

AUGUST 14, 2023

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 14, 2023, IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 5:00 P.M.

CITY COMMISSION PRESENT:

Sam R. Fugate, Mayor.
Hector Hinojosa, Commissioner
Edna Lopez, Commissioner
Norma N. Alvarez, Commissioner
Ann Marie Torres, Commissioner

CITY STAFF PRESENT:

Mark McLaughlin, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Derek Williams, IT
Janine Reyes, Tourism Director
Rudy Mora, Engineer
Bill Donnell, Public Works Director
Diana Gonzales, Human Resources Director
Kwabena Agyekum, Senior Planner/HPO
Emilio Garcia, Health Director
Susan Ivy, Parks & Recreation Director
Deborah Balli, Finance Director
Bradley Lile, Interim Police Chief
Charlie Sosa, Purchasing Manager
Mike Mora, Capital Improvements Manager

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 5:00 P.M. with all five commission members present.

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 July 24, 2023

Motion made by Commissioner Lopez to approve the minutes of July 24, 2023, as presented, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Torres, Fugate voting "FOR".

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

1. Public Hearing on request to replat The Estates at Wildwood Trail Phase 2, Lot 40, also known as 1404 Lewis Street and The Estates at Wildwood Trail Phase 2, Lot 39, also known as 1426 Lewis Street, Kingsville, TX 78363. Owner/Applicant, Cassandra Canela & Jacob Castillo. (Interim Planning & Development Services Director).

Mayor Fugate read and opened this public hearing at 5:03 P.M.

Mr. Kwabena Agyekum, Senior Planner/HPO stated that the applicant would like to combine both properties into one. There is currently a structure on the property that will remain. The property is currently zoned R1 Single Family.

Commissioner Lopez commented that there is a structure on the property already.

Mr. Agyekum stated that this was correct. He further commented that notices were mailed out to individuals as required and received no feedback from the notices mailed. The Planning & Zoning Commission met on this item and voted unanimously to approve.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item they may do so now with a five-minute limit. Additional time cannot be extended by the City Commission.

There being no further comments Mayor Fugate closed this public hearing at 5:06 P.M.

2. Public Hearing on request to replat Neesen Subdivision, Block 1, Lots 1-8 (Chevrolet Dealership), about 9.5499 acres, also known as 2007 S. US Hwy 77 Bypass, Kingsville, TX 78363. Applicant, Roberto Cardenas; Owner, Neessen Real Estate Holdings, Ltd.. (Interim Planning & Development Services Director).

Mayor Fugate read and opened this public hearing at 5:06 P.M.

Mr. Agyekum stated that the applicant is requesting the replat of Neessen Subdivision, Block 1, Lots 1-8, 2.67 acres out of 9.5499 acres also known as 2007 S. US Hwy 77 Bypass to create two separate plats. Letters were mailed to neighboring citizens. The city received no feedback from those individuals. The Planning & Zoning Commission met on this item and voted unanimously to approve.

Commissioner Hinojosa asked for staff to display the map of this location, as he needed clarification of the area to be replat.

A map was displayed showing the location of the property and the area that is being requested for the replat.

Mayor Fugate asked why the replat was being requested. Mr. Agyekum stated that the applicant did not share that information with the staff.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item they may do so now with a five-minute limit. Additional time cannot be extended by the City Commission.

There being no further comments, Mayor Fugate closed this public hearing at 5:11 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, gave a brief update on the paving of streets. He further reported that the City Commission has received their budget notebook today for their review. The budget workshops have been scheduled as follows, Monday, August 21st, and Tuesday, August 22nd to begin at 4:30 P.M. A regular meeting is scheduled on Monday, August 28th, with a possibility of a third workshop to follow on this day after the regular meeting. There is also a special meeting on Tuesday, September 5th at 5:00 P.M. where there will be two public hearings, one on the tax rate and the other for the proposed budget. During this meeting, staff will have two introductory ordinances for the tax rate and the proposed budget for Fiscal Year 2023-2024. Mr.

Ms. Courtney Alvarez, City Attorney reported that the next regular commission meeting is scheduled for Monday, August 28th, with a deadline for staff to submit agenda items by Friday, August 18th.

Commissioner Torres commented that she had been invited to attend the Latino Leadership in Houston. She further commented that she had the opportunity to apply for a grant that would allow her to attend the Latino Leadership, which she received.

Mayor Fugate presented two proclamations: Kingsville Parks Youth Pony League World Series Champion 16u Kingsville Lady Brahmas Softball Team, and 70th Anniversary of the U.S. Small Business Administration.

IV. Public Comment on Agenda Items.³

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

Mrs. Vicki Benys, 1914 Martin stated that she would like to speak on behalf of 81's Heroes. She stated that we are closing in on two years since we have lost our fallen hero who gave his life to help save others. On August 26th there will be a Golf Tournament that will take place at the LE Ramey Golf Course. The event will be called "Golfing for Our Heros". She further commented that they are up and going, but she wishes that they would be able to help with more than they been able to do. She stated that they have annual memberships which she thought they would go over more than what they have been, but they haven't. They have fallen back to having something once

or twice a year. They made some money from last year's golf tournament and were able to do some things last year. She stated that they had pushed the golf tournament to August 2023 as last year it was around the end of watch date and also have a concert around that time, but they started a little late in getting the JK Northway rented so then they tried pushing it to October as they couldn't go out towards the end of the year due the Christmas festivities. When it came to getting the sound together and also working around the sound system with the TAMUK football games. By the time they go to that level, then they were unable to book the band that they wanted. The plan now is to have the golf tournament this month and plan for something else around that date. She further commented that the Blood drive is usually at the Police Department.

Mayor Fugate asked what the three levels are. Mrs. Benys responded that they are the Red, White, and Blue. The Red level is \$300 for a whole sponsor, White level is \$400 which includes a team that will have a discount off of a team of golfers, Blue level is \$500 whole sponsor.

Mr. Lance Hamm, 912 South Creek commented that he would like to speak about highway safety. He commented that he has spoken with America and Lucio of the Texas Department of Transportation Department. He further commented that his concern is the speed limit on General Cavazos which is set at 45mph. Other streets with this design are set at 35mph. In 2019, there was a TAMUK student, a 22-year-old female that died in a motorcycle accident in front of Walmart. Last month there was a 58-year-old male died on a bicycle south of General Cavazos on the US 77 Bypass. The service road is 45mph which is the reason he is bringing this up as General Cavazos is 45mph. There are some discrepancies in the ordinance about what that speed limit should be or what is listed. He commented that the ordinance he located, which he could be wrong about, shows the speed limit at 35mph, of which America Garza was not aware, and it's posted at 45mph. He further commented that he feels that it needs to be 35mph as S. Brahma. He further commented that as for agenda item #10, calling a special election for a venue project election. He commented that the agenda should be telling the people what the Commission will be discussing. He doesn't feel that any resident that reads this can say that they know what it's about. He asked for the city to not be so vague and maybe add more of what the item is about such as the Tourism development project or the Henrietta Memorial Events and Nature Center project. He stated that there has been some vagueness before on agenda items. Mr. Hamm further commented that he has an active grievance with the City Commission. This has been on the books for over a year. The commission had the opportunity to discuss this last year, a grievance procedure, and the commission elected to do nothing with it. He commented that the commission has not told city staff that they could look at grievances or has been given a timeline for staff to look at grievances or how to address grievances. He commented that his grievance was turned in a year ago. He stated that next year he will come back and bring it up again.

V.

Consent Agenda

Notice to the Public

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

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

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

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

1. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate funding for sewer main pumping costs on General Cavazos, Corral, and Santa Gertrudis. (Public Works Director).

2. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate funding for the emergency repair on 4th Street between Santa Gertrudis and Ella. (Public Works Director).

3. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate additional funding for Sanitation and Landfill vehicle maintenance. (Public Works Director).

4. Motion to approve final passage of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate funding for Golf Course equipment and greens improvements. (Parks Director).

5. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter III-Administration, Article 3-Departments, Boards, & Commissions, Section 101, providing for revisions to the King Ranch Representative on the Hotel Occupancy Tax Advisory Board. (Tourism Director).

6. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Section 9-3-52, providing for the mandatory spay/neuter of an animal following impoundment. (Health Director/ City Manager).

7. Motion to approve a resolution authorizing the City Manager to execute an Interlocal Agreement for E9-1-1 Public Safety Answering Point Services between the City of Kingsville and the Coastal Bend Council of Governments. (is renewed every 2 years at no cost). (City Attorney).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

8. Consider a resolution nominating BASF Corporation to the Office of the Governor Economic Development and Tourism ("OOGEDT") through the Economic Development Bank for designation as a Qualified Business and Enterprise Project under the Texas Enterprise Zone Program under the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code. (City Attorney).

Ms. Alvarez stated that the city has been approached in 2018 and 2009 on this. She further stated that this is a five-year period of time where they ask the city to sponsor their application and there are certain benefits for them to have done that and does not do any harm to the city.

Mr. Jansen Givens stated that this is a refund of the state sales and used the portion that they pay at the BASF facility, so there is no fiscal impact on the city. This is a five-year designation; they receive \$2,500 per job that they retain at the facility, and they can renew every five years.

Motion made by Commissioner Alvarez to approve the resolution nominating BASF Corporation to the Office of the Governor Economic Development and Tourism ("OOGEDT") through the Economic Development Bank for designation as a Qualified Business and Enterprise Project under the Texas Enterprise Zone Program under the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Alvarez, Fugate voting "FOR".

9. Consider a resolution authorizing the City Manager to enter into a Collective Bargaining Agreement between the City of Kingsville, Texas and the Kingsville Law Enforcement Association for Fiscal Year 2023-2025. (Human Resources Director).

Mrs. Diana Gonzales, Human Resources Director stated that the current one-year collective bargaining agreement between the City of Kingsville (City) and the Kingsville Law Enforcement Association (KLEA) is set to expire on September 30, 2023. The City and KLEA met to negotiate certain items as mandated by Texas Local Government Code for entities that have voted in collective bargaining. Meetings were held on April 11th & 18th, May 16th, June 5th, June 26th, and July 21, 2023. Meetings were conducted and a tentative agreement between the City and KLEA was reached during negotiations. KLEA advised the association members voted on August 1, 2023, to approve the proposals tentatively agreed upon during negotiations. The agreement presented is for two years with an 8% increase to base wages in Fiscal Year (FY) 2023-2024 and a 6% increase to base wages in FY 2024-2025. Other articles in the agreement were also changed. Additional collective bargaining agreement costs for Year 1 calculation based on full-department staff which is as follows: FY 23-24 estimate equals \$276,441.00 including anniversary increases and fringe benefits proposed increase is included in the preliminary budget calculations. Year 2, FY 24-25 estimated additional costs for a 6% base wage increase equal approximately \$266,814.00 including anniversary increases and fringe benefits. Both years 1 and 2 total additional costs for the proposed two-year agreement, including fringe benefits are approximately \$543,255.00.

Commissioner Hinojosa asked for clarification on one of the articles. Article 33, Personnel Reduction, Page 31 of the agreement, "In the event of layoff of police officers

in the City of Kingsville Police Department becomes necessary". He asked what this meant.

Mrs. Gonzales responded that this language provides the process in the event the city should have to lay off the positions. She also stated that this wording has been part of the agreement for several years. She further commented that she would need to do some research to get a more explanatory answer.

Commissioner Lopez stated if the language is in the agreement and the Commission will be approving it during this meeting, it would be too late to get that explanation.

Commissioner Hinojosa stated that what he doesn't understand is when this becomes necessary.

Ms. Alvarez stated that in the unlikely event that the city should be in that position, this is the process that would be followed. The contract has a lot of articles in it that help with things that currently take place and things that may or may not ever take place. This is just another provision to provide an avenue to go if that event should ever arise. If the situation should arise, there would be no need to come back to the table, as the language in the process is already in the agreement.

Motion made by Commissioner Lopez to approve this resolution authorizing the City Manager to enter into a Collective Bargaining Agreement between the City of Kingsville, Texas, and the Kingsville Law Enforcement Association for Fiscal Year 2023-2025, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Torres, Hinojosa, Alvarez, Lopez, Fugate voting "FOR".

10. Consider ordinance calling a special election for a venue project election in accordance with Chapter 334, Local Government Code, to be held in the City of Kingsville, Texas and other matters related thereto. (City Manager).

Mr. McLaughlin commented that this is the next step in the process of adopting a venue tax for the Henrietta Memorial Center. An election must be called before August 21, 2023, in order to place the item on the November 7th ballot. This doesn't mean it has to be done, but if an election is not called by the deadline date, then the city cannot place this item on the November ballot. Staff have met with the hoteliers and discussed this with them in which staff received their support. What the venue tax would do is add 2% to hotel rental rooms. The citizens of Kingsville will not be paying this tax, only travelers who stay at our hotels. If the venue tax is approved by the voters, then the city would bond against that for the construction of the Henrietta Memorial Center so that the city can get it ready for the Birding and Butterfly Center.

Commissioner Hinojosa commented that there were some concerns about the King Ranch Saddle Shop moving out from the downtown area. He further commented that it was his understanding that the city was trying to get an agreement that they would not move the Saddle Shop from the downtown area, and further asked if this was something the city had already received from the King Ranch.

Ms. Alvarez stated that there is a letter of intent for things that they plan to do but at the same time, it is not concrete at this point for the same reason everybody is waiting to see what happens. The city taking over the venue would be contingent on the acceptance of the venue tax election. She further stated that once the city commission calls for the election and once the election is successful then at that point more concrete terms would be delivered before assuming the lease, which would be brought back to the commission for approval.

Commissioner Torres asked what the cost would be for this election, as the taxpayers would be paying for it.

Mrs. Mary Valenzuela, City Secretary responded that it is hard to give an actual cost for an election, but if needing to estimate it, it could cost between \$10,000 to \$12,000, but this is only an estimate. Since the election will be a joint election with Kleberg County, both entities would be sharing the cost.

Motion made by Commissioner Alvarez to approve this ordinance calling a special election for a venue project election in accordance with Chapter 334, Local Government Code, to be held in the City of Kingsville, Texas and other matters related thereto, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Torres, Fugate voting "FOR".

11. Consider accepting \$129,760 contribution from Kleberg County for L.E. Ramey Golf Course Greens Renovation Project. (project done this FY; County approved 7/31/23). (Finance Director/City Manager).

Commissioner Hinojosa asked if the County Commissioners' Court had approved this item. Mr. McLaughlin responded yes.

Motion made by Commissioner Lopez to approve the acceptance of \$129,760 contribution from Kleberg County for L.E. Ramey Golf Course Greens Renovation Project. (project done this FY; County approved 7/31/23), seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa, Fugate voting "FOR".

12. Consider request to replat The Estates at Wildwood Trail Phase 2, Lot 40, also known as 1404 Lewis Street and The Estates at Wildwood Trail Phase 2, Lot 39, also known as 1426 Lewis Street, Kingsville, TX 78363. Owner/Applicant, Cassandra Canela & Jacob Castillo. (Interim Planning & Development Services Director).

Motion made by Commissioner Lopez to approve the request to replat The Estates at Wildwood Trail Phase 2, Lot 40, also known as 1404 Lewis Street, and The Estates at Wildwood Trail Phase 2, Lot 39, also known as 1426 Lewis Street, Kingsville, TX 78363. Owner/Applicant, Cassandra Canela & Jacob Castillo, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Alvarez, Fugate voting "FOR".

13. Consider request to replat Neesen Subdivision, Block 1, Lots 1-8 (Chevrolet Dealership), about 9.5499 acres, also known as 2007 S. US Hwy 77 Bypass, Kingsville, TX 78363. Applicant, Roberto Cardenas; Owner, Neessen Real Estate Holdings, Ltd. (Interim Planning & Development Services Director).

Motion made by Commissioner Alvarez to approve the request to replat Neesen Subdivision, Block 1, Lots 1-8 (Chevrolet Dealership), about 9.5499 acres, also known as 2007 S. US Hwy 77 Bypass, Kingsville, TX 78363. Applicant, Roberto Cardenas; Owner, Neessen Real Estate Holdings, Ltd, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa, Fugate voting "FOR".

14. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter VII, Article 8, Section 3-Traffic Control Devices, providing for the authority to place a yield sign on Shirley Drive at Virginia Avenue for Eastbound traffic and on Parker Drive at Shirley Drive for Northbound traffic, and to update other language. (City Engineer).

Mr. McLaughlin commented that this is very much warranted.

Introduction item.

15. Consider introduction of an ordinance vacating, abandoning, and closing a 60-footwide right-of-way on E. Johnston Avenue between Union Pacific Railroad and South Sixth street in the First and Fourth Addition, while retaining a utility easement. (City Engineer).

Mr. McLaughlin commented that this is a request for the city to vacate, abandon, and close an unopen 60-foot right-of-way for the 100 block of E. Johnson Avenue. The right-of-way is located west of the intersection of E. Johnston Avenue and 6th Street and east of adjoining owners as parking and access to their businesses. The adjoining property owners are Jack's Auto and S&C Parts who will receive additional property 30 feet wide by 150 feet long and approximately 0.10 acres. All utilities were contacted, and American Electric Power has an overhead electrical crossing in the right-of-way. The city will vacate, abandon, and close the right-of-way and retain a utility easement.

Introduction item.

16. Consider introduction of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate funding for the CO Series 2023 for the water meter replacement project. (Purchasing Manager).

Mr. Charlie Sosa, Purchasing Manager stated that this item authorizes the funding for the Utility Plant Division for the new water meter replacement project. The city went out for Certificates of Obligation CO Series 2023-UF, recently approve and funded in the amount of \$6,030,000.00 Staff requesting the funds be allocated to expenditure fund GL account 141-5-6001-71200 for the funding of the new water meter replacement project. It is staff's recommendation that the funds be allocated for the funding of the new water meter replacement project.

Introduction item.

17. Discussion on compensation plan study by Evergreen. (Human Resources Director).

Mr. Peter Backhaus, Consultant for Evergreen Solutions, Inc gave a brief presentation on the Classification and Comprehensive Study Project. Mr. Backhouse stated that the study goals are to review current classification and compensation system to ensure internal equity; survey peer organizations to ensure external equity; and produce recommendations to provide the organization with a classification and compensation system that is equitable, both internally and externally. The project had four phases, phase 1 was the outreach where they had employee meetings to get the employee feedback in order to collect data. Phase 2 was the classification structure; phase 3 was the comp survey and internal alignment analysis; and phase 4 was the implementation options and reporting. Comments from the employee meetings were positive. The city employees expressed that the benefits package was one of the leading reasons they initially decided to pursue employment with the city. Several employees described the quality of people they work with as the number one reason they have stayed with the organization. Many also cited having a wonderful relationship with their peers and direct supervisor as a key reason for staying. The pride in serving their own community was also a driving point that was mentioned. Mr. Backhaus further stated that many employees mentioned they came to work for the city for stability and a consistent schedule. Other comments and concerns from the employee meetings were, feedback on the competitiveness of pay in Kingsville was mixed, with some employees sharing that their starting pay is lower than in other municipalities and provides difficulty with retaining top talent. There were also concerns across employee groups that levels of separation between classifications was generally low. There is also a consistent desire that was spoken on for a longevity-based pay structure to be considered to separate employees based on the tenure they held. While the benefits were viewed mostly positively, concerns were expressed between employee groups that the employer contributions to retirement were not competitive with market peers. Employee groups also identified that increased efforts in improving and maintaining the city equipment could help staff more efficiently perform in their roles and surpass some of the potential staffing pressures they may face. The current system review shows the strength that the city possesses a very customizable pay structure that can respond to market changes for individual classifications. Also, the city has a fair, positive relationship between tenure and pay grade penetration. In weakness, range spread generally recommended to be between 40 to 50 percent, varies across grades and pay plans. The city's three plans have range spreads varying from 3% up to 65%, while the general plan had the highest consistency with most ranges' spreads being 16% or 42%. There appears to be some compression throughout the pay plans. Pay compression can be defined as the lack of variation in salaries between employees with significantly different levels of experience and/or responsibility. Range compression consists of employees in the same job but with different levels of experience not possessing sufficient pay variation. Employees in a supervisor/supervisee relationship not possessing sufficient pay variation. Mr. Backhaus stated that the number of Job Assessment Tools issued was 287 with a number of 81 classifications represented. Salary and benefits survey resulted in 14 responses. All responses are adjusted for cost-of-living differentials. Salary ranges and average actuals were collected from the respondents. A total of 73 jobs were benchmarked and surveyed from the market. Mr. Backhaus commented that the key recommendations are to adopt a unified, updated step-based pay plan with new grades for general employees. The newly recommended pay plan has consistent range spreads and a logical progression between the grades. Reassign positions to pay grades based on internal equity and the market results. Some positions will see larger adjustments than others due to the market response. Modernize classification titles based on industry standard and workforce progression. Place employees within their newly recommended pay grades. Select an implementation methodology that aligns with the compensation philosophy and financial means of the city. Adopt a multi-year phasing approach to ensure the plan can be afforded and implemented by the city. Mr. Backhaus also commented that Evergreen has modeled a two-year option. He also stated working alongside bargaining units to leverage market findings in study in future negotiations to maintain or adjust alignment to market based on compensation philosophy and financial means. Presented implementation options is to realign employees who are below the minimum of their recommended pay range by bringing them up to the minimum, with no further adjustments made. Class parity realigns employees along their salary range based on how long they have been serving in their current classification. This is done on a total 25-year basis, meaning employees with 25 or more years of experience in their current classification would be placed at maximum, whereas employees with 25 years would be placed at the midpoint of the range. Hybrid parity, realigns employees along their salary range based on their "hybrid years." A hybrid year would give full credit to an employee for each year they have been serving in their current classification and one-half credit for time they have spent in any other classification. This is done on a total 25-year basis. Mr. Backhaus further discussed the implementation costs.

Discussion from the Commission was if the comparison of the study was done nationally and based on education. It was stated that education was looked at from different levels.

18. Discussion on proposed Fiscal Year 2023-2024 Budget. (as per budget calendar). (Finance Director/City Manager).

Mr. McLaughlin stated that the core budget had already been drafted but there were some unknowns, such as the ad valorem tax rate as it came in late to the city. He further stated that what is alarming to him is how large the drop is on the tax rate. The voter approved tax rate is \$.76311. After looking at the new compensation plan, staff plugged in \$.76000 which is a 6 ½ cent drop-in tax rate per \$100. With both the tax rate and sales tax, makes it possible to fund every position, filled or unfilled, on the compensation plan. This budget has a \$.76000 per hundred on tax rate, affords the compensation plan as presented and brings each position into the step where it belongs. This also includes the Fire CBA 3% and Police CBA 8% increase. There are still some funds left to approve certain supplementals requested by staff.

Commissioner Hinojosa asked if the compensation had already been put into the budget. Mr. McLaughlin responded yes. Commissioner Hinojosa further asked for a copy of the compensation plan.

Commissioner Alvarez asked if any positions went down. Mr. McLaughlin responded no; positions will see between a 3% and higher increase with this compensation plan.

19. Consider approving certification of 2022 excess debt collections and certification of 2023 anticipated collection rate. (Finance Director).

Mrs. Balli presented the certification of 2022 excess debt collections and the certification of the 2023 anticipated collection rate. The 2022 property taxes are \$0 as the estimated debt collection rate of 101.19% was used in the 2022 voter approval rate calculations. It is certified 100.05% as the 2023 estimated debt collection rate to be used in the 2023 voter approval rate calculations so long as it is not lower than each of the three prior years' collections rates.

Motion made by Commissioner Hinojosa to approve the certification of 2022 excess debt collections and certification of 2023 anticipated collection rate, seconded by Commissioner Alvarez and Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Torres, Fugate voting "FOR".

20. Consider accepting 2023 certified total appraised assessed and taxable values of all and new property in the City of Kingsville as certified by the Kleberg County Appraisal District. (Finance Director).

Mrs. Balli presented the 2023 2023 certified total appraised assessed and taxable values of all and new property in the City of Kingsville as certified by the Kleberg County Appraisal District.

Motion made by Commissioner Alvarez to accept the 2023 certified total appraised assessed and taxable values of all and new property in the City of Kingsville as certified by the Kleberg County Appraisal District, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa, Fugate voting "FOR".

21. Consider proposed tax rate, if it will exceed the no-new revenue tax rate or the voter-approval rate (whichever is lower), take record vote, and schedule public hearing for 5:00p.m. on September 5, 2023, at City Hall in the Helen Kleberg Groves Community Room, 400 W. King Avenue, Kingsville, Texas 78363. (Finance Director).

Ms. Balli stated that every year the tax calculation is prepared by the Kleberg County Tax Office using the State's provided tax calculation worksheet and is based on the current year's certified taxable values. The tax calculation ended up with the following rates: No-New Revenue Tax Rate \$.70738, this rate will provide the same amount as last year's adopted rate; Vote Approved Tax Rate \$.76311; and proposed tax rate, \$.76000 which is right under the voter-approved tax rate which does not cause an election. The financial impact is, the proposed tax rate will result in the following proposed Property Tax Revenue budgets for FY 23-24: Fund 001, General Fund \$6,805,640; Fund 120, Property Tax Reserve Fund \$0, revenues created over the base tax rate of \$.76000; and Fund 001, Debt Service, \$1,951,777, amount needed to pay Staff recommends the proposed tax rate of \$.76000, and that a public hearing be set for September 5, 2023, at 5:00 p.m. at City Hall in the Helen Kleberg Groves Community Room, 400 W. King Ave., Kingsville, TX.

Motion made by Commissioner Hinojosa, I move that the proposed property tax rate be \$0.76000 and that one public hearing be set for Tuesday, September 5, 2023, at 5:00 P.M. in the Helen Kleberg Groves Community Room, City Hall, 400 W. King Ave., Kingsville, Texas with additional funds to be used for city infrastructure upgrades, equipment, employee wages & benefits, and technology, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Alvarez, Fugate voting "FOR".

22. Executive Session: Pursuant to Section 551.071, Texas Government Code, Consultation with Attorney Exception, the City Commission shall convene in executive session to seek legal advice from the City Attorney regarding a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter. (City Attorney).

Mayor Fugate announced the executive session and convened the meeting into close session at 6:28 P.M. Mayor Fugate reconvened the meeting into open session at 6:51 P.M.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:51 P.M.


Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela
Mary Valenzuela, TRMC, CMC, City Secretary