

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 19, 2024, IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 4:30 P.M.

CITY COMMISSION PRESENT:

Sam R. Fugate, Mayor
Norma N. Alvarez, Commissioner
Hector Hinojosa, Commissioner
Leo Alarcon, Commissioner

CITY COMMISSION ABSENT:

Edna Lopez, 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
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
Cameron Whittington, Water Supervisor
Diana Gonzalez, Human Resources Director
Erik Spitzer, Director of Economic & Development Services

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:30 p.m. with four commission members present. Commissioner Lopez was absent.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

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

MINUTES OF PREVIOUS MEETING(S)

None.

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

None.

III. Reports from Commission & Staff.²

“At this time, the City Commission and Staff will report/update on all committee assignments which may include but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report 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 gave an update on the events that occurred and upcoming events for the USS Kingsville LCS 36. He further announced that for those individuals unable to attend the commissioning of the USS Kingsville LCS 36 on Saturday, August 24, 2024, there will be a watch party taking place at the JK Northway Coliseum where there will be vendors and giveaways at this event.

Mayor Fugate commented that the USS Kingsville items being sold by the Tourism Department are the only items that have been approved and licensed by the U.S. Navy.

Ms. Courtney Alvarez, City Attorney announced that the city commission will be holding a meeting on September 12, 2024, at 5:00 p.m. for a vote on the tax rate and budget for fiscal year 24-25. The meeting will take place at City Hall in the Helen Kleberg Groves Community Room, 400 W. King Ave., Kingsville, TX. She further reported that the next regular meeting is scheduled for Monday, August 26, 2024, at 5:00 p.m. A special meeting is scheduled for Thursday, September 5, 2024, at 5:00 p.m. where there will be two public hearings, one for the proposed tax rate and a second public hearing for the proposed budget. Both public hearings will take place at City Hall in the Helen Kleberg Groves Community Room, 400 W. King Ave., Kingsville, TX.

IV. Public Comment on Agenda Items.³

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

No public comments were made.

V.

Consent Agenda

Notice to the Public

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

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

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

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. Consider reallocation of ARP Funds for emergency repairs to the Wastewater Department's Ultraviolet Light Disinfecting Systems at the North and South Wastewater Treatment Plants. (Public Works Director/Purchasing Manager).

Mr. Charlie Sosa, Purchasing Manager stated that this item authorizes the reallocation of ARP Funds and a budget amendment for emergency repairs for the Wastewater Department's Ultraviolet Light Disinfection System for North and South Wastewater Treatment Plants. The city has \$586,021.99 of unspent ARP funding that it proposes to reallocate for emergency repairs to the Ultraviolet (UV) Light Disinfection System for both of its WWTP's. A UV Light Disinfection System is critical for the proper functioning of the WWTP's and to maintain TCEQ permit compliance. During the last tropical storm, the North WWTP experienced an unusual amount of water overflow causing the existing UV Light System to have an electrical short and go offline. The electrical short caused severe damage to the module wiring and ballasts resulting in a repair quote of \$289,000 for an already outdated system. The UV Light Disinfection System at the South WWTP is also outdated and starting to fail. Global Wet of Austin, TX has been working with staff to keep the existing UV Light Disinfecting Systems operating. Upon the future approval of a contract, Global Wet will receive the working specifications and data to prepare and install new UV Light Disinfection Systems. The total amount of the new UV Lighting Systems for both North and South WWTP's is \$907,810.00. Staff is requesting the ARP funds to be allocated to expenditure fund GL Account 125-5-7001-54300 for the emergency repairs to install new Ultraviolet Light Disinfection Systems for the North and South Wastewater Treatment Plants. This will appropriate funding in the amount of \$586,021.99 to GL 125-5-7001-54300. The funding will come from ARP Funding projects that have been allocated but not yet started which are as follows: General Fund ARP Funding GL 121-5-4503-59113 Dick Kleberg Park \$240,990.25; EDC ARP Funding GL 123-5-1060-31900 Economic Development Programs \$105,000.47; Utility Fund ARP Funding GL 125-5-6001-71300 Water Building \$150,000.00 and GL 125-5-6001-7100 Machinery and Equipment \$90,031.00. These funds total \$586,021.99, which will be allocated to GK 125-5-7001-54300. The remaining funding will come from the Utility Fund unappropriated fund balance and Property Insurance Replacement Fund once the total insurance proceeds are received. A second budget amendment for the remaining funding for this project will be presented at that time.

Motion made by Commissioner Alarcon to approve the reallocation of ARP Funds for emergency repairs to the Wastewater Department's Ultraviolet Light Disinfecting Systems at the North and South Wastewater Treatment Plants, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Fugate voting "FOR".

2. Consider introduction of an ordinance amending the Fiscal Year 2023-2024 Budget to appropriate ARP funding for the Wastewater Treatment Plant UV Light System emergency repairs. (Public Works Director/Purchasing Manager).

Mr. McLaughlin commented that when staff looked at these lights, we had the Garver Study that looked at both wastewater plants from about two years ago, the new lighting system is in line with their recommendations on how to fix the long-term impact of the UV lights.

Mayor Fugate asked that since this is an emergency, is there any reason that staff is not able to begin working on this now rather than waiting for this item to be approved at the next commission meeting?

Ms. Alvarez responded that the final ordinance will be on Monday's agenda. She further stated that it is her understanding that if the City Engineer is okay with the specifications and the vendor gets the specifications, then they can start ordering some equipment as it will take some time to get it set up.

Mayor Fugate commented that it is his understanding that time is of the essence and if they can start on this tomorrow, as he does not want this to wait until Monday,

Introduction item.

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

Mr. McLaughlin, Mrs. Deborah Balli, and staff presented the slides for this budget workshop.

Mr. Rudy Mora, Engineer presented the budget for the Citywide Wastewater Collection System Improvement Grant, Fund 113. This grant includes the following 7 activities: Activity 1, Three pump lift stations and 14th Street line replacement not awarded. Activity 2, 78 manhole repairs, completed/final inspections. Activity 3, Utility line replacement parallel to IH69 from Corral to Santa Gertrudis, completed. Activity 4, Utility line replacement, Johnston & Fordyce, from 17th to 18th, completed/closing documents. Activity 5, Utility line replacement, Lott Street to 10th Street, is under construction. Activity 6 – Utility line replacement, 10th Street from Ragland to Santa Gertrudis, under construction. Activity 7, Lift station rehabilitation, bid out in 2 months. Original grant allocation, grant proceeds \$7,293,110.00 for construction for \$5,898,547.00, engineering \$884,782.00, and administration \$509,781.00.

TWDB Drainage Master Plan Location 7 Improvement Project #40135, Fund 116. This fund is used to account for the grant and loan proceeds for Location 7 of the Drainage Master Plan. This location will relieve drainage issues along Pasadena Drive and in Glover Park Subdivision on the southwest side of the City. It includes upsizing approximately 1,600 linear feet (LF) of stormwater drainage, adding 17 curb inlets & completing 2,900 LF of channel excavation to improve flow hydraulics. FY 24-25 Estimated Beginning Fund Balance \$711,979.67. FY 24-25 Estimated Ending Fund Balance \$711,979.67.

TWDB Drainage Master Plan Location 1 Improvement Project #40142, Fund 117. This fund is used to account for the grant and loan proceeds for Location 1 of the Drainage Master Plan and is approximately 85 acres, fully developed, and includes approximately 125 homes in Fairview Heights and San Jose Estates subdivisions in the northeast side of the City. It includes installing 2,400 linear feet (LF) of a stormwater drainage system, adding 16 curb inlets, and completing approximately 1,000 LF of channel excavation to improve flow hydraulics. FY 24-25 Estimated Beginning Fund Balance \$712,333.68. FY 24-25 Estimated Ending Fund Balance \$712,333.68.

TWDB Drainage Master Plan Location 3 Improvement Project #40143 Fund 118, Fund Balance. This fund is used to account for the grant and loan proceeds for Location 3 of the Drainage Master Plan and will relieve drainage issues in the Forest Park 2 subdivision on the east side of the City. It includes replacing approximately 900 linear feet (LF) of an existing stormwater drainage system and installing 2,800 LF of a new stormwater drainage system, 10 additional inlets, and seven curb inlet extensions. FY 24-25 Estimated Beginning Fund Balance \$763,081.36. FY 24-25 Estimated Ending Fund Balance \$763,081.36.

TWDB Drainage Master Plan Location 4 Improvement Project #40144, Fund 119. This fund is used to account for the grant and loan proceeds for Location 4 of the Drainage Master Plan and will relieve drainage issues in Sarita Park 4, Sarita Park 5, and Southmore Acres

subdivisions on the south-central side of the City. It includes completing approximately 1,600 linear feet (LF) of channel excavation and installing 3,150 LF of new stormwater drainage system. FY 24-25 Estimated Beginning Fund Balance \$966,646.83. FY 24-25 Estimated Ending Fund Balance \$966,646.83.

General Land Office (GLO) Hurricane Harvey Mitigation Grant Fund 122. Mr. Mora stated that there are 14 projects within this grant. Grant Allocation: Construction \$30 million; Engineering \$4.5 million; Administration \$2,178,716; Total Grant Award \$36,678,716; Local Match \$366,787; Grant Funding \$36,311,929. FY 24-25 Estimated Beginning Fund Balance \$366,787 (City's set-aside cash match). Budgeted Revenues of \$32,574,557.60. Budgeted Expenditures of \$32,710,359. FY 24-25 Estimated Ending Fund Balance \$230,985.60.

Commissioner Hinojosa asked if there were any funds left, can if they be used on inlets for Elizabeth Street. Mr. Mora responded that it could be looked into.

UF ARP State & Local Fiscal Recovery Fund 125. FY 24-25 Estimated Beginning Fund Balance \$740,101.01. Budgeted Expenditures \$740,101.01. Balance of Water Meter Project - \$154,079.54. North Plant UV Light System \$586,021.47. In the budget book, transfers are entered in FY 24-25 for the UV Light System. BA will be done in FY 23-24 to complete the transfers so that work can be contracted and started.

Drainage Master Plan Location 8 Improvement Project #40192 Fund 128. Modify detention pond outfall & lower water surface elevation. Regrade 700 linear feet of drainage ditch. Construct over 2400 linear feet of 36-inch reinforced concrete pipe storm sewer outfalls, new curb & gutter inlets, and manholes. Replace pavement & slope on Paulson Falls Drive. Funding: \$301,000 Grant, \$399,000, Loan \$700,000 total funding. FY 24-25 Estimated Beginning Fund Balance \$377,004. FY 24-25 Estimated Ending Fund Balance \$452,004.

TX Severe Winter Storm Grant Mobile Generator Fund 129. This grant is used to purchase a mobile generator for emergency power for the Lift Stations. This grant was not awarded. The funds will be returned to the Utility Capital Improvements Fund 054. Budgeted Expenditures \$17,728 (Return of grant cash match – not in the budget book). FY 24-25 Estimated Ending Fund Balance \$0.

TX Severe Winter Storm Backup Generator Fund 130. This is a new grant that has been awarded, but the City has not received the award letter due to the County needing to complete and submit the Hazard Mitigation Plan. GrantWorks is working with the County on completing the required plan. The funds in the fund balance are the cash match requirements. FY 24-25 Estimated Beginning Fund Balance \$175,000. FY 24-25 Estimated Ending Fund Balance \$175,000.

UF Debt Service Fund 012. FY 24-25 Estimated Beginning Fund Balance - \$2,052,826.14. Budgeted Revenues \$2,446,444.76. Transfer from Utility Fund 051-\$2,320,544.76; Transfer from Stormwater Drain Fund 055-\$125,000; Interest Income \$900. Budgeted Expenditures \$2,250,544.76. Principle Payments \$1,728,524; Interest Payments \$427,709; Paying Agent Fees and Continuing Disclosure \$6,750; Capital Lease Principle & Interest \$87,561.76. FY 24-25 Estimated Ending Fund Balance \$2,248,726.14. Per Financial Advisors, the fund balance should be maintained at 1 year of expenditures.

Utility Fund 051. FY 24-25 Estimated Beginning Fund Balance \$4,708,670.31. Budgeted Revenues \$12,154,210.39. Budgeted Expenditures \$12,681,290.85. FY 24-25 Estimated Ending Fund Balance of \$4,181,589.85. Minimum requirement is 25%. The estimated ending fund balance on September 20, 2025, is \$4,181,590.00. The percentage of the estimated ending fund balance is 32.97448%.

Utility Fund Non-Department Revenues. Account Code 051-4-0000-75001 through 051-4-0000-99700. Revenues of \$640,244.39. Transfer in from General Fund 001 \$114,018.19; 25% of 8000 Engineering Personnel Costs (in UF) \$5585,040.44 x 25% = \$146,260.11; 50% of 8020 Facilities Personnel Costs (in UF) - \$222,259.35 x 50% = \$111,129.68; Offset 50% of 3000 Public Works Personnel Costs (in GF) - \$207,479.16 x 50% = (\$103,739.58); Offset 50% of Welder in Division 3030 (in GF) - \$79,264.03 x 50% = (39,632.02). Transfer from DEAG Fund 084 \$7,500, Leftover funds from DEAG Fund. Transfer from Insurance Fund 138-\$269,851.20; Money to cover increase in employer health insurance premiums. Transfer from JK EDA Grant Fund 203-\$4,875, leftover funds from JK Northway. Interest Earnings - \$244,000.

Water Department: Includes new Utility Billing rates and 15% water rate increases. Sources of revenues: Water revenues-\$5,750,000 Late & Penalty Fees-\$308,025, & Water Tap Fees-\$21,636 = \$6,079,661. All about 25 meters have been changed.

Water Construction Division 6001. Change highlights are personnel for year 2 of the compensation plan and employer health premium increase. Services has an increase in training & travel. Maintenance for fiscal year 24-25, permanent additional repair funding of \$165,000 for more water lines.

Mayor Fugate commented that if the city is supposed to be at a 25% reserve and there is 40%, which is around \$1 million, instead of saving this money why not put it into waterlines. It is known that the city has had many major waterline breaks, so why not use those funds for that?

Mr. McLaughlin stated that he would look at the supplementals that were submitted and see which ones take priority.

Commissioner Hinojosa asked if the water construction division had sufficient staff.

Mr. Bill Donnell, Public Works Director stated that the key is getting experienced utility workers. Staff is doing in-house training at this time at this time.

Mr. McLaughlin stated that the city does not have enough manpower to have one group work on water line breaks and another group work on replacing water lines.

Water Production Division 6002. Change highlights are in personnel for the 2-year compensation plan, anniversary increases, and FICA. Services has an increase in utilities and STWA Contract annual increase. Repairs has a decrease in vehicle maintenance, due to water well rehabilitation. Maintenance has a decrease due to FY 23-24 one-time supplemental for well rehab of \$250,000.

Ground Maintenance. The only change is in personnel for the 2-year compensation plan, TMRS, FICA, and Health Insurance.

Utility Billing. The only change is in personnel for the 2-year compensation plan and employer health care premium increases.

UF Transfer Out. Transfer to General Fund 001 - \$1,529,550, main transfer; 3% Inflation added. FY 23-24 transfer was \$1,485,000. Transfer to Debt Service Fund 012 - \$2,320,544.76; Fund Balance Additional per Financial Advisors - \$195,000 (will review in FY 25-26); Capital Lease Principle & Interest - \$87,561.76 (Clarifier); Debt Service Principle & Interest - \$1,732,274.00; Less Transfer from Fund 055 - \$125,000. Transfer to Vehicle Replacement Fleet Management Fund 106 - \$100,000 for Capital Lease Fleet Payment.

Revenue for Wastewater Division 7001. Proposed budget for the upcoming fiscal year., \$5,434,305.00. Includes sewer tap fees increase and 13% in sewer rates.

Wastewater Department. Change highlights are in personnel for the year 2 compensation plan increases and employer health premium increases. Supplies has a permanent increase in chemicals funding of \$97,900. This is due to copper and the fact that it can't go downstream. In services there is an increase in utilities. Maintenance has a decrease due to removal of FY 23-24 one-time supplemental for building rehab of \$20,000.

Commissioner Hinojosa asked Ms. Alvarez if TCAP could assist with the projection of the utility. He stated that he recalls that they may be able to assist.

Ms. Alvarez responded that she knows that some rates are set which are rates that are set for the year. She further stated that Mrs. Balli had already received those rates earlier this year so that those numbers could be plugged into the budget.

Commissioner Hinojosa asked if they could see how much electricity is used each time the pumps are turned on as he vaguely remembers this, but further stated that Ms. Alvarez has already answered his question.

Wastewater South Plant Division 7002. Change highlight is in personnel for the year 2 compensation plan increases and employer health premium increases.

Sewer Construction Division 7003. Change highlights are in personnel for the year 2 compensation plan increase and employer health premium increases. Supplies has a decrease due to removal of FY 23-24 one-time supplemental for stormwater jet nozzles of \$9,045. Services has an increase in utilities.

Engineering. Personnel has changes due to year 2 compensation plan and employer health premium increases. Supplies has a decrease due to removal of FY 23-24 one-time supplemental of iPad of \$593. Leases has a change in copier and KIP lease agreement.

Facilities Maintenance. Personnel change due to year 2 compensation plan and employer health premium increases. Mr. McLaughlin stated that this is only for the labor side.

UF Capital Projects Fund 054. This fund is used to account for capital projects for the Utility Fund. Revenues come from transfers in from the Utility Fund. FY 24-25 Estimated

Beginning Fund Balance of \$751. Budgeted Revenues of \$22,928 (Transfer from Fund 129 & Interest). Budgeted Expenditures is \$0. FY 24-25 Estimated Ending Fund Balance is \$23,679.

UF Storm Water Drainage Capital Projects Fund 055. This fund is used to account for Storm Water Drainage Capital Projects. Revenues come from Stormwater Fees. FY 24-25 Estimated Beginning Fund Balance is \$251,187.26. Budgeted Revenues is \$569,000 (Stormwater Fee Revenues). Budgeted Expenditures are \$125,000, transfer to UF Debt Service Fund 012- \$125,000. FY 24-25 Estimated Ending Fund Balance is \$695,187.26.

Mr. McLaughlin stated that this is a fee that is collected in the utility bills. He further stated that the plan for this account is to join it with fund 068 to get about \$1.4 million pulled together for a project that will be Phase 3 doing some concrete work. He further stated that there is a failed line that is located on South 9th Street by Lott & Huisache that also has a lot of other lines that run across through there. It has been patched and it's holding but it needs to be fixed. These funds will fix the lines and also include the curb and gutter to Wells Street, N. 2nd Street, and Yoakum. Some drainage improvements along Yoakum will also be done.

CO Series 2013 Drainage Fund 068. Mrs. Balli stated that staff had budgeted for everything to be completed in this fiscal year but after speaking with the City Engineer today, he stated that the only thing that will be an expenditure for this year is about \$39,850.00. She stated that she will be making the change to the EAs to reflect that then the fund balance will be \$680,446.00 which she will adjust the budget for next year for that fund balance. We will then have about \$36,000 for interest and available for a project of \$716,446.00. The transfer from the other fund, that was just mentioned, which will put all those funds into one fund.

DEAAG Grant Fund 084-Fund Balance. This fund is used for the Defense Economic Adjustment Assistance Grant (DEAAG). This fund currently holds the cash match for the awarded project: NAS Kingsville Fire Station ARFF Structure. FY 24-25 Estimated Beginning Fund Balance is \$507,500. Budgeted Revenues are \$0 and Budgeted Expenditures are \$507,500 (Transfer to Utility Fund 054 \$7,500). FY 24-25 Estimated Ending Fund Balance is \$0. DEAAG Grant Fund 084-Expenditures are \$500,000; Grant Cash Match for application awarded Nov 2022; Project is for expanded fire bays to house four new ARFF trucks at NAS Kingsville; Construction request for proposals scheduled for September 2023; Construction Award: December 2024; Final acceptance by the Navy in July 2025. This project was delayed while the U.S. Navy determined procedures for the acceptance of funds from the State and City. Mr. McLaughlin stated that an extension request will be needed.

Vehicle Fleet Management Fund 106. This fund is used to account for the new Enterprise Lease for Utility Fund Vehicles. This fund was formerly the Public Works Vehicle Replacement Fund which has moved over to the General Fund for Street, Garage, and Service Center Vehicles. FY 24-25 Estimated Beginning Fund Balance is \$38,838.14. Budgeted Revenues are \$100,000. Budgeted Expenditures are \$138,838.14 for Fleet Capital Lease Payment of \$100,000 and new expenditure for Utility Fund Vehicle of \$38,838.14. FY 24-25 Estimated Ending Fund Balance is \$0.

CO Series 2023 Fund 141. This fund is used for certificate of obligation funds allocated for the water meter replacement project. FY 24-25 Estimated Beginning Fund Balance is \$93,000. Budgeted Revenues are \$0. Budgeted Expenditures are \$93,000 for new expenditures for Water Meter Project of \$93,000 (all funds will be spent by FY 24-25). FY 24-25 Estimated Ending Fund Balance is \$0.

Insurance Fund 138. This fund accounts for group health insurance provided by United Health. This is year 3 of the current contract and will be bid out in FY 25-26. FY 24-25 Estimated Beginning Fund Balance is \$2,103,104.86. Budgeted Revenues is \$5,489,874.14, Interest Earnings of- \$90,488. Budgeted Expenditures are \$6,726,348.60 for United Healthcare Premiums-\$5,394,876, Transfer to General Fund 001-\$1,042,602.12 (Transfer of \$300,000 eliminated), Transfer to Tourism Fund 002-\$10,509.84, Transfer to Utility Fund 051-\$269,851.20, and Transfer to EDF Fund 098 \$8,509.44. FY 24-25 Estimated Ending Fund Balance is \$866,630.40.

Final Items. Tax Rate, this budget is built on a \$0.77000/\$100 valuation. Water & Sewer Rate Changes, Street Maintenance Fee Changes, and Fee Increases across several departments & funds. Circle Back Items: Year 2 Comp Plan Included and approved on Monday, August 12, Year 2 of Police CBA Agreement included, and Fire CBA Agreement approved and incorporated into the budget. Those changes were not included in the proposed budget but are being currently updated. Supplementals will be prioritized and approved once funding becomes available. General Fund - 10 FT and 2 PT Positions are frozen until funding becomes available. Once all budget changes have been incorporated, the following will be provided at the Commission meeting on 8/26/2024: Change Sheet, Final proposed budget amount, Final fund balances, and Minimum requirement percentages for the General Fund and Utility Fund. The remaining Calendar Items are as follows: regular commission meeting on August 26th. Special Commission Meeting on September 5 for the Public Hearing on Budget and Tax Rate; Introduce ordinances for

Budget and Tax Rate. Items for the regular commission meeting of September 9th will be moved to the meeting on September 12th. On September 12th the commission will vote to adopt the Budget and Tax Rate for FY 24-25. Regular commission meeting on September 23rd.

Commissioner Hinojosa asked if this included all fees. Mr. McLaughlin stated that he could email a list of all fees that are in the budget and those that staff is thinking about.

Commissioner Alvarez commented that these did not include fees from the Planning Department.

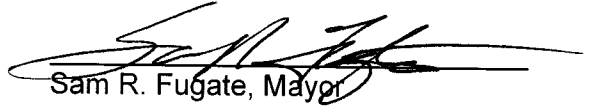
Mr. McLaughlin responded that this was correct, as the Planning Department is currently using an outside agency to do inspections, due to short staff. Mr. McLaughlin further commented that if there are any concerns or changes from the commission regarding the FY 24-25 budget to contact him as soon as possible as any changes would need to get shared with everyone.

Commissioner Alvarez asked that just out of curiosity, what happens if you are not able to vote on the budget on September 12th.

Both Mr. McLaughlin and Ms. Alvarez responded that the deadline for the budget to be approved is September 12th. It would not be good for the city to not have that budget adopted by that day. Both McLaughlin and Alvarez stated that if the commission has any further questions or concerns regarding the budget, it would be best for the commission to bring it to the attention of the city manager as soon as possible.

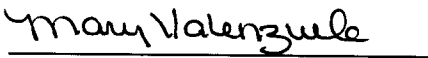
VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:35 p.m.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, City Secretary