

CITY OF INGLESIDE
~~REGULAR CITY COUNCIL MEETING*~~
SPECIAL CITY COUNCIL MEETING
&
BUDGET WORKSHOP
MINUTES
AUGUST 20, 2024

Opening Agenda

1. Call regular meeting to order.

The ~~Regular City Council Meeting*~~ Special City Council Meeting & Budget Workshop of the City of Ingleside was called to order by Mayor Adame at 6:30 p.m. on August 20, 2024, at City Hall 2671 San Angelo Ave., Ingleside, TX and live video streaming.

2. Roll Call.

With Council Members present a quorum was established.

Council Members Present: Steve Diehl, Stewart Wilson, David Pruitt, John Salinas, Mayor Pro-Tem Tracy Long, Julio Salinas, and Mayor Adame.

3. Invocation.

Council Member Pruitt led the invocation.

4. Pledge of Allegiance.

Mayor Adame led the Pledge of Allegiance to the U.S. flag.

5. Citizen Comments and Reports.

There were no Citizen Comments presented for this meeting.

Special Agenda

6. Deliberate and take appropriate action to approve the purchase of the Library Book Security Alarm System for \$28,272.24, currently in the FY2023-2024 GF Vehicles/Equipment budget.

Discussion was held between Council Members, City Manager Lewis and Library Director Casanova about the vendor recently joining Buy Board, the quote is to cover everything required to complete installation, and a future request for an inventory wand.

Motion: Council Member Julio Salinas made a motion to approve the purchase of the Library Book Security Alarm System for \$28,272.24, currently in the FY2023-2024 GF Vehicles/Equipment budget. Council Member Pruitt seconded the motion. Motion carried with all present voting in favor.

7. Discuss and take appropriate action on the first and only reading of an Ordinance amending the fiscal year 2023-2024 budget for the budget for the City of Ingleside, Texas, for the General Fund Capital Improvement Fund and the General Fund Vehicles & Equipment Fund for the Parks and Recreation Department capital improvement budget and the Volunteer Fire Department capital purchases budget.

Proposed Ordinance 2024-20.

Discussion was held between Council Members, City Manager Lewis, and Director of Finance Vela about staff recommendation to approve the Ordinance, funds that were previously set aside, and the amendment received for the roof expenses.

* The discrepancy in the agenda arose from a clerical error, where the agenda should have been displayed for the Special City Council and Budget Workshop was mistakenly labeled as the Regular City Council Meeting on the agenda, advertised both ways on the website, resulting in confusion between the regular and special meeting details.

Motion: Council Member John Salinas made a motion to accept Ordinance 2024-20 amending the fiscal year 2023-2024 budget for the budget for the City of Ingleside, Texas, for the General Fund Capital Improvement Fund and the General Fund Vehicles & Equipment Fund for the Parks and Recreation Department capital improvement budget and the Volunteer Fire Department capital purchases budget. Council Member Pruitt seconded the motion. Motion carried with all present voting in favor.

8. Tabled 08/13/2024 Deliberate and take appropriate action on the encumbrance of monies and authorize the purchase of a new fire tender, through the Houston-Galveston Area Council Buy Board.

Discussion was held between Council Members, City Manager Lewis, and Fire Chief Miller about the price and length of time to receive unit.

Motion: Council Member Diehl made a motion to approve the encumbrance of monies and authorize the purchase of a new fire tender, through the Houston-Galveston Area Council Buy Board. Council Member John Salinas seconded the motion. Motion carried with all present voting in favor.

9. Deliberate and take appropriate action to approve the proposed tax rate, if it will exceed the No-New-Revenue tax rate or the Voter-Approval tax rate, take a record vote and schedule a public hearing for September 17, 2024.

Discussion was held between Council Members, City Manager Lewis, Attorney Frank Garza and Director of Finance Vela about the tax rate going up because the decrease in valuation due to adjustments associated to oil and storage companies filing a protest. The No-New Revenue tax rate being \$0.718807/\$100.

- No-New-Revenue tax rate - \$0.718807/\$100
- Voter-Approval tax rate - \$0.743552/\$100
- De minimis rate - \$0.737396/\$100
- Proposed Rate - \$0.743551/\$100

The City Manager stated it is common for a City to approve the Voter Approval Rate, that the recommendation is high but will allow for adjustments before the adoption of the tax rate after the public hearings. He explained this agenda item was not to adopt the tax rate but set the Proposed Rate at \$0.743551/\$100. Council Member Diehl expressed his concern for the wording of the agenda item and how it is perceived by the citizens.

Council Member Diehl wanted it on record what the 2023 Tax Rate was, as follows:
Proposed Rate \$.865497
Adopted Rate \$0.642061

Cindy Wilson 2635 San Angelo Avenue, addressed the Council about the tax rate the year before when it was raised?

Discussion continued about when debt was paid off early in a previous fiscal year. The council had to reset the tax rate at a higher rate the next fiscal year.

Further discussion on how the Port of Corpus Christi buys and sells property that is then taken out of the tax base. Discussion on the city having to increase tax rates and how high taxes affect the purchase of homes in the City. Mayor Adame will not support more than \$0.64, and the proposed rate vs last year's rate is a \$0.10 difference. Rates for the current budget were configured with the proposed tax rate of \$0.743551/\$100 and Council Member Diehl stated that he would not vote for the budget with that tax rate.

Motion: Council Member John Salinas made a motion to approve the proposed tax rate of \$0.743551/\$100 and scheduling a public hearing for September 17, 2024. Council Member Pruitt seconded the motion. Motion carried 6-1.

For Motion: Council Member Diehl, Council Member Wilson, Council Member Pruitt, Council Member John Salinas, Mayor Pro-Tem Long, and Council Member Julio Salinas.

Against Motion: Mayor Adame

Executive Session**10. Closed Session**

City Council will meet in Closed Session pursuant to the provisions of Chapter 551 of the Texas Government Code, in accordance with the authority contained in:

- A. Tabled 08/13/2024 Section 551.071 Consultations with Attorney and Section 551.074 Personnel Matters – City Manager Annual Evaluation and Employment Contract.**

At 7:02 p.m. Mayor Adame convened the Ingleside City Council into a closed session pursuant to provision of Chapter 551 of the Texas Government Code, in accordance with the authority contained in Section 551.071 Consultations with Attorney and Section 551.074 Personnel Matters – City Manager Annual Evaluation and Employment Contract.

11. Open Session

City Council will reconvene in Open Session at which time action on the matter(s) discussed in Closed Session may be considered.

- A. Tabled 08/13/2024 Section 551.071 Consultations with Attorney and Section 551.074 Personnel Matters – City Manager Annual Evaluation and Employment Contract.**

At 8:55 p.m. Mayor Adame reconvened the Ingleside City Council into a open session pursuant to provision of Chapter 551 of the Texas Government Code to take any action necessary related to the executive session noted herein, or regular agenda items, noted above, and/or related items.

Item A: No Action taken.

Budget Workshop Agenda**12. Deliberate on the proposed Fiscal Year 2024-2025 Budget Presentation.**

Discussion was held between Council Members, City Manager Lewis, and Director of Finance Vela about the preliminary document with voter approval rate, \$750K net revenues over expenses, the City striving to keep the cost down while needing to operate to provide services, if keeping the tax rate at \$0.64 cents the City would have to find \$2M to cover operating expenses, with \$9M of unencumbered funds Council questioned if the City could use that to fund the \$2M needed, readjustments with the new starting figure has not taken place, the unencumbered money possibly being used for a one-time purchase, but not ongoing expenses such as personnel.

Discussion continued about coming up with \$2M once the new numbers are put into the budget to make a decision, \$11M of unencumbered at the start of the year, if this is pulled out of the unencumbered it would have to be done every year, if there is an increase in the base rate there can be a rate decrease in the future.

Further discussion about total revenue, of the provided budget report on pg. 147 of the agenda packet, are the expected actuals that seem to be higher than expected. Council stated that they should be within a window from last year's numbers.

Analysis was done against last year's spending, Council needs to have a realistic figure without being inflated, salaries and payroll needed to be calculated, travel and supplies spending history is estimated, and each department must use the money budgeted for the year or it goes back into the unencumbered balance.

13. Deliberate on the proposed 5-Year Capital Improvement Plan.

Discussion was held between Council Members, City Manager Lewis, and Director Vela about funds 30 and 32 items that were added with projects, additional project for \$600K, and Council requesting for handouts at the next Budget Meeting.

14. Deliberate on proposed compensation plan changes.

Discussion was held between Council Members, City Manager Lewis, and Director Vela about positions for all departments that are budgeted, and Council requesting a chain of command report for the next meeting.

Further discussion about the \$616K with the proposed COLA and proposed 7% TMRS which is a \$2M increase for the retirement system, \$395K for General Fund, \$470K Utility Funds for the next year, the unfunded portion is \$987K, plus another 4.3% raise and the 2% retirement for each employee.

Staff took a survey of 82 employees regarding increasing the retirement from 5% to 7%. This survey resulted with 73 employees supporting raising the retirement benefit match and 9 were against raising the retirement benefit match. The employees are looking toward their futures.

Council Member Diehl wants to know if there is a choice between retirement increase or a COLA raise what would the employees want, conducting another employee survey, staff indicated taxes being less with the 7% and less tax liability, weighing the employee options for retirement versus cost of living increase and other benefits the City offers that the private sector or industry does not.

Continued discussion about the city taking steps toward covering a shortfall of the waste water treatment plant, the need to make a division in the duties of the Municipal Judge and the departmental side of the Court System. To be transparent by hiring an Administrator, which is in line with the Charter. Filing a proposed budget by August 24, 2024 with the City Secretary by the Director of Finance, and to be brought back to Council on the next regular Council Meeting, and bringing back to Council the proposed TMRS 6% while showing the difference in the COLA plus on all employees.

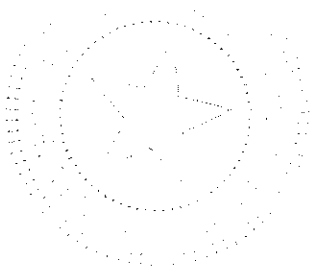
15. Items to consider for placement on future agendas.

Council Member Diehl recommended for an action item on the next agenda on contract for engineering services at the next Council meeting.

Mayor Adame requested to have the Appraisal District at a Council meeting to explain to the City the increase in rates and explain being able to change one property without notice to City.

16. Adjourn Regular Meeting.

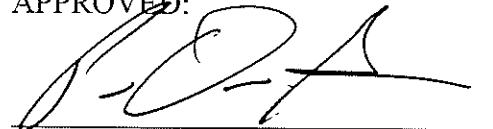
Mayor Adame adjourned the Special City Council Meeting & Budget Workshop Meeting of the City of Ingleside at 9:50 p.m.



ATTEST:


Ruby Beaven, City Secretary

APPROVED:



Pedro Oscar Adame, Mayor