMING				
VI.1	Work with area youth sports organizations to be more responsive to their needs.	✓		
VI.2	Develop partnerships with KISD to provide facilities for youth recreation.			✓
VI.3	Work with the City Tourism and Heritage Department to develop and promote events.			✓
VI.4	Create an L. E. Ramey Trap and Skeet Range task force to advise on facility development, operations, and maintenance.			✓
VII. REGULATORY TOOLS				
VII.1	Clearly define minimum requirements for recreation areas and amenities in multi-family developments.	✓		
VII.2	Develop minimum standards for private recreation space in single-family residential developments.	✓		
VII.3	Incorporate minimum requirements for public gathering space in non-residential developments and mixed-use developments.	✓		
VII.4	Develop a park land dedication ordinance.	✓		
VII.5	Develop a park land development fee ordinance.	✓		
VII.6	Create a fee schedule for park facility reservation and utilization.			✓

1. Actions listed in numerical order. Priority is non-sequential.

FIGURE 5.1: KINGSVILLE PARKS AND RECREATION ACTION PLAN

Action	Time Frame (Priority)			
	Short-term (Year 1-5)	Long Term (Year 6-10)	Ongoing	
VIII. DICK KLEBERG PARK				
VIII.1	Formalize park boundary along Escondido Road, including the addition of a multi-use trail.			
VIII.2	Redevelop and add facilities to the amenity and picnic area north of Escondido Creek.			
VIII.3	Construct Saddle Horn Plaza and parking addition next to soccer complex.			
VIII.4	Develop new west entrance from 6th Street and preserve/acquire south bank of Dick Kleberg Escondido Creek.			
VIII.5	Renovate and reconstruct youth softball and youth baseball fields.			
VIII.6	Develop new east entrance from Highway 77 frontage road as well as Lariat Event Space into a community gathering/festival area.			
VIII.7	Renovate and reconstruct baseball field, football field, and soccer field facilities.			
VIII.8	Renovate adult softball fields			

1. Actions listed in numerical order. Priority is non-sequential.

CAPITAL IMPROVEMENTS PROGRAMMING

The Kingsville Parks and Recreation Master Plan's Capital Priorities list identifies potential development projects that support the implementation of many park system recommendations listed and described in **Chapter 4**. These recommended capital projects are listed in **Figure 5.2: Kingsville Parks and Recreation Capital Improvement Priorities**; and, are grouped according to park land acquisition, major facility development, and multi-use trail network development. The Capital Priorities list herein does not include recommendations regarding small capital needs at individual park sites, or operational projects such as maintenance or equipment needs. **Figure 5.2 does not include capital projects related to Dick Kleberg Park** (see instead **Figure 5.3**, page 94).

The Capital Priorities list provided in **Figure 5.2**, is not a supplement to, or replacement of, any formal capital improvements plan (CIP) adopted by City Council as part of the City's annual budget process (although some listed projects may already be incorporated into Kingsville's CIP). Further, this project list should not affect the operational budget of the City's Parks and Recreation Department, or any other City entity engaged in recreational programming. The projects identified in **Figure 5.2** should however, be strongly considered for inclusion in Kingsville's future capital improvements plans as funds become available.

The priority ranking included in **Figure 5.2** was developed based on input from the PAC solicited via a voting exercise designed to evaluate the level of support for the action items found in **Figure 5.1**. PAC prioritization preferences were subsequently used to determine the importance of each project. (classified as "high," "medium," or "low" for each respective project). The priority rankings were vetted by city staff.

FIGURE 5.2: KINGSVILLE PARKS AND RECREATION CAPITAL IMPROVEMENT PRIORITIES¹

Priority	Project	Cost	Action (pg. #)	Time Frame (Priority)		Notes
				Short-term (Year 1-5)	Long Term (Year 6-10)	
ACQUISITION/NEW PARKS						
High	Kingsville City Green	\$ 685,00	I.2, pg. 64	✓		Park development should be occur in conjunction field space development at other locations.
High	Memorial Middle School/ Thompson Park	\$365,000	I.3 pg. 64	✓		Development costs only. Improvements include: irrigation, parking, landscaping etc., but not land acquisition.
Low	John Gillette Brookshire I Park	\$130,000	I.4 pg. 64		✓	Development costs only. Improvements include: irrigation, parking, landscaping etc., but not land acquisition.
Low	Community Park, North Kingsville, Land acquisition only	\$50,000 to \$200,000	I.6 pg. 64		✓	Assumes minimum 15 acre land acquisition.
PARK FACILITIES						
High	Brookshire 2 Park Skate Park	\$ 275,00	II.1 pg. 66	✓		Cost is for the design and build out of the skate park facility only.
High	Brookshire 2 Park Wading Pool	\$ 75,000	II.2 pg. 66	✓		Cost may vary depending on final programed elements.
Medium	Los Hermanos Flores Park Improvements	\$ 855,000	II.3 & II.4 pg. 67	✓		If phased, timing of completion could last longer than 5 years.
Medium	Trailhead at Corral Park	\$ 20,000	II.6 pg. 67	✓		Trailhead at Corral Park to coincide with Tranquitas Creek Corridor Trail development (Action III.4).
Medium	Thompson Park Covered Basketball Court	\$ 85,000	II.7 pg. 67		✓	Cost estimate is for a pavilion covering one large basketball court facility.
Medium	L.E.. Ramey Park Trap and Skeet Facilities Upgrades	\$ 70,000	II.8 pg. 67		✓	For existing skeet and trap houses only.
Medium	Second Neighborhood Park Update	\$385,000	VI, V3, & V4 pg. 74-75		✓	Cost will vary based on the extent of signature elements included.
Low	Brookshire I Park Pump Track	\$ 25,000	II.5 pg. 67		✓	Limits to the pump track should be clearly established and buffered with landscaping.
Low	L.E. Single Track Mountain Bike Trails	\$ 65,000	II.9 pg. 67		✓	Trail should be developed to limit construction impact on natural areas.
MULTI-USE TRAILS						
High	Tranquitas Creek Corridor Trail	\$ 1,260,000	III.4 pg. 70	✓		This trail may be constructed in phases, first phase should connect Corral Park to Los Hermanos Flores Park.
Medium	Second Trail Segment (2 miles)	\$ 1,030,000	III.4 pg. 70		✓	The location of the second trail segment should be vetted by the public to ensure support.

1. Excludes Dick Kleberg Park. Costs shown are at a pre-design level, and will vary as more detailed design occurs. Priority numbers and time frames are for planning guidance only, and not all items may be implemented in the sequence or time frame suggested. Costs ranges relating to land costs are general estimates intended to establish allowances, and will vary. Detailed appraisals should be conducted to determine specific land costs prior to acquisition. Grants and donations may reduce the cost of each item. All costs are shown in 2017 dollars.

DICK KLEBERG PARK ACTION PLAN AND CAPITAL PRIORITIES

Capital improvement programming was separately developed for Dick Kleberg Park due to the scale of recommended improvements. Dick Kleberg Park is an important community asset providing significant recreation opportunities not found in the other City parks. Separating the list of projects for Dick Kleberg Park from the rest of the park system is intended to allow improvements to this single park property to be programmed concurrently with other system-wide needs. The goal is for improvements to the overall park system and Dick Kleberg Park to occur incrementally together over the time frame of this plan.

Similar to the projects identified in **Figure 5.2**, the capital priorities list for Dick Kleberg Park found in **Figure 5.3: Dick Kleberg Park Capital Improvement Priorities**, are intended to be included in future capital improvement plans. The capital improvement projects identified within the figure are described in more detail in **Chapter 4** (pages 86 and 87). Project prioritization generally corresponds with the phasing proposed on page 85 of the Dick Kleberg Park concept plan. The timing of construction for the development of shared-use trail/paths throughout the park however is a consideration that does not strictly adhere to the phasing of park development. The purpose of this deviation allows for these trail and path improvements to promote interconnectivity throughout the park regardless of the timing for other park renovations and upgrades. Nonetheless, these trails and paths are included in the cost estimate for each applicable park development phase.

FIGURE 5.3: DICK KLEBERG PARK CAPITAL IMPROVEMENT PRIORITIES¹

Priority	Project	Cost	Action (pg. #)	Time Frame (Priority)		Notes
				Short-term (Year 1-5)	Long Term (Year 6-10)	
High	Phase 1A, Escondido Rd Improvements	\$ 935,000	VIII.1 pg. 86	✓		Includes entry monuments and 10' shared use path.
High	Phase 1A, Amenity and Picnic Area Redevelopment and Facility Additions	\$ 6,615,000	VIII.2 pg. 86	✓		Includes splash pad, play area, picnic shelters, dog park, etc. May include south bank land acquisition (cost not included).
High	Phase 1A, Expanded Soccer/ Expo Parking and Saddle Horn Plaza	\$ 2,333,000	VIII.3 pg. 87	✓		Implemented in conjunction with renovations to the J.K. Northway Exposition Center.
High	Phase 1B, 6th Street Entry	\$ 1,650,000	VIII.4 pg. 87	✓		May include south bank land acquisition (cost not included).
Medium	Phase 2, Youth Softball/ Baseball Field Renovations/ Reconstruction	\$ 7,270,000	VIII.5 pg. 87		✓	Softball fields will undergo renovations, while youth baseball fields will be relocated and reconstructed.
Medium	Phase 3, Hwy 77 Frontage Entry and Lariat Event Space Gathering/Festival Area	\$ 4,380,000	VIII.6 pg. 87		✓	To occur following or in conjunction with the corresponding frontage road additions to Hwy 77.
Low	Phase 4, Baseball, Football, Soccer Field Renovations/ Reconstruction	\$ 6,110,000	VIII.7 pg. 87		✓	Soccer fields will undergo renovations, while baseball and football fields will be relocated and reconstructed.
Low	Phase 5, Adult Softball Renovations	\$ 1,310,000	VIII.8 pg. 87		✓	Maintenance upgrades and improvements to this facility could extend the timing for the renovation of the adult softball fields.

1. Costs shown are at a pre-design level, and will vary as more detailed design occurs. Priority numbers and time frames are or planning guidance only, and not all items may be implemented in the sequence for time frame suggested. Costs ranges relating to land costs are general estimates intended to establish allowances, and will vary. Detailed appraisals should be conducted to determine specific land costs prior to acquisition. Grants and donations may reduce the cost of each item. All costs are shown in 2017 dollars.

PARK FACILITIES/RECREATION PROGRAMMING PRIORITIZATION

The prioritization of park facilities/recreation programming is based on the public survey results, open house feedback, City staff direction, and input from public officials. The park facilities/recreation programming prioritization ranks the individual components that make up the park system. The purpose of this exercise is to highlight priority recreation, facility, and other park amenities offerings in need of system-wide improvements.

The utility of this prioritization is that it provides the City the flexible to be opportunistic with the development and build out of its parks within or outside the framework of the specific park projects and project phases identified in **Figures 5.2 and 5.3**. The prioritization ranking information is found in **Figure 5.4: Park Facilities/Recreation Programming Prioritization**.

FIGURE 5.4: PARK FACILITIES/RECREATION PROGRAM PRIORITIZATION

Priority Rank	Park Facilities/Recreation Programming
1	Shaded playgrounds
2	Park shelters and picnic areas
3	Shared use paths/trails
4	Covered multipurpose facility (for recreation and gatherings)
5	Improved athletic facilities
6	Spray pads/slash pads
7	Dog Parks
8	Skate Parks
9	Fishing areas
10	Natural areas

FUNDING SOURCES AND STRATEGIES

Investment in Kingsville's park system will require the employment of various funding strategies to meet the facility and program needs identified in the Master Plan. While small improvements to existing parks can often be accomplished utilizing local funds, other park, open space, and large facility projects may be eligible for federal or state funding assistance.

This section provides brief descriptions of a few key (and common) funding implementation assistance opportunities. A comprehensive list of park and recreation funding opportunities is found in **Appendix B**.

CITY GENERATED FUNDING SOURCES

General fund expenditures (i.e., non-capital expenditures) are primarily used for improvements or repairs to existing parks and facilities. Typical general fund expenditures are for smaller repair and replacement efforts.

MUNICIPAL BONDS

Debt financing through the issuance of municipal bonds is the most common way to fund park and open space projects. This type of funding is a strategy wherein a city issues a bond, receives an immediate cash payment to finance projects, and must repay the bond with interest over a set period of time ranging from a few years to several decades. General obligation bonds – the most common form of municipal bond – are the primary bond type for park and open space projects.

TAX INCREMENT FINANCING/PUBLIC IMPROVEMENT DISTRICTS

These related tools allow a development district to divert a portion of its property taxes to fund infrastructure improvements within its area. This can include plazas, pocket parks, linear parks, and other types of facilities.

ELECTRIC UTILITY PARTNERSHIPS

This type of partnership can be established for the purpose of providing and enhancing linear parks and trails along utility easements. This partnership typically does not involve monetary contributions. However, through use agreements and/or easements, it makes land for trail corridors accessible at little or no cost to the community.

PARK DEDICATION AND IMPROVEMENT FEES

For many cities, this funding received from developers is a very helpful revenue source for park land acquisition and/or development. The requirement for such a fee needs to be written into the City's municipal code through the inclusion of a park land dedication and development ordinance.

Although municipal park land dedication and development ordinances allow the City to require park land dedication, a municipality may opt to accept a cash amount in lieu of the conveyance of land. The goal is for the city to have the option to purchase land of an equal amount that was to be conveyed, elsewhere in the city.

UTILITY BILL CONTRIBUTIONS

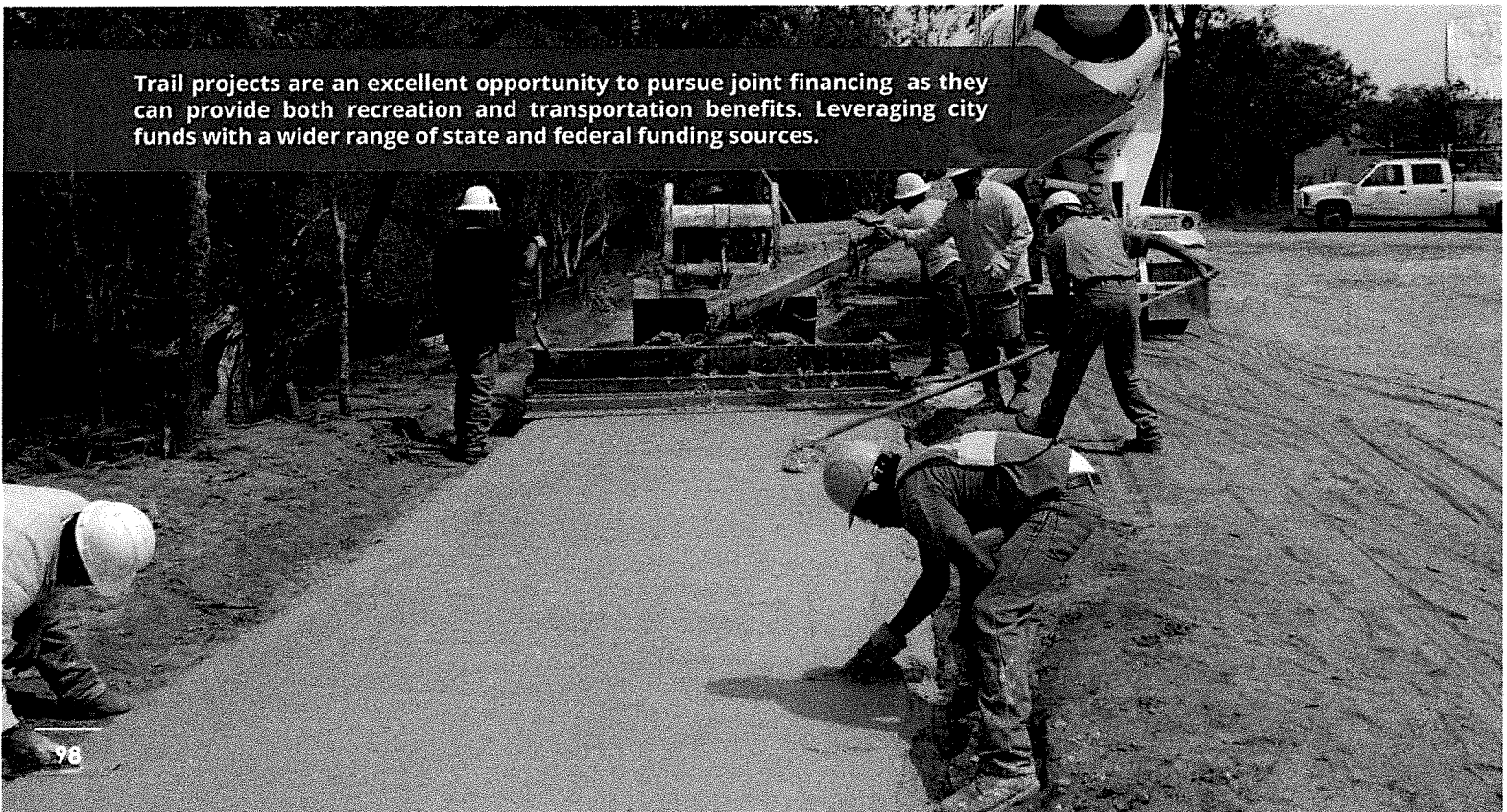
In many cities, residents are allowed to electively add a small amount to their utility collection bills to fund park improvements. As an example, the City of Colleyville has a Voluntary Park Fund, which allows citizens to donate \$2.00 per month contribution through their water utility bills. This results in approximately \$150,000 per year, which is used to fund park improvements throughout their community.

KEY GRANT FUNDING SOURCES

Grants can provide a significant source of additional funding for parks, but should not be considered as the primary source for park construction.

- **Texas Parks and Wildlife Department.** Texas Recreation and Parks Account (TRPA) is the primary source for parks grants in Texas - including funding for recreational trails. Up to \$500,000 for new parks and trail facilities with a 50 percent match. Grant applications that stress joint funding and support from two (2) or more local entities may have a greater chance of contending for the TRPA grants. These grants are highly competitive, and in recent years there have been far fewer grants available or awarded due to state budget restrictions. When the grants are available, the deadlines to submit applications vary by grant type and range from February 1st for some to October 1st for most categories.
- **Land and Water Conservation Fund (LWCF).** This National Park Service fund is divided into two (2) funding categories: state grants and federal acquisition. The state grants are distributed to all 50 states, DC, and other territories based on factors such as population. State grant funds can be used for park development and for acquisition of park land or easements.

Trail projects are an excellent opportunity to pursue joint financing as they can provide both recreation and transportation benefits. Leveraging city funds with a wider range of state and federal funding sources.



- **Statewide Transportation Improvement Program.** This program provides monetary support for transportation activities designed to strengthen the cultural, aesthetic and environmental aspects of the transportation system. Typically, funds can be used for trails and streetscape related projects. Funding is on a cost reimbursement basis, and projects selected are eligible for reimbursement of up to 80 percent of allowable costs. This funding program is not available on a yearly basis, but intermittently only, often in two (2) to five (5) year periods. These funds, while difficult to work with, are becoming more responsible to real world costs, and should be seriously considered since they remain one of the few sources of outside funds.
- **Foundation and Company Grants.** Can assist in direct funding for projects, while others exist to help citizen efforts get established with small seed funds or technical and publicity assistance.

PARK ADMINISTRATION, OPERATIONS, AND MAINTENANCE

Over the next few years the parks department will be developing clarity on for it administrative, operational, and maintenance requirements. The efficient use of man power will be instrumental in making the types of improvements to the quality of the parks residents are expecting. The provision of adequate staffing requirements for maintenance and operation must be considered as each facility is developed or the facility should not be built.

As the park system grows, additional resources should be provided to the Parks and Recreation Department. This includes new mowing and transport equipment, as well as park maintenance and operations staff, or comparable contracts to outside vendors for the provision of such services. Over the next 10 years, if and when new facilities are added, park maintenance and operations resources should grow at the same rate.

SUSTAINABILITY APPROACH TO MAINTENANCE

Stewardship of the community's natural resources and recreation amenities is a key responsibility for the Parks and Recreation and this includes the conscientious management for the expenditure of tax dollars. According to the National Recreation and Park Association (NRPA), "Good stewardship requires management practices that protect and enhance the recreational, environmental, social and cultural values of public lands and natural and cultural resources in a manner that is cost-effective and sustainable for future generations."

Kingsville's role in the conservation of natural and recreation resources, while implementing "sustainability" in its approach to resource management, not only contributes to the health and welfare of its residents, but also reduces operations and maintenance costs, particularly for mowing and irrigation.

To provide the highest level of park and recreation facilities and amenities, while maintaining these facilities in the most cost-effective manner, it is recommended that the City implement a sustainability based approach to park development and maintenance. This approach can include:

- Follow the Neighborhood Park Development Principles (page 68) as a standard organizational approach when conducting park renovations. Park renovations will likely be done in phases, so creating a development plan will be essential to limiting negative impacts of the ad-hoc additions that clutter park property.
- Planting more trees in parks in mass plantings to create more shade, bird habitat, rainfall absorption and summer cooling effect. Reduce reliance on mesquite trees as a primary park system tree. This approach will encourage the "greening" of parks, while limiting the amount of long-term maintenance required to achieve attractive facilities.
- Planting native grasses and wild flowers in peripheral areas of parks and in park sites that are planned as natural or habitat areas. These areas will only need to be mowed once or twice per year, and rarely fertilized, reducing maintenance costs.
- Provide beds of native and drought tolerant ornamental shrubs and perennial plants for color in "high-impact" areas such as park entrances. These beds can be mulched with recycled "green waste" such as chipped branches and dead trees, and lawn clippings to help the soil retain moisture and reduce irrigation demand.
- Only irrigating those areas that are designated as "high intensity use" areas, such as playground and adjacent picnic areas and designated sports fields. This approach will conserve water and reduce costs by discouraging turf growth except in priority locations.

PLAN ADMINISTRATION

The City of Kingsville is the primary implementing authority of the Master Plan. Nonetheless, a coordinated effort on part of the City and community leaders, such as citizens, elected and appointed officials, and outside agencies, is essential to the successful implementation of plan recommendations. In addition to necessary inter-departmental coordination, the City should partner with all local, state, and federal entities that can be of assistance in diversifying and improving Kingsville park system now and in the future. At a minimum, this partnering stakeholders include:

- Kingsville elected and appointed officials;
- City Administration and staff;
- Kleberg County;
- Texas Department of Transportation;
- Kingsville Independent School District (KISD);
- Adult and youth athletic leagues;
- Area land and business owners and the development community;
- Interested community volunteers and stakeholders; and
- Other affected agencies and entities.

PLAN REVIEW AND AMENDMENT

A review and update of the Master Plan should be conducted on an annual basis, or when significant changes occur. These updates may be published in a short report format and attached to this Master Plan for easy use. Four (4) key focus areas subject to periodic review may include:

- **Facility Inventory.** An inventory of new or updated City-owned facilities should be recorded. This inventory should also mention any significant changes or improvements to the City's park land, changes in partnerships with other public entities, or major private facilities that could influence recreation in Kingsville.
- **Public Involvement.** This Master Plan reflects the attitudes expressed by Kingsville's current residents. Over time however, attitudes and interests may vary as the City changes. Periodic surveys are recommended to provide an ongoing account of citizen attitudes, and to provide additional direction from the public on issues that may arise. In order to make an accurate comparison of the changes in attitudes, it is recommended that future surveys include similar questions to those included in this Master Plan.
- **Facility Use and Program Participation.** Facility use is a key factor in determining the need for additional facilities. Likewise, measures of program participation will assist Kingsville in determining how to adjust its recreational program and event offerings over time to best meet latent community demand. The City should compile "recreation and facility annual activity reports" and use the results to modify Master Plan recommendations as needed.
- **Implementation Program.** As items from the Action Plan and Capital Priorities lists (**Figures 5.1 through 5.3**) are implemented, updates should be made to each to maintain an up-to-date work program for City staff, and elected and appointed officials.

A long-term vision for the City, which includes a 10-year strategy of prioritized implementation actions, was established through a robust public engagement process. If implemented, the City will achieve its envisioned future. Implementation by priority ensures that the City is responding incrementally to the community's needs and desires. This, however, does not mean that this plan will serve every need and desire of the community for the entirety of the next 10 years. On the contrary, it is designed to specify guidance for implementation actions prioritized in the near- and mid-term future. In this regard, the following recommendations are intended to keep this plan current and up to date:

- **Annual Progress Report and Update.** Prior to the start of the annual budget process, City staff should prepare and present an annual progress report on the status of the actions identified in the Implementation Action Plan. In addition, they should work with elected and appointed officials to determine which recommendations should move up in prioritization.
- **Five-Year Update.** While not required by the Texas Parks and Wildlife Department (TPWD) to remain eligible for grant funding, undertaking an official plan update every five years helps the City to remain competitive in a very competitive grant process as TPWD places a higher point value (during grant funding evaluation) on submittals that demonstrate a plan update has been done within the past five years. Plan updates can be published in short report format and attached to this Parks, Recreation, and Open Master Plan for easy use.

CITY COMMISSION

Although the City staff will be responsible for the oversight of this Master Plan, it is not the organization responsible for establishing municipal park and recreation policy. Parks Master Plan administration and implementation decisions must reflect the ongoing direction of the City Commission and advisory boards. This section affirms the roles of key City boards and commissions in ensuring that the Master Plan - including future amendments and implementation actions - remains the principal guide influencing City park system development. The City Commission will be instrumental in pursuing and establishing terms for any partnerships with the local school district or private entities. As this plan calls for the utilization of these partnerships to help meet the community's recreation needs, keeping the City Commission continually engaged in plan implementation is a foundation to the overall plan success.

PLANNING & ZONING COMMISSION

The purposes and duties of the Kingsville Planning and Zoning Commission are established in city charter and city code. Included in the Commission's powers is the review and oversight of a city comprehensive plan. Continual coordination between the Planning and Zoning Commission and the City Commission to ensure that any future comprehensive planning efforts related to park, recreation, and open space are consistent with the Parks Master Plan.

The Planning and Zoning Commission's role in administering the City's subdivision regulations and zoning ordinance also requires that it coordinate closely with the City Commission and City staff when recommending the adoption of, or amendments to, municipal park land dedication ordinance, and other related provisions of the City's various land development ordinances.

POLICIES & ORDINANCES

In addition to capital projects, municipal land use and development ordinances are an important tool for acquiring park land, trail corridors, and recreational amenities (both public and private). **Chapter 4** recommends adoption of park land dedication requirements and general land development regulations to better implement the Master Plan recommendations. In addition to these specific actions, continual monitoring of municipal ordinances will ensure that they remain relevant in meeting community park and recreation goals over the long term as development and redevelopment occurs.

PARKS AND RECREATION BOARD

The City of Kingsville does not have a Parks and Recreation Board to monitor and advise City administration and City Commission on the planning, administration, and operations of the City's park system. Kingsville's current organizational size and park system demands at this time does not currently require the additional level of oversight that a qualified parks and recreation board could provide municipal authorities. Still, Kingsville should consider the possible appointment of a parks and recreation board in the future however (even within the planning horizon of this Master Plan), if park system assets and administration capacities grow to a point that further community representation in system management is necessary.



A Parks and Recreation Board may provide valuable park system oversight in the future.

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AGENDA ITEM #10

City of Kingsville
Parks & Recreation Department

TO: Mayor and City Commissioners

CC: Jesus A. Garza, City Manager

FROM: Jason Alfaro, Parks Director

DATE: September 15, 2017

SUBJECT: Agenda Request – Approve resolution authorizing City of Kingsville Parks & Recreation Department to submit application to Texas Parks & Wildlife for the Local Non-Urban Park Grant

Summary:

The Parks & Recreation Department is asking for Commission approval to submit an application to Texas Parks & Wildlife Department (TPWD) for funding from the Local Non-Urban Park Grant.

Background:

City of Kingsville Parks Master Plan has been completed and approved by TPWD. Priorities in the plan for City wide improvements include Shaded Playground Equipment, improved Athletic Facilities, Park Shelters & Picnic areas, Covered multipurpose facility, spray pads/splash pads, dog park, skate park, fishing and natural areas.

This year we will complete our new Skate Park, spray or splash pad added to Brookshire Pool, and possibly our Dog Park. The other items listed are included in this application with the exception of the shared use paths/trails. TPWD has a separate grant fund for Trails which we will work on for an application due February 1, 2018. Attached you will find a copy of the budget detailing costs for each project and how the funding will be allocated. We have already gotten a great start on projects named in the Parks Master Plan. If our application is funded, we will have made even greater progress meeting the goals identified in the plan.

Attached you will find a copy of the budget detailing costs for each project and how the funding will be received. We have already gotten a great start on projects named in our Master Plan. If our application is funded, we will have made great progress meeting the goals set in the Parks Master Plan.

Financial Impact:

If approved by TPWD the grant would provide Total Project Improvements to the Parks Department totaling \$464,250. The City Cash Match required would be \$195,125. A City In-Kind Match of \$29,375 and match donated funds from Outside Sponsors in the amount of \$24,250 is also proposed.



City of Kingsville
Parks & Recreation Department

Recommendation:

We ask that the City Commission approve the resolution authorizing the application by the Parks & Recreation Department to the Texas Parks & Wildlife's Local Non-Urban Park Grant and authorizing the commitment of \$195,125 in city Cash match and \$29,375 in in-kind services.



	A	B	C	D	E	F	G	H	I	J	K	L
1	TPWD Non Urban Local Park Grant Budget Summary											
2	Dick Kleberg Park Improvements #2											
3												
4							Total Project	TPWD	City Cash Match	City In Kind	Outside Donation	
5												
6	PROFESSIONAL SERVICES (No more than 12% of construction costs)											
7	Pre-Agreement Costs:											
8	A.	Site Planning by Engineering Department					\$2,500.00			\$2,500.00		
9	B.	Application Prep by City					\$1,500.00			\$1,500.00		
10												
11	Construction Plans/Specifications and Inspections											
12	A.	Design Site					\$2,500.00			\$2,500.00		
13	B.	Plans/Bid Preparation/Contract Award by City Staff					\$5,000.00			\$5,000.00		
14	C.	Periodic Construction Inspection by City Staff					\$1,000.00			\$1,000.00		
15	D.	Project Management by City					\$2,500.00			\$2,500.00		
16							\$15,000.00			\$15,000.00		
17	CONSTRUCTION (Beginning after TPWD approval)											
18	A.	New and Different Recreational Facilities										
19	1.	Playground Equip. Shade Structures/Handicap Access/S					\$151,250.00	\$74,750.00	\$73,000.00	\$2,500.00	\$1,000.00	Civitan
20	2.	"How to" wildlife photo kiosk along trail					\$4,500.00	\$2,000.00	\$1,000.00	\$1,000.00	\$500.00	Scott Conard
21	3.	Clean rivers & parks kiosk water conservation					\$3,000.00	\$1,500.00	\$1,250.00	\$250.00	250 KKB	
22	4.	wheelchair maze					\$3,000.00	\$1,500.00	\$1,000.00	\$1,000.00	\$500.00	Civitan
23							\$161,750.00	\$79,750.00	\$75,250.00	\$4,500.00	\$2,250.00	
24	B.	Existing Activities to be Expanded										
25	1.	10 picnic tables 502.20 & 10 grills					\$4,000.00	\$2,000.00	\$2,000.00			
26	2.	butterfly garden add sensory garden					\$10,000.00	\$5,000.00	\$2,000.00	\$3,000.00	\$500.00	Civitan
27		exercise equipment					\$22,000.00	\$11,000.00	\$11,000.00			
28		Shelters					\$6,000.00	\$3,000.00	\$2,000.00	\$1,000.00		
29												
30							\$42,000.00	\$21,000.00	\$17,000.00	\$4,000.00	\$500.00	
31	C.	Existing Activities to be Renovated/Enhanced										
32	1.	Baseball Field #4										
33	1a.	Site grading and turf					\$20,000.00	\$10,000.00	\$5,000.00		\$5,000.00	county
34	1b.	Dug-outs - wheelchair acces.					\$15,000.00	\$7,500.00	\$2,500.00			
35	1c.	Benches/Bleachers/Shade					\$27,000.00	\$13,500.00	\$13,500.00			
36	1d.	Scoreboard and foundation					\$7,500.00	\$3,750.00	\$3,750.00			
37	1f.	Fencing					\$32,000.00	\$16,000.00	\$15,000.00		\$1,000.00	KFNB
38	1g.	Irrigation					\$10,000.00	\$5,000.00	\$5,000.00			
39	1h.	Wind screens - custom					\$5,000.00	\$2,500.00	\$2,500.00			
40		Total					\$116,500.00	\$58,250.00	\$47,250.00	\$0.00	\$6,000.00	



Local Park Grant Program Resolution Authorizing Application

A resolution of the City of Kingsville, Texas as hereinafter referred to as "Applicant," designating certain officials as being responsible for, acting for, and on behalf of the Applicant in dealing with the Texas Parks & Wildlife Department, hereinafter referred to as "Department," for the purpose of participating in the Local Park Grant Program, hereinafter referred to as the "Program"; certifying that the Applicant is eligible to receive program assistance; certifying that the Applicant matching share is readily available; and dedicating the proposed site for permanent (or for the term of the lease for leased property) public park and recreational uses.

WHEREAS, the Applicant is fully eligible to receive assistance under the Program; and

WHEREAS, the Applicant is desirous of authorizing an official to represent and act for the Applicant in dealing with the Department concerning the Program;

BE IT RESOLVED BY THE APPLICANT:

SECTION 1: That the Applicant hereby certifies that they are eligible to receive assistance under the Program, and that notice of the application has been posted according to local public hearing requirements.

SECTION 2: That the Applicant hereby certifies that the matching share for this application is readily available at this time.

SECTION 3: That the Applicant hereby authorizes and directs the Director Of Parks & Recreation to act for the Applicant in dealing with the Department for the purposes of the Program, and that Jason Alfaro is hereby officially designated as the representative in this regard.

SECTION 4: The Applicant hereby specifically authorizes the official to make application to the Department concerning the site to be known as Dick Kleberg Park in the City of Kingsville, Texas or use as a park site and is hereby dedicated (or will be dedicated upon completion of the proposed acquisition) for public park and recreation purposes in perpetuity (or for the lease term, if legal control is through a lease). Projects with federal monies may have differing requirements.

Introduced, read and passed by an affirmative vote of the "Applicant" on this 25th day of September, 2017.

Signature of Local Government Official

Typed Name and Title

ATTEST:

Signature

Typed Name and Title

RESOLUTION # 2017-_____

A RESOLUTION AUTHORIZING THE CITY TO SUBMIT AN APPLICATION TO THE TEXAS PARKS AND WILDLIFE DEPARTMENT'S LOCAL PARK GRANT PROGRAM FOR THE PURPOSE OF REQUESTING PARK IMPROVEMENTS AT DICK KLEBERG PARK; WITH AN ANTICIPATED CASH MATCH; AUTHORIZING THE PARKS & RECREATION DIRECTOR TO SUBMIT THE GRANT AND ACT AS THE GRANT OFFICIAL ON THE CITY'S BEHALF WITH SUCH GRANT PROGRAM.

WHEREAS, the Texas Parks and Wildlife Department (hereinafter "Department") has a Local Park Grant Program (hereinafter "Program") that can provide monetary assistance for improvements to public parks; and

WHEREAS, the City of Kingsville, Texas (hereinafter "City") adopted a Parks Master Plan on March 27, 2017 that contains projects for proposed improvements to all city parks, including Dick Kleberg Park, which is the site for the proposed improvements to be requested through the Program; and

WHEREAS, Dick Kleberg Park is a public park where the proposed permanent public park and recreational uses would be located; and

WHEREAS, the City is fully eligible to receive assistance under the Program; and

WHEREAS, the City is desirous of authorizing an official to represent and act for the City in dealing with the Department concerning the Program; and

WHEREAS, the City has funding in the CO2016 funds and other line items for parks improvements to meet the any required cash match for this grant; and

WHEREAS, the City Commission of the City of Kingsville through this resolution has authorized the City Parks & Recreation Director, Jason Alfaro, to submit an application to the aforementioned Program and to act as the authorized grant official to administer the grant and represent the City in this matter.

NOW THEREFORE, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the City certifies it is eligible to receive assistance under the Program, and that notice of the application has been posted according to local public hearing requirements.

II.

THAT the City certifies that the matching share for this application is readily available at this time.

III.

THAT the City hereby authorizes and directs the Director of Parks & Recreation to act for the City in dealing with the Department for the purposes of the Program, and that Jason Alfaro is hereby officially designated as the representative in this regard.

IV.

THAT the City the City specifically authorizes the official to make application to the Department concerning the site to be known as Dick Kleberg Park in the City of Kingsville, Texas or use as a park site and is hereby dedicated for public park and recreation purposes in perpetuity or for the lease term if legal control is through a lease. Projects with federal monies may have differing requirements.

V.

THAT the City Commission approves the submission of a grant application for the public park improvements in Dick Kleberg Park on behalf of the Kingsville Parks Department to the Texas Parks & Wildlife's Local Non-Urban Park Grant Program on the City's behalf with a cash match that is *anticipated* to be approximately \$195,125.00 and an in-kind match that is anticipated to be approximately \$29,375.00. An anticipated cash match from outside donations of \$24,250.00 is also expected.

VI.

THAT this Resolution shall be and become effective on or after adoption.

VII.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

PASSED AND APPROVED by a majority vote of the City Commission the 25th day of September, 2017.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM

Courtney Alvarez, City Attorney

AGENDA ITEM #11

**City of Kingsville
Finance Department**

TO: Mayor and City Commissioners

CC: Jesus A. Garza, City Manager

FROM: Deborah Balli, Director of Finance

DATE: September 15, 2017

SUBJECT: Investment Policy

Summary:

This is a request to place a resolution establishing the City of Kingsville investment policy and investment strategies on the September 25th City Commission agenda.

Background:

The Finance Department submitted the City's Investment Policy to the Government Treasurer's Organization of Texas (GTOT) certification program and was awarded a Certificate of Distinction for a two year period which will end September 30, 2019.

GTOT has established this certification program for those entities that develop an investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing established by the GTOT.

The investment policy is being presented for annual adoption with recommended changes from GTOT.

Recommendation:

Staff recommends approval of the City of Kingsville's investment policy.



RESOLUTION NO. 2017-_____

A RESOLUTION REVISING THE CITY OF KINGSVILLE INVESTMENT POLICY AND INVESTMENT STRATEGIES; DESIGNATING THE CITY MANAGER, DIRECTOR OF FINANCE, AND CITY ACCOUNTING MANAGER AS THE AUTHORIZED CITY REPRESENTATIVES WITH FULL AUTHORITY FOR INVESTMENT PURPOSES, AND PROVIDING FOR DISCLOSURE OF FINANCIAL INTEREST.

WHEREAS, the City Commission previously adopted a formal Investment Policy, which was most recently revised on October 24, 2016; and

WHEREAS, in 2015 the Finance Department submitted the City's Investment Policy to the Government Treasurer's Organization of Texas (GTOT) certification program and was awarded a Certificate of Distinction for a two year period which ended on March 6, 2017; and

WHEREAS, the GTOT has established this certification program for those entities that develop an investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing established by the GTOT, and GTOT has provided suggested revisions to the City's Investment Policy which have been incorporated into the attached policy;

WHEREAS, the City would like to submit the City's Investment Policy to GTOT again and would like the attached changes made to the policy prior to submission;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

THAT the INVESTMENT POLICY (THE "Investment Policy", attached as Exhibit A) is hereby approved:

I.

THAT the City Manager, Director of Finance, and the City Accounting Manager are hereby authorized as City Representatives. The Director of Finance and the City Accounting Manager are authorized as the investment officers responsible for the investment of the City's funds consistent with the investment policy adopted by the City;

II.

THAT the persons designated as investment officers shall exercise the judgment and care, under prevailing circumstances that a prudent person would exercise in the management of the person's own affairs, but that the City Commission retains ultimate responsibility as fiduciary of the assets of the City;

III.

THAT the authorized officers are hereby granted authority to invest the City's funds until rescinded by the City Commission, until expiration of an officer's term, or the termination of the person's employment with the City.

IV.

THAT the changes recommended by staff and the Government Treasurer's Organization of Texas that are incorporated into the attached policy be approved.

V.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

VI.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the 25th day of September, 2017.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney



INVESTMENT POLICY

Approved by City Commission via Resolution Dated
September 25, 2017

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APPENDICES

- A. PUBLIC FUNDS INVESTMENT ACT
- B. LIST OF AUTHORIZED CITY REPRESENTATIVES
- C. INTEREST DISCLOSURE FORMS
- D. INVESTMENT POLICY RESOLUTION

I. INTRODUCTION

It is the policy of the City of Kingsville to invest all available monies in conformance with these legal and administrative guidelines.

Effective cash management is recognized as essential to good fiscal management. A cash management program will be pursued to maximize interest earnings as a viable and material revenue source. The City's portfolio shall be designated and managed in a manner responsive to the public trust and consistent with local, state, and federal law.

Investments shall be made with the primary objective of:

- Preservation of capital and protection of principal;
- Maintenance of sufficient liquidity to meet operating needs;
- Security of city funds and investments;
- Diversification of investment to minimize risk while maximizing interest earnings; and
- Maximization of return on the portfolio.

Earnings from investments will be used in a manner that will best serve the interests of the City of Kingsville.

II. PURPOSE

Authorization

This Investment Policy is authorized by the City Commission (see Appendix C) in accordance with Chapter 2256, Subchapter A of the Government Code - The Public Funds Investment Act (see the attached and incorporated Appendix A).

Scope

This Investment Policy applies to activities of the City, excluding pension funds, with regard to investing the financial assets of Funds, including, but not limited to:

- General Funds
- Special Revenue Funds
- Enterprise Funds
- Internal Service Funds
- Capital Improvement Funds (Bond Proceeds, Bond Reserves and Debt Service)
- Endowments, Benevolence Fund

In addition to this policy, the investment of Bond Funds, Debt Service, and Reserve Funds shall be managed by their governing ordinances and Federal Law, including the Tax Reform Act of 1986 and subsequent legislation.

Review and Amendment

This policy shall be reviewed annually by the City Commission on or before December 31 of each calendar year subsequent to its adoption. The City Commission must authorize amendments to

the policy. The City Commission shall adopt a written instrument by ordinance or resolution stating that it has reviewed the Investment Policy. The written instrument so adopted shall record any changes made to the Investment Policy.

III. DEFINITIONS

Director of Finance – The Director of Finance is the Municipal Finance Officer responsible for City investments.

Director of Finance Designee – Accounting Manager.

Excess Cash Balances – Collected bank balances not needed to pay estimated check clearings.

Investment Officers – Director of Finance and Accounting Manager.

Investment Portfolio – all City monies being invested under authority of the Investment officers.

Institution – Any firm, bank, bondholding company, broker or dealer who provides quotes for either the purchase or sale of investments.

Third Party Safekeeping Institution – Any Institution not affiliated with Institution delivering the Investment.

Investment – All authorized Securities listed in Item V. Authorized investments and maximum term investments approved by the Investment Committee include U.S. Treasuries, U.S. Agencies, Repurchase Agreements, Local Government Investment Pool, and Collateralized Certificates of Deposit.

D.K.'ed (Don't Know) Transaction – An Investment that an Institution fails to deliver to the City's third Party Safekeeping Institution.

Collateral - Securities or surety bond pledged by an Institution to safeguard City assets; the City requires either U.S. Treasuries or U.S. Agencies Securities so that the market values can be readily determined at any point in time.

Authorized City Representative – Officers authorized to transact as set out in the attached and incorporated Appendix B on behalf of the City (City Manager, Director of Finance and Accountant).

Reserve Funds – Funds designated by Commission for specific purposes, which have not been appropriated for spending.

Securities – Approved Investments designated by the Investment committee to be held in the Investment Portfolio or acceptable to be pledged as Collateral to secure the monies of the City.

Authorized Selling Group – Primary dealer and regional firms that have been selected by the underwriter to sell their securities. Each authorized member of a selling group will offer the issue at the price authorized by the governmental agency.

Qualified Representative – A person, who holds a position with a business organization, who is authorized to act on behalf of the business organization, and who is one of the following:

- For a business organization doing business that is regulated by or registered with a securities commission, a person who is registered under the rules of the Financial Industry Regulatory Authority (FINRA);
- For a state or federal bank, a savings bank, or a state or federal credit union, a member of the loan committee for the bank or branch of the bank or a person authorized by corporate resolution to act on behalf of and bind the banking institution; or
- For an investment pool, the person authorized by the elected official or board with authority to administer the activities of the investment pool to sign the written instrument on behalf of the investment pool; or
- For an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80-b-1 et seq.) or if not subject to registration under that Act registered with the State Securities Board, a person who is an officer or principal of the investment management firm.

IV. INVESTMENT OBJECTIVES

Preservation and Safety of Principal

Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall Investment Portfolio.

Liquidity

The City's Investment Portfolio must be structured in a manner that maintains the liquidity necessary to pay obligations as they become due. Timing disbursements and depositing funds as quickly as possible can generally maintain sufficient cash flows. Generally, investments are matched to specific cash flow requirements such as payrolls, debt service payments and other payables. Liquidity is also achieved by investing in investments with active secondary markets or in Local Government Pools with stable net asset values.

Return on Investments

The City's Investment Portfolio shall be designed with the objective of regularly exceeding the average yield of the three-month U.S. Treasury bill in a manner consistent with the principles of this policy described in IV. A and B. However, it must be recognized that during a declining market, satisfying this objective may not be practical until investments mature and can be re-invested.

Diversification

Diversification is required because of differing liquidity needs of the City and is employed as a way to control risks. Diversification minimizes the risk to the overall Investment Portfolio of potential losses on individual securities and enhances the safety of the Investment Portfolio.

Through the solicitation of competitive proposals, the City shall allocate and diversify its Investments through various Institutions. The following types of Investments will be solicited from the following types of Institutions:

- Government Securities – through approved brokers;
- Repurchase Agreements – through a Third Party Safekeeping Institution Agreement, which includes an approved primary dealer;
- Public Funds Investments Pools – through participation agreements; and
- Certificates of Deposit – as allowed by state law and this policy.

The City recognizes that investment risks can result from default risk and market price risks due to various technical and fundamental economic factors, and other complications, leading to temporary illiquidity.

To control market price risks, volatile Investments shall be avoided. To control default risk, the only acceptable method of payment will be on a delivery versus payment-basis for all transactions, except investment pool funds and repurchase agreements.

A delivery versus payment basis provides for payment to Institutions at the time the Investments are recorded in book entry form at the City's Third Party Safekeeping Institution, currently maintained at the Federal Reserve. For certificates of deposit, sufficient Collateral at 102% of current market values must be pledged to protect all City monies or monies under its control that exceed Federal Deposit Insurance Corporation (FDIC) overage; the Collateral must be safe kept at a Third Party Safekeeping Institution not affiliated with the bank or bank holding company providing the certificate of deposit. (See addendum.)

V. AUTHORIZED INVESTMENTS AND MAXIMUM TERM

The City of Kingsville is authorized to invest in:

Authorized Investments – Obligations of, or Guaranteed By Governmental Entities

- obligations, including letters of credit, of the United States or its agencies and instrumentalities;
- direct obligations of this state or its agencies and instrumentalities
- collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

- other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this state or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
- obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; and
- bonds issued, assumed, or guaranteed by the State of Israel.

Unauthorized Investments

The following are not authorized investments:

- obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal
- obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
- collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
- collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Authorized Investments – Certificates of Deposit and Share Certificates

A certificate of deposit or share certificate is an authorized investment if the certificate is issued by a depository institution that has its main office or a branch office in this state and is:

- guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor;
- secured by obligations that are described by Sec V (A), including mortgage backed securities directly issued by less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by Section V; or
- secured in any other manner and amount provided by law for deposits for the City of Kingsville.

In addition to the authority to invest funds in certificates of deposit under this section, an investment in certificates of deposit must be made in accordance with:

- the funds are invested by the City of Kingsville through:
 - a broker that has its main office or a branch office in this state and is selected from a list adopted by the City of Kingsville Commission or
 - a depository institution that has its main office or a branch office in this state and that is selected by the City of Kingsville
- the broker or depository institution selected by the City of Kingsville which arranges for the deposit of funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City of Kingsville;

- the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and
- the City of Kingsville appoints the depository institution selected by the City of Kingsville, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.

Authorized Investments - Repurchase Agreements

A fully collateralized repurchase agreement is an authorized investment under this subchapter if the repurchase agreement:

- has a defined termination date;
- is secured by a combination of cash and obligations described by this section; and
 - requires the securities being purchased by the entity or cash held by the entity to be pledged to the entity, held in the entity's name, and deposited at the time the investment is made with the entity or with a third party selected and approved by the entity;
 - is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this state

In this section, "repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described by Section V (A) 1, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement.

Notwithstanding any other law, the term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered.

Money received by an entity under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement

Only those investments listed in this section are authorized.

Local Government Investment Pool

The City of Kingsville may invest its funds and funds under its control through an eligible investment pool by way of rule, order, ordinance, or resolution by the City Commission. An investment pool shall invest the funds it receives from entities in authorized investments permitted by this section. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with this section and the investment policies and objective adopted by the investment pool.

To be eligible to receive funds from and invest funds on behalf of the City of Kingsville, an investment pool must furnish to the investment officer or other authorized representative an offering circular or other similar disclosure of the instrument that contains, at a minimum, the following information:

- the types of investments in which money is allowed to be invested;
- the maximum average dollar-weighted maturity allowed, based on the stated maturity date, or the pool;
- the maximum stated maturity date any investment security within the portfolio has;
- the objectives of the pool;
- the size of the pool;
- the names of the members of the advisory board of the pool and the dates their terms expire;
- the custodian bank that will safe keep the pool's assets;
- whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
- whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
- the name and address of the independent auditor of the pool;
- the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and
- the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.

To maintain eligibility to receive funds from and invest funds, an investment pool must furnish to the investment officer or other authorized representative of the entity:

- investment transaction confirmations; and
- a monthly report that contains, at a minimum, the following information:
 - the types and percentage breakdown of securities in which the pool is invested;
 - the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
 - the current percentage of the pool's portfolio in investments that have state maturities of more than one year;
 - the book value versus the market value of the pool's portfolio, using amortized cost valuation;
 - the size of the pool;
 - the number of participants in the pool;
 - the custodian bank that is safekeeping the assets of the pool;
 - a listing of daily transaction activity for the City of Kingsville
 - the yield and expense ratio of the pool, including a statement regarding how yield is calculated;
 - the portfolio managers of the pool; and
 - any changes or addenda to the offering circular.

The City of Kingsville may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

In this section, “yield” shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the federal Securities and Exchange Commission.

To be eligible to receive funds from and invest funds on behalf of the City of Kingsville, a public funds investment pool created to function as a money market mutual funds must mark its portfolio to market daily, and, to the extent reasonably possible, stabilize at a \$1 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings shall be sold as necessary to maintain the ratio between 0.995 and 1.005. In addition to the requirements of the Investment Policy and any other forms of reporting, a public funds investment pool created to function as money market mutual fund shall report yield to its investors in accordance with regulations of the federal Securities and Exchange Commission applicable to reporting by money market funds.

To be eligible to receive funds from and invest funds on behalf of the City of Kingsville under this section, a public funds investment pool must have an advisory board composed:

- equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for a public funds investment pool created under Chapter 791 and managed by a state agency; or
- of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.

To maintain eligibility to receive funds from and invest funds on behalf of the City of Kingsville, an investment pool must be continuously rated no lower than AAA or AA-m or at an equivalent rating by at least one nationally recognized rating service. If liquidation is necessary due to security's loss of rating, all prudent measures will be taken to liquidate the investment.

If the investment pool operates an Internet website, the information in a disclosure instrument or report described in section b, c (ii) and f must be posted on the website.

To maintain eligibility to receive funds from and invest funds on behalf of the City of Kingsville under this section, an investment pool must make available an annual audited financial statement of the investment pool in which funds are invested.

If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

Collateralized Certificates of Deposit – maximum term up to 1 year

Certificates of deposit to other instruments issued by state and national banks doing business in Texas that are:

- Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; or
- Secured by obligations that are described by Section V

Certificates of deposit must be fully collateralized at 102% of their market value. The City requires the bank to pledge U.S. treasuries or U.S. agencies as collateral, (Collateral Mortgage Obligations will not be eligible as Collateral see X.C.).

Weighted Average Maturity

In order to minimize risk of loss to Investment Portfolio due to interest rate fluctuations, Investment maturities will not exceed the anticipated cash flow requirements of the Funds. Maturity guidelines by Fund are as follows:

- Operating Funds - The weighted average days to maturity of Investments, other than Reserve Funds, shall be 365 days or less. The Investment Officers will monitor the maturity level and make changes as appropriate.
- Capital Improvement Funds (Bond Proceeds, bond Reserves, and Debt Service) - The Investment maturity of that portion of the City Portfolio that represents Capital Improvement Funds (bond proceeds, reserve funds, and debt service) shall be determined considering:
 - The anticipated cash flow requirements of the Capital Improvement Funds; and
 - The "temporary period" as defined by Federal tax law during which time bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the Capital Improvement Funds.

Before an Investment can be made of bond proceeds from all bond issues affected by the Tax Reform Act of 1986, a careful yield analysis must be performed to comply with the Tax Reform Act. Also, an annual rebate calculation must be performed to determine if the City is required to rebate interest at the end of each respective bond issue's five-year term. Beginning on the anniversary of the third year for the respective bond issues, all bond proceeds will be yield restricted as required by the Tax Reform Act.

- Reserve Funds: Established by Operative Bond Fund or by the City Commission - the following Reserve Funds may be invested up to two years in U.S
- Revenue Bond Interest & Sinking – Treasuries with a maximum value of \$400,000
- G.O. Debt Service Fund – Treasuries with a maximum value of \$750,000

City monies governed by this Policy may not be invested in other investments permitted by law unless (i) such investments are specifically authorized for the investment of these monies by an ordinance adopted by the City Commission issuing bonds or other debt obligations or (ii) this Policy is amended to permit such investment.

VI. EXEMPTION FOR EXISTING INVESTMENTS

The City of Kingsville is not required to liquidate investments that were authorized investments at the time of purchase.

VII. INVESTMENT MIX AND STRATEGIES

Investment Mix

As a target to ensure adequate liquidity, the Investment Portfolio administered by the Investment Officers should consist of at least 10% in U.S. Treasury Securities described in V.A.I.a. and/or certificates of deposit. A minimum of 35% of the total Investment Portfolio shall be held in Investments with maturity dates of 90 days or less for liquidity. U.S. Treasuries/Agencies may be purchased for longer term maturities (greater than one year) but shall not exceed 10% of the total Investment Portfolio to preserve liquidity.

Investment reports shall specifically address whether stated Investment mix requirements are being met. Unless approved by the Investment Advisory Committee, the target percentages specified shall not be exceeded for temporary periods greater than (30) thirty days without the Investment Officers taking corrective action.

Strategies

Investment strategies for Operating Funds and Capital Improvement Funds have as the primary objective the assurance that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create an Investment Portfolio structure that will experience minimal volatility during economic cycles. To accomplish this strategy, the City will purchase high quality, short-to-medium term investments which will complement each other.

To pay for anticipated disbursements, investments will be laddered to correspond with the projected cash needs of the City. Some Investments are acquired on the short end of the yield curve (90 days or less) to meet immediate cash needs. A few Investments are purchased on the intermediate part of the yield curve (1-2 years) to lock in high interest rates when rates are projected to decline due to the economic cycle of the economy. The dollar weighted average investment maturity of 365 days or less will be calculated using the stated final maturity dates of each investment.

Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligations on the required payment date. Investments purchased shall not have a stated final maturity date that exceeds the debt service payment date.

Investment strategies for debt service reserve funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate debt service fund from investments with a low degree of volatility. In accordance with the bond ordinance specific to an individual bond issue that sets out the maximum investment term, Investments should be of high quality, with short-to-intermediate-term maturities.

Achieving Investment Return Objectives

Investment selection shall be based on legality, appropriateness, liquidity, and risk/return considerations. Monies designated for immediate expenditure should be passively invested.

Passive Investment provides for:

- Liquidity to pay upcoming disbursements (payroll, debt service, payments, payables, etc.);
- Maximizing investment terms under the current budget; and
- Structuring the Investment Portfolio on a "laddered" basis.

The remaining portion of the Investment Portfolio may be invested actively.

VIII. RESPONSIBILITY AND CONTROLS

Authority to Invest

The authority to invest City funds and the execution of any documentation necessary to evidence the investment of City funds is granted to the Director of Finance. The Director of Finance or Designee will approve all investments in writing.

The City Commission may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of public funds or other funds under its control. A contract made under authority of this subsection may not be for a term longer than two years. The City Commission must approve a renewal or extension of the contract by ordinance or resolution.

Establishment of Internal controls

The Director of Finance will establish a system of internal controls over Investment activities of the City that are consistent with this Investment Policy. Investment procedures should include reference to the following: safekeeping agreements, repurchase agreements, wire transfer agreements, collateral agreements, depository service contracts and agreements, broker/dealer selection criteria, and security bidding and purchase processes. Such procedures shall include explicit delegation of authority to persons responsible for routine authorization of investments and the Accounting Manager shall be responsible for proper accounting of investments in order to maintain appropriate internal controls. The Director of Finance shall establish a system of controls to regulate the activities of subordinates.

Prudent Investment Management

Investments shall be made with the same judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Prudent investment is to be judged by the Investment Portfolio as a whole, not on individual Investments.

The standard of prudence to be used by Investment Officers shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The Investment Officers, acting in accordance with written procedures and the Investment Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided deviations from expectations are reported immediately upon knowledge of the deviation and appropriate action is taken to control adverse developments.

Investment Officers shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the City's ability to govern effectively. The designated Investment Officers shall perform their duties in accordance with the adopted Investment Policy and Procedures set forth in the Investment Procedures Manual. Investment Officers acting in good faith and in accordance with these policies and procedures shall be relieved of person liability.

Investment of monies shall be governed by the following investment objectives in order of priority:

- preservation and safety or principal - by insuring that all securities are of a sufficiently high quality and duration so as to limit exposure to credit and market risks. The portfolio should therefore experience minimal volatility during varying economic cycles. Securities of all types are purchased with the intention of holding until maturity;
- liquidity - including the ability to reasonably meet unanticipated needs by purchasing securities with an active secondary/resale market. Diversification is maintained in order to minimize possible credit risk in a specific security type; and
- yield - obtaining a market rate of return while considering risk constraints and cash flow needs, is much less important than safety of principal and liquidity. The majority of investments are limited to low risk securities earning an equitable rate of return relative to the amount of risk.

Standards of Ethics

To the extent required by section 2256.005(i) of the Government Code, the Authorized City Representatives shall make such filings as required by law.

Training and Education

Recognizing that the training and education of Investment Officers contributes to efficient and effective investment management, the City requires its City Manager, Director of Finance, Accounting Manager and designated Investment Officers to receive ten (10) hours of training within twelve (12) months of taking office and at least eight (8) hours every two years; training must be from an independent source approved by the entity's governing body, and training must include controls, risks, diversification and PFIA compliance. Such training is currently required by, and shall be obtained in accordance with *Section 2256.008-Investment Training; Local Governments* of the Government Code Public Funds Investment Act. The Investment Committee approves investments - training seminars presented by the following organizations.

- Government Finance Officers Association
- Government Finance Officers Association of Texas
- Government Treasurers Organization of Texas
- Municipal Treasurers Association
- Texas Municipal League

If the Investment Officer desires to attend an investment training seminar presented by another organization for training credit, such seminar must be approved by the City Manager or his designee.

IX. COMPETITIVE SOLICITATION

Except for repurchase agreements and public funds investment pools, any new issue investment will be purchased through an Authorized Selling Group or directly through the issuer.

For any Investment purchased or sold through the secondary market, the City will obtain at least three proposals from authorized Institutions.

Any Institution authorized to participate in the City's investment program must meet Collateral pledge requirement outlined in Section IV.D. And must submit annual financial reports.

X. AUTHORIZED INSTITUTIONS

All institutions who seek to sell an authorized Investment to the City are required to complete the questionnaire approved by the Investment Committee and furnish supporting documentation required by the Investment Committee. Securities shall only be purchased through those Institutions approved by the Investment Committee.

Investments shall only be made with those Institutions who have executed a written instrument in a form acceptable to the City, executed by a Qualified Representative of the Institution, and substantially to the effect that the Institution has:

- Received, thoroughly reviewed and acknowledged, in writing, receipt and understanding of the City's Investment Policy, and;
- Acknowledged that the Institution has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Institution and the City that are not authorized by the City's Investment Policy.

Investments shall only be made with those business organizations (including money market mutual funds and local government invest pools) that have provided the entity with a written instrument, executed by a qualified representative of the firm, acknowledging that the business organization has:

- received and reviewed the entity's investment Policy; and
- implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio or requires an interpretation of subjective investment standards.

The Investment Committee shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

The Director of Finance will request the Investment Committee to authorize deletion of Institutions for:

- slow response time;

- less than competitive pricing;
- little or no information on technical or fundamental expectations based on economic indicators;
- D.K.'ed Transactions or continuing operational difficulties;
- unwillingness to continue to abide the provisions listed in IX.A; or
- Other reasons as approved by the Investment Committee.

XI. PLEDGED COLLATERAL

The market value of pledged collateral must be at least 102% of the principal plus accrued interest for Excess Cash Balances, certificates of deposit, and repurchase agreements and held in the entity's name as evidenced by safekeeping receipts of the institution with which the securities are deposited. Evidence of proper collateralization in the form of original safekeeping receipts held at a Third Party Safekeeping Institution not affiliated with the Institution pledging the Collateral will be approved by the Director of Finance and will be maintained in his/her Office. An authorized City Representative (See Appendix B) will approve and release all pledged collateral.

Collateral Substitution

Collateralized Investments and certificates of deposit often require substitution of collateral. Any Institution must contact the Investment Officers for approval and settlement. The substituted collateral's value will be calculated and substitution approved if its value is equal to or greater than the required collateral value. Substitution is allowable for all transactions, but should be limited, to minimize the City's potential administrative problems.

Collateral Reductions

Should the collateral's market value exceed the required amount, any Institution may request approval from the Investment Officer to reduce collateral. Collateral reductions may be permitted only if the City's records indicate that the collateral's market value exceeds the required amount.

Prohibited Securities

Investment securities described in Section 2256.009(b), Government Code, shall not be eligible for use as collateral of City's monies governed by this Policy.

XII. SAFEKEEPING

Third Party Safekeeping Agreement

The City shall contract with a Bank or Banks for safekeeping Securities either owned by the City as a part of its Investment Portfolio or held as Collateral to secure certificates of deposit, repurchase agreements, or Excess Cash Balances.

Safekeeping of Certificate of Deposit Collateral

All Collateral Securing bank and savings and loan deposits must be held in the City of Kingsville's name by a Third Party Safekeeping Institution approved by the City as evidenced by safekeeping

receipts of the institution with which the securities are deposited, or Collateral may be held at the Federal Reserve Bank.

Safekeeping of Repurchase Agreement Collateral

The U.S. treasuries that serve as Collateral for repurchase agreements with Institutions must be delivered to a Third-Party Safekeeping Institution with which the city has established a third-party safekeeping agreement.

XIII. INFORMATION REPORTING/EVALUATION

The Director of Finance and Accounting Manager are hereby designated as the Investment Officers and are responsible for the daily operation of the Investment program and will report to the Investment Committee on a quarterly basis.

Investment Committee Consists of:

- City Commissioner (1)
- City Manager
- Assistant City Manager (if any)
- Director of Finance
- City Attorney

The Investment Committee will be responsible for monitoring, reviewing, and making recommendations regarding the City's Investment program to the City Commission. Reports will be provided to the City Commission by the Investment Officers no less than quarterly, as required by the Public Funds Investment Act.

On a quarterly basis, the City's main depository and all applicable Institutions providing certificates of deposit in excess of FDIC coverage will provide to the Investment Officer for review a copy of the balance sheet and income statement for the Call Report. All Institutions will provide annual audited financial statements. Any local government investment pools must provide reports and disclosure statements as required by the Public Funds Investments Act.

The market value of the portfolio must be determined at least quarterly from a reputable and independent source and disclosed to the governing body quarterly in the investment report.

Record Retention

The City follows the guidelines of retaining records for five years from City's current fiscal year, as required and authorized by the City's local records management guidelines.

XIV. BANKING SERVICES

All depository services are provided in the City's main depository agreement. Other services such as credit cards, direct deposit of payroll or other services may be administered through separate

agreements. To aggressively invest Excess Cash Balances, controlled disbursements accounts, zero balance accounts and other cash management tools may be employed.

XV. GENERAL PROVISIONS

Audits and Inspections

During regular business hours and as often as the Investment Officers deem necessary, the Institution providing certificates of deposit will make available for examination by the City Manager, his duly authorized agent, accountant, or legal representative, such records and data to assure to the pledge of collateral, availability of Collateral, and financial stability of the Institution.

Compliance with Laws

Each Institution agrees to comply with all federal, state, and local laws, rules, regulations, and ordinances. The personnel or officers of such Institution shall be fully qualified and authorized under federal, state, and local law to perform the services set out under this Policy. Each Institution shall permit the Investment Officers to audit, examine, and make excerpts or transcripts from such records and to make audits of all contract, invoices, materials, and other data relating to applicable Investment.

Performance Audits

The City's Annual External Financial Audit shall include a compliance audit of management controls on Investments and adherence to this Policy. The quarterly reports prepared by Investment Officers for the City commission must be formally reviewed at least annually by an independent auditor if the city invests in other than money market mutual funds, investment pools or accounts offered by its depository in the form of certificates of deposit or money market accounts. The auditor shall report the results of the review to the City Commission.

Investment Policy Resolution

The resolution authorizing this Investment Policy is attached and incorporated as Appendix C "Investment Policy Resolution."

APPENDIX A

Public Funds Investment Act

APPENDIX B

LISTING OF AUTHORIZED CITY REPRESENTATIVES

CITY OF KINGSVILLE

Attached to and made a part of the City of Kingsville
Investment Policy Approved by the City Commission on September 25, 2017

The signatures below are the signatures of Authorized City Representatives vested with full authority to sign and transact business related to the investment of funds for the City of Kingsville. The Authorized City Representatives are authorized to deposit funds, transfer funds within accounts or withdraw funds as necessary to efficiently carry out the requirements of the City of Kingsville's Investment Policy.

The signatures of the officers subscribed below are true and genuine:

City Manager

Director of Finance

Accounting Manager

THIS LISTING OF AUTHORIZED CITY REPRESENTATIVES is effective this 25th day of September, 2017 and revokes all previous authorizations.

APPENDIX C

INTEREST DISCLOSURE FORM

TO: Texas Ethics Commission, Mayor and City Commission

FROM: _____

SUBJECT: Disclosure under the Public Funds Investment Act

As City Manager and Authorized City Representative, for purposes of investing City funds. I submit this disclosure of my relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the City as of the date of the completion of this form, in compliance with Public Funds Investment Act.

1. I have the following "personal business relationships" with individual or entities who are offering to engage, have offered or may offer to engage in an investment transaction with the City of Kingsville.

2. I own ten per cent (10%) or more of the voting stock or shares of or \$5,000 or more of the fair market value of the following business organization.

3. I have received from the following business organizations funds that exceed ten percent (10%) of my gross income for the previous year.

4. I acquired from the following business organizations during the previous year investments with a book value of \$2,500 or more for my personal account.

5. I am related within the second degree of affinity (marriage) or consanguinity (blood) as determined by Chapter 573, Government Code, to the following individuals who are seeking, have sought or may seek to sell as investment to the City of Kingsville.

City Manager

Date

APPENDIX C

INTEREST DISCLOSURE FORM

TO: Texas Ethics Commission, Mayor and City Commission

FROM: _____

SUBJECT: Disclosure under the Public Funds Investment Act

As the Finance Director and Authorized City Representative, for purposes of investing City funds. I submit this disclosure of my relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the City as of the date of the completion of this form, in compliance with Public Funds Investment Act.

1. I have the following "personal business relationships" with individual or entities who are offering to engage, have offered or may offer to engage in an investment transaction with the City of Kingsville.

2. I own ten per cent (10%) or more of the voting stock or shares of or \$5,000 or more of the fair market value of the following business organization.

3. I have received from the following business organizations funds that exceed ten percent (10%) of my gross income for the previous year.

4. I acquired from the following business organizations during the previous year investments with a book value of \$2,500 or more for my personal account.

5. I am related within the second degree of affinity (marriage) or consanguinity (blood) as determined by Chapter 573, Government Code, to the following individuals who are seeking, have sought or may seek to sell as investment to the City of Kingsville.

Finance Director

Date

APPENDIX C

INTEREST DISCLOSURE FORM

TO: Texas Ethics Commission, Mayor and City Commission

FROM: _____

SUBJECT: Disclosure under the Public Funds Investment Act

As Accounting Manager and Authorized City Representative, for purposes of investing City funds. I submit this disclosure of my relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the City as of the date of the completion of this form, in compliance with Public Funds Investment Act.

1. I have the following "personal business relationships" with individual or entities who are offering to engage, have offered or may offer to engage in an investment transaction with the City of Kingsville.

2. I own ten per cent (10%) or more of the voting stock or shares of or \$5,000 or more of the fair market value of the following business organization.

3. I have received from the following business organizations funds that exceed ten percent (10%) of my gross income for the previous year.

4. I acquired from the following business organizations during the previous year investments with a book value of \$2,500 or more for my personal account.

5. I am related within the second degree of affinity (marriage) or consanguinity (blood) as determined by Chapter 573, Government Code, to the following individuals who are seeking, have sought or may seek to sell as investment to the City of Kingsville.

Accounting Manager

Date

APPENDIX D

Investment Policy Resolution

AGENDA ITEM #12

**City of Kingsville
Purchasing Department**

TO: Mayor and City Commissioners
CC: Jesus A. Garza, City Manager
FROM: Charlie Sosa, Purchasing Manager
DATE: September 15, 2017
SUBJECT: Purchasing Policy & Procedures Manual

Summary:

This item authorizes the City of Kingsville to adopt an updated Purchasing Policy & Procedures Manual.

Background:

The Finance Department has prepared a Purchasing Policy & Procedures Manual to be used as a guideline for all City employees to follow while making purchases for all city related items and contracts. The existing purchasing policy was last revised on July 9, 2007 and the P-Card portion of the policy was updated on May 26, 2015. The proposed new Purchasing Policy and Procedures Manual includes updated rules, regulations, and references to applicable state statutes.

Financial Impact:

None at this time.

Recommendation:

It is recommended the City adopts the new City of Kingsville Purchasing Policy and Procedures Manual, to replace the existing policy, to be a guideline for use on all City purchases.



RESOLUTION NO. 2017-_____

A RESOLUTION ADOPTING THE NEW CITY OF KINGSVILLE PURCHASING POLICY AND PROCEDURES MANUAL.

WHEREAS, the City Commission wants to provide a consistent approach to the administration of City purchases and believes the adoption of a new Purchasing Policy & Procedures Manual ("the Purchasing Policy") would be beneficial; and

WHEREAS, the policy would help to ensure that purchases are properly managed and accounted for which should help to improve the financial position of the City; and

WHEREAS, the current Purchasing Policy was last revised on July 9, 2007 and the P-Card portion of the policy was updated on May 26, 2015; and

WHEREAS, staff has worked to develop a new Purchasing Policy & Procedures Manual that it presents for approval;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

I.

THAT the Purchasing Policy & Procedures Manual (the "Purchasing Policy", attached as Exhibit A) is hereby approved.

II.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the 25th day of September, 2017.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney



PURCHASING POLICY AND PROCEDURES MANUAL

Commission Approved: September 25, 2017

INTRODUCTION

This is the Purchasing Policy and Procedures Manual (manual) for the City of Kingsville, Texas (City). Various City staff members have prepared this manual to inform each City department about the City's purchasing processes.

City purchasing procedures are governed largely by Texas law. Therefore, state law is the primary authority on the validity of purchasing procedures. Because the procedures described in this manual derive from state law, at times and where appropriate, this manual uses language taken directly from state statutes. At other times, the manual paraphrases and generalizes state law in an effort to assist in the understanding and application of purchasing requirements. That said, this manual cannot and does not address every purchasing situation; thus, when an unusual situation occurs or a difficult factual or legal issue arises, the exact statutory language must be carefully reviewed and analyzed.

The Finance Department will assist each department with procuring quality goods and services that are required to provide our citizens and customers with the services that they expect. The goal of the Finance Department is to secure the lowest, responsible cost for the City.

MISSION, VISION, AND GOALS
WITH RESPECT TO CITY PURCHASING

Mission: To generate fair and open competition to receive the best prices, terms, and conditions on purchases for the City.

Vision: To serve the citizens and customers of the City through greater efficiencies, both in terms of economy and services, and the procurement of quality supplies, equipment, and services.

Goals:

1. Establish policies and procedures that maintain the integrity of the purchasing process, encourage competition, and achieve cost savings.
2. Procure goods and services of the requested quality and quantity from responsible sources using the most efficient and economical means and at the best possible price and to have them available when and where they are needed.
3. Improve the speed of delivery of supplies, equipment, and services through planning and predetermining through supply contracts or other means, the available purchasing sources before an actual need becomes known and when possible, to take advantage of quantity and special discounts.
4. Comply with state and federal laws and this manual during the procurement and purchasing process.

POLICY & PROCEDURES

1. POLICY STATEMENTS.

A. Public interest. The City will conduct all purchasing – whether for goods or services – on the basis of economic and business merit. This policy is intended to promote the best interests of the City's citizens and customers.

B. Use of competitive bidding. City purchasing must operate in full view of the public. To assure an open, transparent purchasing process with the goal of obtaining the lowest possible price, the City Commission has determined that the City will use competitive bidding as much as possible in the purchase of goods and services.

C. Employee support. The City seeks to maintain a cost-effective purchasing system conforming to good management practices. To be successful, all employees must support the system. The establishment and maintenance of a good purchasing system is possible only through cooperative effort.

D. Planning. The purchasing process is not instantaneous. Planning is required to complete the steps required by state law and this manual. Again, a cooperative effort is required to accomplish the timely purchasing of goods and services at the lowest possible price.

E. Compliance with state law and manual. City officers and employees must comply with state law and this manual with respect to purchasing. Where a question or issue arises, an employee should not hesitate to contact the Purchasing Manager for guidance. Failure to comply with state law or this manual may result in disciplinary action being taken against the employee, up to and including termination. As specified below, violations of state laws concerning competitive bidding may also result in criminal charges.

2. PURCHASING AUTHORITY

A. Purchasing Manager. The City Manager, pursuant to the City's Charter and City Commission's approval of this manual, has delegated purchasing authority and responsibilities to the Purchasing Manager. The Purchasing Manager is an employee of the Finance Department. The Purchasing Manager must use this authority to purchase goods and services for the City in conformance with this manual. In certain instances, and as specified in this manual, the City Manager has also granted this authority to specified employees, which in turn have been authorized by their Department Directors. In no case shall purchasing authority be delegated to an employee or other person who has not been authorized by the City Manager or a Department Director.

B. Responsibilities of Purchasing Manager. The Purchasing Manager's responsibilities include the following:

1. The Purchasing Manager is responsible to ensure compliance with state and federal laws and this manual and to ensure that purchasing is practiced in a fully open, transparent, competitive, and ethical environment.
2. The Purchasing Manager will assist departments with identifying potential vendors or contractors or researching any information needed to make purchases.

3. The Purchasing Manager will assist departments in developing specifications for the purchase of goods and services along with the desired delivery schedules.
4. The Purchasing Manager will encourage competition between vendors and contractors through negotiations, competitive bidding, and bulk purchasing by continuously monitoring requisitions from departments. This includes the consolidation of purchases where possible.
5. The Purchasing Manager will monitor and evaluate the performance of vendors and contractors.
6. The Purchasing Manager will solicit evaluations and recommendations from departments on bids received from vendors or contractors.
7. The Purchasing Manager will oversee the transfer and/or reuse of products and equipment between offices and departments or the sale of surplus, obsolete, or unused supplies, materials, or equipment.
8. The Purchasing Manager, where applicable, will assist departments with the testing of goods and services for compliance with specifications.
9. The Purchasing Manager, where applicable, will negotiate all warranties and service agreements.
10. The Purchasing Manager will recommend the use of Cooperative Purchasing Agreements, Interlocal Agreements, and purchasing contracts for price and performance advantages.
11. The Purchasing Manager will consult with the Legal Department to assure forms and contracts are current and approved for their intended use.

C. Responsibilities of Department. A Department has the following responsibilities with respect to making and managing the expenditure of funds to acquire goods or services for the City. In this manual, "Department" refers to the group of employees responsible for a service(s) or a particular set of duties (e.g., the Public Works Department) and it also refers to the employee(s) within each Department that is authorized and responsible for making purchases.

1. A Department must determine the availability of budgeted funds in the appropriate category before requesting any purchase. The Finance Department will return purchase requisitions if funds are not available and will not restart processing the requisition until the Department addresses this issue.
2. A Department, where required, must submit all purchasing requests to the Purchasing Manager to allow sufficient time to comply with the procedures established by this manual.
3. A Department will plan and budget to eliminate and/or reduce work stoppages and rush ordering.
4. A Department, with the assistance of the Purchasing Manager, must provide minimum specifications for goods and services by completing the detailed specification form. A Department must write the specifications to encourage competition, whenever possible.
5. A Department that believes that a product, equipment, or service is only available through a sole source must provide a written explanation and justification for the purchase in accordance with this manual.
6. A Department will use existing City contracts when available for all purchases.

7. A Department must immediately and thoroughly inspect all deliveries of goods and equipment and determine their quality and conformance with specifications.
8. A Department must immediately notify the respective Vendor upon the discovery of an incorrect order or damaged products, materials, or equipment. When applicable, a Department must seek the assistance of the Purchasing Manager to help rectify the incorrect order or damaged goods.
9. A Department will continuously monitor the performance of goods and services and immediately report any deficiencies or violations in the performance of a contract to their respective Department Director and, when applicable, to the Purchasing Manager.
10. Where possible and when applicable, a Department's communications with vendors or contractors regarding purchasing should be arranged through and under the direction of their Department Director and/or the Purchasing Manager. This practice may include the evaluation of samples or products.
11. A Department must provide the Purchasing Manager with a copy (email preferred) of any correspondence between a vendor or contractor and the Department.

3. BASIS FOR PURCHASING

A. Purchasing authority under state law.

1. Pursuant to state law, before the City may enter into a contract that requires expenditure greater than \$50,000.00, the City must comply with the procedure established by state law for competitive sealed bidding or competitive sealed proposals. (See Ch. 252, Subch. B, TX. Local Gov't Code). This must be done unless an exemption or other legally allowable procurement method is available.
2. Pursuant to state law, the City may use the competitive sealed proposal procedure to purchase goods and services, including high technology items and insurance. (See §252.021(b), TX. Local Gov't Code).
3. The City Council, pursuant its adoption of this manual and in accordance with state law, has delegated to the City Manager, or designee, the authority to determine the purchasing method, including competitive sealed bids, competitive sealed proposals, or otherwise, which provides the best value to the City. (See §252.021(c), TX. Local Gov't Code).
4. Pursuant to state law, the City, in making expenditure greater than \$3,000.00 but less than \$50,000.00, must contact at least two historically underutilized businesses (HUB) on a rotating basis, based on information provided by the state comptroller. If the state's list fails to identify an eligible HUB, the City is exempt from this requirement. (See Ch. 252, Subch. B, TX. Local Gov't Code).
5. The City is entitled to reject any and all bids. (See §§ 252.043(f), 271.027(a), TX. Local Gov't Code).

B. Exemptions from the requirement of competitive bidding. Pursuant to state law, the following purchases do not require competitive bidding (some exemptions are explained more fully in other sections of this manual):

1. a purchase made because of an emergency;
2. a purchase for personal, professional, or planning services;

3. a purchase for work that is performed and paid for by the day as the work progresses;
4. a purchase of land or a right-of-way; and/or
5. a purchase of items that are available from only one source ("sole source") including:
 - a. items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;
 - b. films, manuscripts, or books;
 - c. gas, water, and other utility services;
 - d. captive replacement parts or components for equipment;
 - e. books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and
 - f. management services provided by a nonprofit organization to a municipal museum, park, or other facility to which the organization has provided significant financial or other benefits;
 - g. a purchase of rare books, papers, and other library materials for a public library;
 - h. paving, drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements;
 - i. a public improvement project, already in progress, authorized by the voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes authorized by the voters;
 - j. a payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212, TX. Local Gov't Code;
 - k. personal property sold:
 - 1) at an auction by a state licensed auctioneer;
 - 2) at a going out of business sale held in compliance with Chapter 17, Subchapter F, TX. Business & Commerce Code;
 - 3) by a political subdivision of this state, a state agency of this state, or an entity of the federal government; or
 - 4) under an Interlocal contract for cooperative purchasing administered by regional planning commission established under Chapter 391;
 - l. services performed by blind or severely disabled persons;
 - m. goods purchased by a municipality for subsequent retail sale by the municipality;
 - n. electricity; or
 - o. advertising, other than legal notices. (See §252.022, TX. Local Gov't Code).

C. Procurement of professional services.

1. State law prohibits the City from obtaining certain professional services through competitive bidding. The Professional Services Procurement Act provides that the City may not use competitive bidding procedures when seeking professional services. Instead, the City must award a professional services contract on the basis of demonstrated competence and qualification for the performance of that particular type of professional service. (See Ch. 2254, TX. Local Gov't).
2. Fees must be fair and reasonable, consistent with and not in excess of published recommended practices and fees of applicable professional organizations, and not in excess of any maximums specified by state law.
3. "Professional" services include services within the scope of the practice of accounting, architecture,

optometry, professional engineering; this includes services performed by any licensed architect, optometrist, physician, surgeon, certified public accountant or registered professional engineer in connection with his or her professional employment or practice.

4. In procuring architectural, engineering, or land surveying services, the City must first select the most highly qualified provider of those services on the basis of demonstrated competence and qualifications; and then attempt to negotiate a contract with that provider at a fair and reasonable price. If a satisfactory contract cannot be negotiated with the most highly qualified provider of architectural, engineering, or land surveying services, the City must formally end negotiations with that provider, select the next most highly qualified provider, and attempt to negotiate a contract with that provider at a fair and reasonable price. The City must continue this process to select and negotiate with providers until a contract is entered into.

D. Purchases through a state contract. The state comptroller may perform purchasing services for local governments. A city that makes purchases under such a contract satisfies all state competitive bidding laws. Depending on expenditure levels, appropriate approvals are still required for this type of purchase. (See Ch. 271, Subch. D, TX. Local Gov't Code).

E. Cooperative purchasing programs. Pursuant to state law, the City may participate in a cooperative purchasing program with another local government or a local cooperative organization. A city that makes purchases under such a program satisfies all state competitive bidding laws. Depending on expenditure levels, appropriate approvals are still required for this type of purchase. (See Ch. 271, Subch. F, TX. Local Gov't Code).

F. Interlocal cooperation. State law authorizes the City to enter into cooperative purchasing agreements with other jurisdictions (see Ch. 791, TX. Gov't Code). In addition, state law authorizes the extension of state bids and contracts to participating local governments under certain conditions. Depending on expenditure levels, appropriate approvals are still required for this type of purchase. (See Ch. 271, Subch. D, TX. Local Gov't Code).

G. Local preference.

1. If two or more bidders have bids that are identical in nature and amount, with one bidder being a resident of the City and the other bidder or bidders being non-residents, the City must select the resident bidder. (See §271.901, TX. Local Gov't Code).

2. If purchasing real property or personal property that is not affixed to real property and the City receives one or more bids from a bidder whose principal place of business is in the City and whose bid is within three percent (3%) of the lowest bid price received from a bidder who is not a resident of the City, the City may enter into a contract with either the lowest bidder or the bidder whose principal place of business is in the City; however, if the City awards the contract to the resident bidder, the City Commission must determine, in writing, that the local City bidder offers the City the best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of City residents of the local government and increased tax revenues to the City. (See §271.905(b), TX. Local Gov't Code).

3. For contracts less than \$100,000, if the City receives one or more competitive bids or quotations from a bidder whose principal place of business is in the City and whose bid is within five percent (5%) of the lowest bid price received by the City from a bidder who is not a resident of the City, the City may enter into a contract with the lowest bidder or the bidder whose principal place of business is in the City if the City Commission determines, in writing, that the local bidder offers the City the

best combination of contract price and additional economic development opportunities for the City created by the contract award, including the employment of residents of the City and increased tax revenues to the City. (See §271.9051, TX. Local Gov't Code).

H. Bonding for public works projects. State law requires contractors to submit bonds to the City for bids, payment, and performance of contracts on certain public works projects. State law establishes standards for when the bonds are required and the amount of the bond. A corporate surety duly authorized and admitted doing business in the State of Texas must issue the bonds. Although the term "public work" is not defined by statute, it is generally understood to mean the construction, repair, or renovation of a structure, road, highway, utilities, or other improvement or addition to real property. Bonds are required in the following amounts:

1. *Bid bond.* A bid bond, in the amount of 10% of the proposed contract price, is required where a contract is in excess of \$100,000.00.
2. *Performance bond.* A performance bond, in the total amount of the contract, is required if the contract is in excess of \$100,000.00. (See §2253.021, TX. Gov't Code).
3. *Payment bond.* A payment bond, in the total amount of the contract, is required if the contract is in excess of \$50,000.00. The bond is intended solely for the protection of all claimants supplying labor and material in the prosecution of the work provided for in the contract. (See §2253.021, TX. Gov't Code).
4. *Maintenance bond.* In addition to the above statutorily required bonds, the City will require a maintenance bond for all public work projects for a minimum time period of one year. (See Ch. 2253, TX. Gov't Code).

I. Disqualification of bidder/proposer. Pursuant to state law, the City may reject any and all bids and/or reject a bid(s) on the basis that it is nonresponsive. In addition, the City may disqualify a bidder where there is a reasonable belief that the bidder might not be able to satisfactorily fulfill the contract or that past performance by the bidder has left grounds for suspecting that the bidder might not perform. The City will not take the act of disqualification lightly. The City may consider the safety and financial records of bidders and proposers. Where a bidder or proposer has had past unsatisfactory performance, the Department must document the experience by completing a Vendor Performance Form (see **Exhibit A**). Upon completion, the Department must forward the form to the Purchasing Manager who will maintain a list of bidders and proposers and their performance history.

J. Alternative delivery methods. Pursuant to state law, City Commission may determine that the alternative delivery methods described by Chapter 271, Subchapter H, TX. Local Gov't Code, provide a better value for the City with respect to expenditures that exceed \$50,000.00 than the competitive bidding procedures described in Chapter 252, TX. Local Gov't Code. If such a determination is made, the City must use one of the alternative delivery methods described in Chapter 271, Subchapter H with respect to that expenditure.

K. Tax exempt status. The City is exempt from federal, state, and local taxes except in certain prescribed cases. An exemption certificate is available from the Finance Department. Upon request, a Department may furnish the certificate to the City's vendors and contractors.

L. Criminal penalties. State law provides criminal penalties where a city officer or employee fails to comply with competitive bidding requirements.

4. PURCHASING AMOUNTS—THRESHOLDS. The following table provides general guidelines for purchases and the procedures and approvals required (more specific information follows):

CITY OF KINGSVILLE APPROVAL REQUIREMENTS			
Total Amount of Request	Type of Bid/Quotes Required	Employee(s) Responsible for Bid/Quotes	Approvals Required
Goods/services costing \$50,000 or more	Competitive bids/proposals opened at a public meeting by the Finance Director &/or Purchasing Manager	Purchasing Manager, Department (Project Manager)	City Commission & City Manager
Goods/services costing \$25,000 to \$49,999.99	3 Written Quotes based on like products	Purchasing Manager, Department (Project Manager)	Department Director and/or Finance Department
Goods/services costing from \$5,000.00 to \$24,999.99	3 Written Quotes based on like products	Purchasing Manager, Department (Project Manager)	Department Director
Goods/services costing up to \$4,999.99	Efforts made to obtain the best value for the City	Department	Supervisor or Manager and Directors

5. PURCHASES LESS THAN \$4,999.99. A Department may purchase products, materials, or services up to \$4,999.99 from a vendor or contractor by the following method. Because the administrative cost of requesting competitive bids would more likely be more than the amount that could be saved by receiving bids, the competitive bidding procedure does not apply to purchases of \$4,999.99 or less. However, even though bids are not required for this purchase, a Department must still seek out the lowest possible pricing. Further, because a significant amount of small purchases may occur locally and in many cases result in the lowest or competitive pricing, a Department should consider local vendors and contractors for purchases in this amount.

6. PURCHASES LESS THAN \$ 25,000.00

A. Three written bids. A Department must purchase goods and services that are estimated to cost less than \$25,000.00 by first developing written specifications and then using these specifications to obtain a minimum of three written bids (quotes). Written bids must be made on the vendors contractor's letterhead or on the bid form provided by the Purchasing Manager (see **Exhibit B**). Departments must attach copies of each written bid to the purchase order. Bids are valid for 6 months and will then automatically expire such that the City will need to obtain new bids.

B. Purchase requisition. All purchases shall require a purchase requisition initiated by the Department whose appropriation will be charged and a purchase order approved by the Finance Department. No contract or order shall be issued to any vendor or contractor unless and until the Finance Department certifies the availability of sufficient funds. Inclusion in an approved budget does not automatically entitle the Department to the goods or services requisitioned. All goods and services must have a purchase order. Under no circumstances will goods and services be approved without an approved purchase order.

C. Historically underutilized business. State law (§252.0215, TX. Local Gov't Code) requires Texas cities to contact at least two (2) historically underutilized businesses (HUB) on a rotating basis when making any expenditure of more than \$3,000 but less than \$50,000. The HUB must be based on information provided by the Texas Comptroller (See www.window.state.tx.us/procurement). If the list fails to identify a

disadvantaged business in Kleberg County or if the purchase is an emergency (See §17 of the manual below), the City is not required to follow this requirement.

D. Sequence for purchases less than \$25,000.00

1. The Department staff requests purchase approval from their Department Director and after approval, sends a purchase request via the City's purchasing software with minimum requirements, such as description, at least three quoted unit price, quantity, at least three quoted total price, delivery/freight costs, payment terms, account code, vendor/contractor name. The Finance Department will then certify the availability of funds and accuracy of account code(s).
2. Finance Department and/ or the Purchasing Manager must verify the receipt of written, competitive bids, proposals or current contracts and then assign a purchase order number.
3. The Department will place the order, receive the product, verify accuracy of product, and submit a printed purchase order with invoice attached for payment to Accounts Payable.

7. PURCHASES BETWEEN \$25,000.00 AND \$49,999.99

A. Authority. The Department Director has authority to make purchases in the amounts between \$25,000.00 and \$49,999.99. Any such purchase must be for an item or service that was approved within the budget.

B. Three written bids. Prior to any purchase of goods or services that are estimated to cost between \$25,000.00 and \$49,999.99, the Department, with assistance from the Purchasing Manager, must develop written specifications. The Department will then use these specifications to obtain a minimum of three (written bid quotes). Written bids must be made on the vendor's or contractor's letterhead or on a bid form provided in this manual (see **Exhibit B**). The Department will attach copies of each written bid to the purchase request. Bids are valid for 6 months and will then automatically expire such that the City will need to obtain new bids.

C. Purchase requisition. All purchases shall require a purchase requisition initiated by the Department whose appropriation will be charged and a purchase order approved by the Finance Department and/or the Department Director. No contract or order shall be issued to any vendor or contractor unless and until the Finance Department certifies the availability of sufficient funds. Inclusion in an approved budget does not automatically entitle the Department to the good or service requisitioned.

D. Historically underutilized business. State law (§252.0215, TX. Local Gov't Code) requires Texas Cities to contact at least two (2) historically underutilized businesses (HUB) on a rotating basis when making any expenditure of more than \$3,000.00 but less than \$50,000.00. The HUB must be based on information provided by the Texas Comptroller (see www.window.state.tx.us/procurement). If the list fails to identify a disadvantaged business in Kleberg County or if the purchase is an emergency (see §17 of the manual below), the City is not required to follow this requirement.

E. Sequence for purchases between \$25,000.00 and \$49,999.99.

1. Departments, with assistance from the Purchasing Manager, will develop detail specification for the items/goods to be purchased, obtain at least three written quotes, completes a purchase request form (see Exhibit B) and submits it to the Department Director for review and approval. After approval, the Department submits purchasing request form, written quotes, and detailed specification form to the Purchasing Manager.

2. The Purchasing Manager will create a purchase request via the City's purchasing software with minimum requirements, such as description, at least three quoted unit price, quantity, at least three quoted total price, delivery freight costs, payment terms, account code, vendor/contractor name. The Finance Department will then certify the availability of funds and accuracy of account code(s).
3. The Department will then assign a purchase order number.
4. The Department, following approval by the City Manager, will place the order.

8. PURCHASES GREATER THAN \$50,000.00

A. Authority. State law (*See* §252.021, TX. Local Gov't Code) provides that purchases estimated at greater than \$50,000.00 require advertising which requests sealed bids or proposals. The Purchasing Manager is responsible for the advertisement and distribution of the requests for bids or proposals. City Commission is responsible for selecting and approving the bid or proposal, in accordance with state law.

B. Sequence for purchases greater than \$50,000.00.

1. A Department must initiate the bid process by completing a Request for Purchasing (*see Exhibit C*) to obtain an Invitation to Bid (ITB), Request for Proposal (RFP), or Request for Qualifications (RFQ).
2. Departments must avoid any act or practice of component, consecutive, or sequential purchases which would cause an expenditure of \$50,000 or more.
3. The Department is responsible for preparing or aiding the Purchasing Manager in the preparation of specifications for bids.
4. The Purchasing Manager will assign the bid a number or group it with other like items in an existing bid.
5. The Purchasing Manager will prepare bids and bidder mailing lists. After consulting with the Department, the Purchasing Manager will set the bid advertising dates and schedule the bid opening date and time. Where appropriate, the Purchasing Manager will utilize website notices for national advertising.
6. The City's Purchasing Office will receive bids and maintain them in a locked file until the date of the bid opening. At the time of the bid opening, the City's Purchasing Office will present all bids to the Purchasing Manager for opening, review, and analysis. The City will reject as nonresponsive any bid or proposal which is received after the due date and time. The time stamp in the City's Purchasing Office will be the official time. Bid or proposal openings are open to the public.
7. The Purchasing Manager will conduct bid or proposal openings. Such opening will generally take place in the City Hall Community Room or at the place designated in the advertisement and notice.
8. The Purchasing Manager will prepare tabulation for each item or group of items and after opening the bids, will read them aloud. The Purchasing Manager will consult with the Department for consensus of a recommendation.
9. Pursuant to state law, the City must award bids on the basis of the lowest responsible bidder or the bid that provides the best value. As for "best value", the City, pursuant to law, may consider:
 - a. the price;

- b. reputation of the bidder;
- c. reputation of the bidder's goods or services;
- d. the quality of the bidder's goods or services;
- e. the extent to which the goods and services meet the City's needs;
- f. the bidder's past relationship with the City;
- g. the impact to the City's ability to comply with HUB requirements;
- h. total long-term cost to the City of acquiring the goods or services; and
- i. any relevant criteria that the City listed in its ITB or RFP. (See §252.043, TX. Local Gov't Code).

10. In the event of a disagreement between the Department and the Purchasing Manager, City Manager or his/her designee, will determine the recommendation to Commission.

11. The Purchasing Manager, with Departmental input, will prepare an agenda bill with the staff recommendation for City Commission approval and award.

12. The Department will use the City's purchasing software to submit a requisition to the Purchasing Manager for processing.

9. INSURANCE REQUIREMENTS. Where the City contracts with an outside party (contractor, consultant, vendor, or concessionaire) for goods or services, the ITB or RFP that is advertised must include a proposed contract. The contract should include indemnity and hold harmless provisions that appropriately transfer the project risks from the City to the contractor. Because the contractor may or may not have the financial resources to account for the risks, the City requires the contractor to purchase and maintain valid insurance to help ensure the financial security required by the City. The insurance types and amounts are as follows:

A. Workers compensation. Workers Compensation covering all employees per the state statutory requirement is required on all contracts.

B. Liability insurance. The following insurance is required on all contracts over \$15,000.00:

- 1. Employer's Liability of \$100,000;
- 2. Comprehensive General Liability and Bodily Injury & Property Damage \$1,000,000 (per occurrence and aggregate); and
- 3. Business Automobile Liability covering owned vehicles, rented and non-owned vehicles, and employee non-ownership Bodily Injury Property Damage \$1,000,000 (per occurrence and aggregate).

C. Reasonable coverage. Although insurance coverage is not required for every project, and limits will vary by exposure, understanding insurance is important to assure that all of the City's potential liabilities and exposures from a project are properly and reasonably protected. Where questions arise about the types of insurance or amounts, the Department should contact the Purchasing Manager, who may in turn consult the Risk Manager and/or the Legal Department.

10. WARRANTIES AND SERVICE AGREEMENTS. A Department must include any requirement for warranties or service agreements for the purchase specifications for use in creating the ITB or RFP documents. Where negotiation is possible, the Purchasing Manager will negotiate all warranties and service agreements. A Department is responsible to ensure that service agreements exist on equipment, as necessary. A Department must not agree to a service agreement unless prior approval is received from the Purchasing Manager. The Purchasing Agreement will forward approved agreements to the Department for final signature. It is the responsibility of each Department to maintain and actively monitor agreements that pertain to their Departments, to schedule service calls under the agreements, and to notify the Purchasing Manager when

agreement renewals should be scheduled.

11. BONDS FOR NON-PUBLIC WORKS PROJECTS. Based upon good business practices, whenever the City enters into a contract for the purchase of a product system or service in which the system or service will be of little value to the City until it is complete, then the City may require performance and payment bonds.

12. SOLE SOURCE PURCHASES. The purchase of items that are available from only one source are exempt from competitive bidding pursuant to state law. The City will strictly interpret this exemption. Items that are available through a single distributor will not be considered as sole source unless the distributor has an exclusive right to distribute the item and a like item cannot be purchased through any other distributor. Items such as captive replacement parts or components may be considered as "sole source" items. (See §252.022(a)(7), TX. Local Gov't Code).

A. Sole source purchases greater than \$3,000.00. The following is the procedure for all sole source purchases that are greater than \$3,000.00:

1. The Department must contact the vendor or manufacturer for verification and justification as to why the procurement is sole source. The Department shall submit a Sole Source Affidavit (see **Exhibit D**) to the Purchasing Manager for consideration and approval.
2. The Department should seek other information (Thomas Register of American Manufacturers, other cities, yellow pages, etc.) in an attempt to verify the vendor's or manufacturer's information and document the findings.

B. Sole source purchasing greater than \$50,000.00. All sole source purchases greater than \$50,000.00 must be reviewed by the City Manager prior to placement on the City Commission agenda. The Department shall submit a Sole Source Affidavit (See **Exhibit D**) to the Purchasing Manager for consideration and approval.

C. Verification. All sole source purchases must be verified annually.

13. HIGH TECHNOLOGY PURCHASING PROCEDURES. All purchases of high technology items must be processed through the Information Technology Department (IT) unless a specific exemption is granted by IT or the City Manager. "High technology" items means the procurement of equipment, goods, or services of a highly technical nature, including data processing equipment, software and firmware, telecommunications equipment, and technical services related to these items. The City may solicit for high technology procurements through a request for proposal. The RFP must specify the relative importance of price and other evaluation factors. High technology is defined as information processing equipment, software, telecommunications equipment, radio and microwave, electronic distributed control systems and the technical services related to such equipment. (See §§252.001 and 252.021(b), TX. Local Gov't Code).

14. PURCHASING OF INSURANCE. All purchases of insurance related products must be processed through the Human Resources Department (HR) unless a specific exemption is granted by HR or the City Manager. The City may solicit for insurance through a request for proposal. (see §252.021(b), TX. Local Gov't Code)

15. PURCHASE OF COMPUTERS AND RELATED EQUIPMENT AND SUPPLIES

A. Requests. The Information Technology Department (IT) must review all requests for computers and related equipment, software, services, or supplies. IT's review will help standardize the type and quality of equipment in the City's inventory, ensure that purchases are made with minimum delay, facilitate tracking of requests, assist IT in maintaining accurate inventories for insurance and other purposes, and contribute to the most effective use of City resources. IT will review each request for compatibility with other

hardware and software and may investigate alternatives. IT's recommendations and comments will include:

1. Any additional maintenance costs incurred because of the purchase;
2. Compatibility considerations;
3. Cost effectiveness of the request; and
4. Alternatives that would effectively meet a user's needs.

B. Placing the Order. The Purchasing Manager, in consultation with the requesting Department and IT, will prepare and submit the necessary purchase requests.

16. EMERGENCY EXPENDITURES

A. Emergency expenditures authorized; defined. Pursuant to state law, there is an exemption from the bidding process for emergency purchases. An emergency is described as follows:

1. A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of residents or to preserve City property;
2. A procurement necessary to preserve or protect the public health or safety of residents;
3. A procurement necessary because of unforeseen damage to public machinery, equipment, or other property. (See §252.022(a)(1-3), TX. Local Gov't Code).

B. Sequence for emergency purchases. Where an emergency exists and a purchase estimated at being over \$5,000.00 is required, the following procedure will be used:

1. The Department must complete the Emergency Justification Form to justify the emergency to the Purchasing Manager who shall notify the City Manager. If the expenditure does not exceed \$25,000, the Department Director must review and approve the purchase. If the expenditure exceeds \$25,000.00, the Purchasing Manager must have the City Manager review and approve of the transaction.
2. For expenditures exceeding \$25,000.00, the Purchasing Manager and the City Manager must certify that the expenditure is derived from an emergency condition specified by state law, the need for the expenditure was unforeseen, the continued expeditious operation of the City requires that the expenditure be made before the time any necessary approvals could be obtained by the City Commission if required (for expenditures exceeding \$50,000.00) in advance or to obtain competitive bids, and that funds are available for the expenditure.
3. If the emergency purchase is over \$50,000, a copy of the certification shall be delivered to City Commission as soon as possible with an explanation of a description of the expenditure, an explanation of the necessity of the expenditure, the source of funds, and evidence of all necessary staff approvals.

17. RECEIVING ORDERS

A. Inspection. Upon receiving an order, a Department must inspect the delivery prior to acceptance when possible or otherwise as soon as possible.

B. Action upon receipt. A Department will acknowledge that all item(s) were physically received and send a confirmation to the Purchasing Manager.

C. Notice of discrepancies. A Department shall inspect all items against the purchase order for acceptability and discrepancy. If the items are unacceptable or any discrepancy occurs, the Department will immediately notify the vendor or contractor. The Department must also send a notice of this issue to

the Purchasing Manager.

D. Invoice. Where the order is deemed correct, the Department shall send the invoice with attached purchase order and written quotes, if applicable, to the Finance Department for payment as soon as possible, as in many cases, state law requires payment within 30 days of the receipt of a correct and proper invoice.

18. CONTRACT RENEWAL PROCEDURES

A. Terms. Renewal terms should not exceed a total of five years including the original year. The Purchasing Manager, in consultation with the City Manager, may make an exception on a case-by-case basis when in the best interest of the City. Any renewal provision must include language that such renewal is subject to budgeting and appropriations. All contracts must state "The Vendor is not now, nor will it during the term of the agreement, boycott Israel."

B. Multiple Award Contracts. When multiple vendor awards occur, if all vendors do not agree to renew, the contract in its entirety may be rebid or just that vendor's part may be rebid.

C. Price Changes. Renewal terms due to quantity changes or vendor proposed price increases may be recommended on a case-by-case basis considering the merits of the renewal offer. No price changes will be considered in the middle of a contract year.

D. Performance. The City will always consider the performance of a vendor and contractor when considering whether or not to renew or rebid. A Department will ensure that a Vendor Performance Form (*See Exhibit A*) is completed when appropriate.

19. CHANGE ORDERS

A. General Information

1. A Department must submit a change order request to the Purchasing Manager, where applicable. Included in the request should be the number for the original Purchase Order, detailed specifications (if applicable), and written quote(s).
2. Pursuant to state law, an original contract may not be increased by more than 25%; nor may the original contract price be decreased by more than 25% without the consent of the contractor. (*See §§252.048 and 271.060, TX. Local Gov't Code*).
3. Pursuant to state law, a change order is required if, after the contract has been executed:
 - a. Changes in plans or specifications are necessary;
 - b. It is necessary to decrease or increase the quantity of work to be performed; or
 - c. It is necessary to decrease or increase the quantity of materials, equipment, or supplies to be furnished. (*See §252.048, TX. Local Gov't Code*).

B. Material Changes. Following advertisement and submission of bids, the City may not make any material changes in the scope, quantities, or related work for goods or services. The City strives to ensure, and the law requires, that the City provides all potential bidders with an equal opportunity to bid and that toward the end, bidders submit bids upon the same terms and conditions involved in all the items and

parts of the contract. To the extent that the City must make such a change after the submission of bids, the City may proceed by rejecting any and all bids.

C. Changes to Professional Services. A Department that is requesting a change order to a contract for professional services, must submit such request to the Purchasing Manager. The Purchasing Manager may approve the change provided that the change order does not increase the original contract amount by more than ten percent (10%). The City Manager must approve changes in excess of this amount. Change orders with a cost that exceeds \$50,000.00 require City Commission approval.

20. APPROVALS

A. City Commission. Only City Commission has the authority to approve and award bids, proposals, and contracts that exceed \$50,000.00. In most cases, the City Commission will authorize the City Manager to enter into the contract.

B. City Commission. The City Manager is authorized to approve expenditures without further approval of the City Commission for all budgeted items not exceeding \$50,000.00. Only the City Manager or designee may execute a contract for the City.

21. PROCEDURE FOR DISPOSAL OF SURPLUS PROPERTY. All Departments must review their assets and supplies each year and determine whether any items are no longer needed. A Department must submit a list of any surplus, obsolete, or unused supplies, materials or equipment to the Purchasing Manager, and include a description, make, model, and serial numbers. The Purchasing Manager, in coordination with a Department, may transfer items between Departments based upon needs. Where equipment or durable goods are deemed to be surplus, obsolete, or unused, the Purchasing Manager will remove the item from the City's fixed asset list. The Purchasing Manager may attempt to sell surplus, obsolete, or unused supplies, materials, or equipment in a manner that attempts to secure a fair market value price for the City. Funds received from sale of surplus items will be returned to the appropriate City fund.

22. ETHICAL REQUIREMENTS RELATING TO MUNICIPAL PROCUREMENT

A. State laws. City officials and employees must comply with various state laws with respect to purchasing. The following is intended to provide a summary and the general requirements of the laws.

1. Chapter 176, Texas Local Gov't Code.

a. Chapter 176 of the Texas Local Government Code is applicable to the City. The law also applies to a local government corporation, board, commission, district or authority whose members are appointed by City Commission. Anyone designated as an "executive officer" of the City, including a Commission member, City Manager, Department Director, Manager, Supervisor administrator, or any other person who is designated as an executive officer of the City must comply with the law.

b. As authorized by the state law, the City has extended the requirements of Chapter 176 to any City employee who has the authority to approve contracts on behalf of the City. (See §176.005(a), TX. Local Gov't Code).

c. Chapter 176 requires executive officers to disclose employment and business relationships with vendors who conduct business with the City.

d. An executive officer is required to file a conflicts disclosure statement ("statement") if a vendor enters into a contract with the City, or if the City is considering entering into a contract with the vendor, and the officer or officer's family member has an employment or other business

relationship with the vendor that results in the officer or officer's family member receiving taxable income that exceeds \$2,500.00 in the preceding twelve months.

e. An executive officer is required to file a statement if the officer or officer's family member accepts a gift(s) from a vendor with an aggregate value of more than \$100.00 in the preceding twelve months. An officer is not required to file a statement in relation to a gift, regardless of amount, that is accepted by an officer or officer's family member if the gift is given by a family member of the person accepting the gift, is a political contribution, or is food accepted as a guest.

f. An officer or vendor who knowingly fails to file a statement or a disclosure when required to do so commits a Class C misdemeanor.

g. See the City of Kingsville Code of Ethics codified in the City of Kingsville Code of Ordinances, Sections 3-13-1 through 3-13-34 for additional regulations.

2. Chapter 171, Texas Local Gov't Code.

a. Chapter 171 of the Texas Local Government Code regulates a local public official's conflicts of interest. The law defines "local public official" as an elected official, such as a Commission member, or an appointed official (paid or unpaid) who exercises responsibilities that are more than advisory in nature.

b. The law prohibits a local public official from voting or participating in any matter involving a business entity or real property in which the official has a substantial interest if an action on the matter will result in a special economic effect on the business that is distinguishable from the effect on the public or, in the case of a substantial interest in real property, it is reasonably foreseeable that the action will have a special economic effect on the value of the property, distinguishable from its effect on the public.

c. A local public official who has such interest is required to file, before a vote or decision on any matter involving the business entity or real property, an affidavit with City Secretary, stating the nature and extent of the interest.

d. A local public official is required to abstain from participating in the matter.

e. A local public official who is required to file an affidavit is not required to abstain from participating in the matter if a majority of the members of the governing body have a substantial interest and file affidavits of similar interests on the same official matter.

3. Chapter 252, Texas Local Government Code.

a. If a person fails to comply with the competitive bidding or competitive proposal procedures required by Chapter 252, Texas Local Government Code, that person may be convicted of a Class B misdemeanor. This includes a situation in which a person makes or authorizes separate, sequential, or component purchases in an attempt to avoid competitive bidding requirements. A Class B misdemeanor may be punished by a fine of up to \$2,000.00, confinement in jail for up to 180 days, or both the fine and confinement.

b. An individual is automatically removed from his or her position if that person is finally convicted of failing to comply with the competitive bidding or competitive proposal procedures required by Chapter 252. Once removed from office, such a person may not hold any public office in this

state for four years after the date of final conviction. Also, for four years after the date of final conviction, the convicted person may not be employed by the city where the person was serving when the offense occurred and may not receive any compensation through a contract with the city.

c. State law specifies that if a city enters into a contract without complying with the competitive bidding or competitive proposal requirements of Chapter 252, the contract is void. (See §252.061, TX. Local Gov't Code)

d. Separate, sequential, or component purchases to avoid placing any purchase in a lower cost bracket in order to avoid approval levels or the competitive bid process are prohibited. A Department shall manage and plan in such ways that all purchases are made in sufficient quantities to meet needs. "Separate Purchases" mean purchases made separately of items that in normal purchasing practices would be bought in one purchase. "Component Purchases" means purchases of the component parts of an item that in normal purchasing practices would be bought in one purchase. "Sequential Purchases" means purchases of items made over a period that in normal purchasing practices would be bought in one purchase. (See §§252.001, 252.062, TX. Local Gov't Code).

B. City ethical rules. The City demands the highest ethical standards of conduct from its employees and from vendors or contractors dealing with the City. City employees engaged in purchasing must comply with the City of Kingsville Code of Ethics codified in the City of Kingsville Code of Ordinances, Sections 3-13-1 through 3-13-34 for additional regulations.

23. PURCHASING (P-CARD) CARD POLICY AND PROCEDURES

A. Purpose. The purpose of the purchasing card program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions as well as high-volume, repetitive purchases. The program was designed as an alternative to the traditional purchasing process for supplies and services. If used to its potential, the program will result in a significant reduction in the volume of purchase orders and related documentation including invoices and checks. In addition, corresponding work processes associated with ordering and check writing will be eliminated. The purchasing card can be used with any supplier that accepts the City's authorized credit card (Visa, Mastercard, etc) as a form of payment.

B. Policy. It is the policy of the City of Kingsville (City) to purchase goods and services that most adequately meet departmental needs at the best available value and in accordance with State Law.

Note: This policy is not intended to limit the job duties or functions of the Purchasing Manager or Finance Departments. Some restrictions or limitations do not apply to these departments.

C. RESPONSIBILITIES.

1. The Finance Director is the administrator of the P-card program.
2. A Department cardholder's purchasing card (P Card) is issued in the cardholder's name. All purchases made on the P Card must be made only by the cardholder. Directors or Supervisors may authorize their card to be used to make purchases. Example: Director has Admin Assistant book travel for the Director and uses the Director's card to make travel arrangements. This would be acceptable because the Director authorized the purchase to be made. Cardholders are

responsible for the security of the P Card and the transactions made with it. If cardholders do not follow guideline when using the P Card, cardholder could receive disciplinary action up to and including termination.

3. Cardholder can use the P Card at any vendor or service provider that accepts the City's authorized credit card and is not on a vendor restricted list. It may be used for in store purchases, mail and telephone or fax orders.
4. Cardholder is issued a card limit depending on criteria established by the Purchasing Department based on the cardholder's position. It is the responsibility of each cardholder to know their limit and to make sure that limits are not exceeded. The credit card company charges \$39.00 per month anytime a limit is exceeded. If you are getting near your limit, do not purchase an item. You may call the Purchasing Department for a temporary increase to your limit or other arrangements can be made to ensure that you do not go over the limit. **Cardholders are personally responsible for over the limit fees.** When monthly statements are issued, if you have an over the limit fee, you must submit payment along with your reconciliation. Failure to make timely payments may result in P Card restrictions and/or the loss of P Card privileges.
5. The P Card is not intended to avoid or bypass appropriate purchasing or payment procedures. P Cards are for travel and training, emergency items, and small purchases less than \$1,000 for items that have been approved in your budget. All purchases over \$1,000 must utilize the purchasing system. If you must purchase an item over \$1,000 with your P Card for an emergency purpose, prior authorization must be received and this authorization must be included as support documentation with your P Card reconciliation.
6. P Cards are not to be used for recurring types of purchases or contractual services. These types of purchases must go through the Purchasing Department.
7. P Cards should not be used for lunch meetings between employees without prior approval of the Department Director. You should avoid scheduling meetings during lunch because of payroll issues and the fact that meetings should be scheduled during regular business hours. Department Directors have a little more latitude as they need to meet with vendors during lunch on occasion. You must provide justification of the topics discussed and names of the parties attending for consideration as an allowable charge. Lunch meetings should be for legitimate business reasons and employees attending should have a legitimate purpose for attending. If a lunch meeting is deemed non-legitimate, the employee may be required to reimburse the City. Exceptions can be made by the City Manager or his or her designee. Approvals must be part of the submitted documentation.
8. P Cards can be used in times when work crews are not able to break for lunch. Department Directors at their discretion are allowed to pay for lunch when situations such as these arise. Every effort should be made to schedule work to allow employees to break for lunch. You must submit the detailed receipt with names of employees the receipt covers and the justification for why your crew could not break for lunch. This should not become a regular occurrence (weekly, monthly, etc). If this situation is occurring on a regular basis, supervisors and Department Directors need to re-evaluate how work is being distributed. This could apply in other situations as well.

9. The City has gas pumps that are to be used for all City vehicles. Unless the pumps are down, employees should not purchase gas from local gas stations. Every effort should be made to gas up City vehicles at the City authorized pumps. If the pumps are down, it needs to be notated on the P Card reconciliation and the notification from Public Works indicating the downed pumps needs to be included as supporting documentation. The City incurs higher costs when gas is purchased from outside sources.
10. P Cards are to be used for legitimate business purposes. Some of the items ***not allowed*** are as follows:
 - a. Capital Outlay items
 - b. Meals for day travel that do not require an overnight stay. (*See, City Travel Policy*).
 - c. Maintenance of equipment where an agreement must be signed with the vendor
 - d. Computer equipment, software or any electronic equipment such as printers, laptops, tablets, WIFI devices, cell phones as these are maintained and controlled by the Technology Department
 - e. Radio equipment
 - f. Printing of forms unless approved by the City Manager
 - g. Unbudgeted goods, supplies and/or services
 - h. Alcohol, with the exception of Golf Inventory items
 - i. Gift certificates
 - j. Entertainment
 - k. Recurring types of services, i.e., phone service, internet service, WIFI service, cleaning service
 - l. Personal or professional services. This does not include membership dues, notary renewals, or license renewals etc.
 - m. Personal items such as shirts, sweaters, hats, or other personal items with or without a City logo for personnel who are not required to wear a uniform. This does not include personal protection equipment.
 - n. Fleet vehicle/equipment supplies and services. All City vehicles need to be serviced at the City Garage to enable maintenance records of vehicles. The Garage Supervisor may authorize outside work due to time or other constraints. If the Garage Supervisor authorizes outside vendors to be used, the authorization must be included as support documentation. *Examples: Tune-ups, new tires, vehicle repairs, etc.* There are local companies that offer tires at state contracted rates. Check with the Purchasing Department prior to making any tire purchases. Copies of outside vehicle maintenance invoices must be sent to the City Garage so they can update their vehicle maintenance logs.
 - o. Departmental birthday parties, Administrative Assistant/Boss's Day, Welcome to the City for new employees, going away parties, retirements, gifts, flowers or any other personal celebrations.
 - p. Raffle ticket items for the annual Employee Safety banquet.

On certain occasions, the City Manager may authorize the purchase of gifts or flowers to be sent on behalf of the City. The City Manager may authorize purchases of items on the above list, but this authorization must accompany the P Card statement as supporting documentation.

It would be very difficult to list everything that can and cannot be purchased. When in doubt, do not use your P Card. Personally, pay for it, then submit it for reimbursement.

11. Making unauthorized or non-legitimate purchases may result in any one or all of the following:
 - a. Permanent revocation of the P Card
 - 1) Notification of Human Resources Office to investigate the matter further. *In cases where commissioned police officers are involved the Chief of Police needs to be notified to conduct investigations because that is the only manner in which disciplinary action can be taken against commissioned officers. In cases where commissioned fire personnel are involved the Fire Chief needs to be notified to conduct investigations because that is the only manner in which disciplinary action can be taken against commissioned fire personnel.*
 - b. Assignment of wages (garnishment of wages to pay back the City)
 - c. Disciplinary measures up to and including termination of employment
 - d. Possible legal action

D. Maintaining Your P Card

1. **ALWAYS OBTAIN AN ITEMIZED RECEIPT** when using the P Card. It is every cardholder's responsibility to ensure there is a receipt for each purchase. Find a location to save your receipts until your reconciliation is due. A cardholder who submits their monthly report without an attached receipt will be required to reimburse the City for the entire amount of the missing receipt. Waivers to this rule may be made at the discretion of the Department Director. If a waiver is granted, a detailed list of what was purchased along with a justification for the waiver must accompany the monthly reconciliation. An employee is allowed only one waiver per fiscal year.
2. Cardholders are allowed to carry their P Cards or leave them with the Department Director. Cards that are left with the Department Director must be kept in a secured locked area. It is up to the Department Director to determine where P Cards will be housed and to whom they will be issued out to. Some departments will allow Admin Assistants to hand out cards on an as needed basis.
3. Cardholders who carry their P Cards should treat their cards with the same level of care as the cardholder would use with their own personal charge cards. Guard the P Card account number carefully. It should not be posted in a work area, or left in a conspicuous place. Do not give your number out to others to use.
4. The only person authorized to use the P Card is the cardholder whose name appears on the card. P Cards are not to be shared by other employees as individual cards may be issued to any employee as requested by the Department Director.

E. Cardholder Responsibilities

1. At the end of each billing cycle, every cardholder will be responsible for reconciling and submitting all supporting documentation based on the procedures established by the Finance Department and updated as necessary.

Amended – September 25, 2017

2. Cardholders are responsible for reporting immediately any fraudulent use or misapplication of the card to the Purchasing Manager.
3. Cardholders are responsible for immediately notifying Purchasing if the card is lost or stolen.

F. Traveling with the P Card

1. The P Card is an excellent payment tool for travel and training. The P Card may be used to book airfare, lodging at hotels, training registrations and such expenses directly related to City approved travel for employees. See the City's Travel Policy concerning guidelines for Travel.
2. The P Card is intended for City purchases only and is not to be used to pay for travel expenses for spouses even if those expenses are reimbursed to the City. If you are traveling with your spouse on City business, only your expenses should be charged to the P Card. Expenses for spouses are to be paid in cash or split and paid for on a personal credit card at the time of purchase. The City should not incur additional charges when the employee travels with their spouse or family. *Example: Conference hotel rate is \$189 per night. Employee is traveling with spouse and/or family and books a hotel for \$300. Employee would owe back to the city the difference between the conference rate hotel and the hotel room rate booked by the employee.* Hotels are very accommodating to split these charges upon check-out. The employee should inform the City if they are traveling with their spouse, family and/or friends. The City Manager has final authority on granting a waiver to these requirements. Any amounts owed back to the City must be repaid within 5 business days on the trip return. Failure to make a timely reimbursement may result in future travel and P Card usage restrictions.
3. Know your P Card limit if you are traveling. You may need to call the Purchasing Manager to temporarily increase your limit if you need to travel.

G. Sales and Use Tax

1. The City of Kingsville is a tax-exempt entity and does not pay sales tax. The P Card has the City's federal identification number printed on the card and the merchant should be reminded that sales tax should not be included in the transaction. The card does not automatically alert the merchant of our tax-exempt status. **Cardholders must tell merchants at the time of check out that this is a tax-exempt purchase and no sales tax should be added to the sale.** Cardholders should check the store receipt prior to leaving the store to make sure sales tax was not included in the total. If tax was added to the sale, then the cardholder should immediately ask the merchant to credit the amount of sales tax.
2. It is the cardholder's responsibility to see that no sales tax is paid or that credit is received on any sales tax paid by mistake on all transactions. The cardholder is responsible for any sales tax charged and is required to reimburse the City for any sales tax paid that is not credited back to the City by the store. Payment is due by the submittal of the P-Card reconciliation. Failure to make a timely reimbursement may result in P Card usage restrictions. There are some online businesses

that do not abide by the governmental tax exemption. If at all possible, do not shop at these businesses or provide documentation as to why shopping was required at this business and why tax was charged as supporting documentation to your P Card reconciliation. Employees will not be held responsible for taxes levied in these instances. If the store will not honor the City's tax-exempt status, the employee will not be held responsible for paying back the city, but it must be notated on the receipt.

3. The City does pay sales tax on hotel stays and the purchase of prepared foods.
4. If an employee owes the City money back from P Card purchases, the employee must submit the payment receipt with the P Card statement reconciliation.

H. Disputed Charges and Return Items

1. In the event there are disputed charges on the monthly statement or if a Cardholder requires assistance with their statement, they should contact the Purchasing Department.
2. In the event there are returns, the Cardholder must check subsequent statements for the credit and attach the credit slip to the statement when processing for payment. If a credit slip was not obtained, attach other documentation explaining the return. If credit does not appear by the second subsequent statement, the Cardholder should contact the Purchasing Department.

24. TRAVEL POLICY

- A. The City of Kingsville has a Travel Policy that establishes uniform procedures for the processing of requests for travel authorization, advances and reimbursements; and, it identifies travel expenses eligible for payment and establishes proper accounting for all travel-related expenses for the City of Kingsville (City). Refer to the City of Kingsville Travel Policy and this Purchasing Policy for travel regulations.

25. PETTY CASH DISBURSEMENT

A. Rules and forms.

1. A Department may submit a request for petty cash from the Finance Department. The request and disbursement must not exceed \$100.00. If cash payment is necessary due to unforeseeable circumstances, the Finance Director may approve expenditure over the \$100.00 limit.
2. Only expenditures specifically authorized by this manual are allowed.
3. A Department must not use petty cash to pay for services rendered.
4. An employee must not use petty cash for any use that violates this manual.

- B. **Maintaining petty cash.** Petty cash vouchers, receipts, and cash on hand must at all times equal the total amount authorized for the petty cash fund. The Finance Department will issue a petty cash voucher to a Department at the time money is advanced for an employee to make purchases on the City's behalf. The Department must sign the petty cash voucher indicating approval for the purchase. The itemized sales receipt must be attached to the petty cash voucher after the purchase. The petty cash voucher should include the amount and purpose of the proposed expenditure, the expense account number, and be signed and

dated by the recipient the Department. Vouchers may not be used as a substitute for a sales receipt. Where a Department maintains a departmental petty cash, the Department must turn in petty cash vouchers with receipts attached to the Finance Department on a weekly basis to exchange for cash in reimbursing the departmental petty cash.

C. Audit of petty cash. The Finance Director will periodically audit petty cash expenditures as to form and regulations and may confirm purchases.

26. RENTAL OR LEASE OF EQUIPMENT

A. Rental procedures. Where a Department seeks to rent or lease equipment, such acquisition must be handled as any other type of purchase such that a purchase requisition is sent to the Purchasing Manager for the procurement. Prior to placing a request, a Department should determine whether the equipment that is proposed for rental or lease is available in any other Department.

B. Lease/purchase agreements. An equipment lease may occur but only after the availability of a lease option has been fully evaluated for efficiency and cost effectiveness. A Department will work with the Purchasing Manager and Finance Department when proposing either a short-term or long-term lease of equipment for analysis of actual capital costs including interest charges. The total cost of the lease shall be calculated. Where such cost exceeds an authorized purchasing threshold for either the City Manager or City Commission under this manual, the City Manager or City Commission, as appropriate, will need to approve the lease agreement. Under no circumstances may a Department sign a rental or lease agreement unless prior approval has been granted by the Purchasing Manager.

EXHIBIT A

Instructions: Complete this form to report exceptional or unsatisfactory vendor performance and return to the Purchasing Agent.

Purchase Order No.		Requisition No.		Today's Date:	
Vendor Name: Contact: Address: City, State: Phone: Fax: E-mail:			Department: Contact: Phone: Fax: E-mail:		
Nature of report (Check all applicable boxes):					
<u>POOR PERFORMANCE</u> <input type="checkbox"/> Late Delivery <input type="checkbox"/> Failure to Deliver <input type="checkbox"/> Delivery made at wrong destination <input type="checkbox"/> Failure to identify shipments per contract terms <input type="checkbox"/> Short/overweight or count <input type="checkbox"/> Vendor shipped incorrect merchandise <input type="checkbox"/> Failure to replace damaged goods <input type="checkbox"/> Slow replacement of damaged goods <input type="checkbox"/> Failure to pick up incorrect shipment <input type="checkbox"/> Improper Product Packaging <input type="checkbox"/> Failure to meet specifications <input type="checkbox"/> Failure to follow palletizing instructions <input type="checkbox"/> Poor product quality <input type="checkbox"/> Poor product performance <input type="checkbox"/> Failure to respond to letter or phone call <input type="checkbox"/> Failure to promptly notify Purchasing concerning Manufacturer discontinuation of an item <input type="checkbox"/> Poor customer service (Requires comment) <input type="checkbox"/> Unauthorized substitution <input type="checkbox"/> Unsatisfactory installation <input type="checkbox"/> Service not performed within specifications <input type="checkbox"/> Incorrect invoices <input type="checkbox"/> Failure to comply with terms & conditions of contract (Requires comment)			<u>RESOLUTION</u> <input type="checkbox"/> Complaint withdrawn <input type="checkbox"/> Vendor failed to receive purchase order <input type="checkbox"/> Delivery made after late notice sent <input type="checkbox"/> Performance corrected <input type="checkbox"/> Material or item replaced <input type="checkbox"/> Equipment performance corrected <input type="checkbox"/> Invoice Corrected <input type="checkbox"/> Item cancelled from contract (Vendor failure- Vendor initiated) <input type="checkbox"/> Item cancelled from contract (Vendor failure- Purchasing initiated) <input type="checkbox"/> Item cancelled from contract (No fault of vendor) <input type="checkbox"/> Entire order cancelled <input type="checkbox"/> Entire contract cancelled (Vendor fault) <input type="checkbox"/> Entire contract cancelled (No fault of vendor) <input type="checkbox"/> Damages paid <input type="checkbox"/> Vendor counseled <input type="checkbox"/> Order completed <input type="checkbox"/> Correct shipment received <input type="checkbox"/> Damages not paid – Vendor removed from bid list <input type="checkbox"/> Performance not corrected – Vendor removed from bid list		
<u>ACTION TAKEN BY PURCHASING</u> <input type="checkbox"/> 1 ST Written notice issued for late delivery <input type="checkbox"/> 2 nd Written notice issued for late delivery <input type="checkbox"/> Damaged assessed <input type="checkbox"/> Vendor commended			<u>EXCEPTIONAL PERFORMANCE</u> <input type="checkbox"/> Shipment made early upon Purchasing/Department request <input type="checkbox"/> Product upgrade substitution suggested and accepted		

<input type="checkbox"/> Shipment rejected <input type="checkbox"/> Vendor counseled	<input type="checkbox"/> Exceptional customer service response <input type="checkbox"/> Exceptional service provided for return of products <input type="checkbox"/> Provided technical/training/set-up assistance when not required <input type="checkbox"/> Price reduction for large order <input type="checkbox"/> Vendor commended
<u>Detailed explanation (Please be specific)</u> 	
<u>Resolution completed by Purchasing:</u> _____ Buyer:	Date:

Exhibit F
Detailed Specification form

I. Title:

II. Summary:

Provide summary of what the product or service will be used for and the department(s) that will use it.

III. Definition:

(Required) Define technical and critical terms of product or services to be purchased. Attach detailed specification documents.

IV. Requirements:

(Required) List all needs and performance requirements and include work-related needs that this item or service must fulfill. Include any testing, certification, or other quality control requirements.

(Optional) List all design requirements, including materials, manufacturing standards and directions, dimensions, physical characteristics and workmanship standards.

(Optional) List any requirements not cover.

Submitted By: _____ Dept: _____ Date: _____

EXHIBIT B
WRITTEN QUOTE SHEET \$3,000.00 +

Date Requested: _____

Dept/Div: _____

Funds Budgeted in Account: _____

Budgeted Amount: _____

	Vendor One	Vendor Two	Vendor Three
Firm			
Address			
City			
State/Zip			
Telephone			
Fax			
Sales Rep:			
E-Mail Address			
Delivery			
Freight Term			
Payment Term			

Qty	Unit	Description (include Brand/Model)	Vendor 1		Vendor 2		Vendor 3	
			Unit Price	Item Total	Unit Price	Item Total	Unit Price	Item Total
			SUB – TOTAL					
			GRAND TOTAL					

EXHIBIT C

Purchasing Request

Invitation for Bid (IFB) and/or Request for Proposal (RFP)

\$50,000.00 +

Date Requested: _____

Department: _____

Funds Budgeted in Account: _____

Budgeted Amount: _____

Point of Contact: _____

1st Advertising Notice Date requested: Notice of the time and place at which the bids will be publicly opened and read aloud must be published at least once a week for two consecutive weeks in a newspaper published in the municipality. (Kingsville Record)

2nd Advertising Notice Date requested: (if unknown leave blank)

Requested Opening Date: _____ The date of the first publication must be before the 14th day before the date set to publicly open the bids and read them aloud. (if unknown leave blank)

Attachments:

- | | <u>Yes</u> | <u>No</u> |
|---|--------------------------|--------------------------|
| 1) Detailed Specifications pertaining to requested item(s) to be purchased. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) List of any vendors known by the department to provide material or services. | <input type="checkbox"/> | <input type="checkbox"/> |

Signatures:

Director: _____

Date: _____

Purchasing Manager: _____

Date: _____

EXHIBIT D



FINANCE DEPARTMENT
SOLE SOURCE AFFIDAVIT

**THIS IS AN OFFICIAL PURCHASING DOCUMENT – RETAIN WITH PURCHASE
ORDER FILE**

Before me, the undersigned official, on this day, personally appeared _____, a person known to me to be the person whose signature appears below, whom after being duly sworn upon his/her oath deposed and said:

1. My name is _____. I am over the age of 18, have never been convicted of a crime and am competent to make this affidavit.

2. I am an authorized representative of the following company or firm:

3. The above-named company or firm is the sole source for the following item(s), product(s) or service(s):

4. Competition in providing the above named item(s) product(s), service(s) is precluded by the existence of a patent, copyright, secret process or monopoly as stated under Sections 252.022(a)(7)(A) or (7)(B-F), TX. Local Gov't Code. Also, attached is a sole source letter, which sets forth the reasons why this Vendor is a sole source provider (dated and signed).

5. There is/are no other like item(s) or product(s) available for purchase that would serve the same purpose or function.

6. Note: This Vendor understands that by providing false information on this Sole Source Affidavit, it may be considered a non-responsible Vendor on this and future purchases and may result in discontinuation of any/all business with the City of Kingsville.

Signature

THE STATE OF TEXAS §
COUNTY OF KLEBERG§

SUBSCRIBED AND SWORN to before me on this the _____ day of _____, _____.

Notary Public for the State of Texas

Printed Name: _____

My commission expires: _____

COMPANY NAME: _____

ADDRESS, CITY, STATE & ZIP: _____

PHONE: _____ FAX NUMBER: _____

CONTACT NAME AND TITLE: _____

WEB ADDRESS: _____ EMAIL: _____

FEDERAL TAX ID NUMBER: _____

TEXAS SALES TAX NUMBER: _____

EXHIBIT E

REQUEST FOR PURCHASING CARD (P-Card)

TO: Purchasing Manager

FROM:

DEPARTMENT:

SUBJECT: *Request for Purchasing Card (P-Card)*

DATE:

I request that the Finance Department issue the following employee a City Purchasing Card (P-card) for the purpose of making purchases in the normal course of authorized City business.

Full Name of Employee (print): _____

Employee Title: _____

Employee Signature: _____

Single Item Purchase-Supplies or Material (**Not to exceed \$500.00**): _____

Daily Transaction Limit: _____ # of Transactions: _____

30-Day Limit: _____

Restrictions: _____

REQUESTED BY: _____

Signature of Department Director

APPROVED BY: _____

Signature of Purchasing Manager

Date: _____

Copy: Designated Cardholder
Director/Manager

PURCHASING CARD (P-CARD) CARDHOLDER AGREEMENT

I, _____ hereby agree to comply with the **Purchasing Card (P-card)** policy and procedures and the following terms and conditions regarding my use of the card. As a cardholder, I have read and understand the **City of Kingsville Purchasing Policy and Procedures, which includes the P-card policy.**

1. I understand that I am being entrusted with a valuable tool, the P-card. I will be making financial commitments on behalf of the City of Kingsville. I will always obtain the best value for the City by using the P-card wisely and with discretion.

2. I agree to use this card for official City business and approved purchases only. I fully understand that my misuse or abuse of the P-card will result in revocation of the card and appropriate disciplinary action, which may include termination of my employment. I also agree to attend training on the use of this card as prescribed by the Purchasing Manager.

3. The following acts are prohibited, and I understand that this is not an exclusive or exhaustive list:

- Expenditures for personal purposes;
- Cash advances or refunds;
- Expenditures for entertainment, including but not limited to the purchase of alcoholic beverages;
- Purchases under contracts, unless an emergency exception is granted;
- Separate, sequential, and component purchases or transactions made with intent to circumvent state law or City policy;
- Transaction amounts greater than the limits on the P-card issued to me;
- Failure to submit proper documentation with each monthly statement, and;
- Allowing the card to be used by someone else

4. I understand I do not own the P-card and that the City has issued the card to me so that I can conduct authorized City business in an efficient, expeditious, and cost-effective manner. I agree to return the P-card immediately upon request or upon termination of employment (including retirement and resignation). Should I be transferred between Departments or positions, qualify for extended leave, or undergo an organizational change that causes my duties to no longer necessitate the use of the P-card, I agree to return it immediately.

5. If the card is lost or stolen, I agree to immediately notify the Purchasing Manager and my Department Director.

I understand and agree that my use of the P-card is subject to the following specific purposes or restrictions:

Employee Signature

Date

Department

Department Director

Date

Purchasing Manager

Date

Transaction Limit: \$ _____

Monthly Limit: \$ _____

PURCHASING CARD (P-CARD) LOST/STOLEN REPORT

TO: Purchasing

FROM:

DEPARTMENT:

Card Number: _____

Full Name of Employee (print): _____

Employee Signature: _____

Employee Title: _____

Date of Loss: _____

Date Stolen: _____

Details: _____

Copy: Designated Cardholder
Director/Manager

CARDHOLDER STATEMENT OF DISPUTED ITEM(S)

RE: _____

CARDHOLDER NAME: _____

CARD NUMBER: _____

MERCHANT (VENDOR) NAME: _____ DISPUTED AMOUNT: \$ _____

I dispute the charge(s) described herein as follows: [Check Appropriate Box(es)]

☐ I certify that the charge listed above was not made by me nor were the goods or services represented by the above transaction received by me or by a person authorized by me.

☐ I do not recognize the transaction as listed above. Please inform me of merchant name and description of merchandise purchases.

☐ Although I did engage in the above transaction, I dispute all or part of the charge in the amount of \$ _____.

☐ I have contacted the merchant and requested a credit adjustment that I did not receive or was not satisfactory.

☐ I have been charged twice for the same transaction. Posting dates: _____ and _____

☐ A credit slip was listed as a sale on my statement.

☐ The amount of the sales slip was increased from \$ _____ to \$ _____. Enclosed is my copy of the sales slip prior to alteration.

☐ I received a price adjustment (credit slip) on the above transaction, and it has not appeared on my statement. Enclosed is a copy of the credit memorandum.

☐ Non-Acceptance.

☐ Other, please explain completely.

I am disputing the charge because: _____

Designated Cardholder Signature: _____

Daytime Phone: _____

Date: _____

Fax Dispute Form to: Purchasing Manager

Exhibit G
EMERGENCY JUSTIFICATION

This questionnaire has been designed to assist staff in providing information necessary in the processing of emergency requisitions for the purchase of products and/or services. Please complete and forward to Purchasing. If more space is needed, please attach additional page(s).

REQUISITION NO.: _____

1. State the reason for the emergency purchase by explaining what the emergency is and/or what caused the emergency situation:

2. State the financial or operational damage/risk that will occur if needs are not satisfied immediately (do not simply say there will be a loss or some damage):

3. State why the needs were not or could not be anticipated so that goods/services could not have been purchased following standard procedures:

4. State the reason and process used for selecting the vendor (attach all quotes/proposals received from other sources, if applicable):

5. State the part of the City's Purchasing Policy this Emergency Purchase falls under:

I certify that the above statements are true and correct, and that no other material fact or consideration offered or given has influenced this recommendation for an emergency procurement.

Submitted By: _____

Authorized Signature

Date

Dept Director: _____

Authorized Signature

Date

PURCHASING USE ONLY

Approved By: _____

Date: _____

Exhibit H

**CITY OF KINGSVILLE
TRAVEL AUTHORIZATION REQUEST FORM**

Name of Traveler _____ **Dept:** _____

Destination _____ **Purpose** _____

Departure	Day	Date	Time	Return	Day	Date	Time

Method of Transportation: _____

Personal Vehicle Mileage Calculation:

Total Trip Miles	Car Allow Miles	Commute Miles	Net Miles	Mileage Rate	Total Mileage
			0	0.535	0

Travel Estimates

	Advance Reques	Pcard	GSA Rates →	\$Day Meals Breakdown - Enter Daily Amount				
				Dates	Breakfast	Lunch	Dinner	Incidentals
Transportation	\$0.00	\$0.00						
Air Fare		\$0.00						
Meals/Incidentals	\$0.00							
Registration		\$0.00						
Lodging		\$0.00						
Other	\$0.00	\$0.00						
TOTAL	\$0.00	\$0.00		TOTAL	\$0.00	\$0.00	\$0.00	\$0.00

Travel Advance \$0.00 **Account Code** _____

By signing below I certify that requested travel is for legitimate business purposes within the scope of my job duties and reservations have been made in a timely fashion. All travel must be approved prior to departure. Traveler assumes financial responsibility for all charges that are deemed non legitimate and/or submitted without proper supporting documentation.

Travel Authorization Approval Signatures:

Traveler _____	Date _____	City Manager _____	Date _____
Department Head _____	Date _____	Finance Director _____	Date _____

Complete the bottom within 5 working days of travel completion.

TRAVEL RECONCILIATION

Actual Departure Time:		Actual Return Time:				
Travel Expenditures	Actual \$ Spent	Travel Request Advance	P Card Payment	Other Method	Amount Due	
Transportation (include all methods)					\$0.00	
Registration					\$0.00	
Lodging					\$0.00	
Meals					\$0.00	
Other					\$0.00	
Total	\$0.00	\$0.00	\$0.00	\$0.00		
Total Due (City) Traveler					\$0.00	

Travel Reconciliation Signatures:

Employee _____	Date _____	Finance Director _____	Date _____
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AGENDA ITEM #13

City of Kingsville
Finance Department

TO: Mayor and City Commissioners

CC: Jesus A. Garza, City Manager

FROM: Deborah Balli, Director of Finance

DATE: September 15, 2017

SUBJECT: FY 17-18 Fund Balance

Summary:

This is a request to place a resolution setting the FY17-18 Minimum Unassigned Fund Balance for the City's General Fund at 25% and the City's Utility Fund at 20% according the City's Fund Balance Policy on the September 25th agenda.

Background:

On September 11, 2017 the City Commission approved Resolution 2017-60 adopting the City of Kingsville's current Fund Balance Policy. The policy states the City will maintain a minimum unassigned fund balance in its General Fund of 25% of the subsequent year's budgeted expenditures and outgoing transfers excluding capital lease initial recordation expenditures and the City will maintain a minimum unassigned fund balance in its Utility Fund of 25% of the subsequent year's budgeted expenditures and outgoing transfers excluding capital lease initial recordation expenditures. The policy also states the City Commission can approve the fund balance for either the General Fund or the Utility Fund to be lowered at a level not to fall below 20% for a special capital project or capital purchase. When the fund balance is lowered for this purpose, replenishment to bring the fund balance back up to 25% must occur within a period not to exceed 5 years.

City staff evaluated various funding strategies for capital improvements for the City's Utility Fund. Based on the aggregate projected costs of the capital improvements, the nature of the improvements and the current earnings rate for the City's Utility Fund Balance, the City has determined the optimal funding strategy is to temporarily reduce its Utility Fund Balance. In order to implement this funding strategy into the FY 17-18 budget the City of Kingsville proposed to temporarily lower its unassigned Utility Fund balance requirement from 25% to 20% of operating expenditures. As part of the requirements for lowering the unassigned fund balance requirements, it is the plan that the minimum unassigned fund balance would increase each year after the FYE 2018, such that in five years the unassigned fund balance would be returned to 25%.



City of Kingsville Finance Department

Financial Impact:

On September 11, 2017 the City Commission approved the FY17-18 budget with a minimum unassigned General Fund balance of 25% and minimum unassigned fund balance of 20%. The Utility Fund Balance was lowered to 20% to complete the following capital projects/purchases:

- Water Construction – Backhoe Loader
- Water Production – 84,000 gallon ground storage tanks for Well 14 and Well 23
- Wastewater – Skid Loader
- Sewer Construction – Rausch mobile pro sewer and storm line camera
- Sewer Construction – Cornell pump for 17th & Lee lift station
- Sewer Construction – Cedar fence for lift stations
- Sewer Construction – Aluminum safety shoring box
- Sewer Construction – 14LX tandem axle low profile dump trailer

To conform to the policy the City will replenish the Utility Fund Balance by 1% every year over the next five years to build up the minimum unassigned fund balance to 25%.

Recommendation:

Staff recommends authorization of this resolution to set the FY 17-18 Utility Fund Balance.



RESOLUTION NO. 2017-_____

A RESOLUTION SETTING THE FY17-18 FUND BALANCES FOR THE CITY OF KINGSVILLE GENERAL FUND AND UTILITY FUND.

WHEREAS, the City Commission adopted a Fund Balance Policy at a City Commission meeting on September 11, 2017 via Resolution #2017-60; and

WHEREAS, the policy is meant to help ensure that fund balances are properly monitored and accounted for which should help to improve the financial position of the City; and

WHEREAS, the policy on Page 5, regarding "Minimum unassigned fund balance" states:—"The City will maintain a minimum unassigned fund balance in its General Fund of 25% of the subsequent year's budgeted expenditures and outgoing transfers excluding capital lease initial recordation expenditures... The City will maintain a minimum unassigned fund balance in its Utility Fund of 25% of the subsequent year's budgeted expenditures and outgoing transfers excluding capital lease initial recordation expenditures."; and

WHEREAS, the policy on Page 6, Section V. regarding "REPLINISHING DEFICIENCIES" states: "The City Commission can approve the fund balance for either the General Fund or the Utility Fund to be lowered at a level not to fall below 20% for a special capital project or capital purchase. When the fund balance is lowered for this purpose, replenishment to bring the fund balance back up to 25% within a period not to exceed 5 years."; and

WHEREAS, the City Commission recently adopted the FY17-18 City Budget at a publicly held and duly posted meeting via Ordinance #2017-38, which included a Fund Balance for the General Fund of 25% and a Fund Balance for the Utility Fund of 20%; and

WHEREAS, City staff evaluated various funding strategies for capital improvements for the City's Utility Fund for FY17-18 and based on the aggregate projected costs of the capital improvements along with the nature of the improvements and the current earnings rate for the City's Utility Fund Balance, the City determined the optimal funding strategy was to temporarily reduce the Utility Fund unassigned fund balance from 25% to 20% of operating expenditures for identified capital projects/expenditures; and

WHEREAS, the City plans that at a minimum the unassigned fund balance for the Utility Fund would increase each year after the end of FY17-18, such that in five years the unassigned fund balance for the Utility Fund would return to 25%;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

I.

THAT the City through adoption of the budget and through this resolution for the reasons state above and at public meetings, hereby sets the Fund Balance for FY17-18 for the General Fund at 25% and for the Utility Fund at 20% and that the strategic and designed reduction of Utility Fund's unassigned fund balance will be brought up to 25% in no less than five year after the end of FY17-18.

II.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the 25th day of September, 2017.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #14

**City of Kingsville
Legal Department**

TO: Mayor and City Commissioners
CC: Jesus A. Garza, City Manager
FROM: Courtney Alvarez, City Attorney
DATE: September 19, 2017
SUBJECT: STWA Water Supply Contract

Summary:

This will allow the execution of a new multi-year water supply contract with the South Texas Water Authority (STWA) to run for a five year term from October 1, 2017 to September 30, 2022, and to automatically renew for up to three sequential terms of five years each.

Background:

The City and STWA currently have a one-year water supply contract that is set to expire on September 30, 2017. The City and the STWA have been working for the last year on terms for a longer term water supply contract. STWA staff is presenting this new multi-year water supply agreement for Fiscal Year 17-18 to their board for consideration on Tuesday, September 26, 2017.

All STWA customers pay the same water rate. The City will have a cap on its minimum annual purchase amount, which helps maintain the chloramine residual at an acceptable level. Each party can give the other notice of cancellation within a certain time period. The new tank and new pumps at the Sage Road facility will be transferred over to the City in a separate document but concurrently with the contract. The City has already been maintaining the pumps and will assume the electrical expense for the facilities after the transfer.

Financial Impact:

This item will expend up to \$360,000.00 for the purchase of water, which is budgeted in the FY17-18 Budget for the City of Kingsville that was recently approved by the City Commission under Utility Fund 051-5-1030-34301 Other Services-STWA. Annual electrical expenses for the facilities to be received are estimated at about \$17,000.

Recommendation:

It is recommended the City approve the resolution authorizing the Mayor to enter into the water supply agreement with the South Texas Water Authority.



RESOLUTION #2017-_____

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A WATER SUPPLY CONTRACT WITH THE SOUTH TEXAS WATER AUTHORITY; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kingsville (the "City") and the South Texas Water Authority (the "Authority") have previously had a Water Supply Contract and have been renewing one-year water supply contracts but have been negotiating for a five-year water supply contract and now desire to enter into same; and

WHEREAS, the Authority and City acknowledge that this five-year contract, allows for three automatic renews of five-year terms unless one party notifies the other party within a certain time period prior to the next renewal; caps the minimum annual purchase amount paid by the City while providing that a certain minimum amount of water be taken by the City to help maintain the chloramine residual in the Authority's 42-inch water transmission line near Kingsville at the level required by the TCEQ; all Authority customers will pay the same water rate; and, the new 1.0mg ground storage tank and three pumps owned by the Authority off of Sage Road will be transferred to the City for its ownership and maintenance; and

WHEREAS, the Authority is presently charging its water supply customers a handling charge of \$0.426386 cents per 1,000 gallons, and that same handling charge has been set by the Authority for the 2017-2018 fiscal year.

NOW THEREFORE, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the Mayor is authorized and directed as an act of the City of Kingsville, Texas to enter into a Water Supply Contract between the City of Kingsville and the South Texas Water Authority, a copy of which is attached hereto as Exhibit "A."

II.

THAT the City agrees to a handling charge of \$0.426386 cents per 1,000 gallons of water delivered during the fiscal year October 1, 2017 through September 30, 2018.

III.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

IV.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the
____ 25th ____ day of ____ September ____, 2017.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

WATER SUPPLY CONTRACT

THE STATE OF TEXAS §

COUNTY OF KLEBERG §

The Parties to this Contract are the South Texas Water Authority, a governmental agency, conservation and reclamation District and body politic and corporate, having been created under Chapter 436 Acts of the 66th Legislature, Regular Session, 1979, of the laws of the State of Texas, all pursuant to Article XVI, Section 59 of the Texas Constitution ("Authority") and the City of Kingsville, Kleberg County, Texas (hereinafter called "Wholesale Customer"). The Authority and Wholesale Customer are hereafter referred to in the singular as a "Party," and in the plural as the "Parties." Effective October 1, 2017, they agree as follows.

RECITALS

WHEREAS, the Authority owns a water transmission line extending from the City of Corpus Christi O.N. Stevens Water Treatment Plant to the Authority's office on Sage Road in Kingsville; and

WHEREAS, the Authority has entered into that certain Water Supply Agreement by and between the Authority and the City of Corpus Christi dated October 14, 1980, pursuant to which the Authority purchases water for resale to its customers; and

WHEREAS, the Authority is willing to sell, and the Wholesale Customer is willing to buy, water available to the Authority from the City of Corpus Christi; and

WHEREAS, the Parties acknowledge that the Contract includes a study to determine the minimum amount of water that can be taken by Wholesale Customer while still maintaining the chloramine residual in the Authority's 42-inch transmission line near Kingsville at the level required by the TCEQ.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Authority and Wholesale Customer agree as follows:

SECTION 1. DEFINITIONS

Terms and expressions as used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

(A) "Corpus Christi Water Supply Agreement" means that Water Supply Agreement between the Authority and the City of Corpus Christi dated October 14, 1980 as amended and supplemented from time to time and as modified by the Settlement Agreement and Mutual

Release between the Authority, San Patricio Municipal Water District and the City of Corpus Christi effective as of August 13, 2013.

(B) "Cost of Water" shall mean the actual price per one thousand gallons paid by the Authority to the City of Corpus Christi for water received by the Authority under the Corpus Christi Water Supply Agreement during a Service Month.

(C) "Customers" shall mean the water customers of the Authority.

(D) "Fiscal Year" shall mean the twelve-month period beginning on October 1 and ending September 30, or such other twelve-month period as designated by the Authority.

(E) "Maintenance and Operating Expenses" shall mean all costs of the Authority for operation, maintenance repair and replacement of the System to the point of delivery for each Wholesale Customer, including, but not limited to, accounting, administration, engineering, and legal expenses and a reasonable reserve to pay for any extraordinary or nonrecurring expenses of operation or maintenance of the System and for replacements and repairs if such expenses should become necessary. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply or other services for the System. Maintenance and Operating Expenses shall not include any costs or expenses incurred by the Authority in connection with Special Services.

(F) "Maintenance and Operations Tax" shall mean the ad valorem tax levied by the Authority in accordance with Chapter 49 of the Texas Water Code as authorized by the election of August 11, 2001, at a rate not to exceed \$0.12 per \$100 taxable value.

(G) "Minimum Annual Purchase Amount" shall mean the minimum amount in dollars to be paid by the Wholesale Customer to the Authority annually pursuant to this Contract to guarantee minimum purchases of water.

(H) "Service Month" means that period of time from one meter reading to the next in the billing cycle. Each Service Period will be approximately one calendar month, unless the parties agree otherwise.

(I) "Special Services" shall mean services provided by the Authority to a Wholesale Customer or other entity for the operation, maintenance or management of any facilities or operations of such party that are not part of the Authority's System.

(J) "System" shall mean the Authority's existing water supply and transmission system, together with all future extensions, improvements, enlargements and additions thereto, and all replacements thereof.

(K) "System Operating Charge" shall mean the monthly charge, per 1,000 gallons described in Section 8 consisting of the "pass through charge" for the purchase of water from the City of Corpus Christi and the "handling charge" to pay maintenance and Operating Expenses.

(L) "Water Rate" shall mean the rate to be charged for water, set in accordance with Section 8 (A).

(M) "Wholesale Customers" shall mean the Cities of Agua Dulce, Bishop, Driscoll and Kingsville, Nueces County Water Control and Improvement District No. 5, Nueces Water Supply Corporation and Ricardo Water Supply Corporation, and any other future contracting parties that purchase water from the Authority for municipal, industrial or agricultural purposes.

SECTION 2. QUANTITY

(A) The Authority shall make available for purchase by the Wholesale Customer, at the delivery point or points herein specified, water, with the quality described in Section 3 below, at a maximum authorized daily purchase rate which, together with the actual production capacity of the Water Customer's system as such production exists from time to time, is at least 0.6 gallon per minute per connection in the Wholesale Customer's water distribution system, in accordance with the number of such connections as may exist from time to time. The word "connection" as used in this paragraph shall have the same meaning as in Texas Administrative Code Title 30, Part 1, Chapter 290, Subchapter D, Section 290.38(14). The Authority's obligation herein to deliver water to the Wholesale Customer shall be limited by the provisions of the Corpus Christi Water Supply Agreement, as more fully stated in Sections 9 and 11 of this Contract.

(B) The Authority further agrees to use its best efforts to furnish water sufficient for the reasonable demands of the Wholesale Customer, but its obligations to furnish such water shall be limited to the quantity of water available to it and the capacity of the Authority's supply main, having due regard for the equitable interests of the Wholesale Customer, the Authority, and the other Customers and further limited by the provisions of the Corpus Christi Water Supply Agreement.

SECTION 3. QUALITY

The water which will be delivered to the Wholesale Customer by the Authority will be as received from the City of Corpus Christi, as changed by the transportation process. The Authority may add additional disinfection. The Wholesale Customer has satisfied itself that this water will be suited for its needs.

SECTION 4. POINTS OF DELIVERY & TITLE CONVEYANCE OF THE FACILITIES

The point of delivery of the water by the Authority to Wholesale Customer shall be the outlet of the Authority's meter located next to the Authority's office in Kingsville, Texas immediately before it enters the Authority's 5.0 million-gallon ground storage tank, and any such other point of delivery mutually agreed upon by the Wholesale Customer and the Authority. The Wholesale Customer shall provide and maintain an air gap between the Authority's system and the Wholesale Customer's distribution system at the point of delivery.

The Authority is in the process of replacing its 5.0 mg ground storage tank and pumps with a 1.0 mg ground storage tank and three pumps. The Authority will convey those facilities

to Wholesale Customer, and Wholesale Customer will accept those facilities. The conveyance shall be completed contemporaneously with the execution of this Contract and shall be by conveyance documents acceptable to the Authority and Wholesale Customer.

SECTION 5. MEASURING EQUIPMENT

(A) The Authority shall furnish, install, operate and maintain at its own expense the necessary metering equipment of standard type for measuring properly the quantity of water delivered under this contract. The cost of the metering equipment shall be a cost that is recovered through the Handling Charge. Such metering equipment shall be located on the Authority's supply main at a location already designated by Authority. Such meter or meters and other equipment so installed shall remain the property of Authority. The calibration, adjustment and reading of the meter equipment shall be done only by the employees or agents of the Authority. However, the Wholesale Customer shall have access to such metering equipment at all reasonable times. For the purpose of this contract, the original record of the reading of the main meter shall be the journal or other record book of the Authority in its office in which the records of the employees or agents of the Authority who take the reading are or may be transcribed. Upon written request of the Wholesale Customer, the Authority will give the Wholesale Customer a copy of such journal or record book, or permit the representative designated by Wholesale Customer's governing body to have access to the same in the office of the Authority during reasonable business hours.

(B) Not more than once in each of the Authority's fiscal years, on a date as near the end of such fiscal calendar year as practical, the Authority shall calibrate its main meter or meters and present to the Wholesale Customer accuracy certification. This calibration shall be performed in the presence of a representative of Wholesale Customer, and the Parties shall jointly observe any adjustments which are made to the meter in case any adjustments shall be necessary, and if the check meter hereinafter provided for has been installed, the same shall also be calibrated in the presence of a representative of the Wholesale Customer and the parties shall jointly observe any adjustments which are made to the meter in case any adjustments shall be necessary. The Authority shall give the Wholesale Customer notice of the time when any such calibration is to be made. If a representative of the Wholesale Customer is not present at the time set, the Authority may proceed with calibration and adjustments in the absence of any representative of the Wholesale Customer.

(C) If either party at any time observes a variation between a main delivery meter and the check meter, if any such check meter shall be installed, such party will promptly notify the other party, and the meters shall then be adjusted to accuracy. Each party shall give the other party forty-eight (48) hours' notice of the time of any test of meter so that the other party may conveniently have a representative present.

(D) If, upon any test, the percentage of inaccuracy of metering equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the last date of calibration, but in no event farther back than a period of six (6) months. If, for any

reason, the main meter is out of service or out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered, through the period such meter is out of service or out of repair, shall be estimated and agreed upon by the parties thereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter if the same has been installed and is accurately registering. Otherwise, the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of error is ascertainable by calibration tests or mathematical calculation, or (ii) by estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter was registering accurately.

(E) The Wholesale Customer may, at its option and its own expense, install and operate a check meter to check the meter installed by the Authority, but the measurement of water for the purpose of this contract shall be solely by the Authority's meter, except in the cases hereinabove specifically provided to the contrary. Such check meter shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of the Authority, but the reading, calibration and adjustment thereof shall be made only by the Wholesale Customer, except during any period when a check meter may be used under the provisions hereof for measuring the amount of water delivered, in which case the reading, calibration and adjustment thereof shall be made by the Authority with like effect as if such check meter had been furnished or installed by the Authority.

SECTION 6. MEASUREMENT

The volume of water that is billed to the Wholesale Customer shall be the amount of water delivered to the Wholesale Customer at the Points of Delivery described in Section 4. The unit of measurement for water delivered hereunder shall be 1,000 gallons of water, U.S. Standard Liquid Measure.

SECTION 7. DELIVERY PRESSURE

The water shall be delivered by the Authority at the point of delivery at the Wholesale Customer's distribution system at "0" pressure.

SECTION 8. PRICES AND TERMS

(A) System Operating Charge. The System Operating Charge shall be billed monthly as a price per 1,000 gallons of water purchased by the Wholesale Customer. The System Operating Charge shall consist of the sum of (1) a "pass through charge" to recover the cost of water purchased pursuant to the Corpus Christi Water Supply Agreement at a rate equal to the cost of water, per 1,000 gallons, from the City of Corpus Christi, and (2) a "handling charge" which shall be a rate equal to the estimated annual Maintenance and Operating Expenses per 1,000 gallons, less the amount of Maintenance and Operations Tax revenues budgeted for payment of Maintenance and Operating Expenses. Maintenance and Operating Expenses shall not include any management fees or similar expenses relating to Special Services. All rates charged for Maintenance and Operating Expenses shall be set to recover the cost of service, based on generally accepted rate making principles, including those set forth in the American

Water Works Association ("AWWA") Manual M1 on water rates. The amount of the Maintenance and Operations Tax shall be determined by the board of directors of the Authority in its sole discretion.

Wholesale Customer shall be responsible for the cost of operation, maintenance, repair and replacement of the facilities located after the point of delivery.

Each year after the Authority receives its audit, the Authority will conduct a "true-up" for the year to which the audit applies; i.e., the prior year, using audited costs to determine if there was any over-recovery or under-recovery of costs during that year. Any over-recovery or under-recovery of costs will be carried over as a credit or debit, as appropriate, to the costs included in the next year's budget that are considered to determine the price for the following year. (There will be a one-year delay in each "true-up.") Notwithstanding any provision in this Contract to the contrary, no "true-up" shall result in the Wholesale Customer's paying for costs related to facilities that are not utilized by the Authority to provide service to the Wholesale Customer.

(B) Billing and Payment - The Authority shall bill the Wholesale Customer monthly for the amounts due the Authority hereunder for water delivered to the Wholesale Customer during the preceding Service Month, which bill shall disclose the nature of the amounts due. Each bill shall show the amount of water delivered to the Wholesale Customer during the Service Month, and the total amount of water delivered to the Wholesale Customer during the Contract Year to-date. The monthly bill will be delivered to the Wholesale Customer as soon as practicable after the Authority receives a statement from the City of Corpus Christi showing the Cost of Water for that period. All such bills shall be payable by the Wholesale Customer on or before the thirtieth day from the date on which they are received by the Director of Finance at the Wholesale Customer's Office. Any mistakes by the Authority in calculations or figures shall not alleviate the Wholesale Customer's obligation to pay the bill in full. Any mistakes in any calculations or figures shall be corrected promptly upon discovery and the corrected bill will be furnished to the Wholesale Customer. An adjustment in the amount paid as a result of such mistake in calculation or figure will be added or deducted from the following month's bill, as appropriate, with an explanation of the mistakes. The corrected bill shall be payable within 30 days after receipt. If the Wholesale Customer disputes a bill, it shall nevertheless pay the bill, in full, pending any refund, as may be determined as a result of appeal of the disputed portion of the bill. If the dispute is not resolved by agreement, or by appropriate administrative agency or court decision, it shall be resolved by the dispute resolution procedures provided in Section 16.

(C) Late Payment - In the event the Wholesale Customer shall fail to make any payment required to be made to the Authority under this Contract, within the time specified herein, interest on the amount due shall accrue from the time payment is due at the rate of fifteen percent (15%) per annum, or the maximum rate allowed by law, whichever is less, from the date such payment becomes due until paid in full. In the event any such payment is not made within sixty days from date such payment becomes due, the Authority may, at its option, discontinue the delivery of water to the Wholesale Customer until the amount then due the Authority is paid in full with interest as above specified.

(D) Authority's Budget - The Authority's fiscal year shall be from October 1 through September 30 of each year, or such other period as the Authority, after sixty (60) days written notice to the Wholesale Customer, shall adopt. Not later than the forty-fifth (45th) day before the beginning of the Authority's next fiscal year, commencing with the Authority's fiscal year in which this Contract becomes effective, the Authority shall provide the Wholesale Customer with a copy of the Authority's proposed budget for the following fiscal year, showing the budgeted total annual rate, and the components thereof, to be paid by the Wholesale Customer to the Authority for the fiscal year of the Authority to which the budget applies for sale and purchase of water under this Contract. The Wholesale Customer shall have thirty (30) days to review and provide written comments on the proposed budget. The Authority shall adopt its fiscal year budget as soon as practicable following the expiration of such thirty (30) day period and shall deliver to the Wholesale Customer a copy of each fiscal year budget within five (5) days after the adoption thereof.

SECTION 9. SPECIAL CONDITIONS

(A) The Authority agrees that it will not sell water to any customer now being served by the Wholesale Customer or reasonably capable of being served by the Wholesale Customer's waterworks distribution system, except with the express written consent of the Wholesale Customer.

(B) The Authority shall, subject to Section 11 and the other provisions of this Contract, hold itself ready, willing, and able to supply water to the Wholesale Customer to the extent it is capable.

(C) Each of the parties hereto (the indemnifying party) shall be responsible for and agrees to save and hold the other party harmless from all claims, demands and causes of action which may be asserted by anyone on account of the transportation, storage, treatment, delivery, or disposal of said water while title remains in the indemnifying party.

(D) The Authority shall never have the right to demand payment by the Wholesale Customer of any obligation assumed or imposed on the Wholesale Customer under and by virtue of this Contract from funds raised or to be raised by taxation. The Wholesale Customer's obligation under this Contract shall never be construed to be a debt of the Wholesale Customer of such kind as to require it under the laws of this State to levy and collect a tax to discharge such obligation, it being expressly understood by the parties hereto that all payments due by the Wholesale Customer hereunder are to be made from the revenues received by the Wholesale Customer from its waterworks system.

(E) The Wholesale Customer represents and covenants that the water supply to be obtained pursuant to this Contract is essential and necessary to the operation of its waterworks system, and that all payments to be made hereunder by it will constitute reasonable and necessary "operating expenses" of the Wholesale Customer's waterworks system as defined in Chapter 1502 of the Government Code, as amended; and that all such payments will constitute reasonable and necessary "operating expenses" of the Wholesale Customer's waterworks system under any and all revenue bond issues of the Wholesale Customer, with the effect that the

Wholesale Customer's obligation to make payments from its waterworks revenues under this Contract shall have priority over its obligations to make payments of the principal of and interest on any and all of its revenue bonds.

(F) The Wholesale Customer agrees to fix and collect such rates and charges for water and services to be supplied by its waterworks system as will make possible the prompt payment of all expenses of operating and maintaining its waterworks system, including all payment contracted hereunder, and the prompt payment of the principal of and interest on its obligations payable from the revenues of its waterworks system.

(G) During any period of time when, in the judgment of the Authority, there is a critical shortage of water in the sources of supply available to the Authority, which makes it impractical or inadvisable for the Authority to deliver to the Wholesale Customer and the other Customers the full amounts of water required to be delivered under the water supply contracts with the Customers, the water deemed available by the Authority from its sources of supply shall be rationed to the Wholesale Customer and other Customers during each month of such period of time in accordance with the "Drought Contingency Plan for the South Texas Water Authority" adopted on May 28, 2013 which shall be amended from time to time in compliance with applicable State and Federal Requirements. Such rationing shall also be subject to the requirements of paragraph (J) below.

(H) The Wholesale Customer is participating in the Federal Flood Insurance Program and will continue to do so during the term of this Contract.

(I) The Wholesale Customer, in accordance with Water Code 11.1272, does hereby agree to implement a water conservation plan that provides for the utilization of those practices, techniques, and technologies that reduce or maintain the consumption of water, prevent or reduce the loss of and reuse of water, or prevent the pollution of water, so that a water supply is made available for future or alternative uses and the Wholesale Customer will develop a conservation plan and it shall be filed with the Authority.

(J) The Wholesale Customer acknowledges that it is required by Sec. 11.1272, Water Code, to develop a drought contingency plan consistent with the appropriate approved regional water plan. Wholesale Customer also acknowledges that the Corpus Christi Water Supply Agreement requires that, if the City of Corpus Christi implements any measures under its Water Conservation and Drought Contingency Plan, the Authority shall within thirty (30) days of notice of the implementation of any restrictions, surcharges or rationing by the City of Corpus Christi, impose similar restrictions, surcharges or rationing measures on its Wholesale Customers. Any contract for the resale of water furnished by the Authority shall contain a similar condition. Wholesale Customer understands and agrees that all Wholesale Customers shall be subject to and bound by the same provisions regarding priorities of user of water and that, therefore, should there be a shortage in the basic supply of water, from the City of Corpus Christi or otherwise, which requires the restriction or curtailing of any Wholesale Customer of water (a/k/a rationing of water), the Authority will limit and restrict all of its Wholesale Customers, to the same extent and on a pro rata basis, and will require all of its Wholesale Customers to treat all of their customers equally. Upon receipt of the notice described above, Wholesale Customer must treat

all of its customers equally, however, Wholesale Customer is not required to restrict the use by its customers.

(K) The Authority shall provide to the Wholesale Customer a copy of the Authority's annual audit report within 30 days of its acceptance by the Authority's Board of Directors.

(L) The Authority shall provide the Wholesale Customer with a copy (by electronic copy, if practicable) of each agenda and agenda packet for every Authority Board meeting within 36 hours after posting for such meeting and immediately upon posting of an emergency meeting.

SECTION 10. FORCE MAJEURE

In case by reason of force majeure either party hereto shall be rendered unable wholly or partially to carry out its obligations under this Contract, other than the obligation of Wholesale Customer to make the payments required under the terms hereof, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of a public enemy, orders of any kind of the Government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipe lines or canals, partial or entire failure of water supply, or inability on the part of the Authority to delivery water hereunder on account of any other causes not reasonably within the control of the Authority. It is understood and agreed that the settlement of strikes and lockouts may be difficult, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

SECTION 11. LIMITATIONS ON AUTHORITY'S OBLIGATION

This contract is in all things subject to the Corpus Christi Water Supply Agreement. By the execution of this contract the Wholesale Customer acknowledges that it has received and reviewed a true copy of said contract. The Wholesale Customer agrees that it will take no action which would cause a violation of the Corpus Christi Water Supply Agreement and it will comply with such agreement including the following stipulation with regard to the rationing of water:

"All water sales agreements between Authority and its customers shall stipulate that should there be a shortage in the basic supply of water which requires the restriction or curtailing of any customer of water within the City limits of City that coincident with such restriction or limitation within City, Authority will limit and restrict all of its customers, both direct and

indirect through resale, to the same extent. Such rationing by City shall be applied uniformly to all water customers of City.”

SECTION 12. TERM OF CONTRACT

The initial term of this Contract shall be for five (5) years (“Initial Term”) and will be automatically renewed for three (3) sequential terms of five (5) years each, unless one Party gives the other Party written notice of termination at least 365 days and not more than 545 days prior to the end of the Initial Term or any subsequent term.

SECTION 13. MODIFICATION

Consent of The Parties - This Contract may be changed or modified only with the consent of the governing bodies of both the Authority and the Wholesale Customer.

SECTION 14. NOTICES

Any notices or communications to a party provided for herein shall be in writing and shall be delivered to the party by personal delivery, by facsimile, or by sending said notices by registered or certified mail, return receipt requested, to the address stated below. A notice is effective and shall be deemed given when received by facsimile or by personal delivery, or signed for with the United States Postal Service.

Any such notice mailed to the Authority shall be addressed:

South Texas Water Authority
P.O. Box 1701
Kingsville, Texas 78364-1701
Attn: Executive Director
Fax: (361) 592-5965

Any such notice mailed to the Wholesale Customer shall be addressed:

City of Kingsville
P.O. Box 1458
Kingsville, Texas 78364-1701
Attn: City Manager
Fax: (361) 595-8024

Either party may change the address or facsimile number for notice to it by giving notice of such change in accordance with the provisions of this paragraph.

SECTION 15. NO THIRD-PARTY BENEFICIARIES

Nothing in this Contract will be construed to confer any right, privilege or benefit on any customer, taxpayer, or a citizen of the City of Kingsville or the Authority, or on any other person or entity not a Party hereto, or otherwise create any third-party beneficiary relationship. Nothing in this Contract will be construed as creating any form of partnership or joint venture relationship between the Parties, nor shall either Party be authorized to act as an agent for the other Party.

SECTION 16. DISPUTE RESOLUTION PROCEDURES

If a dispute arises between the parties relating to this Contract or to the performance of the parties hereto, the aggrieved party may have the dispute referred to non-binding mediation. If the non-binding mediation is not successful within sixty (60) days of the referral to it, either party may appeal the rate to the Public Utility Commission ("PUC"). If the PUC for any reason refuses to hear the appeal for want of jurisdiction, or otherwise, the dispute may be resolved by the District Court of Kleberg County, Texas.

SECTION 17. REMEDIES UPON DEFAULT

(A) Remedies. The parties agree that the Authority's undertaking to provide water is an obligation, failure in the performance of which cannot be adequately compensated in money damages alone. Accordingly, the Authority agrees, in the event of any default on its part, that the Wholesale Customer shall be entitled to specific performance in addition to any other available legal or equitable remedies.

(B) Remedies Cumulative/Not Exclusive. The remedies provided for herein are not exclusive remedies. All other remedies at law or in equity may be availed of by either party and shall be cumulative except to the extent otherwise specifically provided, or limited, under this Agreement.

(C) CONSEQUENTIAL DAMAGES. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES OR LOST PROFITS WHETHER ARISING IN AGREEMENT, TORT, STRICT LIABILITY OR OTHERWISE.

SECTION 18. GUARANTEED PURCHASE

(A) During the first year of the Initial Term of this Contract the Minimum Annual Purchase Amount shall be \$360,000. During the second year of the Initial Term of this Contract the Minimum Annual Purchase Amount shall be \$370,000. During the third year of the Initial Term of this Contract the Minimum Annual Purchase Amount shall be \$380,000. During the fourth year of the Initial Term of this Contract the Minimum Annual Purchase Amount shall be \$390,000. During the fifth year of the Initial Term of this Contract the Minimum Annual Purchase Amount shall be \$400,000. To assist the Authority in maintaining the chloramine

residual in the Authority's 42-inch transmission line near Kingsville, at the level required by the TCEQ. Wholesale Customer agrees to take water on the Daily Usage Schedule attached hereto as Exhibit "A." After the Initial Term of this Contract, the Minimum Annual Purchase Amount shall be increased at the beginning of each of the Authority's fiscal years by a percentage equal to the percentage increase in the Cost of Water during the preceding fiscal year, not to exceed a maximum increase of five percent (5%) per fiscal year.

(B) The Authority and the Wholesale Customer shall cooperate to adjust the Daily Usage Schedule to determine what best works to retain the chloramine residual at the level required by the TCEQ regulations. When that minimum Daily Usage Schedule has been determined, Wholesale Customer shall purchase water as required by the Daily Usage Schedule. Revisions to the Daily Usage Schedule shall not increase the minimum volume of water to be purchased by the Wholesale Customer, except as to conform to the amounts set forth in Section 18 (A) above.

(C) This section is subject to other provisions of this Contract which may affect the amount of water available or distributed, such as the provisions dealing with the Corpus Christi Water Supply Agreement, force majeure, drought contingency plans, water rationing, and water conservation.

SECTION 19. CAPTIONS

Captions to sections of this Contract are for convenience and shall not be considered in the interpretation of the provision.

SECTION 20. GENERAL PROVISIONS

(A) Covenant of Good Faith and Fair Dealings. The Authority and the Wholesale Customer agree to cooperate and to deal with one another fairly and in good faith at all times to effectuate the purposes and intent of this Contract. They also agree to execute and deliver such further legal documents or instruments and to perform such further acts as are reasonably necessary to effectuate the purposes and intent of this Contract.

(B) Waiver. The failure on the part of either party to require performance by the other of any portion of this Contract shall not be deemed a waiver of, or in any way affect that party's rights to enforce such provision. Any waiver by either party or any provision of the Agreement shall not be a waiver of any other provision hereof.

(C) Severability. The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision of this Contract.

(D) Tax Exempt Bonds. The Wholesale Customer understands that the Authority has issued or will issue bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes ("Tax-Exempt Bonds") for improvements to the System and that the federal income tax laws impose certain restrictions on the use of proceeds of any such Tax-Exempt Bonds and on the use of the facilities and property financed by the Tax-

Exempt Bonds and the output produced from such facilities and property. Accordingly, the Wholesale Customer will not enter into a water supply contract or other agreement with a customer of such Wholesale Customer which contains take-or-pay, contract minimums, output requirements, special rates and charges or similar provisions, unless it has notified the Authority in writing of the Wholesale Customer's intent to enter into such contract at least 60 days prior to the execution of such contract or agreement. The parties may rely on the opinion of nationally-recognized bond counsel to ensure compliance with this Section. This Section shall no longer apply to any Wholesale Customer if any of the outstanding bonds of the Authority allocable to the portion of the System used by the Wholesale Customer are not Tax-Exempt Bonds.

(E) Time. Time is of the essence. Unless otherwise specified, all references to "days" means calendar days. If the date for performance of any obligation falls on a Saturday, Sunday, or other day on which either Party's offices are not open for business, the date for performance will be the next following regular business day.

(F) Authority. Each of the persons signing on behalf of the Wholesale Customer and the Authority hereby confirm that they have the authority to execute this Contract on behalf of the party indicated by their signature and have the authority to bind such party hereto.

(G) Entire Contract. This Contract contains all agreements between the parties hereto and any agreement not contained herein shall not be recognized by the parties. Words of gender shall be construed to include any other gender, and words in the singular shall include the plural and vice versa unless the context requires otherwise.

(H) Counterparts. This Contract may be executed by the parties in any number of counterparts, each of which when so executed and delivered shall be deemed an original instrument, but all such counterparts together shall constitute but one and the same instrument.

(I) Approvals. Whenever the term "approve" or "approval" is used in this Contract, the party whose approval is required will not unreasonably withhold or delay it. Where approval is necessary, the party seeking approval may request approval in writing. If the party whose approval is requested fails to either approve the submittal or provide written comments specifically identifying the required changes within 21 working days, the submittal, as submitted by the requesting party, will be deemed to have been approved by the party whose approval is requested.

(J) Attorney's Fees. In the event either party shall become a party to any litigation against the other to enforce or protect any rights or interest under this Contract and shall prevail, the losing party shall reimburse the prevailing party for all investigative and court costs and attorney's fees incurred in such litigation.

(K) Governing Law. This Contract shall be governed by the laws of the State of Texas and venue shall lie in the District Court of Kleberg County, Texas.

(L) Binding Effect. The Contract shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Contract to be duly executed in several counterparts, each of which shall constitute a duplicate original.

[Signatures to follow.]

SOUTH TEXAS WATER AUTHORITY

By _____
President, Board of Directors

ATTEST:

Certificate of Secretary

The foregoing Contract was approved by the Board of Directors of the South Texas Water Authority, and the President was authorized to execute it on behalf of the Authority, at a duly called and posted public meeting on the _____ day of _____, 2017.

Secretary, Board of Directors

(AUTHORITY’S SEAL)

CITY OF KINGSVILLE, TEXAS

By _____
Mayor
Sam R. Fugate

ATTEST:

Certificate of Secretary

The foregoing Contract was presented to and approved by the City Commission of the City of Kingsville, and the Mayor was authorized to execute it on behalf of the City, at a duly called and posted public meeting, on the _____ day of _____, 2017.

City Secretary
Mary Valenzuela

(CITY SEAL)

Kingsville High Averages by Month for September 2012 Through August 2017 ¹

Month	Mo. Usage	Daily Usage	Days
January	4,650,000	150,000	31
February	6,760,471	241,445	28
March	8,319,028	268,356	31
April	10,906,161	363,539	30
May	12,497,858	403,157	31
June	14,240,055	474,669	30
July	15,711,155	506,811	31
August	15,911,986	513,290	31
September	13,866,300	462,210	30
October	12,451,513	401,662	31
November	7,362,963	245,432	30
December	5,893,607	190,116	<u>31</u>
	128,571,098		365

¹ www.usclimatedata.com/climate/kingsville/texas/united-states/ustx0697

Month	High	Difference		
August	97		513,290	Incremental
July	96	1	506,811	Changes per
June	94	2.58	474,669	High Temp
September	93	1	462,210	Degree:
October	88	4.74	403,157	12,458.5
May	88	0.12	401,662	gallons
April	85	3.06	363,539	
March	77	7.64	268,356	5-year Avg
November	75	1.84	245,432	169,928,311
February	75	0.32	241,445	
December	71	4.12	190,116	Cost @ 2.86
January	68	3.22	150,000	\$ 359,999.07

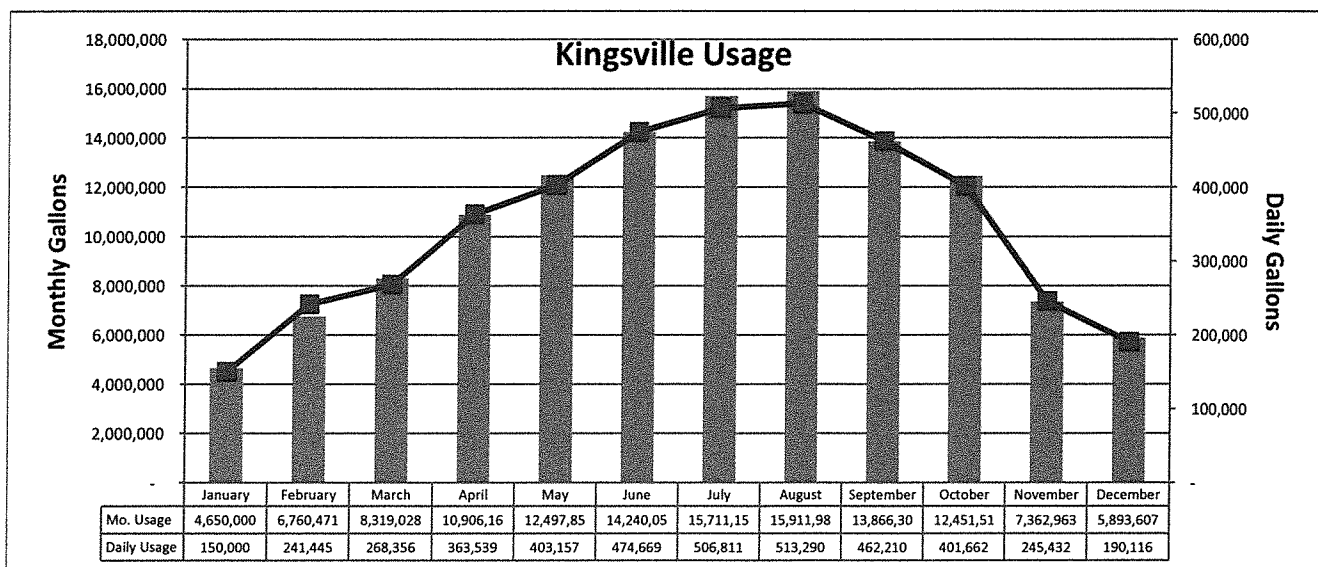


Exhibit A

QUITCLAIM

Date: _____

Grantor: South Texas Water Authority

Grantor's Mailing Address: P.O. Box 1701
Kingsville, Kleberg County, Texas 78364-1701

Grantee: City of Kingsville, Texas

Grantee's Mailing Address: P.O. Box 1458
Kingsville, Kleberg County, Texas 78364

Consideration:

The Grantee's acceptance of the obligation to operate and maintain the Property being conveyed. Grantor and Grantee further agree as additional consideration that the transfer of the Property is to provide more efficient water service to residents within the boundary of Grantor, that Grantee will use the Property to provide water service to residents within the boundary of Grantor and that Grantee will not sell the Property or transfer an interest in the Property without Grantor's consent. Should Grantee cease to use the Property for the purposes stated herein, then in such event ownership of the Property shall automatically revert to Grantor.

Property (including any improvements): The facilities described in Exhibit "A" attached hereto.

For the Consideration, Grantor quitclaims to Grantee all of Grantor's right, title, and interest in and to the Property, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Neither Grantor nor Grantor's heirs, successors, or assigns will have, claim, or demand any right or title to the Property or any part of it.

When the context requires, singular nouns and pronouns include the plural.

GRANTOR:

President, South Texas Water Authority

GRANTEE:

Mayor, City of Kingsville, Texas

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF KLEBERG §

This instrument was acknowledged before me on _____, 2017 by _____,
President of South Texas Water Authority, a political subdivision, on behalf of said political
subdivision.

Notary Public. State of Texas
My Commission Expires:_____

STATE OF TEXAS §
 §
COUNTY OF KLEBERG §

This instrument was, acknowledged before me on _____, 2017 by _____, Mayor
of the City of Kingsville, Texas, a municipality, on behalf of such municipality.

Notary Public. State of Texas
My Commission Expires:_____

EXHIBIT "A" TO QUITCLAIM

The Property consists of the following:

The water facilities downstream of the master meter, including but not limited to:

- the 1.0 MG ground storage tank
- tank mixing system
- tank disinfectant injection system
- three pumps and motors, which are:
 - Pump 1 – Paco Pump Serial #197112215 – 10A
 - Pump 1 Motor – Baldor Super E Serial #X1510M58691
 - Pump 2 – Paco Pump Serial #197112215 – 10B
 - Pump 2 Motor – Baldor Super E Serial #X1510M58690
 - Pump 3 – Paco Pump Serial #1971108124 -90
 - Pump 3 Motor – Baldor Super E Serial #X1506M41638
- associated piping, valves and controls

AGENDA ITEM #15



MEMORANDUM

To: Mayor and City Commissioners

Cc: Jesus A. Garza, City Manager

From: Deborah R. Balli, Finance Director

Date: September 19, 2017

Subject: Keep Kingsville Beautiful Donation/Fundraiser

The accounting for the Keep Kingsville Beautiful Donation/Fundraiser proceeds totaling \$831.13 from the "Fill the Flower Pot" fundraiser will be deposited into the Pooled Cash account and booked as a liability to Keep Kingsville Beautiful. The funds will be issued upon request with appropriate support documentation.



Community Appearance Division

FROM: Jennifer Bernal, Community Appearance Supervisor

SUBJECT: KKB Donations/Fundraisers

DATE: September 19, 2017

Keep Kingsville Beautiful held the “Fill the Flower Pot” fundraiser on Sept. 16th. KKB raised \$831.13 at this event. These funds will be used for various beautification projects and or cleanups. KKB will be discussing these projects in more detail at the next scheduled meeting (Oct. 19th).

Jennifer L Bernal
City of Kingsville
Community Appearance Supervisor
Keep Kingsville Beautiful Project Coordinator/Treasurer

AGENDA ITEM #16

City of Kingsville
Human Resource Department

TO: Mayor and City Commissioners

CC: Jesús A. Garza, City Manager

FROM: Diana Gonzales, Human Resource Director

DATE: September 20, 2017

SUBJECT: Proposed Resolution to Amend Policy 600.02 Health Insurance

Summary: A resolution is presented to update and clarify Policy 600.02 Health Insurance as follows:

POLICY NO. 600.02 HEALTH INSURANCE

All elected officials and full-time employees in the competitive and civil service and such other employees meeting health plan eligibility requirements ~~as may be designated by the City Manager shall be offered health benefits covered by insurance~~ in accordance with the following provisions:

- A. Elected officials and full-time employees shall be offered covered coverage under by the City's group medical plan ~~and life insurance plan~~. ~~The City shall contribute 100% of all premiums.~~
- B. Elected official and eligible employees may elect to have their dependents covered under the health plan with the City contributing a percentage of the premiums as established by the City Commission.

Background: Policy 600.02 Health Insurance was approved on August 28, 2006 and reflected City contributions to the plan as they existed at the time. In Fiscal Year 2014-2015 the City increased employee health premium and the City Commission continues to maintain the ability to change employee contribution rates by commission action.

The updated wording clarifies the policy to indicate the City "offers" medical benefits to eligible plan participants, removes the percentage of City contributions to premiums and removes mention of life insurance as that is addressed in a separate policy.

Financial Impact: Updating the wording to Policy 600.02 Health Insurance does not financially impact the City.

Recommendation: To amend Policy 600.02 Health Insurance as proposed by staff.



RESOLUTION NO. 2017-_____

A RESOLUTION AMENDING THE CITY OF KINGSVILLE ADMINISTRATIVE POLICY NO. 600.02-HEALTH INSURANCE.

WHEREAS, the City Commission previously adopted an administrative policy handbook for employees and it is now being proposed that Policy No. 600.02-Health Insurance be amended to clarify this policy, last approved August 28, 2006; and

WHEREAS, the requested change does not financially impact the City; and

WHEREAS, the policy change clarifies that the City "offers" medical benefits to eligible plan participants, removes the percentage of City contributions to premiums and removes mention of life insurance as that is address in a separate policy;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

I.

THAT Policy No. 600.02-Health Insurance, attached as Exhibit A, is hereby approved;

II.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the 25th day of September, 2017.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

POLICY NO. 600.02 HEALTH INSURANCE

All elected officials and full-time employees in the competitive and civil service and such other employees meeting health plan eligibility requirements as may be designated by the City Manager shall be offered health benefits covered by insurance in accordance with the following provisions:

- A. Elected officials and full-time employees shall be offered covered coverage under by the City's group medical plan and life insurance plan. ~~The City shall contribute 100% of all premiums.~~
- B. Elected official and eligible employees may elect to have their dependents covered under the health plan with the City contributing a percentage of the premiums as established by the City Commission.

AGENDA ITEM #17

City of Kingsville
Human Resource Department

TO: Mayor and City Commissioners

CC: Jesús A. Garza, City Manager

FROM: Diana Gonzales, Human Resource Director

DATE: September 20, 2017

SUBJECT: Proposed Resolution to Amend Policy 600.03 Life Insurance

Summary: A resolution is presented to update and clarify Policy 600.03 Life Insurance as follows:

POLICY NO. 600.03 LIFE INSURANCE

The purpose of this policy is to communicate the life insurance program for the City of Kingsville employees and other eligible members of the City Commission to identify eligibility requirements.

Life insurance offers employees and their families' important financial protection. The City of Kingsville provides a basic life insurance plan to full time employees and eligible members of the City Commission equal to either \$10,000 or one year's salary not to exceed \$50,000. ~~of the eligible member or a minimum of \$10,000 whichever is greater.~~

~~Full-time employees are eligible to participate.~~ The City of Kingsville pays all premiums associated with this policy. Employees do have the option to waive this coverage.

Eligible participants in the life insurance plan are subject to all terms and conditions of the agreement between the City and the insurance carrier. Each new eligible member shall complete enrollment forms at the time full-time employment or City Commission term begins. Contact the Human Resources Department for additional information about life insurance benefits.

Background: Policy 600.03 Life Insurance included in the current City of Kingsville Administrative Policies and Procedures Manual was approved on August 28, 2006. Additional wording is proposed to clarify the eligible participants as well as clarifying "one year's salary" to include the maximum amount allowed for payout as per policy plan documents.

Financial Impact: Updating the wording to Policy 600.03 Life Insurance does not increase the City's financial responsibility regarding this benefit.

Recommendation: To amend Policy 600.03 Life Insurance as proposed by staff.



RESOLUTION NO. 2017-_____

A RESOLUTION AMENDING THE CITY OF KINGSVILLE ADMINISTRATIVE POLICY NO. 600.03-LIFE INSURANCE.

WHEREAS, the City Commission previously adopted an administrative policy handbook for employees and it is now being proposed that Policy No. 600.03-Life Insurance be amended to clarify this policy, last approved August 28, 2006; and

WHEREAS, the requested change does not financially impact the City; and

WHEREAS, the policy change clarifies who are eligible participants as well as clarifying "one year's salary" to include the maximum amount allowed for payout as per policy plan documents;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

I.

THAT Policy No. 600.03-Life Insurance, attached as Exhibit A, is hereby approved;

II.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the 25th day of September, 2017.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

POLICY NO. 600.03 LIFE INSURANCE

The purpose of this policy is to communicate the life insurance program for the City of Kingsville employees and other eligible members of the City Commission to identify eligibility requirements.

Life insurance offers employees and their families' important financial protection. The City of Kingsville provides a basic life insurance plan to full time employees and eligible members of the City Commission equal to either \$10,000 or one year's salary not to exceed \$50,000. ~~of the eligible member or a minimum of \$10,000 whichever is greater.~~

~~Full-time employees are eligible to participate.~~ The City of Kingsville pays all premiums associated with this policy. Employees do have the option to waive this coverage.

Eligible participants in the life insurance plan are subject to all terms and conditions of the agreement between the City and the insurance carrier. Each new eligible member shall complete enrollment forms at the time full-time employment or City Commission term begins. Contact the Human Resources Department for additional information about life insurance benefits.

AGENDA ITEM #18

**City of Kingsville
Planning Department**

TO: Mayor and City Commissioners

CC: Jesus A. Garza, City Manager

FROM: Cynthia Martin, Downtown Manager

DATE: September 20, 2017

SUBJECT: Acceptance of Union Pacific Foundation Grant

Summary: The City of Kingsville has received a Union Pacific Foundation grant in the amount of \$4,000. It is requested that the City Commission accept this grant.

Background: Union Pacific Foundation is the philanthropic arm of Union Pacific Railroad. Union Pacific believes that the quality of life in the communities in which its employees live and work is an integral part of its own success. To that end, the foundation awards numerous small grants annually to these communities. The Foundation has approved the City to use the grant funds for the construction of a shade structure over the historic Fairmont Crew Cab currently on display behind the 1904 Kingsville Train Depot Museum.

Financial Impact: None.

Recommendation: It is recommended that the City Commission accept this grant funding.



AGENDA ITEM #19

**City of Kingsville
Planning Department**

TO: Mayor and City Commissioners
CC: Jesus A. Garza, City Manager
FROM: Cynthia Martin, Downtown Manager
DATE: September 20, 2017
SUBJECT: Acceptance of Union Pacific Foundation Grant

Summary: The City of Kingsville has received a Union Pacific Foundation grant in the amount of \$4,000. It is requested that the City Commission accept this grant.

Background: Union Pacific Foundation is the philanthropic arm of Union Pacific Railroad. Union Pacific believes that the quality of life in the communities in which its employees live and work is an integral part of its own success. To that end, the foundation awards numerous small grants annually to these communities. The Foundation has approved the City to use the grant funds for the construction of a shade structure over the historic Fairmont Crew Cab currently on display behind the 1904 Kingsville Train Depot Museum.

Financial Impact: None.

Recommendation: It is recommended that the City Commission accept this grant funding.



ORDINANCE NO. 2017-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2017-2018 BUDGET TO ACCEPT AND EXPEND A GRANT FROM THE UNION PACIFIC FOUNDATION FOR THE TRAIN DEPOT PROJECT.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2017-2018 budget be amended as follows:

**CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT**

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
Fund 002 Tourism Fund					
Revenue					
4-1071		Grant-Union Pacific	72036	<u>\$4,000</u>	
Expenses					
5-1071		Grounds & Perm Fixtures	59100	<u>\$4,000</u>	

[To amend the City of Kingsville FY 17-18 Budget to include a \$4,000 grant from the Union Pacific Foundation for the train depot project as per the attached memo from the Downtown Manager.]

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

INTRODUCED on this the 25th day of September, 2017.

PASSED AND APPROVED on this the ____ day of October, 2017.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #20

AGENDA ITEM #21