

**MINUTES OF A REGULAR CITY COUNCIL MEETING
MARCH 13, 2018- 6:00 P.M.
COUNCIL CHAMBERS IN THE RUHMAN C. FRANKLIN MUNICIPAL BUILDING
303 W. MAIN ST., KENEDY, TX. 78119**

MEMBERS PRESENT: RANDY GARZA (MAYOR), ALBERTO BALDARRAMOS (DISTRICT 1), BRANDON BRIONES (DISTRICT 3), MAGGIE GONZALES (DISTRICT 4), GARY RICHARDS (DISTRICT 5)
MEMBERS ABSENT: FELIPE LEAL (DISTRICT 2)
CITY PRESENT: BARBARA SHAW (CITY MANAGER), AMANDA HINES (CITY SECRETARY), JOHNNY RODRIGUEZ (PUBLIC WORKS DIRECTOR), DUANE DUBOSE (POLICE CHIEF), LANNY HOLLAND (BUILDING OFFICIAL)

1. Call meeting to order and announce a quorum is present. Mayor Randy Garza

Mayor Randy Garza called the meeting to order and announced a quorum present at 6:00 P.M.

2. Prayer.

3. Pledge of Allegiance.

4. Public Comments.

Terrell Graham stated he has not received documents he is entitled to under the Attorney General ruling in regard to his public records request. City Attorney Megan Santee stated the document under the Attorney General ruling was a W-9, and Mr. Graham has received a redacted version of the document.

5. Consider/Act on the Consent Agenda:

- A. Airport Board Report**
- B. Animal Control Report**
- C. Attorney Report**
- D. Board of Adjustments Report**
- E. Building Standards Commission Report**
- F. Chamber of Commerce Report**
- G. City Council Minutes**
- H. Community Development Report**
- I. Emergency Management Report**
- J. Financial Report**
- K. Fire Department Report**
- L. Kenedy 4B Corporation Report**
- M. Municipal Court Report**
- N. Parks & Recreation Report**
- O. Planning & Zoning Report**
- P. Police Department Report**
- Q. Street Department Report**
- R. TIRZ No. 2 Report**
- S. Water & Wastewater Report**

Brandon Briones made a motion to approve the Consent Agenda. Gary Richards seconded the motion. Maggie Gonzales voted in favor. Alberto Baldarramos voted in opposition.

6. Consider and possible action on acceptance of the City of Kenedy's 2017 Annual Financial Report prepared by Beyer & Company, CPA's. Wayne Beyer, CPA/Barbara

Wayne Beyer informed Council on the following regarding the City of Kenedy's 2017 Annual Financial Report:

Financial Highlights

- The assets of the City of Kenedy exceeded its liabilities at the close of the most recent fiscal year by \$37,247,728 (Net Position). Of this amount, \$8,842,627 (Unrestricted Net Position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Kenedy total net position increased by \$1,744,309. This increase is attributable to oil and gas lease income and royalties of \$1,215,946, sales taxes of \$1,519,874, occupancy taxes of \$425,084, and careful budget management.
- As of the close of the fiscal year, the City of Kenedy's governmental funds reported combined ending fund balances of \$17,524,599. Approximately 31% of this total amount, \$5,505,080, is available for spending at the City's discretion.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$5,505,080, or 153% of total general fund expenditures.
- The City of Kenedy's total debt increased by \$1,893,425 (31.26%) during the current fiscal year. The key factor in this increase was the issuance of 2016 Revenue Bonds of \$1,960,000.

Governmental Funds

- The fund balance of the City of Kenedy's general fund decreased by \$12,153 during the fiscal year. Key factors in this decrease is immaterial.
- The grant fund had a net increase of \$11,619.
- The debt service fund had a net increase of \$41,643. This increase is a result of transfers in of \$197,176 outpacing debt expenditures of \$160,223 by \$36,953.
- The paving fund had a net increase of \$268,539. This increase is due to a transfer in from other funds of \$345,996.
- The Kenedy 4-B Corporation fund had a net increase of \$156,930. This increase is due to oil and gas royalties of \$281,355.
- The capital improvement fund had a net increase of \$5,122.
- The hotel occupancy tax fund had a net increase of \$189,307. This increase is due to hotel occupancy tax revenues of \$425,084.
- Unrestricted net position of the Utility fund at the end of the year amounted to \$3,368,124. The increase in net position was \$883,240.
- Total expenditures of \$3,439,256 were less than the amended budgeted expenditures of \$3,504,280 by \$65,024.

The Current Ratio (Current Assets/Current Liabilities) for the City of Kenedy is 5:1; which is excellent.

Mr. Beyers stated there were three certain immaterial findings:

1. Several vendors have no addresses listed; and several vendors were listed multiple times on the vendor list.
2. The City of Kenedy's minutes do not provide pertinent details for many of the items approved.
3. One employee had negative vacation leave; which has been corrected.

Mr. Beyers informed Council that his team audits internal controls as well, not just financials. Segregation of duties would be almost impossible for the City of Kenedy due to number of employees.

The City of Kenedy is in good financial standing and is being handled very well. The City had a lot of activity this past fiscal year.

Brandon Briones asked why Council didn't receive a copy of the Financial Report sooner. Mr. Beyers explained the report was not ready until late last week.

Gary Richards made a motion to accept the Annual Financial Report for the year ended September 30, 2017. Motion failed.

No action taken.

Item will be tabled for next meeting, scheduled April 10, 2018.

7. Consider and possible action in regard to Ordinance No. 18-1 Amending Ordinance No 17-1 Relating to Fees assessed for Solid Waste Collection and Disposal Services; Establishing Fees to become Effective March 1, 2018; Providing a Penalty for Delinquent Payments; Containing a Savings Clause and Repealing All Ordinances in Conflict Herewith. Progressive/Barbara

City Manager Barbara Shaw stated Progressive Waste had an increase in pricing. The standard plastic trash carts increased from \$16.29 to \$16.38 monthly, a .09 cent increase. The consumer price index will be passed on to the consumer.

Maggie Gonzales asked if the trash pick-up will remain twice a week. City Manager Shaw explained that yes it will.

Mayor Randy Garza asked if the City of Kenedy can pick up the .09 cent difference for inside city limits residential and commercial standard plastic trash carts. He feels the City needs to try and cap water/garbage bills at a certain point.

Gary Richards stated it would be an estimated cost of \$1420.00 for the City of Kenedy.

City Manager Barbara Shaw explained to Council the contract with Progressive Waste expires December 2018. Progressive offers trash pickup twice a week, which is optimal for citizens.

Brandon Briones made a motion to approve Ordinance 18-1 Amending Ordinance No 17-1 Relating to Fees assessed for Solid Waste Collection and Disposal Services; Establishing Fees to become Effective March 1, 2018; Providing a Penalty for Delinquent Payments; Containing a Savings Clause and Repealing All Ordinances in Conflict Herewith with the exception of inside city limits residential and commercial standard plastic trash carts to remain at the continued rate of \$19.29 for the first cart only. Maggie Gonzales seconded the motion. All in favor.

8. Consider and possible action in regard to Ordinance No. 18-2 Amending the Capital Improvement Plan of the Airport Budget from the Airport Fund Balance; Approving Certain Airport Improvements; Requesting Financial Assistance from the Texas Department of Transportation; Committing to Fund 50% of the Phase II Airfield Improvements Project; Committing to Fund 10% of the Aviation Capital Improvement Program; Committing to Fund the Installation of the Power and Telephone Cable for the Automated Weather Observation System (AWOS); Authorizing the City Manager or Mayor to Execute All Necessary Documents; and Providing for an Effective Date. Buddy Gulley/Ron Hyde/Barbara

P. Malcom Gulley, Chair of Airport Advisory Board, stated the weather related AWOS project will be completed in a couple of months. The final portion of the project is the reconstruction of the runway and taxiway. TxDOT was previously going to fund 90% of the project, however, this has now changed to 50% funding. Mr. Gulley informed the Council the Airport Advisory Board tried to reduce the cost of the project by \$302,000. This would only save the City of Kenedy \$4000, and TxDOT \$298,000. Mr. Gulley stated the funds for the project would be disbursed from the Capital Improvement Fund, which can only be used for airport projects. The total estimated cost of the project will be \$2,689,000. The City of Kenedy will be responsible for 50% of the Phase II Airfield Improvements and 10% of the Aviation Capital Improvement Program, for a total of \$1,417,840. Mr. Gulley thanked Mayor Garza, City Council, and City Manager Barbara Shaw for their continuous support.

Gary Richards stated he was very impressed with the upgrades at the airport.

Gary Richards made a motion to approve Ordinance 18-2 Amending the Capital Improvement Plan of the Airport Budget from the Airport Fund Balance; Approving Certain Airport Improvements; Requesting Financial Assistance from the Texas Department of Transportation; Committing to Fund 50% of the Phase II Airfield Improvements Project; Committing to Fund 10% of the Aviation Capital Improvement Program; Committing to Fund the Installation of the Power and Telephone Cable for the Automated Weather Observation System (AWOS); Authorizing the City Manager or Mayor to Execute All Necessary Documents; and Providing for an Effective Date. Alberto Baldarramos seconded the motion. All in favor.

9. Consider and possible action in regard to Ordinance No. 18-3 Amending Chapter 86 Utilities Article III Water System Division 1 Generally of the Kenedy Code of Ordinances by Adding Sec. 86-193 Water Leak Forgiveness; Providing for a Penalty; Providing a Severability Clause; Providing a Repealing Clause; and Establishing an Effective Date. Megan/Barbara/Amanda

City Manager Barbara Shaw provided Council with a package. The first page was an example of a bill and adjustment. The second was a detailed consumption report. City Manager Barbara Shaw explained the detailed consumption report to Council and how the computerized system detects a potential leak. City employees have been leaving leak indicator door hangers on the doors of customers with potential leaks to help avoid high bills. Less than 8% of meters had potential leaks.

Under Ordinance 18-3, if a customer can provide proof the leak was fixed, their bill will be adjusted to an average of the three previous months. City Manager Barbara Shaw stated she would rather have a policy in place for documentation. The policy would be available to all customers, once per year.

Mayor Randy Garza stated the elderly need to be looked after and have their meters checked for potential leaks.

Alberto Baldarramos stated a payment plan would be more beneficial than a leak forgiveness policy.

Gary Richards and Brandon Briones both expressed their concerns about customers with more than one leak and the policy only allowing one forgiveness per year.

Maggie Gonzales asked if the ordinance includes outside city limits. City Manager Shaw stated that yes it would.

City Manager Barbara Shaw explained she needed guidance from Council on how to handle these situations and what to tell customers.

Mayor Randy Garza stated a workshop needs to be arranged to further discuss the water forgiveness policy.

No action was taken.

10. Consideration and possible action in regard to No. 18-4 Amending the Kenedy Code of Ordinances Chapter 10, Animals, Specifically in regard to Aggressive Dogs.

Chief Dubose stated the current ordinance does not have any information pertaining to attacks of animals on other animals. The updated ordinance will provide penalties, different classifications, and levels of aggressive dogs.

Gary Richards made a motion to approve Ordinance 18-4 Amending the Kenedy Code of Ordinances Chapter 10, Animals, Specifically in regard to Aggressive Dogs. Alberto Baldarramos seconded the motion. All in favor.

11. Consider and possible action in regard to Kenedy Little League's request to waive Field Use Fees for the 2018 season. Mayor Garza

Mayor Randy Garza stated the president of Kenedy Little League has requested for the City of Kenedy to waive field use fees for the 2018 season. The funds will be used to purchase equipment needed.

Brandon Briones made a motion to approve Kenedy Little League's request to waive field use fees for the 2018 season. Maggie Gonzales seconded the motion. All in favor.

12. Consider and possible action in regard to drainage issues on Nottingham Lane. Councilman Richards/Johnny/Barbara

City Manager Barbara Shaw stated there are two options for the drainage issues on Nottingham Lane. The first option will cost \$117,000 and the second option will cost \$85,000. City Manager Barbara Shaw explained the City needs to meet the needs of the residents and would like to have a meeting to see what problems they are having and look at the layouts.

Brandon Briones made a motion to approve the City of Kenedy moving forward with the drainage issues on Nottingham Lane, funding to start at \$85,000 and not exceed \$117,000. Alberto Baldarramos seconded the motion. All in favor.

13. Update on Snocum and Buena Vista Streets. Councilman Leal/Johnny/Barbara

City Manager Barbara Shaw stated the contractor will be putting asphalt on driveways on Snocum and Buena Vista Streets.

14. Update on East Main Street. Councilman Briones/Johnny/Barbara

City Manager Barbara Shaw informed Council the water main line has been replaced. Drainage project will follow.

15. Update on East Houston Street. Councilman Briones/Johnny/Barbara

City Manager Barbara Shaw stated the project to replace the cast iron main line started today, March 13.

16. Recognition from the San Antonio River Authority (SARA). The City of Kenedy was selected as a recipient of SARA's 2018 Watershed Wise Board of Directors Award. Congratulations letter from Michael W. Lackey, Chairman; and Suzanne Scott, General Manager. Mayor Garza/Barbara

City Manager Barbara Shaw read the congratulations letter from the San Antonio River Authority to Council.

17. City Manager's Report

City Manager Barbara Shaw informed Council Lanny Holland has resigned as Building Official.

Rene De La Garza has been in contact with citizens of Falls City pertaining to water land leases.

18. Adjourn

Gary Richards made a motion to adjourn the meeting. Brandon Briones seconded the motion. All in favor.

Meeting adjourned at 7:55 P.M.



Randy Garza, Mayor



Amanda Hines, City Secretary