

SEPTEMBER 5, 2023

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON TUESDAY, SEPTEMBER 5, 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
Norma N. Alvarez, Commissioner
Edna Lopez, 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
Emilio Garcia, Health Director
Deborah Balli, Finance Director
Bill Donnell, Public Works Director
Susan Ivy, Parks Director
Diana Gonzales, Human Resources Director
Juan J. Adame, Fire Chief
Mike Mora, Capital Improvements Manager
Janine Reyes, Tourism Director
Charlie Sosa, Purchasing Manager
Bradley Lile, Interim Police Chief
Joseph Ramirez, Engineer's Assistant

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)

None.

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

1. Public Hearing on proposed Fiscal Year 2023-2024 budget. (Finance Director).

Mayor Fugate read and opened this public hearing at 5:04 P.M.

It was stated that using the proposed tax rate, which is the rate the budget was based on, this budget will raise more total property taxes than last year's budget by \$680,102 or 8.24%, and of that amount, \$82,761 is tax revenue to be raised from new property added to the tax roll this year.

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 5:05 P.M.

2. Public Hearing on a proposed tax rate decrease from \$.82500 to \$.76000 for Fiscal Year 2023-2024 with \$.76000 being an increase in the no new revenue rate of \$.70738; the vote on the tax rate will be on September 11, 2023, at 5pm in the Helen Kleberg Groves Community Room, City Hall, 400 W. King, Kingsville, Texas. (Finance Director).

Mayor Fugate read and opened this public hearing at 5:05 P.M.

Mayor Fugate asked the City Attorney, Courtney Alvarez if there is a time limitation that this public hearing would need to remain open.

Ms. Alvarez responded that there is no limitation as to how long this public hearing should remain open.

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.

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, and 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. McLaughlin gave an update on mosquito spraying and an update on the streets. He further reported that the old fuel station located at E. King and Highway 77 will be demolished.

Ms. Alvarez reported that the next city commission meeting is scheduled for September 11, 2023. At this meeting, the Commission will be taking a vote on the proposed budget for FY 2023-2024 as well as taking a vote on the tax rate.

Mayor Fugate asked if Nettie Street had been completed. Mr. McLaughlin responded yes.

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. **Executive Session: Pursuant to Section 551.074, of the Texas Open Meetings Act, the City Commission shall convene in executive session to deliberate the duties and compensation of the City Manager, City Attorney, and Municipal Court Judge. (Commissioner Lopez).**

Mayor Fugate read the executive session and convened the meeting into close session at 5:06 P.M.

Mayor Fugate reconvened the meeting into open session at 5:45 P.M.

2. **Consider directing staff on compensation for executive-level positions for FY2023-2024 budget. (Commissioner Lopez).**

Motion made by Commissioner Alvarez to direct staff on the compensation for executive-level positions as is, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Alvarez, Torres, Fugate voting “FOR”. Hinojosa and Lopez voting “AGAINST”.

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

Mr. McLaughlin stated that all the changes that were made as of the last budget workshop have remained unchanged. In summary, revenues are projected at \$91,714,681.47. Expenses increased, due to the number of changes, the general fund increased by \$393,849.00, and there were another number of funds that increased in expenses so the overall increase in expenses went from \$96,133,830.66 which is in the original budget book, to the new final number in the budget \$100,343,588.91. All ordinances have been written based on this number which meets all of the city's debt obligations and adjusts to the compensation plan study done by Evergreen. This will also fund 111 of the 193 supplementals submitted by department heads. The ending fund balance meets the 25% requirement by half a percent being at 25.4%. The fund balance for the Utility Fund meets the requirement of 25% minimum at 28.5%.

Commissioner Hinojosa stated that he has expressed his concerns during the budget process on some of the items, and he understands that it is the City Manager's budget with the assistance of the department heads, but once it is presented to the Commission, then the commission looks at it and sees if they agree. He further stated that nowhere in the process does the commission have the right to make changes. He stated that he went to speak with the City Attorney and was told that they could make changes today, as he wanted to have some budget amendments, but he was late in submitting them. He stated that he was hoping to have this done on August 29th but that meeting was cancelled. He stated that he had not been made aware that the meeting had been cancelled until the next day when he showed up for the meeting. He stated that he had not had the opportunity to read his emails to see if there was an email on the cancellation of the meeting. Commissioner Hinojosa also stated that he feels that the position of the Risk Manager is needed for the city. It does not make any sense to him to have two individuals to do the job of one Risk Manager. He further stated that he has spoken with the City Manager regarding putting more money into streets maintenance fund, and at this time there is nothing there. He also commented on the captain position for the Fire Department. He stated that he doesn't mind having the position, but not until the design of the new Fire Station is done. He further stated that maybe this needs to wait for another year. He stated that when he ran for election he ran under two platforms, transparency and employees. The compensation plan benefits higher-paying employees.

Commissioner Torres commented that she agrees with Commissioner Hinojosa on the position of Risk Manager. The city needs a dedicated employee for Risk Management. She also stated that the commission is not giving enough time to review the budget. She also stated that the position of captain for the Fire Department can wait until we are further along.

Commissioner Alvarez stated that she feels the same as the others regarding the position of Risk Manager.

Mayor Fugate asked how much money has been collected from the Street Fund. Mr. McLaughlin responded that the fund balance to date is \$800,000.00. Mayor Fugate commented that the city has money available to repair the streets, which has not been the problem. Mr. McLaughlin responded not this year, as money was used for parking lots. Mayor Fugate further stated that as for the building of the new fire station, the current Fire Chief has built 4 to 5 stations in other cities, so he has a wealth of knowledge on how to build a station. He also commented that as for the position of a Risk Manager, he does not feel it is needed, as the responsibilities are being taken care of.

4. 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, 2023, and ending September 30, 2024, in the particulars hereinafter stated. (Finance Director).

Introduction item.

5. 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, 2023, and ending September 30, 2024, 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).

Commissioner Hinojosa commented that there is no control over this as per state statute. Introduction item.

6. 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 before the City Commission. This plan includes all non-civil service positions and incorporates classification and title changes included in the City Manager's budget. The PowerPoint presentation included summarizes the proposed changes for FY 2023-2024. Each fiscal year the City Commission authorizes a classification and pay structure for City employees. The goal for FY2023-2024 was to increase the minimum hiring rate to \$15 per hour for full-time and part-time positions and continue to work on adjusting positions and rates closer to the market for recruitment and retention. In February 2023, the city hired Evergreen Solutions, LLC (Evergreen) to conduct a compensation and classification study. Evergreen completed the study and provided the city with options on how to get our positions closer to the market. As the cost to attempt to update the compensation in one year was beyond budgetary constraints, Evergreen was able to provide a two-year approach. Based on Evergreen's recommendations and factoring in internal equity, the recommended compensation plan for FY 2023-2024 is included in the PowerPoint presentation reference above.

Commissioner Alvarez asked if this was a two-year plan. Mrs. Gonzales responded yes. Commissioner Alvarez further asked if this would allow for a COLA next year. Mrs. Gonzales stated that year 2 will be looking at how long the employee has been in that position and moving them into the correct step.

Mrs. Gonzales further stated that the approximate total financial impact of the updated wage schedule for all positions, excluding civil service positions, is \$ 15,519,006 and is incorporated in the City Manager's proposed budget. The total financial impact includes Compensation Plan adjustments as per Evergreen study; Continuation of the Anniversary Program; Continuation of the Longevity Program; Minimum hiring rate for Full-time and Part-time positions from \$13 to \$ 15.45 per hour; New and Upgraded positions. It is the staff's recommendation to approve the FY 2023-2024 City of Kingsville Classification & Compensation Plan as presented which is included in the City Manager's proposed budget.

Introduction item.

7. 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 two new civil service positions. (Human Resource Director).

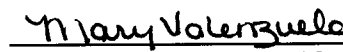
Introduction item.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:30 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, TRMC, CMC, City Secretary