

City of Kingsville, Texas

AGENDA
CITY COMMISSION
MONDAY, AUGUST 12, 2024
REGULAR MEETING
CITY HALL
HELEN KLEBERG GROVES COMMUNITY ROOM
400 WEST KING AVENUE
4:30 P.M.- Workshop
5:00 P.M. – Regular Meeting

Live Videostream: <https://www.facebook.com/cityofkingsvilletx>

I. Preliminary Proceedings.

OPEN MEETING

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

Review and discuss proposed fiscal year 2024-2025 budget for departments of the City of Kingsville. (City Manager).

APPROVED BY:



Mark McLaughlin
City Manager

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

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting – June 24, 2024

Regular Meeting – July 22, 2024

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

1. Public Hearing on the City's amendment to Ordinance No. ORD2009-38, pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code as revised, for possible tax incentives to be offered to projects within the City of Kingsville, Texas. (City Attorney).

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 Services - 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.”

IV. Public Comment on Agenda Items.³

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

V.

Consent Agenda

Notice to the Public

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being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon.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

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

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

1. Motion to approve final passage of an ordinance amending the Fiscal Year 2023-2024 Budget to provide funding for the replacement of Police Department SWAT team ballistic body armor. (Police Chief).
2. Motion to approve final passage of an ordinance amending the Fiscal Year 2023-2024 Budget to setup budget for the CO Series 2024 Bond Issue for the fire station and related equipment. (Finance Director).
3. Motion to approve final passage an ordinance amending the Fiscal Year 2023-2024 Budget to reallocate General Fund ARP funding for the fire station design to Utility Fund ARP funding for the water meter project. (Purchasing Manager).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

4. Consider introduction of an ordinance amending Ordinance No. ORD2009-38, ordaining the City of Kingsville's continued participation in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (Act), amending the original ordinance language and providing additional potential incentives for the investment of private resources in productive business enterprises located in severely distressed areas of the City as required by the Office of the Governor Economic Development and Tourism (EDT). (City Attorney).
5. Consider introduction of an ordinance amending the Fiscal Year 2023-2024 Budget to appropriate additional funding for repairs to fire unit 111-Ladder Truck. (Fire Chief).
6. Consider introduction of an ordinance amending the Fiscal Year 2023-2024 Budget to appropriate additional funding for Street Maintenance Work. (Public Works Director).

7. Consider introduction of an ordinance amending the Fiscal Year 2023-2024 Budget to appropriate additional funding for Wastewater chemicals and pump replacements. (Public Works Director).
8. Consider a resolution authorizing the City Manager to execute Amendment No.1 to the Construction Contract with PM Construction & Rehab LLC for the GLO CDBG-MIT Contract 22-082-016-D218 Project 5: E. Lott Ave. Sanitary Sewer Improvements Project. (City Engineer).
9. Consider a resolution authorizing the Mayor to enter into a Cyber Liability and Data Breach Response Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool. (Human Resources Director).
10. Consider approving certification of 2023 excess debt collections and certification of 2024 anticipated collection rate. (Finance Director).
11. Consider accepting 2024 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).
12. 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 5:00 p.m. on September 5, 2024 at City Hall in the Helen Kleberg Groves Community Room, 400 W. King Avenue, Kingsville, Texas 78363. (Finance Director).
13. Consider year two of compensation plan for FY24-25 from compensation study approved in 2023. (Commissioner Alvarez).
14. Review and discuss proposed fiscal year 2024-2025 budget for departments of the City of Kingsville. (City Manager).

VII. Adjournment.

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

NOTICE

This City of Kingsville and Commission Chambers are wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 361/595-8002 or FAX 361/595-8024 or E-Mail mvalenzuela@cityofkingsville.com for further information. Braille Is Not Available. The City Commission reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Section 551-071 (Consultation with Attorney), 551-072 (Deliberations about Real Property), 551-073 (Deliberations about Gifts and Donations), 551-074 (Personnel Matters), 551-076 (Deliberations about Security Devices), 551-086 (Certain Public Power Utilities: Competitive Matters), and 551-087 (Economic Development).

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

August 8, 2024, at 4:15 P.M., and remained so posted continuously for at least 72 hours proceeding the scheduled time of said meeting.

Mary Valenzuela

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

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

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

**MINUTES OF PREVIOUS
MEETING(S)**

JUNE 24, 2024

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JUNE 24, 2024, 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
Edna Lopez, Commissioner
Norma N. Alvarez, Commissioner
Hector Hinojosa, Commissioner
Leo Alarcon, Commissioner

CITY STAFF PRESENT:

Mark McLaughlin, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, Director of Information & Technology
Derek Williams, IT
Emilio Garcia, Health Director
John Blair, Chief of Police
Diana Gonzalez, Human Resources Director
Erik Spitzer, Director of Planning & Development Services
Leticia Salinas, Accounting Manager
Deborah Balli, Finance Director
Susan Ivy, Park Director
Bill Donnell, Public Works Director
Rudy Mora, City Engineer
Charlie Sosa, Purchasing Manager
Juan J. Adame, Fire Chief
Kwabena Agyekum, Senior Planner/HPO
Janine Reyes, Tourism Director
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. 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 Services - 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 reported that there is water main issues on 4th and Corral. He further reported that the city will host a Downtown Vision Meeting in the Community Room at City Hall on Thursday, June 27, 2024, at 6:00 p.m. The next TML Region 11 Quarterly meeting will take place on July 12, 2024, hosted by Goliad.

Ms. Courtney Alvarez, City Attorney reported that the next scheduled commission meeting will be held on Monday, July 8, 2024. Ms. Alvarez further announced activities for the 4th of July celebration.

Commissioner Alvarez asked if staff had dates set for upcoming budget workshops. Mr. McLaughlin responded that dates have been set and they will be emailed to city commission.

Ms. Alvarez commented that the commission had already received dates for budget workshops, which were emailed to each commissioner right after the election in May.

Commissioner Alvarez commented that she would like to see the budget workshops moved up a few days earlier than normally scheduled, preferably beginning the workshops the last week of July. This will break them apart by days instead of having them back-to-back.

Mr. McLaughlin commented that with appraisal values received on July 25th, moving the workshops earlier will not give staff enough time to work on the budget.

Commissioner Alvarez then commented that maybe staff could look at scheduling budget workshops for the 2nd week of August.

Mr. McLaughlin responded that, if possible, he would look at moving up the dates for the workshop.

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)

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

1. Motion to approve final passage of an ordinance of the City Commission of the City of Kingsville, Texas, pursuant to Chapter 311 of the Texas Tax Code, creating Tax Increment Financing Reinvestment Zone Number Two, City of Kingsville, Texas. (Economic Development Director).

2. Motion to approve final passage of an ordinance amending the Fiscal Year 2023-2024 Budget to appropriate funding for the Reimbursement Agreement for Preliminary Engineering Services with Union Pacific Railroad Company for the Escondido Rail Crossing Project. (City Manager).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

3. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter VII, Article 5-Traffic Schedules, Schedule I (D), revising the speed limit on certain areas of General Cavazos Boulevard. (FM1356); providing for appropriate penalties fines, and fees regarding the regulation thereof; repealing all ordinances in conflict therewith and providing for an effective date and publication. (City Engineer).

Mr. Rudy Mora, City Engineer stated that on May 30, 2024, the city received a letter from the Texas Department of Transportation (TxDOT) requesting to lower the speed limit between 6th Street and US Hwy 77 from 45 mph to 35 mph. The area impacted is located inside the TxDOT right-of-way and the city limits serving 1.3 miles. Mr. Mora displayed a map of the location that will be affected by the speed limit change.

Introduction item only.

4. Consider a resolution of the City of Kingsville, Texas in support of the submission to the National Fish and Wildlife Foundation's National Coastal Resilience Fund Award titled "Developing Nature-Based Designs To Increase Resilience And Habitat In The Baffin Bay Watershed (TX)". (Parks Director).

Mrs. Susan Ivy, Parks Director stated that this grant will look at possible assistance to Kingsville and Kleberg County in assessment and preliminary designs for nature-based solutions to mitigate flooding and erosion, enhance public greenspace and wildlife habitat, and improve water quality for Kleberg County, the City of Kingsville, and the downstream Baffin Bay ecosystem. Ivy further stated that while this project will not require any funding at this time, after assessments and planning are completed and projects are identified funding would be discussed between a variety of entities that would be partnering with these projects. Ms. Ivy commented that she has already met with Kleberg County Judge Rudy Madrid and the Harte Research Institute.

Motion made by Commissioner Lopez and Commissioner Hinojosa to approve the resolution of the City of Kingsville, Texas in support of the submission to the National Fish and Wildlife Foundation's National Coastal Resilience Fund Award titled "Developing Nature-Based Designs To Increase Resilience And Habitat In The Baffin Bay Watershed (TX)", seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Lopez, Fugate voting "FOR".

5. Consider introduction of an ordinance amending the Fiscal Year 2023-2024 Budget to provide additional funding for Parks vehicle and equipment maintenance. (Parks Director).

Mrs. Ivy stated that this request is for an additional \$6,000 for both the Vehicle and Equipment Maintenance line item. She further stated that the vehicle inventory for the Parks Maintenance, including the Van that the recreation staff uses is very old and continually in the shop for repairs. The department has inherited three trucks this year with all three going into the shop for repairs within the first two months of receiving them. Staff has shorted other line items twice to move \$5,000 into vehicle maintenance for repairs. This budget amendment will add \$4,000 to the vehicle maintenance line item and \$2,000 to the equipment maintenance line item.

Introduction Item.

6. Consider introduction of an ordinance amending the Fiscal Year 2023-2024 Budget to adjust budgets based on audited beginning fund balances for FY23-24. (Finance Director).

Mrs. Deborah Balli, Finance Director stated that once the audit has been completed, the beginning fund balances need to be validated against what is currently budgeted for the current year's revenues and expenditures. Except for Fund 051, all funds included in the budget amendment are reductions to the budget and do not have any financial impact.

Introduction item.

7. Consider introduction of an ordinance amending the Fiscal Year 2023-2024 Budget to provide funding for the payback of the HRSA Cares Provider Relief Fund due to non-submittal of reports. (Finance Department).

Mr. Juan J. Adame, Fire Chief stated that in fiscal year 2019-2020, the Fire Department applied for and received a grant for \$12,922.95 from the HRSA Cares Provider Relief Fund. This timeframe was around the time that there was a change in the Fire Chief position. Staff received notification in early March 2023 about the reporting issue with this grant and the former Accounting Manager completed and submitted an appeal through their process for non-compliance reporting website link. During that time, the current Fire Chief reached out to the former Fire Marshall, who had the responsibility to file the reports on this grant, to see if he knew where any files were concerning this grant, but none could be located. Since all reporting periods have expired, the city is required to pay back these funds to the granting agency for \$12,922.95.

Introduction item.

8. Consider a resolution of the City Commission of Kingsville, Texas, authorizing the submission of a Resilient Communities Program (RCP) grant application to the Texas General Land Office for funding for a Comprehensive Plan (land use) and authorizing the Mayor and City Manager to act as the City's Executive Officers and Authorized Representatives in all matters pertaining to the City's participation in the RCP Grant. (Director of Planning and Development Services).

Mr. Erik Spitzer, Director of Planning and Development Services stated that the City of Kingsville has an outdated comprehensive plan that was last published in 2008. A comprehensive plan is a 20 to 30-year framework designed to help guide future developments and land use within a city. The 2022 Resilient Communities Program is accepting applications to help fund the development, adoption, and implementation of long-range planning for cities. Applications will be processed for eligibility on a first come, first serve basis until June 1, 2028, or until funding is exhausted, whichever comes first. The City of Kingsville qualifies for this funding due to the 2015-2016 floods. This program is a great opportunity for the City of Kingsville to receive funding from GLO to develop a Comprehensive Plan. The maximum amount for each applicant is \$300,000, with funds available to procure grant writing, grant administration, and planning services. Mr. Spitzer further commented that it is the staff's recommendation to authorize the City Manager to apply for a GLO Resilient Communities Program Grant to secure funding for a new Comprehensive Master Plan.

Motion made by Commissioner Lopez to approve the resolution of the City Commission of Kingsville, Texas, authorizing the submission of a Resilient Communities Program (RCP) grant application to the Texas General Land Office for funding for a Comprehensive Plan (land use) and authorizing the Mayor and City Manager to act as the City's Executive Officers and Authorized Representatives in all matters pertaining to the City's participation in the RCP Grant, seconded by Commissioner Alvarez.

Commissioner Alvarez asked what the cost of a plan would be. Mr. Spitzer responded that the cost would vary. Mr. McLaughlin also responded that it could cost around \$300,000.

The motion was passed and approved by the following vote: Hinojosa, Alarcon, Lopez, Alvarez, Fugate voting "FOR".

9. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Sections 15-3-51 and 9-10-1 through 9-10-5, providing for revisions to the sidewalk regulations, repealing all ordinances in conflict herewith and providing for an effective date and publication. (Director of Planning and Development Services).

Mr. Spitzer stated that on January 29, 2024, the City Manager asked the City Engineer and the City Planner to review the existing City's ordinances that pertain to mandatory sidewalk construction within the city limits. Of concern was the current ordinance wording that does not address where sidewalk installation would be feasible nor make sense if the existing neighborhood had no existing sidewalk infrastructure. The following language is proposed for Commission approval to incorporate in three current sections within the City ordinances: "Exceptions: if no sidewalks exist in an area, (such as an entire neighborhood), then sidewalk construction is not required; however, if future growth within an area is possible, then sidewalk construction required. Also, if sidewalk construction won't fit within the existing right-of-way, then sidewalk construction is not required. In all cases, exceptions/waivers will be granted only by approval of the City of Kingsville, Director of Planning."

Commissioner Alvarez asked that at the end of the proposed wording where it states approval by the Director of Planning, this should read approval by the City Manager.

Mr. Spitzer stated that it could be changed if that is what the commission desires.

Commissioner Hinojosa stated that he prefers the language to add the City Manager.

Commissioner Alvarez asked if this item be placed for final passage on the regular section of the agenda, in the event anyone has any questions.

10. Executive Session: Pursuant to Section 551.072, Texas Government Code, Deliberations regarding Real Property Exception, the City Commission shall convene in Executive Session to discuss the purchase, exchange, lease, or value of real property as deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third party. (City Manager).

Mayor Fugate read the executive session agenda item and convened the meeting into closed session at 5:45 p.m.

Mayor Fugate reconvened the meeting into open session at 5:58 p.m.

11. Consider a resolution authorizing staff to proceed with placing for sale the City's 3.030 acres of land located on the north side of the 400 Block of East Caesar Ave. (9th, Block 24, Lot ALL, S/2 closed Ragland St.), also known as Old Hospital site, in Kingsville, Texas. (Purchasing Manager).

Motion made by Commissioner Lopez to approve the resolution authorizing staff to proceed with placing for sale the City's 3.030 acres of land located on the north side of the 400 Block of East Caesar Ave. (9th, Block 24, Lot ALL, S/2 closed Ragland St.), also known as Old Hospital site, in Kingsville, Texas, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Alarcon, Lopez, Alvarez, Hinojosa, Fugate voting "FOR".

12. Workshop: discussion on proposed FY24-25 Employee Compensation Plan and related items. (Human Resources Director).

Mrs. Diana Gonzales gave a presentation on the Fiscal Year 24-25 Employee Compensation Plan. This is the continuation of the Compensation Study Recommendation from the 2023 study. Year 1 of Compensation Plan FY 23-24 Compensation changes to place employees in new pay structure. Year 2 of Compensation Plan FY 24-25 proposes to implement Step Placement which will move non-civil service exempt and non-exempt employees along the pay schedule to the step corresponding with years in position. FY 25 proposed compensation increase summary continues with the Anniversary Program which is the Step increases for the 1st, 3rd, 6th, 10th, 15th, 20th, and 25th year. This affects 91 non-civil service positions and equals to a 4% step increase for an amount of \$114,693, including fringe benefits. Mrs. Gonzales commented that this program has been in place for several years. Proposed compensation increase summary for Police, Police Collective Bargaining Agreement for FY 24-25 2nd year. Police Collective Bargaining Agreement (CBA) for FY 24-25 2nd year of two-year agreement. There are 50 Civil Service Police positions increase of 6% totaling \$204,213, including fringe benefits. FY 24-25 CBA has 14 civil service police anniversaries that will total \$29,738, including fringe benefits. Fire Department Collective Bargaining Agreement is currently under negotiations. The Classification & Compensation Plan is proposed to remain the same starting with Class 11, Step 1 at \$15.45 an hour. The percentage between steps remains at 4% and percentage between classes at 5%. Proposed modification to 5 positions: Collections Supervisor from Class 19 to Class 21; Communications Supervisor to Communication's Coordinator from Class 20 to Class 21; Municipal Court Supervisor from Class 20 to Class 21; Special Events/Downtown Manager from Class 20 to Class 21; and Wastewater Foreman Class 18 to Wastewater Collections/Stormwater Supervisor Class 24. Non-Civil Service Employees' longevity continues at \$5.00 per month per year of service to maximum of 25 years. Civil Service Fire and Police longevity is based on their respective collective bargaining agreements. Budgeted longevity for Civil Service Personnel is \$77,890. Certification pay is based on the respective collective bargaining agreements is

\$152,809.00. Anniversaries are based on collective bargaining agreements. Proposed changes to TMRS, staff has been looking into a change in TMRS from 1.5:1 to 2:1 match. This will keep the city current in retirement offerings and assist with the retention of employees and assist with getting experienced individuals interested in Kingsville. Changes to TMRS options require City Commission approval and would be effective January 1, 2025. Health Insurance, there are no proposed changes to the city's health coverage. Supplemental employee benefits will still be available to the employees.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:33 p.m.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

July 22, 2024

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JULY 22, 2024, 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
Edna Lopez, Commissioner
Norma N. Alvarez, Commissioner
Hector Hinojosa, Commissioner
Leo Alarcon, Commissioner

CITY STAFF PRESENT:

Mark McLaughlin, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, Director of Information & Technology
Derek Williams, IT
Emilio Garcia, Health Director
John Blair, Chief of Police
Diana Gonzalez, Human Resources Director
Erik Spitzer, Director of Planning & Development Services
Leticia Salinas, Accounting Manager
Deborah Balli, Finance Director
Susan Ivy, Park Director
Bill Donnell, Public Works Director
Rudy Mora, City Engineer
Charlie Sosa, Purchasing Manager
Juan J. Adame, Fire Chief
Janine Reyes, Tourism Director
Joseph Ramirez, Engineer's Assistant
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 – June 10, 2024

Motion made by Commissioner Lopez to approve the minutes of June 10, 2024 as presented, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Lopez, Alvarez, Hinojosa, Alarcon, Fugate voting "FOR".

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

None.

III. Reports from Commission & Staff.²

"At this time, the City Commission and Staff will report/update on all committee assignments which may include but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of

Governments, Conner Museum, Keep Kingsville Beautiful and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report and Accounting & Finance – Financial Services - 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, reported that staff is currently working on the budget. Certified Appraisal Values should be received on July 25, 2024. TML Annual registration will take place on Tuesday, July 23, 2024.

Ms. Courtney Alvarez, City Attorney reported that the next regular City Commission meeting is scheduled for August 12, 2024, with a deadline for staff to submit items for the upcoming meeting by August 1, 2024. Ms. Alvarez further announced dates for the upcoming budget workshops.

Commissioner Hinojosa asked when the commission could expect the proposed budget for FY 24-25. Staff responded that what is being waited on is the Certified Appraisal Values that will be received on July 25, 2024.

Commissioner Alvarez commented that staff needs to make changes to the policy regarding weather emergencies as some employees were not happy about the city closure due to Hurricane Beryl and having to take vacation or sick leave for that day. She further stated that maybe two weather days could be considered.

Mr. McLaughlin stated that it was the choice of the employee of what type of leave they would like to use for that Monday when city offices were closed. Employees who had to work on that day will get compensated in the form of a day or hours off.

Commissioner Hinojosa commented that the emergency policy needs to be reviewed and may be modified. Mr. McLaughlin responded that staff would look into the policy. Commissioner Hinojosa then asked if the employees who had to work would be compensated monetarily or in the form of some time off. Mr. McLaughlin responded in the form of time off.

Commissioner Lopez commented that she wanted to remind everyone that school will begin on Monday.

Mayor Fugate presented a proclamation to Mr. Noeh Resendez.

IV. Public Comment on Agenda Items.³

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

Ms. Kathleen Stewart, 410 E. Ailsie commented that what brought her to Kingsville was the possible purchase of Flato School. She further stated that she is concerned as to how it is currently being treated. She stated that having done realtor and deed research in the past she found a deed from the Kingsville Land and Investment Company from 1924. Within this deed there are three conditions. The first condition states that the further consideration and condition is that the property hereby conveyed shall be used for school purposes only. The further consideration and condition is that said school shall be named and known as the Charles H Flato School and the further consideration and condition is that the grantee shall

not destroy nor attempt to destroy two certain anaqua trees now growing on the premises hereby conveyed and exercise due diligence to preserve and protect said trees. She further stated that all the trees have been taken down around the Flato School. She further stated that she is sure that they didn't go back as far as to find this deed when they do deed research for title transfers. They tend to go back about sixty years, and they figure they got it all. She stated that the problem is when you have a deed, it runs with the land. She stated that they excluded the reversionary interest, the Kingsville Land and Investment Company. She stated that what this means is that should the three conditions not be met, property reverts. She stated that this would now be to the heirs of the Kingsville Land and Investment Company. She stated that her concern is that if we are not going to abide by deeds, then no one is bound by deeds.

Mrs. Ann Marie Torres, 434 W. Sage Road commented that she would like to make a comment about agenda item 8, "Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Section 15-3-51 and 9-10-1 through 9-10-5, providing for revisions to the sidewalk regulations, repealing all ordinances in conflict herewith and providing for an effective date and publication." She further stated that she was glad that it was meant to be for her to be here as well, as the lady before her made comments which she agreed to as well. Mrs. Torres commented that if an ordinance is going to be made on one section and one thing for one person or one development or one organization then all ordinances need to be looked at. It is not just about sidewalks, carports, fences, driveways, or streets, it's everything regarding the private property home of the individuals. Mrs. Torres stated that this is one of the reasons she came forward to make a comment on that section. She stated that if it could be amended or wanted to amend it, to not just include the sidewalks as the sidewalk is one intricate part of a private owner's property that includes everything and is connected to one another. She further stated that it should not just be for because so and so came up and said well, this and that and that. She further stated that if this is going to run across the board, it needs to run across the board for everyone.

Mrs. Mary Valenzuela, City Secretary read a public comment received from Emma Huff, 2801 S. Brahma Blvd. The comment read as follows: "The city of Kingsville should invest funds into a beautification project to improve our environment and the livelihoods of our citizens. This would require city efforts and volunteer events for planting more native trees/shrubs/flowers. The city can coordinate with local nurseries. Investing time and funds into this project would also positively impact tourism and might encourage folks to stick around. People are happier when they live in a clean and beautiful home, and when applied to a city it is the same idea with just the simple act of planting trees. There are many varieties of palm trees, oak trees, tropical flowering trees (Crepe Myrtle, royal poinciana & jacaranda), fruiting trees (citrus, figs, mulberries), flowering bushes (oleanders, Texas sage) that we can plant next to highways, in parks, around neighborhoods, etc. Thank you for your time.

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 Alvarez. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Lopez, Fugate voting "FOR".

1. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter VII, Article 5-Traffic Schedules, Schedule I (D), revising the speed limit on certain areas of General Cavazos Boulevard. (FM1356); providing for appropriate penalties fines, and fees regarding the regulation thereof; repealing all ordinances in conflict wherewith and providing for an effective date and publication. (City Engineer).

2. Motion to approve final passage of an ordinance amending the Fiscal Year 2023-2024 Budget to provide additional funding for Parks vehicle and equipment maintenance. (Parks Director).

3. Motion to approve final passage of an ordinance amending the Fiscal Year 2023-2024 Budget to adjust budgets based on audited beginning fund balances for FY23-24. (Finance Director).

4. Motion to approve final passage of an ordinance amending the Fiscal Year 2023-2024 Budget to provide funding for the payback of the HRSA Cares Provider Relief Fund due to non-submittal of reports. (Finance Department).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

5. Consider introduction of an ordinance amending the Fiscal Year 2023-2024 Budget to provide funding for the replacement of Police Department SWAT team ballistic body armor. (Police Chief).

Mr. John Blair, Police Chief stated that the Kingsville Police Department seeks approval for a budget amendment to replace the Police Department's SWAT Teams Ballistic Body Armor. This update is crucial for maintaining the safety and operational efficiency of the tactical unit. SWAT team vests are replaced approximately every 5 years or sooner due to excessive wear and weather conditions. The total cost for replacement is \$46,890.00 for 15 vests at \$3,126 each. This cost includes a new carrier, rifle plates, and pouches.

Introduction item.

6. Consider a resolution authorizing the Chief of Police to enter into a Memorandum of Understanding between the City of Kingsville Police Department and the Regional Organized Crime Information Center (ROCIC). (Police Chief).

Chief Blair commented that this item would allow the Kingsville Police Department to enter into a Memorandum of Understanding (MOU) with the Regional Organized Crime Information Center (ROCIC). This partnership is critical for enhancing the department's capabilities in various complex criminal investigations. This is a strategic initiative aimed at enhancing the investigative capabilities and overall efficiency. There is no financial impact on the city.

Motion made by Commissioner Alvarez to approve the resolution authorizing the Chief of Police to enter into a Memorandum of Understanding between the City of Kingsville Police Department and the Regional Organized Crime Information Center (ROCIC), seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Alarcon, Lopez, Alvarez, Fugate voting "FOR".

7. Consider a resolution authorizing the City to submit an application to the 2025 1PointFive First Responder Donation Program for grant funds for first responder

equipment, gear, and training for the Kingsville Police & Fire Departments. (Police Chief).

Chief Blair commented that this item is for authorization to apply to 1PointFive to be considered for their First Responder Donation Program. 1PointFive is committed to support First Responders in the communities where they establish operations. The program offers funding opportunities for Fire Departments, emergency medical services, and law enforcement agencies. This funding can be used for essential emergency response equipment, repair of existing emergency response equipment, replacement of outdated or damaged rescue and safety gear, and first responder safety training programs. Securing this funding will allow both Fire and Police to enhance response capabilities with up-to-date equipment, improve safety and efficiency in emergencies, provide advanced training to first responders, ensure they are prepared for a wide range of scenarios, and continue delivering high-quality service to our citizens and visitors. No cash match funds required in order to apply for this grant.

Motion made by Commissioner Lopez to approve the resolution authorizing the City to submit an application to the 2025 1PointFive First Responder Donation Program for grant funds for first responder equipment, gear, and training for the Kingsville Police & Fire Departments, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Alarcon, Lopez, Alvarez, Hinojosa, Fugate voting "FOR".

8. Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Sections 15-3-51 and 9-10-1 through 9-10-5, providing for revisions to the sidewalk regulations, repealing all ordinances in conflict herewith and providing for an effective date and publication. (Director of Planning and Development Services).

Mr. Erik Spitzer, Director of Planning and Development Services stated that on January 29, 2024, it was asked that the City Planner and City Engineer to examine the existing city ordinances that pertain to mandatory sidewalk construction within the city limits. Of concern was the current ordinance wording that does not address areas where sidewalk installation would not be feasible nor make sense if the existing sidewalk infrastructure. He further stated that the following additional language is proposed for said ordinance; Exceptions:" If no sidewalks exist in an area (such as an entire established neighborhood), then sidewalk construction is not required; however, if future growth within an area is possible, then sidewalk construction is required. Also, if sidewalk construction won't fit within the existing right-of-way, then sidewalk construction is not required. In all cases, exceptions/waivers will be granted only by approval of the City of Kingsville Director of Planning. Any appeal of the decision shall be made to the City Manager in writing within five business days from the date of receipt of the Director of Planning's decision."

Commissioner Hinojosa asked how this information would be relayed to the property owner or contractor. Mr. Spitzer stated that a predevelopment meeting will take place with both the property owner and general contractor on all requirements. A second meeting will then occur with staff and the general contractor.

Motion made by Commissioner Lopez to approve the ordinance amending the City of Kingsville Code of Ordinances Sections 15-3-51 and 9-10-1 through 9-10-5, providing for revisions to the sidewalk regulations, repealing all ordinances in conflict herewith and providing for an effective date and publication, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Lopez, Alvarez, Hinojosa, Alarcon, Fugate voting "FOR".

9. Consider a resolution approving the City of Kingsville Investment Policy and Investment Strategies; designating the City Manager, Director of Finance, and City Accounting Manager as the authorized city representatives with full authority for

investment purposes, and providing for disclosure of financial interest. (Finance Director).

Mrs. Deborah Balli, Finance Director stated that the Investment Policy was submitted for certification to the Government Treasures of Texas which is recommended every two years. This certification denotes that our policy is written in accordance with the Texas Public funds Investment Act. On June 21, 2024, the city received notice that the policy was certified, with a recommendation of one update on page 15.

Commissioner Hinojosa asked that one commissioner is a member of the Investment Committee if training is required for that commissioner. Mrs. Balli responded no.

Motion made by Commissioner Alvarez to approve the resolution approving the City of Kingsville Investment Policy and Investment Strategies; designating the City Manager, Director of Finance, and City Accounting Manager as the authorized city representatives with full authority for investment purposes, and providing for disclosure of financial interest, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Lopez, Fugate voting "FOR".

10. Consider introduction of an ordinance amending the Fiscal Year 2023-2024 Budget to setup budget for the CO Series 2024 Bond Issue for the fire station and related equipment. (Finance Director).

Mrs. Balli stated that it is required to establish the budget for CO Series 2024 for the Fire Department. Included in this bond sale are the ladder truck, fire engine, medic unit, SCUBA equipment, and the new Fire Station No. 3.

Introduction item.

11. Consider authorizing use and reallocation of ARP Funds for water meter project. (Purchasing Manager).

Mr. Charlie Sosa, Purchasing Manager stated that the city is currently installing replacement water meters throughout the city, which includes the purchase of new water meters and the installation. During the installation process, many meter boxes along with the replacement of curb stop valves and meter re-adjustments were needed and done but were not part of the contract. Additional funds are being requested for work done by the contractor and for the additional meters and associated parts needed to keep it in stock. The additional funding being requested is \$618,800.

Motion made by Commissioner Alvarez to authorize use and reallocation of ARP Funds for water meter project, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojsa, Alarcon, Lopez, Alvarez, Fugate voting "FOR".

12. Consider introduction of an ordinance amending the Fiscal Year 2023-2024 Budget to reallocate General Fund ARP funding for the fire station design to Utility Fund ARP funding for the water meter project. (Purchasing Manager).

Introduction item.

13. Consider a resolution authorizing the City Manager to enter into a Commercial Listing Agreement Termination between the City of Kingsville and Nichole Saenz of eXp Realty, LLC for the sale of the north side of the 400 Block of East Caesar Ave., Kingsville, Texas, also known as 9th Block 24, Lots ALL and S/2 of closed Ragland St., also known as the old hospital site. (Purchasing Manager).

Mr. Sosa stated that staff was authorized to negotiate with a Multiple Listing Service (MLS) Broker Service. Staff contacted MLS Brokers locally and recommended MLS Broker EXP Realty LLC. This has no financial impact until the property is sold.

Motion made by Commissioner Alarcon to approve the resolution authorizing the City Manager to enter into a Commercial Listing Agreement Termination between the City of Kingsville and Nichole Saenz of eXp Realty, LLC for the sale of the north side of the 400 Block of East Caesar Ave., Kingsville, Texas, also known as 9th Block 24, Lots ALL and S/2 of closed Ragland St., also known as the old hospital site, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alarcon, Lopez, Alvarez, Hinojosa, Fugate voting "FOR".

14. Consider a resolution adopting the City of Kingsville Administrative Policies and Procedures Manual Policy 890.12 – Mother-Friendly Policy. (Human Resources Director).

Mrs. Diana Gonzales, Human Resources Director stated that this policy establishes a "Mother-Friendly" employee worksite breastfeeding support program at the City of Kingsville in accordance with Texas Government Code Chapter 619 and Texas Health and Safety Code Chapter 165. The program provides a work environment that is supportive of lactating employees in accordance with federal and state laws. The benefits of the program include increased attendance due to less time lost, reduced turnover, and increased morale. This policy is to ensure that supervisors and employees are supportive of employees' needs relating to integrating breastfeeding with the employee's work environment. This policy has no financial impact on the city.

Motion made by Commissioner Lopez to approve the resolution adopting the City of Kingsville Administrative Policies and Procedures Manual Policy 890.12 – Mother-Friendly Policy, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Lopez, Alvarez, Hinojosa, Alarcon, Fugate voting "FOR".

15. Consider a resolution amending the City of Kingsville Administrative Policies and Procedures Manual, Policy 830.00-Substance Abuse Policy. (Human Resources Director).

Mrs. Gonzales stated that the last revision to the Substance Abuse Policy was approved by the city commission on September 23, 2019, and became effective on October 1, 2019. The wording has been updated throughout the policy for clarification as to illegal drugs, alcohol, prescription over-the-counter drugs, and substance testing. There is no financial impact on the city. Program costs are included in the Human Resources budget.

Motion made by Commissioner Hinojosa to approve the resolution amending the City of Kingsville Administrative Policies and Procedures Manual, Policy 830.00-Substance Abuse Policy, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Lopez, Fugate voting "FOR".

16. Workshop: discussion on potential fee changes for city services. (City Manager).

A PowerPoint Presentation on potential fee changes was made to the City Commission. Mr. McLaughlin stated that fees that will be discussed are those that have not been able to keep pace with inflation, the cost of doing business, or any other services that should have a fee. The list of fees that the department has brought forth for discussion are as follows: Grady Study Water and Sewer Rates, Public Works Water and Sewer Taps, Landfill Tire Fee, Street Maintenance Fee, Ball Field Rental Fee with Lights, Park Shelter Rental with electricity, Golf Course Fees, Planning Department Fees, Police Department Fees, Stormwater Drainage Fee, and Utility Billing Fees. The fee that is not included in this presentation is the garbage fee. One fee that is not included at this time is the garbage service fee. This is due to residential versus commercial service and how often the service is done, which is a complicated algorithm to go through. Water rates were originally adopted when the city started charging for water service. The last time the city adjusted the water rates was in 2021, based on the Grady Study. Water fees brought in \$4,972,935 for FY 22-

23. For FY 23-24, it is estimated at \$5,145,802. Fiscal year 24-25 proposed revenues with new fees have a proposed 15% increase in rates which equals approximately \$3.93 a month for a residential customer with 5,000 gallons of water usage per month. The new proposed fee will bring in revenues of \$5,917,672.00. As per the rate study, the current residential monthly fee for 5,000 gallons is \$26.20, and a new fee is being proposed to be \$30.13 per month. The reason for the increase is due to the Capital Improvement Plan. In fiscal year 2025, it is estimated project cost of \$2,250,000.00, and the proposed for 2026 fiscal year is \$6 million, and for the year 2027, \$2,074,893.00. This is to achieve the payment obligation on that debt service. Mr. McLaughlin commented that these are fees for water that are being proposed based on Grady's 15% increase.

Commissioner Hinojosa asked if the new water meter increases were implemented in this presentation. Mr. McLaughlin responded yes. McLaughlin further stated that when Grady looked at these numbers it had been estimated that 6% to 8% would be an increase in the water revenues coming in. The recommendation from Grady has already been factored into the new water meters. Commissioner Hinojosa asked if staff knew the actual amount versus just knowing the percentage amount. Mr. McLaughlin responded that he could compare ten months from last year to the ten months this year, old meters versus new meters, and he would be able to provide an exact number of what it is.

Commissioner Alvarez commented that with the new waters, she thought that the customer would see an increase in their monthly bill because the new water meters are functioning as they should be versus the old meters were not calculating water usage properly. With the new water meter increases, does the city still need more? Mr. McLaughlin responded yes, as the city does not have anything in the budget or the bond capacity to cover a future \$10.7 million to cover water well rehabs to get done.

Commissioner Lopez asked what the 5000-gallon usage was for a household, and how many people. Mrs. Deborah Balli, Finance Director responded that it would be an average for a family of four.

Mr. McLaughlin further discussed the sewer rates. The last time the city adjusted the sewer rates was in 2021. The reason the fee is being proposed for an increase is that the cost of providing services increases every year. The proposed increase is 13% which equals an increase of \$3.76 per month for a residential customer with 5,000 gallons of wastewater usage. The current monthly fee is \$28.90 per month for a proposed increase in total of \$32.66 per month. The total projected revenue with the increase would be \$5,668,080.00. As per the Rate Study by Grady Reed, the combined water and wastewater rate increases result in a 13% increase for a residential customer with 5,000 gallons of water & wastewater usage. For Commercial customers 50,000 gallons of usage, the current average bill is \$196 per month and proposed to be \$284 per month. The current average wastewater bill is \$270 per month with it being proposed for an increase to \$230 per month.

Ms. Alvarez commented that with no rate increase in the past three years, it becomes problematic as the cost for the city to provide those services increases every year, therefore a lot of places go up 2% to 3% every year so there is less catch up that needs to be done.

Commissioner Alarcon asked what the increase was three years ago. Mr. McLaughlin responded that it was an 8% increase.

Commissioner Lopez commented that she recalls that the city was told they would have to deal with this at some point every year.

Ms. Alvarez commented that during a Land Use Conference she attended last year, one speaker stated that a person's largest utility bill would eventually be the water bill.

Mayor Fugate commented that these problems will not go away, they will only get worse and more expensive, so the city needs to do something now. Nobody wants to raise these rates, but it needs to be done.

Ms. Alvarez commented that the public works director has stated that his crew needs assistance with these issues so that these do not become TCEQ violations which could be very expensive to the city.

Commissioner Hinojosa asked where you cap this and when do you set a cap on it.

Mayor Fugate responded that there is no cap as these are issues that need to be addressed. Fugate commented that problems are not only in our city, but these are also problems that every city in Texas has as well.

Mr. Bill Donnell, Public Works Director, presented the proposed water tap fee. He stated that the proposed increase is to offset the cost of materials used for service taps. The fee was originally adopted in 1985 and was last changed in 2017. Revenues the fee assessment received for FY 23-24 was \$6,653 for 12 taps at \$553 each. The cost of the services the fee covers is \$10,068.36. The reason for the proposed increase is that brass material and meter prices have increased, and the fee currently does not cover the cost of materials required for the service. Sewer tap fees, the purpose for the fee is to offset the cost of materials used for service taps. This fee was originally adopted in 1981 and was last changed in 2002. Revenues for the fee assessment received in FY23-24 were \$1,800.00. The cost of the services the fees cover is \$3,900. The reason the fee is proposed for an increase is due to material prices increasing and the fee currently does not cover the cost of materials required for the service. The landfill tire fee was originally adopted in 1992 and was last changed in 2011. The reason the fee is proposed for an increase is that the contractor tire disposal prices have increased. It was stated that some landfills don't take agricultural tires.

Mr. Mike Mora, Capital Improvements Manager presented the Street Maintenance Fee. This fee was adopted in 2015 and was last changed in 2021 when it was increased by \$1.00. During the last 3 years, cost increased for major materials, equipment, and labor ranged from 17.6% to 62.7%. The cost of the services fee is expected to cover added street improvement and maintenance projects and the completion of concrete coating of downtown E. Kleberg Ave., from 8th Street to 11th Street. The reason for the proposed increase is to cover costs for completing additional street projects and for handling the increased costs of material, equipment, and labor experienced over the last few years. The proposed increase for FY 24-25 is \$1.00 to \$4.00 monthly for residential and 20% monthly for non-residential.

Mrs. Susan Ivy, Parks Director spoke about proposed fees for the ball field rental fee with lights and park shelter rental with electricity. The purpose for the proposed fee is to collect a fee to cover the usage of lights when practicing or playing on a baseball, softball or soccer athletic field. The original fee for field rental is \$10.00 with lights is \$15.00. Is it requesting that it be raised to \$10.00 rental and \$25.00 with lights. These shelters have not been rented and are used on a first come first serve basis. There are electric poles for a charge of \$15.00 for four hours and they have to get the shelter before anyone else to have both for a party. It is being requested to pair the shelter and electric together to rent for \$25.00 deposit and \$40.00 for a four-hour rental with \$10.00 for each additional hour. This is anticipated to bring in an additional \$5,000 to \$7,000 providing the option for a reserved shelter. Mrs. Ivy further discussed the fees for the Golf Course. It is proposed to increase the fees in membership fees, cart fees, and green fees.

Mr. Erik Spitzer, Director of Planning & Development Services, gave the presentation on planning fees. The purpose of the new residential construction permit fee is to ensure that the application complies with city ordinances and is filled out completely with all required

information. The fee will cover the staff's time it takes to review the application and confirm all the applicable ordinances are being met. The new proposed fee is \$35. Four other cities similar to our city size charge similar rates. The next fee that was looked at was the new residential construction swimming pool permit and review fee. The purpose of the fee is to ensure the plan complies with city ordinances. The reason the fee is proposed for an increase is as the current fee does not cover staff's time it takes to review the application and confirm all the applicable ordinances are met. Currently \$10 per pool and new review fee of \$25 plus \$.30 sq/ft. The new fence construction/repair permit and review fee. This fee is to ensure that the plan complies with city ordinances. The current fee does not cover staff's time it takes to review the application, confirm all the applicable ordinances and inspect the property. New driveway construction permit and review fee. This fee ensures the plan complies with city ordinances. The reason for the increase in this fee is that the current fee does not cover staff's time it takes to review the application, confirm all the applicable ordinances and inspect the property. The current fee is \$15 driveway cutout plus \$10 a lot. Staff adds \$25 new fee for a total of \$50 for this permit. Re-inspection fees are also being proposed for an increase. This fee is collected when the first inspection does not pass. The reason the fee is proposed for an increase is that currently not covering staff's time it takes to re-inspect the property. The low fee encourages customers to use us as their punch list. More than 50% of our inspections require a re-inspection for not making the original corrections. Currently the fee is \$50, and it is being proposed that a 2nd re-inspection fee of \$100 and a 3rd re-inspection fee of \$150. The residential remodel permit application fee is to ensure the remodel plan complies with city ordinances. This fee is proposed for an increase to cover the staff's time it takes to review the application, confirm all the applicable ordinances and inspect the property. The current fee is a \$100 flat fee and it is being proposed to add an additional \$25 review fee plus \$0.30 sq/ft to account for large projects and be in line with other similar sized cities. The residential re-roof plan review and permit application fee is to ensure re-roof application complies with city ordinances and has a WPI-1 as part of the submission to account for windstorm requirements. Due to the cost of inflation plus alignment with other similar sized cities, this fee is being proposed for an increase. Currently the fee is \$.06 sq/ft and it is proposed to increase to \$0.08 sq/ft. The next fee is the permit renewal/extension fee. This fee is to grant an existing work when it was not completed on time. This proposed fee is also similar to cities our size. The new fee being proposed is \$75. The commercial permit application fee is used to ensure application complies with city ordinances and contains all required information. The new fee being proposed is \$100 for a commercial permit application. Signs/Billboards plan review and permit application fee. This fee is to ensure plans submitted are IAW city ordinances. The reason the fee is being proposed for an increase is, the current fee does not cover the staff's time it takes to review the application, confirm all the applicable ordinances and inspect the property. The current fee is \$15 plus \$0.20 sq/ft and propose changing plan review to \$25 plus \$0.20 sq/ft. Certificate of Occupancy application fee. This fee is to ensure the safety and the intended use of a new or existing business with a new or existing structure. The reason for a fee increase is to cover staff's time it takes to review the application, confirm all applicable ordinances and inspect the property. Currently the fee is \$25 plus \$15 and it is being proposed for an increase to a flat \$75. Commercial construction alteration and repair plan review and permit application fee. This fee is to ensure plans submitted are IAW city ordinances. The reason for an increase to this fee is to cover staff's time it takes to review the plan, account for the size of the alteration. This fee is similar to what other similar sized cities enforce. The proposed new fee is \$125 plan review plus \$0.30 sq/ft. The water heater permit fee is to ensure a plumber properly installs a water heater. The reason for an increase in this fee is to keep up with inflation and process applications. The current \$10 fee is being proposed to increase to \$15. The water line permit fee is to ensure a plumber properly installs a water line. This fee is for the processing of the application. The current fee for this is \$10 and it is being proposed to increase it to \$15. Stop work order fee is accounting for stopping illegal work on a property. This fee is being proposed for an increase to discourage illegal work and account for time it takes for staff to inspect and identify illegal work. The new fee proposed for the stop work order fee is \$100. Work without a permit fee for residential accounts for

illegal work without a permit. This fee will discourage any work being done without the proper permits being pulled. This currently has a double fine from the cost of permit. Staff propose adding a flat fee of \$50 plus double fine to deter illegal work. Work without a permit for commercial. This fee will account for any illegal work being done. The fee will discourage anyone from doing illegal work without the proper permits. This currently has a double fine from the cost of permit. Staff propose adding a flat rate of \$100 plus double fine to deter illegal work. Code Enforcement Non-Compliance Abatement. This fee is used to abate properties that are not cared for. The reason for the proposed increase in this fee is that currently charge only \$203.78 for one operator working on a property and \$217.85 for two operators working on a property. This fee does not cover hourly wage or employees, wear and tear on equipment, and administrative fee does not charge if lien is place on property. As stated above, currently the fee is \$203.78 or \$217.85, depending on number of staff used. Staff proposes a flat \$300 for first offense and \$400 for second offense and \$500 for third offense to deter non-compliance with ordinances.

Commissioner Alvarez asked if the same crew that cuts city lots is used for these types of abatements. Mr. Spitzer responded that sometimes they are used if Public Works crew can't get to city lots.

Commissioner Alarcon commented that he doesn't feel that it's fair to compare our city with the City of New Braunfels when it comes to these types of fees, as New Braunfels is much larger than Kingsville. It should be compared to San Benito or Alice as those cities are more comparable to Kingsville.

Mr. McLaughlin commented that the majority of time the City of Seguin is used for comparison.

Mr. John Blair, Chief of Police presented the fees for the Police Department. The first fee was the Background Check Fee. This fee is used to cover the cost of the time the employee uses for call taking, scheduling, associated supplies, and other necessary costs. This is a new fee as the city did not charge for background checks. Proposed revenue with new fee is \$.00 per report number and \$3.00 per duplicate for same report number. It is estimated at 60 reports per month at \$6.00 per report would equal to \$360 per month times twelve months would bring in revenue of \$4,320 annually. The next fee is fingerprint card fees. The purpose for this fee is to cover the cost of the time the employees uses for call taking, scheduling, associated supplies, and other necessary costs. This is a new fee that will be introduced. The proposed revenue with the new fee is \$25.00 per card and \$10.00 for duplicate card from same appointment. It is estimated at 15 per month at \$25 per card equals to \$375 times twelve months would equal to \$4,500 annually. Just as a side note, the Kingsville Police Department does not keep copies of these cards.

Mr. Rudy Mora, City Engineer, presented the fees for the Engineering Department. The Stormwater Drainage Utility Fee purpose is to collect and direct stormwater runoff. The proposed fee is \$3,00 per Equivalent Residential Unit (ERU) per month. Proposed revenue with new fee is \$568,038.69. Drainage improvements include curb and gutter, storm system upgrades and low water crossing repairs.

Mrs. Deborah Balli, Finance Director, presented the fees for the Finance Department. The Utility Billing Fee is assessed when customers do not pay the utility bill by the due date. The reason the fee is proposed for an increase is personnel costs for employees, cost of the notices along with postage fee have all increased. The current fee is the greater of \$3.00 or 3% of current bill. The fee would change to the greater of \$5.00 or 10% of current bill. The City of Alice currently charges 15% of the current bill. Utility billing reconnect fee, during business hours. This fee is assessed when customers have been cut-off and the meter technicians have to return to the location to reconnect service once the red-bill has been paid. The reason for this fee is to reconnect customers and to cover personnel costs,

vehicle maintenance, and fuel costs that are incurred. Mrs. Balli further explained the process of cutting off an account for non-payment.

Commissioner Hinojosa asked if this fee would cover a locked meter. Mrs. Balli responded yes; the fee will cover reconnection of that meter.

Mrs. Balli continued with utility billing reconnect fee, after hours. This fee is assessed when customers request the reconnection of service after hours. The current fee is \$50 and is being proposed for an increase to \$75. This usually occurs when a customer pays their bill at the end of the day and they want services turned on that day. The customer who pay online can call the non-emergency police department number and provide the required information that would allow the reconnection. On-call Public Works employees would provide this service. Utility billing tampering fees is assessed when a customer tampers with their meter to reconnect services without city authorization. The current fee is \$75 for 1st tamper and \$150 for 2nd tamper, with a maximum amount of \$1,000. It is proposed to increase this to \$100 for the 1st tamper, \$200 for 2nd tamper with a maximum of \$1,000. If meter is tampered a 3rd time, the meter will then be removed.

Commissioner Alarcon asked how these fees would be implemented. Ms. Alvarez commented that the fees being proposed would be implemented by ordinances which will be brought to the Commission in a series of events for approval. Each fee will have its own ordinance.

Commissioner Lopez asked about private ambulance fees and if there would be an increase on those fees. Mr. J.J. Adame, Fire Chief responded that this is a fee that is handled through the Fire Marshall. Chief Adame further commented that letters have been sent to those private ambulances reminding them of the fees in order to operate in Kingsville. Commissioner Lopez further asked who is doing the inspections of these private ambulances. Chief Adame responded that the Fire Marshall does the inspections. Commissioner Lopez further requested a report to be given on permits and inspections.

17. Executive Session: Pursuant to Section 551.074, of the Texas Open Meetings Act, the City Commission shall convene in executive session to deliberate the evaluation & duties of the City Manager. (Mayor Fugate).

Mayor Fugate announced the executive session agenda item and convened the meeting into closed session at 7:25 p.m.

Mayor Fugate reconvened the meeting at 8:11 p.m.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 8:11 p.m.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

PUBLIC HEARING(S)

PUBLIC HEARING #1

Public Hrg.

**City of Kingsville
Legal Department**

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Courtney Alvarez, City Attorney
DATE: July 30, 2024
SUBJECT: Ordinance Amending the Enterprise Zone Ordinance from 2009 for Continued Participation in the Program

Summary: The ordinance adopted by the City in 2009 that allows the City's participation in the Texas Enterprise Zone Program is in need of amendment to remain in compliance with the Texas Enterprise Zone Act.

Background:

On December 14, 2009, the City Commission adopted Ordinance No. 2009-36 ordaining the City's participation in the Texas Enterprise Zone Program (Program) pursuant to the Texas Enterprise Zone Act (Act), Chapter 2303, Texas Government Code and outlining local incentives available to nominated projects or activities of certain qualified businesses under the Act.

Recently, revisions were made to the Program and the previously adopted ordinance needs to be amended to add: 1) additional language to remain within compliance of TAC Rule Section 176.2(2)(A), and 2) additional potential incentives that are or will be made available to nominated projects in the City of Kingsville.

A public hearing is required prior to ordinance adoption, so one has been notice in the local newspaper on 7/25/24. Posting at the place of the meeting (city hall) and notice to the State are also required and were done on 7/17/24.



**City of Kingsville
Legal Department**

Financial Impact: None.

Recommendation: Approve the ordinance amending the City's Enterprise Zone Ordinance from 2009 for continued participation in the Texas Enterprise Zone Program.



CITY OF KINGSVILLE



P.O. BOX 1458 – KINGSVILLE, TEXAS 78364

July 17, 2024

Ms. Adriana Cruz
Executive Director
Office of the Governor
Economic Development & Tourism
1100 San Jacinto Boulevard, 3rd Floor
Austin, Texas 78701

RE: Texas Enterprise Project Participation- City of Kingsville

Dear Ms. Cruz:

The City of Kingsville will be holding a public hearing and consider an amendment to Ordinance ORD2009-38 related to our participation in the Texas Enterprise Zone Program. The following public notice concerning this public hearing will be published in the *Kingsville Record* newspaper and posted on the official bulletin board at the Kingsville City Hall on or before July 25, 2024.

Notice is hereby given that the City Commission of the City of Kingsville will conduct a public hearing and consider an amendment to Ordinance ORD2009-38 on Monday, August 12, 2024, at 5:00 P.M. in the Helen Kleberg Groves Community Room at Kingsville City Hall, located at 400 West King Avenue, Kingsville, Texas 78363. The purpose of the hearing is to receive public comments on the City's participation in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code as revised. Possible tax incentives to be offered to projects within the City of Kingsville will be discussed at the meeting. This hearing will be pursuant to the ordinance considered and voted on by the City Commission on August 26, 2024. All interested parties are encouraged to attend and present their views.

Please note that this notice is being redone as the originally scheduled public hearing was to be conducted on July 8, 2024, but city offices were closed that day due to Hurricane Beryl. For additional information, please contact me at 361.595.8002.

Sincerely,

Mark McLaughlin
City Manager
City of Kingsville

cc: Ms. Melissa Munoz, Principal, Ryan, LLC

Lone Wolf and Skyhawks

By Ted Figueroa
Reporter

(Editor's note: In this feature, we take readers back through our archives, highlighting some of the people and events of the past century. Many issues are still in paper form, some are digitized, and a few are on microfilm. The issues from 1918 to July of 1924 were lost in a fire, however, the rest remain intact. Here is a look back at what was happening this week in Kingsville.)

25 years ago, July 1999
The grand opening party at the Spohn Kleberg Health Plaza was a great success with doctors and staff walking around to answer questions. The new \$6 million, 42,000 square-foot center was set to open for new patients in just a few weeks.

50 years ago, July 1974
The Kingsville city Commission voted to hire Filiberto Garcoa Jr. as acting city manager following the suspension of Earl Keaton from the job. Keaton was suspended by a 3-2 vote following a closed-door session the previous week.

Keaton told the commission he wanted a public hearing on the matter with in 20-30 days.

The ousted city manager

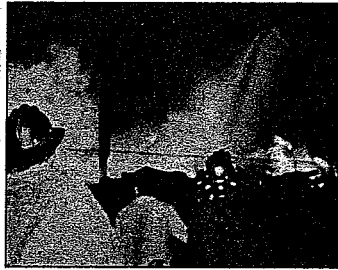
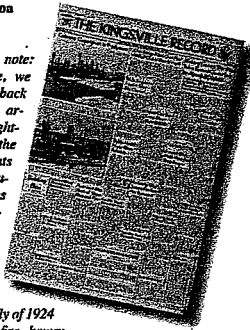
vowed he would go to court if necessary. The suspension of Keaton and hiring of Garcia happened in front a standing room only audience that appeared equally divided over the issue.

Keaton was suspended for refusing to hire Mrs. Margaret Saenz after being instructed to do so by the city commission. Saenz maintained that she had been discriminated against because of her race and gender.

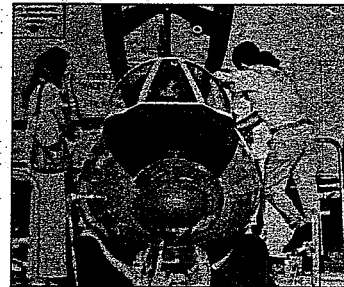
The VT-23 wives got to take a tour of the Navy Base. Training Squadron 23 held a wife's tour for the wives of student and instructor aviators.

The tour was designed to familiarize wives with their husbands' squadron lives. The tour lasted 3 1/2 hours.

During the tour of the Operations Building, the wives had the unexpected opportunity to witness an



Kingsville firefighters battle a blaze at the Perez Lumber Yard. Arson was suspected. -1974



VF-23 wives got to tour the Navy base. -1974



Bob Brister performed on KINE Radio twice a week. -1949



The Spohn Kleberg Health Plaza held its grand opening. -1999

"arrested landing" in which a TA-4J "Skyhawk" with a malfunctioning hydraulic system landed in one tenth of the usual runway area. An investigation con-

tinued into the possible involvement of arson in a fire at the Perez Lumber

Company, which resulted in \$25,000 of damage including the lumber and the structure that housed it.

When firefighters arrived the lumber yard was completely engulfed in flames. Two firefighters were injured and worked till daylight to contain the blaze. The fire department had been called out to two false alarms just before the fire at the same location.

75 years ago, July 1949
Passenger traffic on the Missouri-Pacific Lines was interrupted when six cars in a 119-car southbound freight train derailed at the north end of the Bishop railroad yard at 3 a.m.

No one was injured in the wreck. The wreck occurred when a journal broke on a sand-laden gondola about mid-way of the train.

Bob Brister, a 16-year-old Kingsville High School junior, used his western-styled voice and his guitar to play music on his twice a week radio show on KINE radio.

He even took requests by mail and telephone during the performances.

99 years ago, July 1925
"The Lone Wolf," a terror of the border country, was captured by Kleberg County Sheriff Tom Moseley.

Santiago Revilla, known as "The Lone Wolf" was behind bars in the Kleberg County Jail, charged with bootlegging.

For the past four or five years, officers and river guards had been trying to capture him.

Revilla was linked to at least one murder and he had been successful in carrying on an enormous trade in transporting tequila from the border past customs officers, river guards and federal prohibition officers.

?? TRIVIA ?? HOW SMART ARE YOU?

- Think you know something about everything?
- What do you know about our area?

Play Kingsville Trivia brought to you by Harrel's Pharmacy!

Questions:

1. Which is the largest country in Africa?
2. Which British Monarch established the Church of England to divorce his first wife?
3. How old is Jonathan - the world's oldest living tortoise?
4. Which hormone is known as the "Love Hormone"?
5. What animal laughs when threatened or under attack?
6. What color is the sky on the moon?
7. What country is home to the Ruins of the Ancient City of Babylon?
8. What plant is used to make linen fabric?
9. Who is the villain of Horror Movie Franchise "A Nightmare on Elm Street"?
10. Which French landmark was supposed to be taken down?

(Answers will be in the next issue)

HOW SMART ARE YOU:

- 9-10: Okay Einstein, quit bragging
- 7-8: Pick up your PhD at TAMUK
- 5-6: You are on your way to your B.S. degree
- 3-4: Do not skip any more school
- 2 or less: Don't leave home without a chaperon

For all your pharmacy needs, contact Harrel's. Lots of great items and downtown Kingsville's best eats!

Harrel's
Kingsville Pharmacy
204 E. Kleberg • Kingsville, Tx
(361) 592-3354

TRIVIA ANSWERS

July 18, 2024 issue

- | | |
|-----------------------------|------------------------|
| 1. Francis Bellamy | 6. The Summer Solstice |
| 2. Tim McGraw | 7. Starburst |
| 3. 14 | 8. The Bible |
| 4. Tony Manero | 9. Honey |
| 5. Uniform Resource Locator | 10. Peridot |

PUBLIC HEARING NOTICE

Notice is hereby given that the City Commission of Kingsville will conduct a public hearing and consider an ordinance on July 8, 2024 at 5:00PM in the Helen Kleberg Groves Community Room at City Hall, located at 400 W. King Avenue, Kingsville, TX 78363, for the purpose of receiving public comments on the City's amendment to Ordinance ORD2009-38 pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code as revised. Possible tax incentives to be offered to projects within the City of Kingsville may be discussed at the meeting. This hearing will be pursuant to the ordinance considered and voted on by the City Commission on July 22, 2024. All interested parties are encouraged to attend and present their views.

For additional information, please contact, Mark McLaughlin, 361.595.8002.

PUBLIC NOTICE

The City Commission will meet on Monday August 26, 2024, at 5:00 P.M. The following items are set for public hearing and discussion and / or action:

Request to condemn the unsafe structures located at:

- 227 E RICHARD
- 307 E RAGLAND
- 500 W SANTA GERTRUDIS
- 521 E MESQUITE
- 527 E ALICE
- 621 W ELLA
- 829 E WARREN
- 907 E AVE A
- 1232 E ELLA

If you are the property owner, holder of mortgage(s), or anyone having a substantial interest in any of these properties, we would request that you attend the meeting.

The meeting will be held at City Hall, 400 West King, at the Helen Kleberg Groves Community Room.

If you have any questions about the items on the agenda, please contact the Building Department at (361) 595-8019 or (361) 595-8020.

PUBLIC HEARING NOTICE

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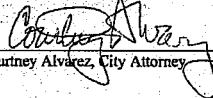
PUBLIC HEARING NOTICE

Notice is hereby given that the City Commission of Kingsville will conduct a public hearing and consider introduction of an ordinance on August 12, 2024 at 5:00PM in the Helen Kleberg Groves Community Room at City Hall, located at 400 W. King Avenue, Kingsville, TX 78363, for the purpose of receiving public comments on the City's amendment to Ordinance ORD2009-38 pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code as revised. Possible tax incentives to be offered to projects within the City of Kingsville may be discussed at the meeting. This hearing will be pursuant to the ordinance considered for final passage and voted on by the City Commission on August 26, 2024. All interested parties are encouraged to attend and present their views.

For additional information, please contact, Mark McLaughlin, 361.595.8002.

CERTIFICATION

This public notice was posted on the official bulletin board at Kingsville City Hall, located at 400 W. King Ave., Kingsville, TX 78363 on or before July 17, 2024 at 5:00PM

 7/17/2024
Courtney Alvarez, City Attorney Date

PUBLIC HEARING NOTICE

Notice is hereby given that the City Commission of Kingsville will conduct a public hearing and consider introduction of an ordinance on August 12, 2024 at 5:00PM in the Helen Kleberg Groves Community Room at City Hall, located at 400 W. King Avenue, Kingsville, TX 78363, for the purpose of receiving public comments on the City's amendment to Ordinance ORD2009-38 pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code as revised. Possible tax incentives to be offered to projects within the City of Kingsville maybe discussed at the meeting. This hearing will be pursuant to the ordinance considered for final passage and voted on by the City Commission on August 26, 2024. All interested parties are encouraged to attend and present their views.

For additional information, please contact, Mark McLaughlin, 361.595.8002.

CERTIFICATION

This public notice was posted on the official bulletin board at Kingsville City Hall, located at 400 W. King Ave., Kingsville, TX 78363 on or before July 17, 2024 at 5:00PM

Courtney Alvarez, City Attorney

Date

ORDINANCE NO. 2024-_____

AN ORDINANCE AMENDING ORDINANCE NO. ORD2009-38, ORDAINING THE CITY OF KINGSVILLE'S CONTINUED PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), AMENDING THE ORIGINAL ORDINANCE LANGUAGE AND PROVIDING ADDITIONAL POTENTIAL INCENTIVES FOR THE INVESTMENT OF PRIVATE RESOURCES IN PRODUCTIVE BUSINESS ENTERPRISES LOCATED IN SEVERELY DISTRESSED AREAS OF THE CITY AS REQUIRED BY THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT AND TOURISM (EDT).

WHEREAS, the City Commission of the City of Kingsville Texas (City) desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the city and to provide employment to residents of such area; and

WHEREAS, on December 14, 2009 the City Commission adopted Ordinance No. ORD2009-38 ordaining the City's participation in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (the "Act") and outlining local incentives available to nominated projects or activities of certain qualified businesses under the Act; and

WHEREAS, the City Commission now wishes to amend Ordinance No. ORD2009-38 to add 1) additional language to remain within compliance of TAC Rule §176.2 (2)(A); and, 2) additional potential incentives that are or will be made available to nominated projects in the City of Kingsville;

WHEREAS, "Whereas, the City finds that it is in full compliance with Chapter 2303, Texas Government Code prior to nomination of an eligible business";

WHEREAS, in accordance with Section 2303.4051(e) of the Act, on August 12, 2024 the City Commission conducted a public hearing prior to consideration of this Ordinance to receive public comment as to the amendment of Ordinance ORD2009-38, and any other matters related to this Ordinance, notice of which was published in the *Kingsville Record*, a newspaper of general circulation, on July 25, 2024;

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

Ordinance No. ORD2009-38 is hereby amended to read as follows:

- Section 1: The City hereby elects to participate in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code ("Act"). The City Commission wishes to add the following language in order to remain in compliance with TAC Rule §176.2 (2)(A)
"Whereas, the City finds that it is in full compliance with Chapter 2303, Texas Government Code prior to nomination of an eligible business."
- Section 2: The updated local incentives identified and summarized briefly in the attached Exhibit "A", at the election of the governing body, are or will be made available to nominated Projects or activity of the qualified business.
- Section 3: The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.
- Section 4: The City of Kingsville's City Commission directs and designates its City Manager or his designee as the City's liaison to communicate and negotiate with the EDT through the Bank and enterprise project(s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.
- Section 5: The City finds that a project meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:
- (a.) A project is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction, located in an enterprise zone in the governing body's jurisdiction and at least twenty-five percent (25%) of the business' new employees will be residents of an Enterprise Zone, economically disadvantaged individuals, or veterans; or if the qualified business is located outside of an enterprise zone and at least thirty-five percent (35%) of the business' new employees will be residents of an enterprise zone, economically disadvantaged individuals, or veterans; and
 - (b.) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities in the area; and

(c.) The designation of a project as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

Section 6: The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate 5 years after the date of designation.

Section 7: This ordinance shall take effect from and after its passage as the law and charter in such case provides.

INTRODUCED on this 12th day of August, 2024.

PASSED AND APPROVED on this the 26th day of August, 2024.

Effective Date: _____.

Sam Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

Exhibit A

| Name of Incentive | Description of Incentive |
|--|--|
| Local Sales Tax Refund | The City may allow sales and use tax refunds. |
| Tax Abatement | The City may allow property tax reduction |
| Tax Increment Financing | Tax Increment Financing |
| Chapter 380/381 | Municipalities and counties are authorized to offer incentives designed to promote economic development |
| Other Tax Deferrals, Tax Refunds or Tax Incentives | Other Tax Deferrals, Tax Refunds or Tax Incentives |
| Zoning Changes/Variances | Zoning changes are available to residents |
| Impact/Inspection Fee Exemptions | Impact/inspection fee exemptions are available to residents |
| Streamlined Permitting | City may allow permit applications and supporting materials to be tendered to one department for distribution to the appropriate City departments. |
| Improved Police and/or Fire Protection | Safety and protection of City residents is made a priority by improving our police and fire protection services |

| | |
|---|--|
| Community Crime Prevention Programs | Safety and protection of City residents is made a priority through local crime prevention programs |
| Special Public Transportation Routes or Reduced Fares | Transportation options or reduced fares have been made available to the public |
| Capital Improvements in Water and Sewer Facilities | The City may provide resources for a capital improvement plan related to water and sewer service |
| Road Repair | The City is responsible for maintaining and repairing public streets and alleys inside City limits |
| Creation or Improvements of Parks | Maintain parks and promote healthy lifestyle for City residents |
| Low-Interest Loans for Business | Low interest loads are available to businesses |
| Provision of Publicly Owned Land for Development Purposes | Publicly owned land may be provided for development purposes |
| One Stop Permitting, Problem Resolution Center | City may offer one-stop permitting |
| Promotion and Marketing Services | Convention and Visitors Bureau and Chamber of Commerce |
| Job Training and Employment Services | Offered in conjunction with local community college and technical schools |
| Retraining Program | Offered in conjunction with local community college and technical schools |
| Literacy and Employment Skills Services | Offered in conjunction with local community college and technical schools |
| Vocation Education | Offered in conjunction with local community college and technical schools |
| Customized Job Training | Offered in conjunction with local community college and technical schools |

CONSENT AGENDA

AGENDA ITEM #1

**City of Kingsville
Police Department**

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: John Blair, Chief of Police
DATE: 6/25/2024
SUBJECT: Request for Budget Amendment for the Police Department to Replace SWAT Team Ballistic Body Armor.

Summary:

The Kingsville Police Department respectfully seeks the City Commission's approval for a Budget Amendment to the FY 23-24 Budget for the purpose of replacing the Police Departments SWAT Teams Ballistic Body Armor. The current account to fund this purchase is currently in a negative balance.

Background:

The Kingsville Police Department respectfully seeks the City Commission's approval for a budget amendment to the FY 23-24 budget to replace the SWAT team's ballistic body armor due to the vests being expired. This update is crucial for maintaining the safety and operational efficiency of our tactical unit.

1. **Enhanced Protection:** Updated ballistic body armor offers improved protection against a wider range of ballistic threats. New materials and designs, such as those adhering to NIJ Standard 0101.07, provide enhanced resistance to specific ammunition types and better overall safety for officers in high-risk situations
2. **Mandatory Wear Policies:** Ensuring all SWAT members have access to current body armor supports mandatory wear policies that enhance overall safety. Consistent use of body armor has been proven to reduce fatalities and serious injuries among officers.
3. **Operational Readiness:** Upgrading body armor ensures that the SWAT team is fully equipped to handle high-risk operations effectively and safely.
4. **Community Safety:** Enhanced protection for officers directly contributes to better service and protection for the community.
5. **Long-Term Cost Savings:** Investing in new high-quality body armor reduces the potential costs associated with officer injuries and fatalities.



**City of Kingsville
Police Department**

Financial Impact:

SWAT team vests are replaced approximately every 5 years or sooner due to excessive wear and weather conditions. The total cost for replacement is \$46,890.00 for 15 vests @ \$3,126.00 each. This cost includes a new carrier, rifle plates and pouches.

Recommendation:

To respectfully request a Budget Adjustment to FY23-24 for the purpose of replacing the SWAT Team vests.



-Put ORR stamp on each page
-Prep. Invoice
-Prep. Basic response letter
-After signed, mk. File copy OR Scan= Lttr/Inv/Rpt
-Call for P/U, Mail, or Email= Lttr/Inv/Rpt
-Update ORR Log

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ORDINANCE NO. 2024-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2023-2024 BUDGET TO PROVIDE FUNDING FOR THE REPLACEMENT OF POLICE DEPARTMENT SWAT TEAMS BALLISTIC BODY ARMOR.

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

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2023-2024 budget be amended as follows:

**CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT – BA#51**

| Dept No. | Dept Name | Account Name | Account Number | Budget Increase | Budget Decrease |
|--------------------------------|------------------|----------------------|-----------------------|------------------------|------------------------|
| Fund 001 – General Fund | | | | | |
| <u>Expenditures – 5</u> | | | | | |
| 2102 | Police | Minor Equipment | 21700 | \$46,890.00 | |
| 1030 | City Special | Budget Amend Reserve | 86000 | | \$46,890.00 |
| | | | | | |

[To amend the City of Kingsville FY 23-24 budget to provide funding for the replacement for the Police Department SWAT Team ballistic body armor. Funding for this request will come from the General Fund Budget Amendment Reserve line item. Currently there is \$91,180.05 available.]

II.

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

III.

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

IV.

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

INTRODUCED on this the 22nd day of July 2024.

PASSED AND APPROVED on this the 12th day of August 2024.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #2

**City of Kingsville
Finance Department**

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Deborah Balli, Finance Director
DATE: July 12, 2024
SUBJECT: Establish Budget for CO Series 2024-Fire

Summary:

This Budget Amendment is required to establish the budget for CO Series 2024 for the Fire Department. Included in this bond sale is the ladder truck, fire engine, medic unit, SCUBA equipment and the new fire station (#3).

Financial Impact:

The proceeds from the bond sale will fund the items included in the bond sale and the debt service part of the effective tax rate will pay the debt service obligation from the General Fund Debt Service Fund 011.

Recommendation:

Staff recommends the approval of this budget amendment.



ORDINANCE NO. 2024-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2023-2024 BUDGET TO SETUP BUDGET FOR THE CO SERIES 2024 BOND ISSUE FOR THE FIRE STATION AND RELATED EQUIPMENT.

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

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2023-2024 budget be amended as follows:

**CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT – BA#53**

| Dept No. | Dept Name | Account Name | Account Number | Budget Increase | Budget Decrease |
|----------------------------------|------------------|-----------------------|-----------------------|------------------------|------------------------|
| Fund 153 – CO Series 2024 | | | | | |
| <u>Revenues - 4</u> | | | | | |
| 0000 | Non-Dept | Bond Proceeds | 99500 | \$14,335,000 | |
| 0000 | Non-Dept | Bond Issue Premium | 99600 | \$468,680 | |
| <u>Expenditures - 5</u> | | | | | |
| 5100 | Bonds | Bond Issuance Costs | 31404 | \$278,680 | |
| 2200 | Fire | Vehicle | 71100 | \$2,924,461 | |
| 2200 | Fire | Machinery & Equipment | 71200 | \$500,000 | |
| 2200 | Fire | Building | 71300 | \$11,100,539 | |

[To amend the City of Kingsville FY 23-24 budget to setup budget for the CO Series 2024 for the fire station and related equipment. Funding for this project will come from CO Series 2024 bond issue.]

II.

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

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of

competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

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

INTRODUCED on this the 22nd day of July 2024.

PASSED AND APPROVED on this the 12th day of August 2024.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #3

Budget Am-
ARP Funds

**City of Kingsville
Purchasing Department**

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Charlie Sosa Purchasing Manager
DATE: July 1, 2024
SUBJECT: ARP Funds Reallocation and Fund 6001 Utility Plant Division Budget Amendment Request

Summary:

This item authorizes the use of ARP Funds and a budget amendment for the additional funding for the Utility Plant Division for the new water meter replacement project.

Background:

The City of Kingsville is currently installing replacement water meters throughout the city, which includes the purchase of new water meters and the installation. During the installation process, many meter boxes along with replacement of curb stop valves and meter re-adjustments were needed and done, but not part of the original contract. The city is requesting additional funding for the additional work that was done by the contractor, as well as for the additional meters and associated parts needed to keep in stock. Staff is requesting an additional \$618,800.00 for the additional work and associated parts. Funds will be transferred from ARP General Fund to ARP Utility Fund. Staff is requesting the funds be allocated to expenditure fund GL account #141-5-6001-71200 for the funding of the new water meter replacement project.

Financial Impact:

This will appropriate funding for the ARP Utility Fund in the amount of \$618,800.00 to GL #141-5-6001-71200.

Recommendation:

Staff requests: 1) the funds be allocated from ARP General Fund to ARP Utility Fund to the GL #141-5-6001-71200 for the funding of the new water meter replacement project and 2) a budget amendment for same.



ORDINANCE NO. 2024-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2023-2024 BUDGET TO REALLOCATE GENERAL FUND ARP FUNDING FOR THE FIRE STATION DESIGN TO UTILITY FUND ARP FUNDING FOR THE WATER METER PROJECT.

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

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2023-2024 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT – BA#52

| Dept No. | Dept Name | Account Name | Account Number | Budget Increase | Budget Decrease |
|-------------------------|-----------|------------------------|----------------|-----------------|-----------------|
| Fund 121-GF ARP | | | | | |
| <u>Expenditures – 5</u> | | | | | |
| 2200 | Fire | Professional Services | 31400 | | \$618,800 |
| 6900 | Transfer | Transfer to Fund 125 | 80125 | \$618,800 | |
| Fund 125-UF ARP | | | | | |
| <u>Revenues - 4</u> | | | | | |
| 0000 | Non-Dept | Transfer from Fund 121 | 75121 | \$618,800 | |
| 6001 | Water | Utility Plant | 54300 | \$618,800 | |

[To amend the City of Kingsville FY 23-24 budget to reallocate GF ARP funding for the Fire Station Design to UF ARP Funding for the Water Meter Project. Funding for this project will come from reallocation of committed ARP projects.]

II.

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

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause,

phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

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

INTRODUCED on this the 22nd day of July 2024.

PASSED AND APPROVED on this the 12th day of August 2024.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

REGULAR AGENDA

AGENDA ITEM #4

**City of Kingsville
Legal Department**

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Courtney Alvarez, City Attorney
DATE: July 30, 2024
SUBJECT: Ordinance Amending the Enterprise Zone Ordinance from 2009 for Continued Participation in the Program

Summary: The ordinance adopted by the City in 2009 that allows the City's participation in the Texas Enterprise Zone Program is in need of amendment to remain in compliance with the Texas Enterprise Zone Act.

Background:

On December 14, 2009, the City Commission adopted Ordinance No. 2009-36 ordaining the City's participation in the Texas Enterprise Zone Program (Program) pursuant to the Texas Enterprise Zone Act (Act), Chapter 2303, Texas Government Code and outlining local incentives available to nominated projects or activities of certain qualified businesses under the Act.

Recently, revisions were made to the Program and the previously adopted ordinance needs to be amended to add: 1) additional language to remain within compliance of TAC Rule Section 176.2(2)(A), and 2) additional potential incentives that are or will be made available to nominated projects in the City of Kingsville.

A public hearing is required prior to ordinance adoption, so one has been notice in the local newspaper on 7/25/24. Posting at the place of the meeting (city hall) and notice to the State are also required and were done on 7/17/24.



**City of Kingsville
Legal Department**

Financial Impact: None.

Recommendation: Approve the ordinance amending the City's Enterprise Zone Ordinance from 2009 for continued participation in the Texas Enterprise Zone Program.



CITY OF KINGSVILLE



P.O. BOX 1458 – KINGSVILLE, TEXAS 78364

July 17, 2024

Ms. Adriana Cruz
Executive Director
Office of the Governor
Economic Development & Tourism
1100 San Jacinto Boulevard, 3rd Floor
Austin, Texas 78701

RE: Texas Enterprise Project Participation- City of Kingsville

Dear Ms. Cruz:

The City of Kingsville will be holding a public hearing and consider an amendment to Ordinance ORD2009-38 related to our participation in the Texas Enterprise Zone Program. The following public notice concerning this public hearing will be published in the *Kingsville Record* newspaper and posted on the official bulletin board at the Kingsville City Hall on or before July 25, 2024.

Notice is hereby given that the City Commission of the City of Kingsville will conduct a public hearing and consider an amendment to Ordinance ORD2009-38 on Monday, August 12, 2024, at 5:00 P.M. in the Helen Kleberg Groves Community Room at Kingsville City Hall, located at 400 West King Avenue, Kingsville, Texas 78363. The purpose of the hearing is to receive public comments on the City's participation in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code as revised. Possible tax incentives to be offered to projects within the City of Kingsville will be discussed at the meeting. This hearing will be pursuant to the ordinance considered and voted on by the City Commission on August 26, 2024. All interested parties are encouraged to attend and present their views.

Please note that this notice is being redone as the originally scheduled public hearing was to be conducted on July 8, 2024, but city offices were closed that day due to Hurricane Beryl. For additional information, please contact me at 361.595.8002.

Sincerely,

Mark McLaughlin
City Manager
City of Kingsville

cc: Ms. Melissa Munoz, Principal, Ryan, LLC



Lone Wolf and Skyhawks

By Ted Figueroa
Reporter

(Editor's note: In this feature, we take readers back through our archives, highlighting some of the people and events of the past century. Many issues are still in paper form, some are digitized, and a few are on microfilm. The issues from 1918 to July of 1924 were lost in a fire, however, the rest remain intact. Here is a look back at what was happening this week in Kingsville.)

25 years ago, July 1999

The grand opening party at the Spohn Kleberg Health Plaza was a great success with doctors and staff walking around to answer questions. The new \$6 million, 42,000 square-foot center was set to open for new patients in just a few weeks.

50 years ago, July 1974

The Kingsville city Commission voted to hire Filiberto Garcoa Jr. as acting city manager following the suspension of Earl Keaton from the job. Keaton was suspended by a 3-2 vote following a closed-door session the previous week.

Keaton told the commission he wanted a public hearing on the matter with in 20-30 days.

The ousted city manager

vowed he would go to court if necessary. The suspension of Keaton and hiring of Garcia happened in front a standing room only audience that appeared equally divided over the issue.

Keaton was suspended for refusing to hire Mrs. Margaret Saenz after being instructed to do so by the city commission. Saenz maintained that she had been discriminated against because of her race and gender.

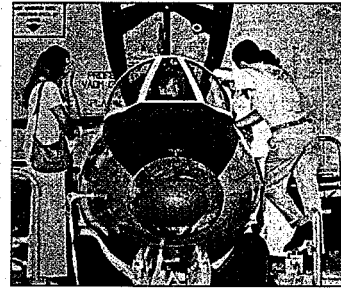
The VT-23 wives got to take a tour of the Navy Base. Training Squadron 23 held a wife's tour for the wives of student and instructor aviators.

The tour was designed to familiarize wives with their husbands' squadron lives. The tour lasted 3 1/2 hours.

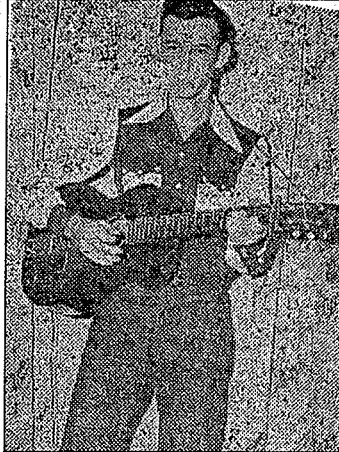
During the tour of the Operations Building, the wives had the unexpected opportunity to witness an



Kingsville firefighters battle a blaze at the Perez Lumber Yard. Arson was suspected. -1974



VT-23 wives got to tour the Navy base. -1974



Bob Brister performed on KINE Radio twice a week. -1949



The Spohn Kleberg Health Plaza held its grand opening. -1999

"arrested landing" in which system landed in one tenth of the usual runway area. A malfunctioning hydraulic An investigation con-

tinued into the possible involvement of arson in a fire at the Perez Lumber

Company, which resulted in \$25,000 of damage including the lumber and the structure that housed it.

When firefighters arrived the lumber yard was completely engulfed in flames. Two firefighters were injured and worked till daylight to contain the blaze. The fire department had been called out to two false alarms just before the fire at the same location.

75 years ago, July 1949
Passenger traffic on the Missouri-Pacific Lines was interrupted when six cars in a 119-car southbound freight train derailed at the north end of the Bishop railroad yard at 3 a.m.

No one was injured in the wreck. The wreck occurred when a journal broke on a sand-laden gondola about mid-way of the train.

Bob Brister, a 16-year-old Kingsville High School junior, used his western-styled voice and his guitar to play music on his twice a week radio show on KINE radio.

He even took requests by mail and telephone during the performances.

99 years ago, July 1925
"The Lone Wolf," a terror of the border country, was captured by Kleberg County Sheriff Tom Moseley.

Santiago Revilla, known as "The Lone Wolf" was behind bars in the Kleberg County Jail, charged with bootlegging.

For the past four or five years, officers and river guards had been trying to capture him.

Revilla was linked to at least one murder and he had been successful in carrying on an enormous trade in transporting tequila from the border past customs officers, river guards and federal prohibition officers.

?? TRIVIA ?? HOW SMART ARE YOU?

- Think you know something about everything?
- What do you know about our area?

Play Kingsville Trivia brought to you by Harrel's Pharmacy!

Questions:

1. Which is the largest country in Africa?
2. Which British Monarch established the Church of England to divorce his first wife?
3. How old is Jonathan - the world's oldest living tortoise?
4. Which hormone is known as the "Love Hormone"?
5. What animal laughs when threatened or under attack?
6. What color is the sky on the moon?
7. What country is home to the Ruins of the Ancient City of Babylon?
8. What plant is used to make linen fabric?
9. Who is the villain of Horror Movie Franchise "A Nightmare on Elm Street"?
10. Which French landmark was supposed to be taken down?

(Answers will be in the next issue)

HOW SMART ARE YOU:

- 9-10: Okay Einstein, quit bragging
- 7-8: Pick up your PhD at TAMUK
- 5-6: You are on your way to your B.S. degree
- 3-4: Do not skip any more school
- 2 or less: Don't leave home without a chaperon

For all your pharmacy needs, contact Harrel's.
Lots of great items and downtown Kingsville's best eats!

Harrel's
Kingsville Pharmacy
204 E. Kleberg • Kingsville, Tx
(361) 592-3354

TRIVIA ANSWERS

July 18, 2024 issue

- | | |
|-----------------------------|------------------------|
| 1. Francis Bellamy | 6. The Summer Solstice |
| 2. Tim McGraw | 7. Starburst |
| 3. 14 | 8. The Bible |
| 4. Tuffy Manero | 9. Honey |
| 5. Uniform Resource Locator | 10. Peridot |

PUBLIC HEARING NOTICE

Notice is hereby given that the City Commission of Kingsville will conduct a public hearing and consider an ordinance on July 8, 2024 at 5:00PM in the Helen Kleberg Groves Community Room at City Hall, located at 400 W. King Avenue, Kingsville, TX 78363, for the purpose of receiving public comments on the City's amendment to Ordinance ORD2009-38 pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code as revised. Possible tax incentives to be offered to projects within the City of Kingsville may be discussed at the meeting. This hearing will be pursuant to the ordinance considered and voted on by the City Commission on July 22, 2024. All interested parties are encouraged to attend and present their views.

For additional information, please contact, Mark McLaughlin, 361.595.8002.

PUBLIC NOTICE

The City Commission will meet on Monday August 26, 2024, at 5:00 P.M. The following items are set for public hearing and discussion and / or action:

Request to condemn the unsafe structures located at:

- 227 E RICHARD
- 307 E RAGLAND
- 500 W SANTA GERTRUDIS
- 521 E MESQUITE
- 527 E ALICE
- 621 W ELLA
- 829 E WARREN
- 907 E AVE A
- 1232 E ELLA

If you are the property owner, holder of mortgage(s), or anyone having a substantial interest in any of these properties, we would request that you attend the meeting.

The meeting will be held at City Hall, 400 West King, at the Helen Kleberg Groves Community Room.

If you have any questions about the items on the agenda, please contact the Building Department at (361) 595-8019 or (361) 595-8020.

PUBLIC HEARING NOTICE

Notice is hereby given that the City Commission of Kingsville will conduct a public hearing and consider an ordinance on July 8, 2024 at 5:00PM in the Helen Kleberg Groves Community Room at City Hall, located at 400 W. King Avenue, Kingsville, TX 78363, for the purpose of receiving public comments on the City's amendment to Ordinance ORD2009-38 pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code as revised. Possible tax incentives to be offered to projects within the City of Kingsville may be discussed at the meeting. This hearing will be pursuant to the ordinance considered and voted on by the City Commission on July 22, 2024. All interested parties are encouraged to attend and present their views.

For additional information, please contact, Mark McLaughlin, 361.595.8002.

TEXAS ENTERPRISE ZONE PROJECT APPLICATION

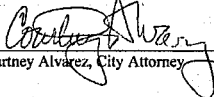
PUBLIC HEARING NOTICE

Notice is hereby given that the City Commission of Kingsville will conduct a public hearing and consider introduction of an ordinance on August 12, 2024 at 5:00PM in the Helen Kleberg Groves Community Room at City Hall, located at 400 W. King Avenue, Kingsville, TX 78363, for the purpose of receiving public comments on the City's amendment to Ordinance ORD2009-38 pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code as revised. Possible tax incentives to be offered to projects within the City of Kingsville maybe discussed at the meeting. This hearing will be pursuant to the ordinance considered for final passage and voted on by the City Commission on August 26, 2024. All interested parties are encouraged to attend and present their views.

For additional information, please contact, Mark McLaughlin, 361.595.8002.

CERTIFICATION

This public notice was posted on the official bulletin board at Kingsville City Hall, located at 400 W. King Ave., Kingsville, TX 78363 on or before July 17, 2024 at 5:00PM

 7/17/2024
Courtney Alvarez, City Attorney Date

PUBLIC HEARING NOTICE

Notice is hereby given that the City Commission of Kingsville will conduct a public hearing and consider introduction of an ordinance on August 12, 2024 at 5:00PM in the Helen Kleberg Groves Community Room at City Hall, located at 400 W. King Avenue, Kingsville, TX 78363, for the purpose of receiving public comments on the City's amendment to Ordinance ORD2009-38 pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code as revised. Possible tax incentives to be offered to projects within the City of Kingsville maybe discussed at the meeting. This hearing will be pursuant to the ordinance considered for final passage and voted on by the City Commission on August 26, 2024. All interested parties are encouraged to attend and present their views.

For additional information, please contact, Mark McLaughlin, 361.595.8002.

CERTIFICATION

This public notice was posted on the official bulletin board at Kingsville City Hall, located at 400 W. King Ave., Kingsville, TX 78363 on or before July 17, 2024 at 5:00PM

Courtney Alvarez, City Attorney

Date

ORDINANCE NO. 2024-_____

AN ORDINANCE AMENDING ORDINANCE NO. ORD2009-38, ORDAINING THE CITY OF KINGSVILLE'S CONTINUED PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), AMENDING THE ORIGINAL ORDINANCE LANGUAGE AND PROVIDING ADDITIONAL POTENTIAL INCENTIVES FOR THE INVESTMENT OF PRIVATE RESOURCES IN PRODUCTIVE BUSINESS ENTERPRISES LOCATED IN SEVERELY DISTRESSED AREAS OF THE CITY AS REQUIRED BY THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT AND TOURISM (EDT).

WHEREAS, the City Commission of the City of Kingsville Texas (City) desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the city and to provide employment to residents of such area; and

WHEREAS, on December 14, 2009 the City Commission adopted Ordinance No. ORD2009-38 ordaining the City's participation in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (the "Act") and outlining local incentives available to nominated projects or activities of certain qualified businesses under the Act; and

WHEREAS, the City Commission now wishes to amend Ordinance No. ORD2009-38 to add 1) additional language to remain within compliance of TAC Rule §176.2 (2)(A); and, 2) additional potential incentives that are or will be made available to nominated projects in the City of Kingsville;

WHEREAS, "Whereas, the City finds that it is in full compliance with Chapter 2303, Texas Government Code prior to nomination of an eligible business";

WHEREAS, in accordance with Section 2303.4051(e) of the Act, on August 12, 2024 the City Commission conducted a public hearing prior to consideration of this Ordinance to receive public comment as to the amendment of Ordinance ORD2009-38, and any other matters related to this Ordinance, notice of which was published in the *Kingsville Record*, a newspaper of general circulation, on July 25, 2024;

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

Ordinance No. ORD2009-38 is hereby amended to read as follows:

- Section 1: The City hereby elects to participate in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code ("Act"). The City Commission wishes to add the following language in order to remain in compliance with TAC Rule §176.2 (2)(A)
"Whereas, the City finds that it is in full compliance with Chapter 2303, Texas Government Code prior to nomination of an eligible business."
- Section 2: The updated local incentives identified and summarized briefly in the attached Exhibit "A", at the election of the governing body, are or will be made available to nominated Projects or activity of the qualified business.
- Section 3: The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.
- Section 4: The City of Kingsville's City Commission directs and designates its City Manager or his designee as the City's liaison to communicate and negotiate with the EDT through the Bank and enterprise project(s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.
- Section 5: The City finds that a project meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:
- (a.) A project is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction, located in an enterprise zone in the governing body's jurisdiction and at least twenty-five percent (25%) of the business' new employees will be residents of an Enterprise Zone, economically disadvantaged individuals, or veterans; or if the qualified business is located outside of an enterprise zone and at least thirty-five percent (35%) of the business' new employees will be residents of an enterprise zone, economically disadvantaged individuals, or veterans; and
 - (b.) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities in the area; and

(c.) The designation of a project as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

Section 6: The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate 5 years after the date of designation.

Section 7: This ordinance shall take effect from and after its passage as the law and charter in such case provides.

INTRODUCED on this 12th day of August, 2024.

PASSED AND APPROVED on this the 26th day of August, 2024.

Effective Date: _____.

Sam Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

Exhibit A

| Name of Incentive | Description of Incentive |
|--|--|
| Local Sales Tax Refund | The City may allow sales and use tax refunds. |
| Tax Abatement | The City may allow property tax reduction |
| Tax Increment Financing | Tax Increment Financing |
| Chapter 380/381 | Municipalities and counties are authorized to offer incentives designed to promote economic development |
| Other Tax Deferrals, Tax Refunds or Tax Incentives | Other Tax Deferrals, Tax Refunds or Tax Incentives |
| Zoning Changes/Variances | Zoning changes are available to residents |
| Impact/Inspection Fee Exemptions | Impact/inspection fee exemptions are available to residents |
| Streamlined Permitting | City may allow permit applications and supporting materials to be tendered to one department for distribution to the appropriate City departments. |
| Improved Police and/or Fire Protection | Safety and protection of City residents is made a priority by improving our police and fire protection services |

| | |
|---|--|
| Community Crime Prevention Programs | Safety and protection of City residents is made a priority through local crime prevention programs |
| Special Public Transportation Routes or Reduced Fares | Transportation options or reduced fares have been made available to the public |
| Capital Improvements in Water and Sewer Facilities | The City may provide resources for a capital improvement plan related to water and sewer service |
| Road Repair | The City is responsible for maintaining and repairing public streets and alleys inside City limits |
| Creation or Improvements of Parks | Maintain parks and promote healthy lifestyle for City residents |
| Low-Interest Loans for Business | Low interest loads are available to businesses |
| Provision of Publicly Owned Land for Development Purposes | Publicly owned land may be provided for development purposes |
| One Stop Permitting, Problem Resolution Center | City may offer one-stop permitting |
| Promotion and Marketing Services | Convention and Visitors Bureau and Chamber of Commerce |
| Job Training and Employment Services | Offered in conjunction with local community college and technical schools |
| Retraining Program | Offered in conjunction with local community college and technical schools |
| Literacy and Employment Skills Services | Offered in conjunction with local community college and technical schools |
| Vocation Education | Offered in conjunction with local community college and technical schools |
| Customized Job Training | Offered in conjunction with local community college and technical schools |

AGENDA ITEM #5

**City of Kingsville
Department Name**

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Juan J. Adame, Fire Chief
DATE: August 1, 2024
SUBJECT: Fire Department Budget Amendment

Summary:

The Kingsville Fire Department ladder truck unit #111 has experienced numerous equipment problems. These problems included leaking hydraulic cylinders, extensive electrical repairs, and complete exhaust system repair and replacement.

Background:

The fire department budgeted \$46,700 vehicle maintenance. These funds have mostly been expended. Additional funding is requested to complete the repairs.

Financial Impact:

The fire department is requesting a budget amendment in the amount of \$46,266.88 to fund the required repairs for unit #111. Funds will come from the unappropriated fund balance of Fund 097-Vehicle Replacement Fire.

Recommendation:

The fire department recommends a budget transfer in the amount of \$46,266.88.



ORDINANCE NO. 2024-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2023-2024 BUDGET TO APPROPRIATE ADDITIONAL FUNDING FOR REPAIRS TO FIRE UNIT 111-LADDER TRUCK.

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

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2023-2024 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT – BA#56

| Dept No. | Dept Name | Account Name | Account Number | Budget Increase | Budget Decrease |
|--|-----------|---------------------|----------------|-----------------|-----------------|
| Fund 097 – Vehicle Replacement-Fire | | | | | |
| <u>Expenditures - 5</u> | | | | | |
| 2200 | Fire | Vehicle Maintenance | 41100 | \$46,266.88 | |
| | | | | | |

[To amend the City of Kingsville FY 23-24 budget to appropriate additional funding for repairs to Fire unit #111-Ladder Truck. Funding will come from the unappropriated fund balance of Fund 097.]

II.

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

III.

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

IV.

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

INTRODUCED on this the 12th day of August 2024.

PASSED AND APPROVED on this the 26th day of August 2024.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #6

City of Kingsville
Public Works, Street Division

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: William Donnell, Director of Public Works
DATE: July 24, 2024
SUBJECT: Budget Amendment of Unappropriated Street Maintenance Fund 092

Summary:

This item authorizes appropriation of the unappropriated Street Maintenance Fund 092 to continue repairing city streets.

Background:

The Street Division has completed 1.4 miles of hotmix reconstruction and 1.2 miles of sealcoating streets. It was challenging during the first half of the fiscal year to get roadwork completed due to a couple equipment repairs but with the new and repaired equipment on hand the Street Division is more efficient during the asphalt process. They are currently working on a mill and overlay of Eleventh Street from King to Yoakum and will continue with several streets in the same area. To date the Street Division has spent approximately \$512,470 on the 2.6 miles of city street maintenance already complete. To continue with the street maintenance program this fiscal year, I am requesting an additional \$411,000 be allocated for street maintenance from the unappropriated street maintenance fund balance.

Financial Impact:

This will reduce unappropriated Fund 092 Street Maintenance balance by \$411,000.00 and increase the Street & Bridge line account 092-5-3050-52100 by \$411,000.00.

Recommendation:

Staff is requesting approval of funds to continue street maintenance this fiscal year.

ORDINANCE NO. 2024-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2023-2024 BUDGET TO APPROPRIATE ADDITIONAL FUNDING FOR STREET MAINTENANCE WORK.

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

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2023-2024 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT – BA#54

| Dept No. | Dept Name | Account Name | Account Number | Budget Increase | Budget Decrease |
|--------------------------------------|-----------|-----------------|----------------|-----------------|-----------------|
| Fund 092 – Street Maintenance | | | | | |
| <u>Expenditures - 5</u> | | | | | |
| 3050 | Streets | Street & Bridge | 52100 | \$411,000 | |
| | | | | | |

[To amend the City of Kingsville FY 23-24 budget to appropriate additional funding for Street Maintenance work. Funding will come from the unappropriated fund balance of Fund 092.]

II.

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

III.

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

IV.

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

INTRODUCED on this the 12th day of August 2024.

PASSED AND APPROVED on this the 26th day of August 2024.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #7

City of Kingsville
Public Works, Wastewater Division

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: William Donnell, Director of Public Works

DATE: July 25, 2024

SUBJECT: Wastewater Division 7001/7003 Budget Amendment request

Summary:

This item authorizes funding for additional Hydrex 6909 at the North Wastewater Treatment Plant and lift station pump replacements.

Background:

Hydrex 6909 is a chemical copper coagulant used to increase copper settling during the wastewater biological treatment process at the North Wastewater Treatment Plant. This chemical is added in the re-aeration basin to mix thoroughly with the sludge. The excess sludge is discharged into the drying beds and once dried is disposed of at the city landfill. The effluent wastewater is tested weekly to allow adjustments to be made to the Hydrex injection rate, reflecting the condition of the influent wastewater. This process allows the treated wastewater effluent to meet the TCEQ Copper permit levels.

Wastewater Collection lift stations have required unscheduled submersible pump replacements to keep the lift stations operational.

To maintain TCEQ and EPA compliance additional Hydrex use, and pump replacements have created deficits in the budget line items 051-5-7001-21400 Chemicals \$33,000 and in 051-5-7003-54300 Utility Plant \$14,300. This financial impact is \$47,300 and is being requested from Unappropriated Utility Funds.

Financial Impact:

The total financial impact requested from Unappropriated Utility Funds to cover additional expenses is \$47,300.00. Chemicals 051-5-7001-21400 in the amount of \$33,000 and Utility Plant 051-5-7003-54300 in the amount of \$14,300.

Recommendation:

Staff is recommending approval of funds for continued TCEQ permit compliance.



ORDINANCE NO. 2024-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2023-2024 BUDGET TO APPROPRIATE ADDITIONAL FUNDING FOR WASTEWATER CHEMICALS AND PUMP REPLACEMENTS.

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

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2023-2024 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT – BA#55

| Dept No. | Dept Name | Account Name | Account Number | Budget Increase | Budget Decrease |
|------------------------------|------------------|---------------------|-----------------------|------------------------|------------------------|
| Fund 051-Utility Fund | | | | | |
| <u>Expenditures - 5</u> | | | | | |
| 7003 | Wastewater | Chemicals | 21400 | \$33,000 | |
| 7003 | Wastewater | Utility Plant | 54300 | \$14,300 | |
| | | | | | |

[To amend the City of Kingsville FY 23-24 budget to appropriate additional funding for Wastewater chemicals and pump replacements. Funding will come from the unappropriated fund balance of Fund 051.]

II.

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

III.

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

IV.

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

INTRODUCED on this the 12th day of August 2024.

PASSED AND APPROVED on this the 26th day of August 2024.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #8

**City of Kingsville
Engineering Dept.**

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Rutilio P. Mora Jr, P.E., City Engineer

DATE: August 12, 2024

SUBJECT: Consider Approving Amendment No. 1 of the Construction Contract to PM Construction and Rehab LLC for the General Land Office (GLO) Community Development Block Grant Mitigation (CDBG-MIT) Contract No. 22-082-016-D218 Project 5 E. Lott Ave. Sanitary Sewer Improvements Project

Summary:

Amendment No. 1 is to correct the wage rate document included in the 2023 contract documents to the 2024 version. This amendment is to avoid any grant audit findings.

Background:

Bid 24-04 Project 5 was awarded at the City Commission meeting on March 25, 2024. We are requesting the construction contract be awarded in the amount of \$409,934.00.

Bid 24-02, Project 5 Sealed bids were received on November 11, 2023. This project was advertised in the local newspaper, Historically Underutilized Business (HUB), Minority- and Women-Owned Business Enterprises (MWBE) and on the City's website. No bid was received, and the project was readvertised later.

Bid 24-04, Project 5 sealed bids were received on February 20, 2024, from 3 bidders in response to the readvertisement. Bidder one (1) was Insituform Technologies LLC, from Chesterfield, Missouri. Bidder two (2) was Texas Pride Utilities LLC, from Houston, Texas. Bidder three (3) was PM Construction & Rehab. LLC, from Pasadena, Texas. Base Bids ranged from \$187,684.00 to \$328,562.00. Alternate Bid No. 1 ranged from \$100,388.00 to \$141,196.00. Alternate Bid No. 2 ranged from \$60,648.00 to \$81,054.00 and Total Bid Amounts ranged from \$409,934.00 to 489,598.00. The lowest bidder was PM Construction & Rehab. LLC for \$409,934.00.



**City of Kingsville
Engineering Dept.**

Financial Impact:

No financial impact in approving Amendment No. 1.

Recommendation:

Staff recommends approving Amendment No. 1 to correct the wage rate document in the construction contract.

Attachments:

Amendment No. 1

Wage Rate Issuance Notice



RESOLUTION #2024-_____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO.1 TO THE CONSTRUCTION CONTRACT WITH PM CONSTRUCTION & REHAB LLC FOR THE GLO CDBG-MIT CONTRACT 22-082-016-D218 PROJECT 5: E. LOTT AVE. SANITARY SEWER IMPROVEMENTS PROJECT; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kingsville (City) intends to make some sanitary sewer improvements through a General Land Office (GLO) Community Development Block Grant (CDBG) -Mitigation (MIT) program via Contract No. 22-082-016-D218 for Project 5: E. Lott Ave. Sanitary Sewer Improvements and went out for bids via BID #24-02 which was advertised in 2023 but no bids were received, so the project was readvertised;

WHEREAS, the three were bids received on February 20, 2024 responsive to BID #24-02 and after reviewing the bid submittals staff and the outside engineer (ICE) recommended the bid be awarded to the low bidder, which was PM Construction & Rehab, LLC, from Pasadena, Texas (vendor);

WHEREAS, the City awarded BID#24-02 to Vendor at a Commission meeting on March 11, 2024 for a total amount of \$409,934;

WHEREAS, the City and Vendor worked to prepare a contract for GLO CDBG-MIT Contract No. 22-082-016-D218 Project 5: E. Lott Ave. Sanitary Sewer Improvements and the parties both agreed to the terms of the proposed contract for the base bid (\$187,684.00) and for alternates no. 1 (\$100,388.00) & 2 (\$60,648.00), which together is a total amount of \$409,934;

WHEREAS, staff recommended and on March 25, 2024 via Resolution #2024-34 the City Commission approved a construction contract with vendor as presented for a total amount of \$409,934 with a contract time of 120 calendar day;

WHEREAS, the wage rate document incorporated in the contract needs to be updated from the 2023 to the 2024 version, staff is recommending the City Commission approve Amendment No. 1 to the construction contract for that purpose and no other changes;

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

I.

THAT the City Commission approves and the City Manager is authorized and directed as an act of the City of Kingsville, Texas to execute Amendment No.1 to the Construction Contract for General Land Office (GLO) Community Development Block Grant (CDBG) -Mitigation (MIT) program via Contract No. 22-082-016-D218 for Project 5: E. Lott Ave. Sanitary Sewer Improvements between the City of Kingsville, Texas and PM Construction & Rehab, LLC as per staff recommendation and in accordance with Exhibit A hereto attached and made a part hereof.

II.

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

III.

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

PASSED AND APPROVED by a majority vote of the City Commission on the
12th day of August, 2024.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AMENDMENT NO. 1

Related to City of Kingsville
General Land Office Contract No. 22-082-016-D218
Community Development Block Grant Mitigation Program

THIS AMENDMENT, MADE ON THE ____ DAY OF _____, 2024, by and between PM Construction & Rehab LLC, hereinafter called the "Contractor", and the City of Kingsville, hereinafter called the "City".

Description of Amendment:

Remove the Wage Rate Issuance Notice dated 9/22/2023 and the corresponding General Decision document from SAM.gov showing "TX20230088" as the General Decision Number and "Heavy" as the Construction Type. Replace with the Wage Rate Issuance Notice issued on 1/10/2024 and the corresponding General Decision document from SAM.gov showing "TX20240088" as the General Decision Number and "Heavy" as the Construction Type.

All other terms and conditions of the Contract Documents are to remain unchanged.

Signature: City of Kingsville

Signature: Contractor

Printed Name

Printed Name

Date

Date

AGENDA ITEM #9

City of Kingsville
Human Resources Department

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Diana Gonzales, HR Director & Kyle Benson, IT Director
DATE: July 26, 2024
SUBJECT: Cyber Liability and Data Breach Response Coverage

Summary: This item authorizes the City to enter into an interlocal agreement to join TML Joint Cyber Liability and Data Breach Response Self-Insurance Fund (Cyber Fund). This interlocal agreement allows the City to continue and maintain TML's Cyber Fund Core+ level of cyber protection.

Brief Overview of changes:

- Risk Pool creating a separate Cyber Fund – each member that wants to continue coverage must sign a new, separate interlocal agreement (contract) to join the Fund
- The Pool's total annual payout for cyber claims will be capped at \$25 million – should there be multiple Members involved, the Pool's Board of Trustees will decide how to allocate funds.
- The limit for third party liability is reduced to either 500K or 1 million, depending on whether Core or Core+ option is selected
- Cyber coverage premiums will increase based on Member's elected limits.

Basic Overview of Coverage Subject to Policy Limits and Sublimits:

- Breach Response
- Cyber Extortion
- Fraud Protection
- Network business interruption
- Data Recovery Costs

Background: Since 2016, when the TML Risk Pool first began offering Cyber Coverage, cyber claims have exponentially increased in both frequency and severity.

Future cybercriminal activity is impossible to predict, which means neither the Pool nor any other insurer can rely on past patterns and trends to predict future losses. The Board of Trustees recently created a new Cyber Fund and approved changes to the Pool's coverage structure, effective on October 1, 2024. Pool Members must elect to continue coverage by returning the Cyber Interlocal Agreement to participate in the newly created Cyber Fund.

Financial Impact:

| | |
|-----------------------------------|--------------|
| FY 2023-2024 Premiums = \$ | 483 |
| <u>FY 2024-2025 Premiums = \$</u> | <u>1,875</u> |
| Added costs | \$ 1,392 |

Cyber Insurance premiums are budgeted in Insurance-Property/Liability Insurance line item 33501 and costs are re-allocated to the different division.

Recommendation: Staff recommends approval of TML Risk Pool's new Cyber Liability and Data Breach Response Interlocal Agreement to continue with TML's Core+ level of coverage.

RESOLUTION #2024-_____

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A CYBER LIABILITY AND DATA BREACH RESPONSE INTERLOCAL AGREEMENT WITH THE TEXAS MUNICIPAL LEAGUE INTERGOVERNMENTAL RISK POOL; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kingsville (City) contracts with the Texas Municipal League (TML) through its Intergovernmental Risk Pool (IRP) for self-insurance; and

WHEREAS, TMLIRP has been offering Cyber Coverage since 2016, but cyber claims have exponentially increased in both frequency and severity so TML has recently created a new Cyber Fund effective October 1, 2024; and

WHEREAS, pool members must elect to continue coverage by returning the Cyber Interlocal Agreement to participate in the newly created Cyber Fund; and

WHEREAS, pursuant to the provisions of the Texas Government Code Chapter 2259 and Chapter 791.001, et seq., and the interpretation thereof by the Attorney General of the State of Texas (Opinion #MW-347, May 29, 1981) along with other political subdivisions executing like agreements, the City hereby agrees to become one of the Pool Members of this self-insurance pool; and

WHEREAS, it is mutually deemed sound, desirable, practicable, and beneficial for the parties to this agreement to render assistance to one another whenever practical in accordance with these terms.

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

I.

THAT the Mayor is authorized and directed as an act of the City of Kingsville, to enter into a Cyber Liability and Data Breach Response Interlocal Agreement with the Texas Municipal League Intergovernmental Risk Pool in accordance with Exhibit A hereto attached and made a part hereof.

II.

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

III.

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

PASSED AND APPROVED by a majority vote of the Kingsville City Commission on the 12th day of August, 2024.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

Texas Municipal League Intergovernmental Risk Pool

1821 Rutherford Lane, First Floor • Austin, Texas 78754

CYBER LIABILITY AND DATA BREACH RESPONSE INTERLOCAL AGREEMENT

This Contract and Interlocal Agreement is entered into by and between political subdivisions of this state (hereinafter referred to as "Pool Members") to form a joint self-insurance pool to be named the Texas Municipal League Joint Cyber Liability and Data Breach Response Self-Insurance Fund (hereinafter referred to as the "Fund") for the purpose of providing coverages against risks which are inherent in operating a political subdivision.

WITNESSETH:

The undersigned Pool Member, in accordance with Chapter 2259, Texas Government Code, the Interlocal Cooperation Act, Tex. Gov't Code § 791.001, et seq., and the interpretation thereof by the Attorney General of the State of Texas (Opinion #MW-347, May 29, 1981), and in consideration of other political subdivisions executing like agreements, does hereby agree to become one of the Pool Members of this self-insured pool. The conditions of membership agreed upon by and between the parties are as follows:

1. Definitions of terms used in this Interlocal Agreement.
 - a. Board. Refers to the Board of Trustees of the Fund.
 - b. Fund Year. 12:01 a.m. October 1 through 12:01 a.m. the following October 1.
 - c. Manual Rates. The basic rates applicable to each cyber liability and data breach response classification promulgated by the Insurance Service Office or the Board.
 - d. Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan. The Cyber Liability and Data Breach Response Coverage Document that sets forth in exact detail the coverages provided as part of the overall plan.
 - e. Adjustments. Refers to any offsets to manual premium that may result from the Pool Member's election of deductibles, loss experience, or Fund Modifier which reflects the savings to the Pool Member by entering into this Interlocal Agreement.
 - f. Premium and Contribution. Used interchangeably in some parts of this Interlocal Agreement. Any reference at any time in this Interlocal Agreement to an insurance term not ordinarily a part of self-insurance shall be deemed for convenience only and is not construed as being contrary to the self-insurance concept except where the context clearly indicates no other possible interpretation such as but not limited to the reference to "reinsurance."
 - g. Reimbursable Deductible. The amount that was chosen by this Pool Member to be applicable to the first monies paid by the Fund to effect judgment or settlement of any claim or suit. The Pool Member, upon notification of the action taken, shall promptly reimburse the Fund for all or such part of the deductible amount as has been paid by the Fund. Further, however, the Fund's obligation to pay damages shall be subject to the limits of liability stated in the Declarations of Coverage or Endorsements to this Interlocal Agreement less the stated deductible amount.
 - h. Fund Modifier. A percentage figure that is applied to the manual rates by the Fund to reflect the savings to the Pool Member by entering into this Interlocal Agreement.
 - i. Agreement Period. The continuous period since the Pool Member first became a member of this Fund excluding, however, any period or periods of time therein that the member did not participate as a member of the Pool.
 - j. Declarations of Coverage. The specific indication of the coverages, limits, deductibles, contributions, and special provisions elected by each individual Pool Member. The Declarations of Coverages may be modified by Endorsement.
2. The Board, acting through its agents and Fund staff, is responsible for the administration of all Fund business on behalf of the Pool Members.
3. In consideration of the execution of this Interlocal Agreement by and between the Pool Member and the Fund and of the contributions of the Pool Member, the coverage elected by the Pool Member is afforded according to the terms of the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan. The affirmative declaration of contributions and limits of liability in the Declarations of Coverage and Endorsements determine the applicability of the Self-Insurance Plan.

Each Pool Member agrees to adopt and accept the coverages, provisions, terms, conditions, exclusions, and limitations as further provided for in the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan or as specifically modified by the Pool Member's Declarations of Coverage. This Interlocal Agreement shall be construed to incorporate the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan, Declarations of Coverage, and Endorsements and addenda whether or not physically attached hereto.

4. It is understood that by participating in this risk sharing mechanism to cover cyber liability and data breach response exposures, the Pool Member does not intend to waive any of the immunities that its officers or its employees now possess. The Pool Member recognizes the Texas Tort Claims Act and its limitations to certain governmental functions as well as its monetary limitations and that by executing this Interlocal Agreement does not agree to expand those limitations.
5. The term of this Interlocal Agreement and the self-insurance provided to the Pool Member shall be continuous commencing 12:01 a.m. on the date designated in this Interlocal Agreement until terminated as provided below. Although the self-insurance provided for in this Interlocal Agreement shall be continuous until terminated, the limit of liability of the Fund under the coverages that the Pool Member elects shall be limited during any Fund Year to the amount stated in the Declarations of Coverage for that Fund Year.

This Interlocal Agreement may be terminated by either party giving to the other sixty (60) days' prior written notice of intent to terminate except the Pool Member may terminate this Interlocal Agreement and its coverages thereunder without giving the sixty (60) days' notice if the reason is because of a change by the Fund in the Pool Member's contribution, coverage, or other change in the limits of liability, terms, conditions, exclusions, and limitations provided for in the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan provided that no termination by the Member shall be effective prior to the date that written notice of termination is actually received in the offices of the Fund and provided that the Pool Member agrees to and shall pay the applicable premium and contribution for those coverages it is terminating until the date the notice of termination is actually received by the Fund.

The Fund shall provide the Pool Member with Declarations of Coverage and any Endorsements that determine the applicability of the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan annually by December 1. Such Declarations of Coverage shall include, but not be limited to, the coverage period which shall be the applicable Fund Year, limits, deductibles, contributions, special provisions, and limitations. Changes made during the Fund Year, whether requested by the Pool Member or required by the Fund, will be handled by Endorsement.

It is the intention of the parties that the Pool Member's coverages under this Interlocal Agreement shall remain in full force and effect from Fund Year to Fund Year, subject to the limits of liability that the Fund can provide each Fund Year and the terms, conditions, and limitations that the Fund may require to protect its solvency and to comply with reinsurance requirements, until notice of termination is given as herein provided. Realizing that the Pool Member needs the earliest possible information concerning the Fund coverages, limits, and exclusions, and the Pool Member's contribution that will be required for any new Fund Year, the Fund will endeavor to provide this information as soon as possible before the beginning of each Fund Year. The parties recognize, however, that conditions in the reinsurance industry are such that the Fund may not be able to provide this information to the Pool Member before the beginning of a Fund Year for various reasons including the failure of the Pool Member to timely submit the appropriate exposure summary or delays on the part of reinsurers in getting information to the Fund, and so, to protect the Pool Member from gaps in its coverage and to protect the solvency of the Fund, the parties agree as follows:

If, for any reason other than the Pool Member's failure to provide the information requested in the exposure summary, the Fund has not been able to provide the Pool Member with information concerning available coverages for a new Fund Year or advise the Pool Member of the amount of its contribution for the new Fund Year by the beginning of the Fund Year, the Fund shall nevertheless continue the Pool Member's coverages at the same limits of liability (if still available and if not, then at the highest limit of liability available for the new Fund Year) so that the Pool Member shall at all times remain covered as herein provided and the Pool Member's initial contributions for the new Fund Year shall be determined by a "tentative contribution" as determined by the Board with the Pool Member's actual annual contribution to be credited by the amount paid in accordance with the tentative contribution and adjusted during the Fund Year. In the event the Pool Member does not wish to have its coverages extended or renewed at the end of any Fund Year, the burden shall be upon the Pool Member to give written notice to the Fund as provided hereinabove and the Pool Member agrees to pay as hereinabove stated all contributions or pro rata contributions until the date such written notice is received in the offices of the Fund or the date of termination of this Interlocal Agreement, whichever is later.

6. Commensurate with the execution of this Interlocal Agreement and annually thereafter, the Pool Member shall complete the appropriate exposure summary and deliver it or cause it to be delivered to the Fund, or, if so instructed, to a designated contractor, no later than September 1 of each year and new annual contributions shall be calculated using manual rates times exposure, less any adjustments. Intentional or reckless misstatements on the exposure summary shall be grounds for cancellation. In the event that the Pool Member fails or refuses to submit the appropriate exposure summary, the Fund reserves the right to terminate such Pool Member by giving thirty (30) days' written notice and to collect any and all contributions that are earned pro rata for the period preceding contract termination.

The Pool Member agrees to pay the annual contribution to the Fund in four (4) equal quarterly installments, in advance, commencing at the beginning of this Interlocal Agreement with subsequent installments due the first quarter thereafter. In the event this Interlocal Agreement is terminated as herein provided, the Fund shall promptly repay to the Pool Member any such unearned annual contribution prorated as of the date of termination and the Pool Member agrees during the term of this Interlocal Agreement to promptly pay all reimbursable deductibles upon receipt of statement.

At the end of each and every Fund Year, the Fund may require the Pool Member to submit the actual data requested on the exposure summary as reflected by the books and records of the Pool Member. The Fund reserves the right to audit the records of any Pool Member and adjust contributions accordingly.

In the event that the Pool Member fails or refuses to make the payments, including accrued interest, as herein provided, the Fund reserves the right to terminate such Pool Member by giving them ten (10) days' written notice and to collect any and all amounts that are earned pro rata for the period preceding contract termination. If the amounts owed, including reimbursable deductibles, must be collected by suit, the Pool Member agrees to pay attorneys' fees and costs incurred in such suit.

7. The Fund shall maintain adequate protection from catastrophic losses to protect its financial integrity. Aggregate protection shall also be maintained. The Member's contributions shall be limited to that amount as calculated under this Interlocal Agreement. Notwithstanding anything to the contrary, the total combined aggregate limit of liability of the Fund for all Pool Members in any Fund Year, regardless of the number of occurrences or claims, shall be limited to the amount of money contained in the Fund. As to the Pool annual aggregate limits or the amount of money in the Fund, the Board of Trustees, in its sole discretion, may determine an allocation methodology among affected Pool Members should the Pool annual aggregate limit be reached, or should the money in the Fund be exhausted.
8. Notwithstanding the provisions of the foregoing paragraph, it is agreed the Board shall have the right to adjust the financial protection outlined above and/or amend coverages as it finds available or deems necessary to maintain the fiscal soundness of the Fund at the beginning of or during any Fund Year.
9. The Fund will make available loss control services to the Pool Members to assist them in following a plan of loss control that may result in reduced losses. The Pool Member agrees that it will cooperate in instituting any and all reasonable loss control recommendations. In the event that the recommendations submitted seem unreasonable, the Pool Member has a right to appeal to the Board. The Board shall hear the objections of the Pool Member at its next regularly scheduled meeting and its decisions will be final and binding on all parties. Any Pool Member who does not agree to follow the decision of the Board shall be withdrawn from the Fund immediately.
10. The Pool Member agrees that it will appoint a contact of department head rank, and the Fund shall not be required to contact any other individual except this one person. Any notice to or any agreements with the contact shall be binding upon the Pool Member. The Pool Member reserves the right to change the contact from time to time by giving written notice to the Fund.
11. The Fund agrees to handle all cyber liability and data breach response claims, and provide a defense for any and all cyber liability and data breach response claims covered under this Interlocal Agreement after prompt notice has been given. The Pool Member hereby appoints the Fund staff and Contractors as its agents to act in all matters pertaining to processing and handling of claims covered under this Interlocal Agreement and shall cooperate fully in supplying any information needed or helpful in settlement or defense of such claims. As respects cyber liability and data breach response claims, the Fund staff and Contractors shall carry on all negotiations with the claimant and his/her attorney, when applicable, and negotiate within authority previously granted by the Fund. If a personal appearance by the Pool Member or an employee is necessary, the expense of this appearance will not be the responsibility of the Fund. With the advice and consent of the Fund, the Fund staff and the Contractors will retain and supervise legal counsel for the prosecution and defense of any litigation. All decisions on individual cases shall be made by the Fund through the Fund staff and the Contractors, which include, but are not limited to, the decision to appeal or not to appeal, settlement negotiations, the decision of whether to settle, and other litigation tactics. However, any Pool Member shall have the right in any case to consult with the Fund on any decision made by the Fund staff or Contractors. The Board shall hear the objections of the Pool Member at its next regularly scheduled meeting and its decision will be final and binding on all parties. Any suit brought or defended by the Fund shall be brought or defended only in the name of the Pool Member and/or its officers or employees. There shall be supplied periodically to each Pool Member a computer printout involving a statement of claims. As respects the Texas Municipal League Cyber Liability and Data Breach Response Self-Insurance Plan, the Fund shall have priority in enforcing its subrogation claims against the claims of Pool Member.
12. The Pool Member acknowledges that it has received a copy of the Bylaws of the Fund and agrees to abide by the Bylaws and any amendments thereto.
13. The Fund agrees that all Fund transactions will be annually audited by a nationally recognized certified public accounting firm.
14. If legally required, the Fund shall cause to be filed the necessary tax forms with the Internal Revenue Service.

15. As the administrators of the Fund, the Board shall primarily and consistently keep foremost in their deliberations and decisions in operating the Fund that each of the participating Pool Members is a "self-insured." At least annually, the Board shall carefully review, study, and consider the actual claims or loss experience (including reserves for future claims payments) of each of the Pool Members, the pro rata savings to the Fund resulting from overall loss experience attributed to each Pool Member, and the pro rata portion of the cost of all catastrophic loss protection and aggregate stop loss protection allocated to each Pool Member as well as the pro rata allocation, as determined by the Board of the other and necessary administrative expenses of the Pool, in order to reasonably determine the actual pro rata cost, expense, and loss experience of each Pool Member in order to maintain as nearly as possible an equitable and reasonable self-insurance administration of the Fund as applied to each Pool Member.

The Fund shall maintain case reserves and supplemental reserves computed in accordance with standard actuarial principles, taking into account historical and other data, designed to measure claims development and claims incurred but not yet reported, so that funds will be available to meet these claims as they become due, subject to paragraph 7 above. The Board has complete authority to determine all matters pertaining to the existence and dissolution of the Fund.

16. Venue of any suit or action arising out of or related to this Interlocal Agreement shall be exclusively in the state and federal courts of Travis County, Texas. The parties agree they shall assume their own expenses for attorney's fees in any suit or action arising out of or related to this Interlocal Agreement.
17. The parties agree this Interlocal Agreement may be executed by original written ink signature on paper documents, an exchange of copies showing the original written ink signature on paper documents, or electronic or digital signature technology in such a manner that the signature is unique and verifiable to the person signing. The use of any one or combination of these methods of execution shall constitute a legally binding and valid signing of this Interlocal Agreement, which may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

EMPLOYER MEMBERS' FUND CONTACT (See Section 10):

Member Name _____

Name of Contact _____ Title _____

Mailing Address _____ Email Address _____

Street Address (if different from above) _____

City _____ Zip _____ Phone _____

SIGNATURE OF AUTHORIZED MEMBER OFFICIAL

Title

Date

Member's Federal Tax I.D. Number _____

This Information is MANDATORY

TO BE COMPLETED BY FUND: (OFFICE USE ONLY)



LIMIT PAGE

Your entity currently has Core + Cyber Coverage with the Pool. The following is an abbreviated description of the Core and Core+ limit structure beginning October 1, 2024. The Coverage Document can be accessed at <https://members.tmlirp.org/downloads> (this link will ask you to log into the Member Portal for access).

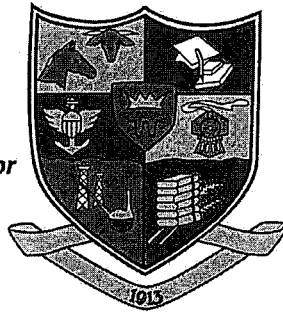
A limit of \$25,000,000 is shared by all Members for aggregate losses occurring within the Fund Year as defined in the Cyber Liability and Data Breach Response Interlocal Agreement.

| | Core | Core+ |
|---|------------------|--------------------|
| Tower 1 - Limit of Liability* | \$500,000 | \$1,000,000 |
| Data & Network and Media Liability Aggregate Limit of Liability | \$500,000 | \$1,000,000 |
| Retention | \$0 | \$0 |
| Tower 2 - Limit of Liability | \$100,000 | \$250,000 |
| <u>First Party Loss</u> | | |
| Business Interruption Aggregate Sublimit | \$20,000 | \$50,000 |
| Cyber Extortion Loss Aggregate Sublimit | \$25,000 | \$50,000 |
| Data Recovery Costs Aggregate Sublimit | \$20,000 | \$50,000 |
| Reputational Loss Aggregate Sublimit | \$5,000 | \$10,000 |
| Retention (other than Business Interruption) | \$0 | \$5,000 |
| Income Loss Retention under Business Interruption | \$5,000 | \$5,000 |
| <u>Third Party Loss</u> | | |
| Regulatory Defense and Penalties Aggregate Sublimit | \$25,000 | \$75,000 |
| Payment Card Liabilities & Costs Aggregate Sublimit | \$10,000 | \$25,000 |
| Retention | \$0 | \$5,000 |
| <u>eCrime</u> | | |
| Fraudulent Instruction Aggregate Sublimit | \$25,000 | \$50,000 |
| Funds Transfer Aggregate Sublimit | \$25,000 | \$50,000 |
| Telephone Fraud Aggregate Sublimit | \$25,000 | \$50,000 |
| Criminal Reward | \$2,500 | \$2,500 |
| Retention (other than Criminal Reward) | \$2,500 | \$5,000 |
| Retention Criminal Reward | \$0 | \$0 |
| Tower 3 - Limit of Liability | \$100,000 | \$150,000 |
| Breach Breach Response Aggregate Limit of Liability Beazley Response Services | \$100,000 | \$150,000 |
| Retention | \$0 | \$0 |
| New 2024-25 Annual Contribution | \$1,500 | \$1,875 |
| <i>Previous 2023-24 Contribution</i> | <i>\$350</i> | <i>\$483</i> |

**The Tower 1 Limit of Liability changed from \$1 million to \$500,000 for Core limits and from \$2 million to \$1 million for Core+ limits. All other limits remained unchanged.*

AGENDA ITEM #10

MARIA V. VALADEZ, TAC
Kleberg County Tax Assessor-Collector



P.O. BOX 1457

Phone 361-595-8541

Phone 361-595-8542

Fax 361-595-8546

COUNTY of KLEBERG
KINGSVILLE, TEXAS

**CERTIFICATION OF 2023 EXCESS
DEBT COLLECTIONS**

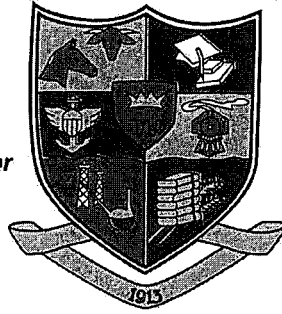
**CITY OF KINGSVILLE
INTEREST & SINKING FUND**

“I, Maria Victoria Valadez, Collector for the City of Kingsville solemnly swear, that the amount of excess debt service funds collected in 2023 for the City of Kingsville, Interest & Sinking Fund has been determined to be \$-0-.”

Maria V. Valadez
COLLECTOR

July 30, 2024
DATE

MARIA V. VALADEZ, TAC
Kleberg County Tax Assessor-Collector



P.O. BOX 1457

Phone 361-595-8541

Phone 361-595-8542

Fax 361-595-8546

COUNTY of KLEBERG
KINGSVILLE, TEXAS

**CERTIFICATION OF 2024 ANTICIPATED
COLLECTION RATE**

**KLEBERG COUNTY
INTEREST & SINKING FUND**

“I, Maria Victoria Valadez, Collector for the County of Kleberg solemnly swear, that the anticipated collection rate for 2024 for the City of Kingsville, Interest & Sinking Fund has been estimated to be 100%.”

Maria V. Valadez
COLLECTOR

July 30, 2024
DATE

AGENDA ITEM #11

KLEBERG COUNTY APPRAISAL DISTRICT
P.O. BOX 1027 * 502 E. KLEBERG * KINGSVILLE, TEXAS 78364
PHONE: (361) 595-5775 * FAX: (361) 595-7984

July 25, 2024

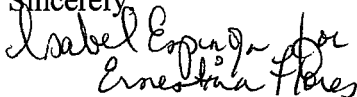
City of Kingsville
Mark McLaughlin, City Manager
P.O. Box 1458
Kingsville, Texas 78364

Dear Mr. McLaughlin:

Enclosed you will find 2024 Final Certified Estimated Value Information for your taxing entity and a CD(s) of your taxing entity's 2024 Final Certified Estimated Rolls. Also included is a copy of outstanding protest list, information needed for the calculation of the no-new-revenue tax rate and a copy of the 2024 Average Residence Value Report.

If you have any questions, please feel free to call me at 361-595-5775.

Sincerely,



Ernestina Flores, R.P.A.
Chief Appraiser

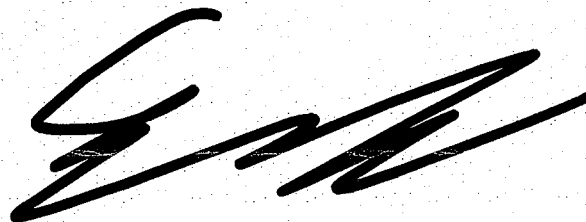
Cc: Sam Fugate, Mayor
Deborah Balli, Finance Director
Kleberg County Appraisal District Board of Directors

In accordance with the Texas Property Tax Code Section 26.01(a-1), please consider this document as Kleberg County Appraisal District Chief Appraiser's Final Certified Estimate of Taxable Value for:

TAXING UNIT: CITY OF KINGSVILLE

**2024 FINAL CERTIFIED ESTIMATE OF TAXABLE
VALUE: 1,176,951,016**

DATE: 7-25-24

A handwritten signature in black ink, appearing to be 'G. M.', is written over the text area.

Chief Appraiser of Kleberg County

AGENDA ITEM #12

**City of Kingsville
Finance Department**

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Deborah Balli, Finance Director
DATE: August 8, 2024
SUBJECT: Proposed Tax Rate

Summary:

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 (NNR) - \$.73176 (This rate will provide the same amount as last year's adopted rate)
- Voter Approved Tax Rate (VAT) - \$.79793 (This rate is 3.5% between the NNR and the VAT adjusted for a percentage of sales taxes used to reduce the tax rate)
- Proposed Tax Rate - \$.77000

Financial Impact:

The proposed tax rate will result in the following proposed Property Tax Revenue budgets for FY 24-25:

- Fund 001 – General Fund - \$6,936,846
- Fund 011 – Debt Service - \$1,944,426 (amount needed to pay debt service for FY 24-25)

Recommendation:

Staff recommends the proposed tax rate of \$.77000.



MOTION ON PROPOSED TAX RATE

For whoever will be making tonight's motion on the proposed tax rate, the specific wording that should be used for the motion. It is as follows:

“I move that the *proposed* property tax rate be \$0.77000 and that one public hearing be set for Thursday, September 5, 2024 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.

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.77000 per \$100 valuation has been proposed by the governing body of CITY OF KINGSVILLE.

| | |
|-------------------------|---------------------|
| PROPOSED TAX RATE | \$0.77000 per \$100 |
| NO-NEW-REVENUE TAX RATE | \$0.73176 per \$100 |
| VOTER-APPROVAL TAX RATE | \$0.79793 per \$100 |

The no-new-revenue tax rate is the tax rate for the 2024 tax year that will raise the same amount of property tax revenue for CITY OF KINGSVILLE from the same properties in both the 2023 tax year and the 2024 tax year.

The voter-approval rate is the highest tax rate that CITY OF KINGSVILLE may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that CITY OF KINGSVILLE is proposing to increase property taxes for the 2024 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON September 5, 2024 AT ~~5:00 P.M.~~ AT HELEN KLEBERG GROVES COMMUNITY ROOM CITY HALL, *400 West King Ave., Kingsville, Texas.*

The proposed tax rate is not greater than the voter-approval tax rate. As a result, CITY OF KINGSVILLE is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the CITY OF KINGSVILLE COMMISSIONER'S of CITY OF KINGSVILLE at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

$$\text{Property tax amount} = (\text{tax rate}) \times (\text{taxable value of your property}) / 100$$

FOR the proposal:

AGAINST the proposal:

PRESENT and not voting:

ABSENT:

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by CITY OF KINGSVILLE last year to the taxes proposed to be imposed on the average residence homestead by CITY OF KINGSVILLE this year.

| | 2023 | 2024 | Change |
|--|-------------|-------------|---|
| Total tax rate (per \$100 of value) | \$0.76000 | \$0.77000 | increase of 0.01000 per \$100, or 1.32% |
| Average homestead taxable value | \$109,485 | \$116,465 | increase of 6.38% |
| Tax on average homestead | \$832.09 | \$896.78 | increase of 64.69, or 7.77% |
| Total tax levy on all properties | \$8,586,585 | \$9,062,523 | increase of 475,938, or 5.54% |

For assistance with tax calculations, please contact the tax assessor for CITY OF KINGSVILLE at 361-595-8002 or mmclaughlin@cityofkingsville.com, or visit cityofkingsville.com for more information.

2024 Governing Body Summary #1A*

Benchmark 2024 Tax Rates

CITY OF KINGSVILLE

Date: 08/08/2024 11:28 AM

| DESCRIPTION OF TAX RATE | TAX RATE PER \$100 | THIS YEAR'S TAX LEVY** | ADDITIONAL TAX LEVY |
|--|--------------------|------------------------|---------------------|
| No-New-Revenue Tax Rate | \$0.73176 | \$8,612,457 | |
| One Percent \$100 Tax Increase*** | \$0.73908 | \$8,698,610 | \$86,153 |
| One Cent per \$100 Tax Increase*** | \$0.741760 | \$8,730,152 | \$117,695 |
| De Minimis Rate | \$0.78130 | \$9,195,518 | \$583,061 |
| VAR NOT adjusted for Unused Increment Rate | \$0.76979 | \$9,060,051 | \$447,594 |
| VAR adjusted for Unused Increment Rate | \$0.79793 | \$9,391,245 | \$778,788 |
| Last Year's Tax Rate | \$0.76000 | \$8,944,828 | \$332,371 |
| Proposed Tax Rate | \$0.77000 | \$9,062,523 | \$450,066 |

*These figures are provided as estimates of possible outcomes resulting from varying the tax rate. Please be aware that these are only estimates and should not be used alone in making budgetary decisions.

**Tax levies are calculated using line 21 of the No-New-Revenue Tax Rate Worksheet and this year's frozen tax levy on homesteads of the elderly or disabled.

***Tax increase compared to no-new-revenue tax rate.

2024 FINAL CERTIFIED ESTIMATED VALUE INFORMATION

AS OF 7-25-24

TAXING UNIT
CITY OF KINGSVILLE

| GROSS VALUES | 2024 FINAL CERTIFIED ESTIMATED VALUES | 2023 FINAL CERTIFIED ESTIMATED VALUES NOT UNDER ARB REVIEW | DIFFERENCE | 2024 FINAL ESTIMATED REALISTIC VALUES |
|--|---------------------------------------|--|------------------|---------------------------------------|
| REAL: | (+) | (+) | 84,041,018 | (+) |
| PERSONAL: | (+) | (+) | 140,170 | (+) |
| MINERAL: | (+) | (+) | (582,021) | (+) |
| TOTAL GROSS VALUE: | (+) | (+) | 83,599,167 | (+) |
| TOTAL EXEMPTIONS: | (-) | (-) | 18,046,824 | (-) |
| HOMESTEAD CAP ADJ: | (-) | (-) | 3,017,793 | (-) |
| 23.231 CAP: | (-) | (-) | 28,742,598 | (-) |
| LOSS TO AGRICULTURAL VALUATION: | (-) | (-) | 1,901,763 | (-) |
| NET TAXABLE VALUE: | (+) | (+) | 41,899,899 | (+) |
| ADJUSTMENT FOR REAL, MIN. & PERSONAL: 2024 STILL UNDER ARB REVIEW INCLUDED IN TOTALS ABOVE: | (+) | (+) | 152,193,239 | (+) |
| NETREVALY ADJUSTMENT: | (-) | (-) | (116,393,540) | (-) |
| ADJUSTED TAXABLE VALUE NOT UNDER REVIEW: | (+) | (+) | | (+) |
| CERTIFIED ESTIMATED VALUES UNDER ARB REVIEW 2024 | (+) | (+) | | (+) |
| STILL UNDER ARB REVIEW (CAD REAL, MIN, PERSONAL) TAXABLE VALUE | (+) | (+) | | (+) |
| STILL UNDER ARB REVIEW MINERAL ROLL TAXABLE VALUE | (+) | (+) | | (+) |
| STILL UNDER ARB REVIEW TOTAL TAXABLE VALUE | (+) | (+) | 111,452,882 | (+) |
| TOTAL TAXABLE VALUE | (+) | (+) | 1,143,122 | (+) |
| ESTIMATED VALUES UNDER ARB REVIEW 2024 | (+) | (+) | | (+) |
| ESTIMATED VALUES UNDER ARB REVIEW 2023 | (+) | (+) | | (+) |
| ADJUSTED TAXABLE VALUE | (+) | (+) | | (+) |
| ESTIMATED REALISTIC VALUES | (+) | (+) | | (+) |

2023 (e) (INC) 29,011,029

2024 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

Form 50-856

CITY OF KINGSVILLE

361-595-8009

Taxing Unit Name

Phone (area code and number)

400 W King Avenue, Kingsville, TX 78363

www.cityofkingsville.com

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION III - No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

| Line | No-New-Revenue Tax Rate Worksheet | Amount/Rate |
|------|--|-------------------|
| 1. | Prior year total taxable value. Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). ¹ | \$ 1,117,349,445 |
| 2. | Prior year tax ceilings. Counties, cities and junior college districts. Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision last year or a prior year for homeowners age 65 or older or disabled, use this step. ² | \$ 0 |
| 3. | Preliminary prior year adjusted taxable value. Subtract Line 2 from Line 1. | \$ 1,117,349,445 |
| 4. | Prior year total adopted tax rate. | \$ 0.76000 /\$100 |
| 5. | Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value. A. Original prior year ARB values:..... \$ 0 B. Prior year values resulting from final court decisions:..... -\$ 0 C. Prior year value loss. Subtract B from A. ³ | \$ 0 |
| 6. | Prior year taxable value subject to an appeal under Chapter 42, as of July 25. A. Prior year ARB certified value:..... \$ 84,470,270 B. Prior year disputed value:..... -\$ 78,278,190 C. Prior year undisputed value. Subtract B from A. ⁴ | \$ 6,192,080 |
| 7. | Prior year Chapter 42 related adjusted values. Add Line 5C and Line 6C. | \$ 6,192,080 |

¹ Tex. Tax Code §26.012(14)

² Tex. Tax Code §26.012(14)

³ Tex. Tax Code §26.012(13)

⁴ Tex. Tax Code §26.012(13)

| Line | No-New-Revenue Tax Rate Worksheet | Amount/Rate |
|------|---|------------------|
| 8. | Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7. | \$ 1,123,541,525 |
| 9. | Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1, 2023. Enter the prior year value of property in deannexed territory. ⁵ | \$ 0 |
| 10. | Prior year taxable value lost because property first qualified for an exemption in the current year. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value. A. Absolute exemptions. Use prior year market value: \$ 547,240 B. Partial exemptions. Current year exemption amount or current year percentage exemption times prior year value: + \$ 2,398,492 C. Value loss. Add A and B. ⁶ | \$ 2,945,732 |
| 11. | Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in the current year. Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year. A. Prior year market value: \$ 52,190 B. Current year productivity or special appraised value: - \$ 2,040 C. Value loss. Subtract B from A. ⁷ | \$ 50,150 |
| 12. | Total adjustments for lost value. Add Lines 9, 10C and 11C. | \$ 2,995,882 |
| 13. | Prior year captured value of property in a TIF. Enter the total value of the prior year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the prior year taxes were deposited into the tax increment fund. ⁸ If the taxing unit has no captured appraised value in line 18D, enter 0. | \$ 0 |
| 14. | Prior year total value. Subtract Line 12 and Line 13 from Line 8. | \$ 1,120,545,643 |
| 15. | Adjusted prior year total levy. Multiply Line 4 by Line 14 and divide by \$100. | \$ 8,516,146 |
| 16. | Taxes refunded for years preceding the prior tax year. Enter the amount of taxes refunded by the taxing unit for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year. ⁹ | \$ 47,670 |
| 17. | Adjusted prior year levy with refunds and TIF adjustment. Add Lines 15 and 16. ¹⁰ | \$ 8,563,816 |
| 18. | Total current year taxable value on the current year certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. ¹¹ A. Certified values: \$ 1,003,053,100 B. Counties: Include railroad rolling stock values certified by the Comptroller's office: + \$ _____ C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: - \$ 0 D. Tax increment financing: Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the current year taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. ¹² - \$ 0 E. Total current year value. Add A and B, then subtract C and D. | \$ 1,003,053,100 |

⁵ Tex. Tax Code §26.012(15)
⁶ Tex. Tax Code §26.012(15)
⁷ Tex. Tax Code §26.012(15)
⁸ Tex. Tax Code §26.03(c)
⁹ Tex. Tax Code §26.012(13)
¹⁰ Tex. Tax Code §26.012(13)
¹¹ Tex. Tax Code §26.012, 26.04(c-2)
¹² Tex. Tax Code §26.03(c)

| Line | No-New-Revenue Tax Rate Worksheet | Amount/Rate |
|------|--|--------------------------|
| 19. | Total value of properties under protest or not included on certified appraisal roll. ¹³ A. Current year taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ¹⁴ \$ <u>173,897,916</u> B. Current year value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. ¹⁵ + \$ <u>0</u> C. Total value under protest or not certified. Add A and B. \$ <u>173,897,916</u> | |
| 20. | Current year tax ceilings. Counties, cities and junior colleges enter current year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in the prior year or a previous year for homeowners age 65 or older or disabled, use this step. ¹⁶ | \$ <u>0</u> |
| 21. | Current year total taxable value. Add Lines 18E and 19C. Subtract Line 20. ¹⁷ | \$ <u>1,176,951,016</u> |
| 22. | Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year. Include both real and personal property. Enter the current year value of property in territory annexed. ¹⁸ | \$ <u>0</u> |
| 23. | Total current year taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, of the prior year and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for the current year. ¹⁹ | \$ <u>6,655,121</u> |
| 24. | Total adjustments to the current year taxable value. Add Lines 22 and 23. | \$ <u>6,655,121</u> |
| 25. | Adjusted current year taxable value. Subtract Line 24 from Line 21. | \$ <u>1,170,295,895</u> |
| 26. | Current year NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100. ²⁰ | \$ <u>0.73176</u> /\$100 |
| 27. | COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the current year county NNR tax rate. ²¹ | \$ _____ /\$100 |

SECTION 2 - Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

| Line | Voter-Approval Tax Rate Worksheet | Amount/Rate |
|------|--|--------------------------|
| 28. | Prior year M&O tax rate. Enter the prior year M&O tax rate. | \$ <u>0.59409</u> /\$100 |
| 29. | Prior year taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ <u>1,123,541,525</u> |

¹³ Tex. Tax Code §26.01(c) and (d)
¹⁴ Tex. Tax Code §26.01(c)
¹⁵ Tex. Tax Code §26.01(d)
¹⁶ Tex. Tax Code §26.012(6)(B)
¹⁷ Tex. Tax Code §26.012(6)
¹⁸ Tex. Tax Code §26.012(17)
¹⁹ Tex. Tax Code §26.012(17)
²⁰ Tex. Tax Code §26.04(c)
²¹ Tex. Tax Code §26.04(d)

| Line | Voter-Approval Tax Rate Worksheet | Amount/Rate |
|------|--|-------------------|
| 30. | Total prior year M&O levy. Multiply Line 28 by Line 29 and divide by \$100. | \$ 6,674,847 |
| 31. | Adjusted prior year levy for calculating NNR M&O rate. | |
| A. | M&O taxes refunded for years preceding the prior tax year. Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2023. This line applies only to tax years preceding the prior tax year..... + \$ 38,210 | |
| B. | Prior year taxes in TIF. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no current year captured appraised value in Line 18D, enter 0..... - \$ 0 | |
| C. | Prior year transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. +/- \$ 0 | |
| D. | Prior year M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function..... \$ 38,210 | |
| E. | Add Line 30 to 31D. | \$ 6,713,057 |
| 32. | Adjusted current year taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,170,295,895 |
| 33. | Current year NNR M&O rate (unadjusted). Divide Line 31E by Line 32 and multiply by \$100. | \$ 0.57362 /\$100 |
| 34. | Rate adjustment for state criminal justice mandate. ²³ | |
| A. | Current year state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. \$ 0 | |
| B. | Prior year state criminal justice mandate. Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies..... - \$ 0 | |
| C. | Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0.00000 /\$100 | |
| D. | Enter the rate calculated in C. If not applicable, enter 0. | \$ 0.00000 /\$100 |
| 35. | Rate adjustment for indigent health care expenditures. ²⁴ | |
| A. | Current year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state assistance received for the same purpose..... \$ 0 | |
| B. | Prior year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state assistance received for the same purpose..... - \$ 0 | |
| C. | Subtract B from A and divide by Line 32 and multiply by \$100..... \$ 0.00000 /\$100 | |
| D. | Enter the rate calculated in C. If not applicable, enter 0. | \$ 0.00000 /\$100 |

²³ [Reserved for expansion]

²⁴ Tex. Tax Code §26.044

²⁴ Tex. Tax Code §26.0441

| Line | Voter-Approval Tax Rate Worksheet | Amount/Rate |
|------|---|---------------------------------|
| 36. | <p>Rate adjustment for county indigent defense compensation. ²⁵</p> <p>A. Current year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state grants received by the county for the same purpose. \$ <u>0</u></p> <p>B. Prior year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2022 and ending on June 30, 2023, less any state grants received by the county for the same purpose. \$ <u>0</u></p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ <u>0.00000</u> /\$100</p> <p>D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100. \$ <u>0.00000</u> /\$100</p> <p>E. Enter the lesser of C and D. If not applicable, enter 0. \$ <u>0.00000</u> /\$100</p> | |
| 37. | <p>Rate adjustment for county hospital expenditures. ²⁶</p> <p>A. Current year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year. \$ <u>0</u></p> <p>B. Prior year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2022 and ending on June 30, 2023. \$ <u>0</u></p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ <u>0.00000</u> /\$100</p> <p>D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100. \$ <u>0.00000</u> /\$100</p> <p>E. Enter the lesser of C and D, if applicable. If not applicable, enter 0. \$ <u>0.00000</u> /\$100</p> | |
| 38. | <p>Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information.</p> <p>A. Amount appropriated for public safety in the prior year. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year. \$ <u>0</u></p> <p>B. Expenditures for public safety in the prior year. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year \$ <u>0</u></p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100 \$ <u>0.00000</u> /\$100</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0. \$ <u>0.00000</u> /\$100</p> | |
| 39. | <p>Adjusted current year NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.</p> | <p>\$ <u>0.57362</u> /\$100</p> |
| 40. | <p>Adjustment for prior year sales tax specifically to reduce property taxes. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in the prior year should complete this line. These entities will deduct the sales tax gain rate for the current year in Section 3. Other taxing units, enter zero.</p> <p>A. Enter the amount of additional sales tax collected and spent on M&O expenses in the prior year, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent \$ <u>2,161,740</u></p> <p>B. Divide Line 40A by Line 32 and multiply by \$100 \$ <u>0.18471</u> /\$100</p> <p>C. Add Line 40B to Line 39. \$ <u>0.75833</u> /\$100</p> | |
| 41. | <p>Current year voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below.</p> <p>Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08.</p> <p>- or -</p> <p>Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.</p> | <p>\$ <u>0.78487</u> /\$100</p> |

²⁵ Tex. Tax Code §26.0442
²⁶ Tex. Tax Code §26.0443

| Line | Voter-Approval Tax Rate Worksheet | Amount/Rate |
|------|---|-------------------|
| D41. | <p>Disaster Line 41 (D41): Current year voter-approval M&O rate for taxing unit affected by disaster declaration. If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of:</p> <p>1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred; or</p> <p>2) the third tax year after the tax year in which the disaster occurred.</p> <p>If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08. ²⁷ If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).</p> | \$ 0.00000 /\$100 |
| 42. | <p>Total current year debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that:</p> <p>(1) are paid by property taxes;</p> <p>(2) are secured by property taxes;</p> <p>(3) are scheduled for payment over a period longer than one year; and</p> <p>(4) are not classified in the taxing unit's budget as M&O expenses.</p> <p>A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. ²⁸</p> <p>Enter debt amount \$ 1,944,426</p> <p>B. Subtract unencumbered fund amount used to reduce total debt - \$ 0</p> <p>C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none) - \$ 0</p> <p>D. Subtract amount paid from other resources - \$ 0</p> <p>E. Adjusted debt. Subtract B, C and D from A. \$ 1,944,426</p> | \$ 1,944,426 |
| 43. | <p>Certified prior year excess debt collections. Enter the amount certified by the collector. ²⁹</p> | \$ 0 |
| 44. | <p>Adjusted current year debt. Subtract Line 43 from Line 42E.</p> | \$ 1,944,426 |
| 45. | <p>Current year anticipated collection rate.</p> <p>A. Enter the current year anticipated collection rate certified by the collector. ³⁰ 100.00 %</p> <p>B. Enter the prior year actual collection rate..... 97.34 %</p> <p>C. Enter the 2022 actual collection rate. 101.19 %</p> <p>D. Enter the 2021 actual collection rate. 100.05 %</p> <p>E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. ³¹</p> <p style="text-align: right;">100.00 %</p> | 100.00 % |
| 46. | <p>Current year debt adjusted for collections. Divide Line 44 by Line 45E.</p> | \$ 1,944,426 |
| 47. | <p>Current year total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i>.</p> | \$ 1,176,951,016 |
| 48. | <p>Current year debt rate. Divide Line 46 by Line 47 and multiply by \$100.</p> | \$ 0.16520 /\$100 |
| 49. | <p>Current year voter-approval M&O rate plus current year debt rate. Add Lines 41 and 48.</p> | \$ 0.95007 /\$100 |
| D49. | <p>Disaster Line 49 (D49): Current year voter-approval tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.</p> | \$ 0.00000 /\$100 |

²⁷ Tex. Tax Code §26.042(a)
²⁸ Tex. Tax Code §26.012(7)
²⁹ Tex. Tax Code §26.012(10) and 26.04(b)
³⁰ Tex. Tax Code §26.04(b)
³¹ Tex. Tax Code §26.04(h), (h-1) and (h-2)

| Line | Voter-Approval Tax Rate Worksheet | Amount/Rate |
|------|---|-------------------|
| 50. | COUNTIES ONLY. Add together the voter-approval tax rates for each type of tax the county levies. The total is the current year county voter-approval tax rate. | \$ 0.00000 /\$100 |

SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

| Line | Additional Sales and Use Tax Worksheet | Amount/Rate |
|------|---|-------------------|
| 51. | Taxable Sales. For taxing units that adopted the sales tax in November of the prior tax year or May of the current tax year, enter the Comptroller's estimate of taxable sales for the previous four quarters. ³² Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November of the prior year, enter 0. | \$ 0 |
| 52. | Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ³³ Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year. Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ³⁴ - or - Taxing units that adopted the sales tax before November of the prior year. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95. | \$ 2,121,868 |
| 53. | Current year total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,176,951,016 |
| 54. | Sales tax adjustment rate. Divide Line 52 by Line 53 and multiply by \$100. | \$ 0.18028 /\$100 |
| 55. | Current year NNR tax rate, unadjusted for sales tax. ³⁵ Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 0.73176 /\$100 |
| 56. | Current year NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year. Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November of the prior tax year. | \$ 0.73176 /\$100 |
| 57. | Current year voter-approval tax rate, unadjusted for sales tax. ³⁶ Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> . | \$ 0.95007 /\$100 |
| 58. | Current year voter-approval tax rate, adjusted for sales tax. Subtract Line 54 from Line 57. | \$ 0.76979 /\$100 |

SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

| Line | Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet | Amount/Rate |
|------|--|-------------------|
| 59. | Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ³⁷ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ³⁸ | \$ 0 |
| 60. | Current year total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,176,951,016 |
| 61. | Additional rate for pollution control. Divide Line 59 by Line 60 and multiply by \$100. | \$ 0.00000 /\$100 |

³¹ Tex. Tax Code §26.041(d)
³² Tex. Tax Code §26.041(i)
³³ Tex. Tax Code §26.041(d)
³⁴ Tex. Tax Code §26.04(c)
³⁵ Tex. Tax Code §26.04(c)
³⁶ Tex. Tax Code §26.045(d)
³⁷ Tex. Tax Code §26.045(d)
³⁸ Tex. Tax Code §26.045(i)

| Line | Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet | Amount/Rate |
|------|---|-------------------|
| 62. | Current year voter-approval tax rate, adjusted for pollution control. Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax). | \$ 0.76979 /\$100 |

SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the sum of the prior 3 years Foregone Revenue Amounts divided by the current taxable value.³⁹ The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value.⁴⁰

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year in which a taxing unit affected by a disaster declaration calculates the tax rate under Tax Code Section 26.042;⁴¹
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);⁴² or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.⁴³

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.⁴⁴

| Line | Unused Increment Rate Worksheet | Amount/Rate |
|------|--|---|
| 63. | Year 3 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value A. Voter-approval tax rate (Line 67)..... B. Unused increment rate (Line 66)..... C. Subtract B from A..... D. Adopted Tax Rate..... E. Subtract D from C..... F. 2023 Total Taxable Value (Line 60)..... G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero..... | \$ 0.76311 /\$100 \$ 0.00000 /\$100 \$ 0.76311 /\$100 \$ 0.76000 /\$100 \$ 0.00311 /\$100 \$ 1,175,807,894 \$ 36,567 |
| 64. | Year 2 Foregone Revenue Amount. Subtract the 2022 unused increment rate and 2022 actual tax rate from the 2022 voter-approval tax rate. Multiply the result by the 2022 current total value A. Voter-approval tax rate (Line 67)..... B. Unused increment rate (Line 66)..... C. Subtract B from A..... D. Adopted Tax Rate..... E. Subtract D from C..... F. 2022 Total Taxable Value (Line 60)..... G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero..... | \$ 0.84485 /\$100 \$ 0.00000 /\$100 \$ 0.84485 /\$100 \$ 0.82500 /\$100 \$ 0.01985 /\$100 \$ 1,014,835,601 \$ 201,444 |
| 65. | Year 1 Foregone Revenue Amount. Subtract the 2021 unused increment rate and 2021 actual tax rate from the 2021 voter-approval tax rate. Multiply the result by the 2021 current total value A. Voter-approval tax rate (Line 67)..... B. Unused increment rate (Line 66)..... C. Subtract B from A..... D. Adopted Tax Rate..... E. Subtract D from C..... F. 2021 Total Taxable Value (Line 60)..... G. Multiply E by F and divide the results by \$100. If the number is less than zero, enter zero..... | \$ 0.84961 /\$100 \$ 0.00000 /\$100 \$ 0.84961 /\$100 \$ 0.84000 /\$100 \$ 0.00961 /\$100 \$ 970,417,704 \$ 93,257 |
| 66. | Total Foregone Revenue Amount. Add Lines 63G, 64G and 65G | \$ 331,268 /\$100 |
| 67. | 2024 Unused Increment Rate. Divide Line 66 by Line 21 of the No-New-Revenue Rate Worksheet. Multiply the result by 100 | \$ 0.02814 /\$100 |
| 68. | Total 2024 voter-approval tax rate, including the unused increment rate. Add Line 67 to one of the following lines (as applicable): Line 49, Line 50 (counties), Line 58 (taxing units with additional sales tax) or Line 62 (taxing units with pollution) | \$ 0.79793 /\$100 |

³⁹ Tex. Tax Code §26.013(b)
⁴⁰ Tex. Tax Code §26.013(a)(1-a), (1-b), and (2)
⁴¹ Tex. Tax Code §926.04(c)(2)(A) and 26.042(a)
⁴² Tex. Tax Code §926.0501(a) and (c)
⁴³ Tex. Local Gov't Code §120.007(d)
⁴⁴ Tex. Local Gov't Code §120.007(d)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.⁴⁴ This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.⁴⁵

| Line | De Minimis Rate Worksheet | Amount/Rate |
|------|---|-------------------|
| 69. | Adjusted current year NNR M&O tax rate. Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i> . | \$ 0.57362 /\$100 |
| 70. | Current year total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,176,951,016 |
| 71. | Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 70 and multiply by \$100. | \$ 0.04248 /\$100 |
| 72. | Current year debt rate. Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> . | \$ 0.16520 /\$100 |
| 73. | De minimis rate. Add Lines 69, 71 and 72. | \$ 0.78130 /\$100 |

SECTION 7: Voter-Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.⁴⁶

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.⁴⁹

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago. This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

| Line | Emergency Revenue Rate Worksheet | Amount/Rate |
|------|--|-------------------|
| 74. | 2023 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 0.76000 /\$100 |
| 75. | Adjusted 2023 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. If a disaster occurred in 2023 and the taxing unit calculated its 2023 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2023 worksheet due to a disaster, complete the applicable sections or lines of <i>Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> . - or - If a disaster occurred prior to 2023 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2023, complete form 50-856-a, <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2023 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. ⁵⁰ Enter the final adjusted 2023 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2023 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet. | \$ 0.00000 /\$100 |
| 76. | Increase in 2023 tax rate due to disaster. Subtract Line 75 from Line 74. | \$ 0.00000 /\$100 |
| 77. | Adjusted 2023 taxable value. Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,120,545,643 |
| 78. | Emergency revenue. Multiply Line 76 by Line 77 and divide by \$100. | \$ 0 |
| 79. | Adjusted 2023 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> . | \$ 1,170,295,895 |
| 80. | Emergency revenue rate. Divide Line 78 by Line 79 and multiply by \$100. ⁵¹ | \$ 0.00000 /\$100 |

⁴⁴ Tex. Tax Code §26.04(c)(2)(B)
⁴⁵ Tex. Tax Code §26.012(B-a)
⁴⁶ Tex. Tax Code §26.063(a)(1)
⁴⁷ Tex. Tax Code §26.042(b)
⁴⁸ Tex. Tax Code §26.042(f)
⁴⁹ Tex. Tax Code §26.042(c)
⁵⁰ Tex. Tax Code §26.042(b)
⁵¹ Tex. Tax Code §26.042(b)

| Line | Emergency Revenue Rate Worksheet | Amount/Rate |
|------|--|--------------------------|
| 81. | Current year voter-approval tax rate, adjusted for emergency revenue. Subtract Line 80 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 68 (taxing units with the unused increment rate). | \$ <u>0.79793</u> /\$100 |

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate \$ 0.73176 /\$100
 As applicable, enter the current year NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax).
 Indicate the line number used: 26

Voter-approval tax rate \$ 0.79793 /\$100
 As applicable, enter the current year voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax),
 Line 62 (adjusted for pollution control), Line 68 (adjusted for unused increment), or Line 81 (adjusted for emergency revenue).
 Indicate the line number used: 68

De minimis rate \$ 0.78130 /\$100
 If applicable, enter the current year de minimis rate from Line 73.

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code.²²

print here ▶ Maria Victoria Valadez
 Printed Name of Taxing Unit Representative

sign here ▶ _____
 Taxing Unit Representative Date

²² Tex. Tax Code §§26.04(c-2) and (d-2)

AGENDA ITEM #13



City Manager's Office

TO: Mayor and City Commissioners

CC:

FROM: City Manager

DATE: August 8, 2024

SUBJECT: Adoption of year two of the compensation plan for FY 24-25 from the compensation study approved in 2023

Summary:

The City of Kingsville hired Evergreen Solutions, LLC in 2023 to conduct a study of the City's Comprehensive Plan. The study was completed on August 11, 2023 and briefed to the City Commission on August 14, 2023 by Mr. Peter Backhaus of Evergreen.

The study had four primary phases with two sub-phases in each primary area of focus. Some of the primary phases included employee meetings, data collection, comparative survey of the market and implementation options for the City. A summary of the Evergreen briefing is as follows:

1. Employees expressed that the benefits package was one of the leading reasons to pursue City employment
2. Several employees described the quality of people they work with as the number one reason to stay with the City
3. Many employees came to the City for the stability and consistent schedule
4. Concern across employee groups that levels of separation between classifications as low
5. Range spread between classifications and steps was identified as a weakness in our past compensation plan
6. There is compression in previous compensation plans in both range and rank
7. Employee participation in the study was a very high 70.43%
8. Analysis showed the City behind the competitive market by an average of 19.2% (midpoint)
9. Recommendation was for the City to adopt a updated step-based pay plan to 27 classifications with 8 steps in each (was 17 classes with 6 steps)
10. Reassign positions to classifications based on market results
11. Adopt a multi-year phasing approach to ensure plan can be afforded and implemented





City Manager's Office

FY 23-24 was the first year of the implementation of the Comprehensive Plan with Evergreen's recommendations.

FY 24-25 is the second year of the implementation plan.

General Fund: \$155,746
 Tourism Fund: \$4,797
Utility Fund: \$82,528
 Total: \$243,071

At the budget workshop on August 7, 2024, it was discussed to do away with year two implementation and administer an across-the-board COLA of 2%:

This would incur a budget increase as follows:

- a. General Fund: \$175,611
 - b. Tourism Fund: \$6,612
 - c. Utility Fund: \$62,194
 - d. Economic Dev: \$2,585
- Total: \$247,002

- This does not apply to Police and Fire due to CBA's
- The 2% COLA does not remedy the problem identified by Evergreen regarding compression and does not separate employees with credit for time in grade

There are 9 exempt employees in the year two implementation plan

-A 2% COLA would lessen 8 of the employees raises vs. placing them in the market appropriate Step

There are 94 City employees non-exempt in the year two implementation plan as follows:

- 59 in the General Fund
- 3 in the Tourism Fund
- 32 in the Utility Fund
- A 2% COLA would see all 94 non-exempt employees receiving a smaller raise than had they been placed in their market appropriate step

A few Commissioners seem to zero in on the HR Director position's salary as being too high. I searched multiple municipal job posting websites and found the following noteworthy advertised Director positions open:

- | | |
|--------------------------------------|--|
| 1. Benbrook, TX (pop. 24,437) | range \$110,144-\$147,604 |
| 2. University Park, TX (pop. 25,032) | range \$122,969-\$180,585 |
| 3. Frisco, TX (pop. 219,587) | range \$84,324-\$130,703 This is a HR Manager position two levels below the Director |
| 4. Evanston, IL (pop. 75,658) | \$175,000 |
| 5. Barrington, IL (pop. 10,722) | range \$120,000-\$160,000 |





City Manager's Office

6. Bunnell, FL (pop. 3,631) range \$110,719 - \$146,000

The analysis of those HR Director positions posted on multiple websites that show a salary range further establishes that the market value for the position in Kingsville set by Evergreen is accurate and not overpaid.

Recommendation:

1. As mentioned in the Wednesday, August 7 Budget Workshop, I propose the full implementation of Year Two of the Compensation plan that was briefed and Commission approved (year 1 implementation) in the Evergreen study of 2023.
2. I **do not** recommend any across-the-board COLA until the full Evergreen plan is established by adoption of year two of the study. A 2% COLA does not fix the compression problem still imbedded in the Compensation Plan, and it reduces the expected raises for those in the year two implementation of the Evergreen study for all but one of the 103 employees in the plan.
3. Adopting Year Two establishes the separations identified as a problem in the former compensation plan and places all employees into their market-based step (classifications were done in Year 1).
4. I further propose that some objections to the HR Director's increase to her market-based step placement be divided over the FY 24-25 and FY 25-26 fiscal years as follows:
 - a. FY 24-25 – increase to Step 5 = \$11,625 (Total annual of \$104,726)
 - b. FY 25-26 – increase to Step 7 = \$8,551 (Total annual of \$113,277)
 - c. This would make the Health Director the largest market-based step increase in the Compensation Plan.



AGENDA ITEM #14