

AUGUST 21, 2023

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 21, 2023, IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 4:30 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
J.J. Adame, Fire Chief
Frank Garcia, Wastewater Supervisor
Cameron Whittington, Water Supervisor
Jennifer Bernal, Parks Manager

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:30 P.M. with all five commission members present.

CONVENE INTO BUDGET WORKSHOP At 4:30 P.M.:

Review and discuss proposed fiscal year 2023-2024 budget for departments of the City of Kingsville. (City Manager).

Discussion took place on the Fiscal Year 2023-2024 proposed budget. What has changed, inflation since October 1, 2020: Proposed ad valorem tax rate decreases to \$0.7600/\$100 of valuation and Health insurance provider United Health remains, but the premium increase will be covered by the Insurance Fund. Vehicle lease through Enterprise Fleet Leasing Services started in FY 22-23. Funded 12 pickup trucks for Public Works received only 3 vehicles as of August 2023. New Positions: Fire – (1) Captain and (1) Firefighter. Human Resources removed the Risk Manager position and created (2) new HR Specialists with Risk Manager duties subdivided into new positions. Code Compliance (1) Code Compliance Officer. Health (1) PT Kennel Attendant and (1) PT Kennel Attendant to FT. The following Supplemental Requests have been approved by the City Manager, but not included in the proposed budget; HVAC Unit for Municipal Building-\$36,606; Fencing for Ballfields-\$15,000; John Deere Zero Turn Mower for Golf Course-\$14,400; Splash Pad Shelter-\$10,000; (5) Submersible Pumps for Sewer Construction-\$50,000; Shade Structure-Thompson Park-\$12,000; Trimble TDC650 for Engineering-\$6,000; Drainage Projects Identified for\$719,285. The Proposed tax rate of \$0.7600/\$100 of property valuation (down from \$0.82500). Fiscal Year 23-24 Proposed Budget is \$96,133,830.06 (Consolidated Expenditures-All Funds Schedule. A few supplemental requests were added to the proposed budget; most of the requests will be shown in workshops as proposed amendments. Total Proposed Budget is \$549,352.62 less compared to FY 22-23 original budget of \$96,683,182.68. The decrease in the total budget is mainly due to the spending down of grant and federal funding. Ad-valorem expected to raise an additional \$280,469 over FY 22-23 amount. The proposed budget does not allocate any additional funding to Fund 120 – Property Tax Reserve. Fund balances for General and Utility Funds meet the 25% requirement. General Fund - \$591,108 above minimum requirements at 27.37% (includes \$300,000 cushion). Up from \$507,853 budgeted last FY. Utility Fund - \$866,605 above minimum requirements at 32.75% (includes \$300,000 cushion). Up from \$816,010 budgeted last FY. Utility Fund Revenues, Proposed Budget does not include any increases to water or sewer rates, but the Water Rate Study (Grady) has been submitted and is being reviewed. Third year since 2011 deficit budgeted due to approved supplementals and increased personnel costs. General Fund Revenues, Sales Tax and Ad Valorem revenues increased in the proposed budget.

Mayor Fugate moved the meeting into the regular section of the agenda at 5:01p.m.

Regular meeting was opened at 5:01 p.m.

REGULAR MEETING RESUMES AT 5:00 P.M.:**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)

None.

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; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works- Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, 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 Tropical Depression #9. He further stated that the city will continue normal operations for the remainder of the week. He further stated that there are certain entities and school districts that have announced their closure due to the storm.

Ms. Courtney Alvarez, City Attorney announced upcoming commission meetings.

IV. Public Comment on Agenda Items.³

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

No public comments made.

V.**Consent Agenda****Notice to the Public**

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

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

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

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

1. Motion to approve final passage 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).

2. Motion to approve final passage 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).

3. Motion to approve final passage 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).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

4. Consider an ordinance calling a special election for a charter amendment election in accordance with Chapter 9, Local Government Code, to be held in the City of Kingsville, Texas and other matters related thereto. (term and election sections). (City Attorney). Considere ordenanza que convoca a elecciones especiales para elecciones a fin de enmendar la carta municipal, de conformidad con el capítulo 9, código de gobierno local, que se llevará a cabo en la ciudad de Kingsville, Texas y otros asuntos relacionados con la misma.

Ms. Alvarez stated that due to the change of terms for the commission in 2020, there is a need to now run by majority vote versus plurality. It is not required to have staggered terms. It is up to the Commission to decide which of the two they would like to take to the voters in the November 7th election. The choice is keep the four year term but create places or consider going back to the two year term, as before.

Commissioner Alvarez stated that she had reached out to the Texas Secretary of State and spoke with Chuck Pinney, Legal Counsel and understood the reason for this. She further advised the others to contact Secretary of State's office for clarification if needed.

Some discussion continued on whether or not this needed to be done. But as it is stated in the Texas Constitution and since the city went from a two year term to a four year term, there really is no other way other than to keep four year terms and create places or consider going back to two year terms.

Motion made by Commissioner Alvarez to approve the ordinance calling a special election for a charter amendment election in accordance with Chapter 9, Local Government Code, to be held in the City of Kingsville, Texas and other matters related thereto with Article 1 & 5 and add places to existing four year terms, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa, Fugate voting "FOR".

5. Consider a resolution authorizing application to, administration of, and acceptance of Office of the Governor, Public Safety Office, Homeland Security Grants Division's FY2024 Operation Lone Star Program (OLS); authorizing the Chief of Police, or Interim Chief, to act on the City's behalf with such program. (Interim Police Chief).

Motion made by Commissioner Torres to approve the resolution authorizing application to, administration of, and acceptance of Office of the Governor, Public Safety Office, Homeland Security Grants Division's FY2024 Operation Lone Star Program (OLS); authorizing the Chief of Police, or Interim Chief, to act on the City's behalf with such program, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Alvarez, Fugate voting "FOR".

6. Review and discuss proposed fiscal year 2023-2024 budget for departments of the City of Kingsville. (City Manager).

Staff continued to discuss the proposed fiscal year 2023-2024 budget.

Employee compensation plan was discussed. The changes to placing employees in the new pay structure placement for FY 23/24 is not based on years of service. Year 1 is class placement, based on getting employees into the updated wage schedule. Year 2 is step placement, will move employees along to the step to correspond with years in position or years of City service. Consolidation of exempt and non-exempt (non-civil service) positions in one rate schedule. Executive positions are not included in the proposed rate schedule. Lowest hourly rate for Full-time employees is \$15.45/hour. Total increases based on study equals \$ 1,111,039 base wage increases. Affects 211 non-civil service positions ranging from 3% to 32%. Police Collective Bargaining Agreement is a new 2-year agreement, year 1 is 8% and year 2 is 6% increase. The Fire Collective Bargaining Agreement is on it Final year of 2-year agreement with a 3% increase. Anniversary Program continues for FY 23/24 which affects 101 employees, 80 Non-exempt – Non-Civil Service, 10 Exempt, 11 Police Officers. The base cost for all anniversaries is \$97,403. Anniversary steps remain the same with civil service according to its perspective collective bargaining agreement.

Commissioner Hinojosa asked if the City Attorney and Municipal Court Judge were included in the compensation plan. Mr. McLaughlin responded that they were not included.

Further discussion took place regarding compensation and classification plans and title changes. Certain titles were recommended to change as per the study from Evergreen. This was also based on the job study survey that was sent out.

Certification for Non-Civil Service Employees is discontinued. Certification pay was a factor in the new proposed compensation plan levels/steps. Longevity continues at \$5 per month per year of service to maximum of 25 years. Civil Service Employees, certification pay is based on the respective collective bargaining agreements and anniversaries.

Ms. Balli presented the transfers. Proposed Transfers to General Fund 001: Tourism 002, \$35,000 for administration costs; Street Fund 092, \$150,000 for street crew payroll cost reimbursements. Not Included in Proposed Budget, to close Tax Note Fund 115 of \$385.14 and proposed transfer to Tourism Fund 002. General Fund 001, \$12,062 for PIO Stipend and the transfer listed from Façade Grant will occur in FY 22-23 not FY 23-24. Proposed Transfer to GO Debt Service, Solid Waste Capital Projects Fund 087 - \$202,700 for payments on (3) Garbage Trucks purchased through the 2021 Tax Note and the Wheeled Trash Compactor purchased through the 2022 Tax Note. Proposed Transfer to UF Debt Service. Utility Fund 051 - \$2,125,563 for debt service obligations. Storm Water Drainage Fund 055 - \$125,000 for the TWDB 2021 Taxable Bond Issue. Proposed Transfer to Golf Course Maintenance Fund. General Fund 001 - \$10,676 for the required 3% of budgeted revenues to be set aside for Golf Course related maintenance projects. Proposed Transfer to Utility Fund 051, General Fund 001 - \$89,964 for 50% cost of personnel in Division 8000 and 8020 offset by 50% Personnel Costs of Division 3000 and the welder in Division 3030. This transfer will increase due to the compensation plan. Proposed Transfer to Utility Fund Capital Projects Fund 054, Utility Fund \$62,000. The estimated additional revenues from the installation of the new water meters were budgeted in Fund 054 and the amount of the debt service payment on the water meter CO was netted against the additional revenues amount resulting in net revenues transferred into Fund 054 for future projects. Proposed Transfer to Landfill Closure Fund 090, SW Capital Projects Fund 087 - \$95,402.17 for the City Hall Payback Payment Schedule. Proposed Transfer to Landfill Closure Fund 090, SW Capital Projects Fund 087 - \$95,402.17 for the City Hall Payback Payment Schedule. Proposed Transfer to Park Maintenance Fund 093, General Fund 001 - \$25,000 for the annual allocation for park maintenance projects. Proposed Transfer to Fire Vehicle Replacement Fund 097, General Fund 001 - \$45,000 for the annual allocation for future Fire Vehicles. Proposed Transfer to Economic Development Fund 098, General Fund 001 - \$251,000 for additional economic development assistance (\$100,000) and estimated tax incentive payments (\$151,000). There will be an additional \$25,000 that the City Manager approved for U.S. Navy CNATRA House at NAS Corpus Christi. Proposed Transfer to Vehicle Replacement Fund-PD 105, General Fund 001 - \$10,000 for annual allocation. Proposed Transfer to Vehicle Fleet Management UF 106, Utility Fund 051 - \$100,000 for the estimated cost of year 2 of the fleet management lease for 12 UF vehicles. Proposed Transfer to TX Severe Weather-Backup Generator Fund 130, UF Capital Projects Fund 054 - \$106,106 for the grant cash match. Proposed Transfer to GF PW Vehicle Replacement Fund 139, General Fund 001 - \$10,000 for annual allocation. Proposed Transfer to Chamberlain Park Fund 206, General Fund 001 - \$34,856.12 balance of unused funds for City Hall Landscape project. CO Series 2016 Fund 033 - \$22,911.47 balance of unused funds for CH landscape project.

Total Proposed Revenues are \$91,713,158.28. Total Proposed Expenditure Budget is \$96,133,830.06. Usage of Operating Funds Fund Balance is \$2,910,373.26. This is the amount that budgeted revenues do not cover budgeted expenditures on all funds classified as Operating. Capital (Non-Operating) Funds Fund Balance is \$1,510,298.52. This is the amount that budgeted revenues do not cover budgeted expenditures on all funds classified as Capital Funds.

General Fund was discussed. The City's Fund Balance Policy requires a minimum of 25% of budgeted expenditures to remain in fund balance. The city also sets an additional \$300,000 above the minimum to cover budget amendments. In the proposed General Fund, these requirements have been met at 27.37%. (Estimated ending fund balance divided by total expenditures).

Mayor Fugate called for a break in the meeting at 6:20 p.m. Meeting resumed at 6:44 p.m.

The following department budgets were presented:

City Commission change highlights were in personnel for increase in health insurance coverages and in services, a decrease due to training and travel costs returned to historical of \$5,000 per commissioner. No supplementals were requested.

City Manager's Office: change highlights, compensation plan increases for City Secretary position of 9%. There is no change to City Manager compensation. In services, there is an increase in professional subscriptions. No supplementals were requested.

City Special: supplies have an increase of \$900. Services have an increase in postage and freight, added two elections, insurance and other services. There is a decrease in professional services, appraisal district fees, and credit card discounts fees. Supplementals approved for FY 23-24, USS Kingsville Donation and CNATRA House-Economic Development.

Human Resources: change highlights were in personnel for compensation plan increases for personnel from 7% to 13%, additional overtime, and increase in health care costs. In services, there is an increase in professional services, printing and publishing, training and travel, and memberships. There is a decrease in the following, communications, health and wellness, Risk Manager training and travel and subscriptions. There is an increase in lease annual. Supplementals approved is for \$913 for additional overtime.

Legal Department: highlight changes, compensation plan increases for personnel from 7% to 10% and increase in health care costs. There is an increase in services for professional services and subscriptions. Supplementals approved, professional services for \$10,500, printing & publishing for \$300, and subscriptions for \$552.

Planning & Development Services: highlight changes, same as all other departments, compensation plan increases, and increase in health care costs. Supplies have a decrease and services have an increase in printing & publishing, training and travel, memberships, and catering with a decrease in professional services.

Building Services: compensation increases for personnel of 6% to 11%. There is a decrease in health care costs as an employee changes their election.

Code Compliance: compensation plan increases for personnel from 7% to 26%. Increase in health care costs due to the added position of Code Enforcement Officer. Services have an increase in postage & freight and a decrease in communications. There is a decrease in repairs for equipment maintenance. The supplementals approved is for adding one full-time employee Code Enforcement Officer to make three total in the department.

Solid Waste: personnel changes due to the compensation plan increases. Increase health care costs. Supplies have an increase in uniforms and motor gas & oil. Services have an increase in training and travel with a decrease in communications and utilities. Repairs has an increase in vehicle maintenance based on a 3-year average.

Landfill: compensation increases for personnel from 7% to 23% for 9 employees. Minimal increase in health care costs due to employee elections. Increase in supplies for Motor Gas & Oil and decrease in minor equipment. Services have a decrease for state fees.

Finance Administration: compensation plan increases for employees of 7% to 22%. Increase in health care costs. Services have an increase in communications, software maintenance, printing and publishing, training and travel and a decrease in memberships.

Municipal Court: compensation plan increases from 6% to 24%. Increase in health care costs. Services have an increase in postage & freight, and printing and publishing.

Facilities Maintenance General Fund: supplies have an increase for janitorial supplies and motor gas & oil. Services have an increase in communications and utilities. Repairs has an increase in vehicle maintenance. Maintenance has an increase in building maintenance.

Police Department – Administration: compensation plan increases for personnel from 9% to 22%. Decrease in health care costs due to employee election. Supplies have a decrease in motor gas & oil.

Police Patrol: compensation plan increases due to new CBA 8%. Increase in health care costs. Supplies have an increase in supplies, motor gas & oil, minor equipment, and animal care. Services have an increase in subscriptions.

Communications: compensation plan increase due to new CBA 8%. Increase in health care costs. Supplies have an increase in computer equipment and services has an increase in communications and travel.

Criminal Investigations: compensation plan increases due to new CBA 8%. Increase in health care costs, educational incentives, and clothing allowance. Supplies has an increase in supplies and uniforms with a decrease in motor gas & oil. Services has an increase in utilities and a decrease in laundry. Repairs has a decrease in vehicle maintenance.

Community Services: this fund is primarily for weapons and ammo, and utilities at the Dr. Pepper Building.

Warrant Enforcement: compensation plan increases due to new CBA 8%. Increases in health care costs and certification pay. Supplies has a decrease in motor gas & oil. Services has an increase in training and travel. Repairs has an increase in vehicle maintenance.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:46 P.M.


Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela
Mary Valenzuela, TRMC, CMC, City Secretary