

SEPTEMBER 6, 2022

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON TUESDAY, SEPTEMBER 6, 2022, IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 5:00 P.M.

CITY COMMISSION PRESENT:

Hector Hinojosa, Mayor Pro-Tem
Norma N. Alvarez, Commissioner
Edna Lopez, Commissioner
Ann Marie Torres, Commissioner

CITY COMMISSION ABSENT:

Sam R. Fugate, Mayor

CITY STAFF PRESENT:

Mark McLaughlin, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Derek Williams, IT
Ricardo Torres, Police Chief
Emilio Garcia, Health Director
Deborah Balli, Finance Director
Charlie Sosa, Purchasing Manager
Rudy Mora, Engineer
Diana Gonzales, Director of Human Resources
Bill Donnell, Public Works Director
Avelino Valadez, Street Supervisor
Juan J. Adame, Fire Chief
Alicia Tijerina, Downtown Manager
Susan Ivy, Parks & Recreation Director
Darrell Mills, Landfill Supervisor
Kobby Agyekum, Senior Planner/HPO
Uchechukwu Echeozo, Director of Planning & Development Services
Michael Mora, Capital Improvements Manager
Ricardo Torres, Police Chief
Joseph Ramirez, Engineers Assistant

I. Preliminary Proceedings.

OPEN MEETING

Commissioner Alvarez opened the meeting at 5:00 p.m. with four City Commission members present. Mayor Fugate was absent.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

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

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting - August 8, 2022

Motion made by Commissioner Hinojosa to approve the minutes of August 8, 2022, as presented, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa "FOR".

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

1. Public Hearing on a proposed tax rate decrease from \$.84000 to \$.82500 for Fiscal Year 2022-2023 with \$.82500 being an increase in the no new revenue rate of \$.81303; the vote on the tax rate will be on September 12, 2022, at 5pm in the Helen Kleberg Groves Community Room, City Hall, 400 W. King, Kingsville, Texas. (Finance Director).

Commissioner Alvarez read and opened this public hearing at 5:01 P.M.

Mr. Mark McLaughlin, City Manager commented that it is required by state law to adopt a budget for the city. The proposed tax rate of \$.82500 per \$100 valuation is between the no new revenue rate and the voter approved tax rate. This revenue will bring in, total tax levy on all properties will be about \$8.3 million for the entire city. Notice of this public hearing has been published in the newspaper as well as the notice of the adopted tax rate. The listed budget cover page is also listed which states that this proposed tax rate will bring in an estimated \$161,993.00 more than last years budget.

Commissioner Alvarez 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 5:04 P.M.

2. Public Hearing on proposed Fiscal Year 2022-2023 budget. (Finance Director).

Commissioner Alvarez read and opened this public hearing at 5:04 P.M.

Mr. McLaughlin stated that the proposed budget will have expenses in the amount of \$97,423,154.68.

Commissioner Alvarez 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 5:05 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. Mark McLaughlin, City Manager stated that flags will be displayed in the downtown area in remembrance of September 11th. He further announced that the next TML Region 11 Quarterly Meeting is scheduled for Friday, September 9th in Victoria, TX. He also announced that Health Department staff will be spraying for mosquitos over the next three (3) nights, weather permitting.

Ms. Courtney Alvarez, City Attorney announced that the next Commission meeting is scheduled for Monday, September 12, 2022, at 5:00 P.M. At this meeting, the Commission will be adopting the City Manager's Budget as well as take a vote on the tax rate for the upcoming fiscal year. She further announced that the second regular commission meeting is scheduled for Monday, September 26, 2022. Deadline to submit agenda items for the September 26th meeting is Friday, September 16, 2022.

Commissioner Hinojosa thanked everyone for their prayers during his recovery.

Commissioner Torres and Commissioner Alvarez thanked Parks staff for their hard work on this past Friday's event.

IV. Public Comment on Agenda Items.³

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

Ms. Irene Bowie, 511 E. Warren commented that she is here to make a simple request, she would like to commend the work that was done, curb and gutter. She further commented that while gutters were placed down her street, it has blocked her entrance to her driveway. It is not a concrete pavement; it is a caliche road/street in front of her house, and it was a driveway that had a slope down to the street. They built the gutter and now she is unable to drive in and out of her driveway. Ms. Bowie commented that she would like to request for the city to restore the entrance to her driveway from the street.

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 2022-2023 budget for departments of the City of Kingsville. (City Manager).

Mr. McLaughlin stated that the ad valorem tax rate was adjusted to \$.82500 per \$100 of valuation of all taxable property within the City of Kingsville, TX. The tax rate is reduced from its current rate of \$.8400 per \$100 of valuation. The new revenue tax rate is \$0.81303, and the voter approved tax rate is \$0.84485. He further stated that water and sewer rates remain unchanged as well as street maintenance fees. Budget expenses are \$97,423,154.68 and budget revenues are \$88,931,508.62 of which ad valorem is \$6,525,170.00, sales tax \$5,825,000.00, and GO Debt Service at \$1,679,776.00. Expenses exceed revenues by \$8,491,646.06, which revenues already recorded in previous fiscal years. The compensation plan moved the lowest paid employee to \$13.00 per hour. There is also a 4% Cost of Living Adjustment (COLA) for all employees across the board. Fire collective bargaining agreement has been approved by the Fire Union and is now pending final approval from the City Commission. Police collective bargaining agreement is still in negotiations. Mr. McLaughlin commented that there is a placeholder of approximately \$70,000 left in the budget for negotiation on the police collective bargaining agreement. He further stated that the general fund balance is \$5,927,998.15 which is \$360,385.00 above minimum of the 25% requirement. Utility fund balance is \$3,398,272.30 which is \$843,183.49 above minimum. Total supplements submitted were 163 with 67 if those being approved at a cost of \$1,650,190.00. There were 2 new positions added to the Fire Department and one new position added to the Police Department. Besides Fire and Police, there were an additional full-time employees added and 4 seasonal in the Tourism Department. The Texas Water Development Board (TWDB) project Area #8 added since the budget workshops of an amount of \$700,000. Coastal Bend Council of Government (COG) funds of approximately \$3,946,500.00 is not included in the budget as staff has not received a confirming document at this time.

Commissioner Hinojosa asked when the funds were received last year. Mr. McLaughlin responded that funds were not received last year, this is the first time the city receives these funds but could be anytime this month.

Mr. McLaughlin further stated that budget project areas and services include the following: Street Sweeping Contract; Enterprise Fleet Contract for 12 vehicles; new commercial garbage truck; shade structures at Dick Kleberg Park; and landfill drainage plan for \$322,085. The city will begin major expenses in the GLO and TWDB projects for an amount of \$53 million. Mr. McLaughlin also stated that a street list has been produced showing streets that are being proposed for the new fiscal year. The street list is an estimated total of 13 miles of street for a cost of \$2.9 million. The city may use COG funds for street repairs if commission chooses to do so.

Commissioner Hinojosa asked that the \$97 million versus \$88 million there is a difference of about \$9 million, which fund took the biggest hit? Was it the general fund or the utility fund? He further asked that in budget expenses of \$97 million, does the city have an actual amount of expenses on the revenues? He further commented that he knows that this fiscal year has not ended yet, but does staff have an estimate of what the actual expenses would be for the whole year compared to the \$97 million budgeted expenses and the \$88 million revenues budgeted.

Mr. McLaughlin responded that with regards to the first question, which fund took the biggest hit, he would need to get back with Commission Hinojosa as he would need to research that further. He can estimate that he will see some hit in the utility fund with more in the general fund. Regarding the second question, if the fiscal year ended today, the city would have expensed \$45,810,462.00, which was update about an hour and half ago. He further stated that staff has an original budget with all the budget amendments for this entire year where we were supposed to have expensed \$1.8 million but this is because not all the General Land Office (GLO) which was \$53 million dollars in projects did not get spent. He further commented that staff knew it was not going to get spent this year, but it needs to be accounted for. In three weeks, the city is

supposed to expensed \$5 million more than what we brought in, but we are to the good in about \$282,000, as of today. The city's fund balances it was projected to have an estimated ending fund balance of \$26,525,000. If the budget year ended today, the city would be close to \$30 million in fund balance. The budget will end the year healthy to start the next year.

Commissioner Alvarez asked that for those city departments running short on funds for the current fiscal year, will those departments be taken care of. Mr. McLaughlin responded yes, an end of year cleanup ordinance of those departments with negative balances will be cleared.

Commissioner Torres asked that on the street list and the GLO and TWDB, does this include W. Sage Road that needs to be completed or will it be part of the curb and gutter? Mr. McLaughlin responded that this is part of the drainage, and it is in a separate fund. Commissioner Torres further asked what the holdup was regarding the Police Collective Bargaining Agreement. She stated that she is aware that in the budget there is \$70,000, just in case it is needed for this agreement, but will it fluctuate lower or higher?

Ms. Alvarez responded that the Police Union has declared an impasse during the last negotiation meeting at the beginning of August 2022. The city has presented some options to the Police Union, city is waiting to hear back from them.

Commissioner Torres commented that she is concerned about the \$70,000, which are funds that are accounted for just in case.

Mr. McLaughlin responded yes, when the budget was built staff put in, if everyone accepted a 4% across the board this is how much it would cost. This money is in there, which the Fire Department has used some, but there is still some leftover to account for police. If more is needed, the fund balance in the general fund will have funds that can be used.

Ms., Alvarez responded that not all those funds can go towards them as it would need to cover everything else that goes on through the rest of the year.

Commissioner Torres asked that regarding the 4% COLA being proposed, is that enough for the employees, as employees are struggling due to inflation. A concern she has is that the employees having to struggle with what is not coming to pass. Is staff sticking with the 4% COLA or will it be adjusted?

Mr. McLaughlin stated that there is a 4% COLA proposed in the upcoming budget. For every percent you go above 4%, its close to \$100,000 to the general fund. The lower tiered paid employees will be receiving more than a 4% increase, it is more like a 7% increase, as they will be increased to \$13.00 per hour. He further stated that without knowing what will occur with the Police Union agreement it would be hard to give a higher COLA, but if Commission wishes to do so, the Commission can always do a mid-year COLA.

Commissioner Torres commented that she is concerned about employees not making enough, as well as directors. She further stated that within the budget she did not see an amount budgeted for the park parking lots. Mr. McLaughlin responded that the funds for the parking lots will be coming for ARPA funds, which is already earmarked for \$150,000 and will be using some of the COG funds for it as well.

Commissioner Alvarez asked how many employees are under the \$15.00 per hour range. Mr. McLaughlin responded that he believes there are about 40 employees, out of the 265 employees, but those 40 employees will be receiving more that a 4% COLA as they will be brought up to \$13.00 per hour.

Commissioner Hinojosa commented that those employees under the \$15.00 per hour, maybe it could be called a salary increase and not a COLA. This way a COLA would not have to be adjusted across the board.

Commissioner Alvarez asked what the cost would be for 40 employees to move up to \$15.00 per hour?

Mrs. Diana Gonzales, Human Resources Director stated that during a budget workshop it was mentioned that the city had 72 employees that were under the \$15.00 an hour pay. With this proposed budget, the number of employees dropped to 52 employees. She further stated that 43% of the employees were under \$15.00 an hour and now it will be 31%. If the city continues with the premise that it has been working on, to get employees to the \$15.00 an hour, it would be \$1.00 per year. When the Federal Government starting discussions about the hourly rate, they were thinking it would be a five-year plan. Even though nothing came from that the city still moved forward with that premise and trying to get those employees to \$15.00, but it will take approximately 5 years to get us to the \$15.00, which we have 2 years left after this year. There could be other COLA's that play into it so it can possibly less time to get them to the \$15.00.

Mr. McLaughlin stated that what is important to keep a frame of reference is when you move three or four of the bottom tiers and move them to get them above the \$15.00 you will need to take in to account and respect the time and service for those that are in the middle tiers. If you jump somebody up to where someone has been here to 10 years and they are making \$15.25 an hour, they probably won't be very happy. Staff makes sure that the entire compensation structure respects the hierarchy so that they can earn the licenses and certificates so that they can move up within their department or other departments within the city.

Commissioner Hinojosa commented that this would throw the compensation of those non-exempt employees up by placing those employees at \$15.00 as the Mr. McLaughlin just stated.

Mr. McLaughlin stated that he is still working on what the Commission asked for about three years ago, to increase the lower tiers to \$15.00. If the Federal Government granted the minimum wage of \$15.00 an hour, the impact to the city in order to get there would not be nearly as drastic as if city had not done anything over the last three years.

Commissioner Lopez commented that the conversation about increasing the lower tier paid employees is discussed every year during budget proceedings. She further stated that she would like for staff to present a plan, during the next budget proceedings, on what it would cost the city to bring the lower tiered employees to \$15.00 per hour. Commissioner Lopez asked that with regards to the funds that will be received from COG, it's been said that it has been earmarked for streets already.

Mr. McLaughlin responded that he would like to use some of it for streets, with Commission approval. There are a number of projects that this money can be used for, as per COG, but they are not the same uses that was seen with the ARPA Funds or COVID Relief Fund.

Commissioner Lopez commented that she has concerns with drainage on 24th Street and Kenedy. She further commented that the response she received from Mr. McLaughlin was that the area was a flat area and Harvey School doomed them when it was built. She further stated that these residents feel that they are the forgotten neighborhood. She would like for the city to work on a study or how we can improve this drainage in that area.

Commissioner Alvarez asked what the Fire Union had agreed on with regards to their Collective Bargaining Agreement. Ms. Alvarez responded that because the Fire Union has already approved their agreement, their first year is a 4%.

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, 2022, and ending September 30, 2023, in the particulars hereinafter stated. (Finance Director).

Mr. McLaughlin explained that the is ordinance is for the adoption of the City Manager's budget, as amended, for the City of Kingsville, TX and appropriating funds for the fiscal year beginning October 1, 2022 and ending September 30, 2023. The sum of \$97,423,154.68 is appropriated for the budget revenues and expenses for the City of Kingsville, TX.

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, 2022, and ending September 30, 2023, 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).

Mr. McLaughlin stated that this ordinance is to establish and adopt the ad valorem tax rate for all taxable property within the City of Kingsville, TX for fiscal year beginning October 1, 2022, and ending September 30, 2023. The tax year 2022 starting October 1, 2022, and ending September 30, 2023, the tax rate will be a sum of \$.82500 based on 100% of the fair market value.

Introduction item.

4. 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. Diana Gonzales, Human Resources Director stated that in preparation for the beginning of each new fiscal year, the City of Kingsville Classification & Compensation Plan is brought to the City Commission for approval. The plan incorporates classification and title changes included in the City Manager's budget.

Introduction item.

5. **Consider introduction of an ordinance ratifying classification and prescribing the number of positions in such classifications for the classified service in the Police Department by adding one new Officer Position. (Human Resource Director).**

Mrs. Gonzales stated that this item will ratify the classification and prescribing the number of positions in such classifications for the classified service in the Police Department by adding one new Officer Position.

Introduction item.

6. **Consider introduction of an ordinance ratifying classification and prescribing the number of positions in such classifications for the classified service in the Fire Department by adding two new Fire Fighter Positions. (Human Resource Director).**

Mrs. Gonzales stated that this item will ratify the classification and prescribing the number of positions in such classifications for the classified service in the Fire Department by adding two new Fire Fighter Positions.

Introduction item.

7. **Consider accepting a donation from Keep Kingsville Beautiful for work at the Train Depot and downtown lighting for main street. (Tourism Director).**

Mrs. Alicia Tijerina, Downtown Manager stated that this is an item to accept a donation from Keep Kingsville Beautiful for work at the Train Depot and downtown lighting for main street. She further stated that the lighting downtown will be replaced with LED lights which will be left on throughout the year.

Motion made by Commissioner Lopez to accept the donation from Keep Kingsville Beautiful for work at the Train Depot and downtown lighting for main street, seconded by Mayor ProTem Hinojosa. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa voting "FOR".

8. **Consider introduction of an ordinance amending the Fiscal Year 2021-2022 Budget to accept and expend a donation from Keep Kingsville Beautiful for Train Depot repairs and lighting for main street. (Tourism Director).**

Introduction item.

9. **Consider a resolution authorizing application to, administration of, and acceptance of Office of the Governor, Public Safety Office, Criminal Justice Division's FY2023 Bullet-Resistant Shield Grant Program. (Police Chief).**

Mr. Ricardo Torres, Police Chief stated that the Kingsville Police Department would like to apply for and if awarded to accept and expend funds for Bullet-Resistant Shield Grant Program. The application will be for nine (9) bullet-resistant shields at a cost of \$5,610.45 each for a grant total of \$50,494.05. There is no cash match for this application.

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

10. **Consider out-of-state travel for Police employee Noe Sosa to attend the Forensic Scripting Course held by the U.S. Secret Service's National Computer Forensics Institute in Hoover, Alabama from September 18-23, 2022, with all expenses paid. (Police Chief).**

Mr. Ricardo Torres, Police Chief stated that due to a partnership with the US Secret Service, staff was invited to make an application to the National Computer Forensics Institute to attend the Forensic Scripting Course. The training will be provided at no cost to the city which include flight, lodging, and per diem.

Motion made by Commissioner Lopez to approve the out-of-state travel, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa voting "FOR".

11. **Consider awarding RFP 22-11 for Professional Audit Services as per staff recommendation. (Purchasing Manager).**


Mr. Charlie Sosa, Purchasing Manager stated that this item authorizes the city to negotiate a contract with John Womack and Company of Kingsville, TX for professional auditing services. John Womack and Company are a professional certified public accountant that will provide audit financial statements and Annual Comprehensive Financial Report (ACFR) for the City of Kingsville. Staff published a request for proposal (#22-11) in the Kingsville Record on June 16th and June 23, 2022. Proposals were accepted until 2:00 P.M. on July 5, 2022. Staff received four responses from John

Womack and Company of Kingsville, TX, Martinez, Rosario and Company of San Antonio, TX, Park, Fowler and Company of Corpus Christi, TX, and Carr, Riggs and Ingram of Corpus Christi, TX. The selection committee reviewed all proposals received and found the information received to be responsive. Based on the proposals submitted from the four firms, John Womack and Company of Kingsville, TX was the higher rating firm scored from the selection committee. Though not a fact in the scoring process, a summary of estimated hours and cost were provided to each proposal which are as followed: John Womack and Company was an estimated cost of \$109,750.00 for 950 hours which break down to \$115.52 per hour; Park, Fowler and Co. was an estimated cost of \$106,500.00 for 860 hours which breaks down to \$123.84 per hour; Martinez, Rosario and Co. was an estimated of \$89,500.00 for 500 hours which breaks down to \$179.00 per hour; and Carr, Riggs and Ingram was an estimated cost of \$95,000.00 for 613 hours which breaks down to \$154.98 per hour. Mr. Sosa further stated that it is staff's recommendation for the city to award the contract to John Womack and Company of Kingsville, TX for professional audit services.

Motion made by Commissioner Lopez to award RFT 22-11 for Professional Audit Services to John Womack and Company of Kingsville, TX, seconded by Mayor Pro Tem Hinojosa. The motion was passed and approved by the following vote: Lopez, Torres, Alvarez, Hinojosa voting "FOR".

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:56 P.M.



Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela
Mary Valenzuela, TRMC, CMC, City Secretary