

**CITY OF INGLESIDE
REGULAR CITY COUNCIL MEETING
MINUTES
SEPTEMBER 24, 2024
6:30 PM**

Opening Agenda

1. Call Meeting to Order.

The Regular City Council Meeting of the City of Ingleside was called to order by Mayor Adame at 6:30 p.m. on September 24, 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 Treacy Long, Julio Salinas, and Mayor Oscar 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.

Stephanie Hajducek, 2334 Hwy 361 Suite 182, addressed the Council about working at Project YaRen giving information about studies being conducted and stated the location and website information to ask questions about the facility.

S. Paul Baen, 2177 Glenwood, addressed the Council referring to the past process of the Charter Review not requiring the City Attorney to attend each meeting.

Vicky Cook, 3009 Lakeview, addressed the Council about the mural to be painted at the Humble Center. Cook would like to see something different. Suggesting trash cans be painted and spread around town which would encourage citizens to use them. This would be a new attraction for the travel guide. Cook stated that this could include the students painting them keeping the project local.

Courtney Shane, 2181 Capeheart, addressed the Council about the recent social media posts. Shane declared that she would be standing up for the City Manager and City Secretary making sure all patriots do so as well. Shane stated that the City Manager and City Secretary are working 24/7. The division that has happened over posts being done. Would like the Chief to call the Texas Rangers and open an investigation.

6. Staff Comments and Reports.

a. Council Comments and Reports.

No discussion was held on this matter.

b. Announcements of Community Interest and/or upcoming events.

No discussion was held on this matter.

c. City of Ingleside monthly financial report as of August 2024.

S. Paul Baen, 2177 Glenwood, addressed the Council about the summary of the monthly financial report and stated it was showing a negative expenditure of \$318,798.10 with \$583,322.33 in total revenues and showing a surplus for \$902,120.43 and it seems corrections need to be made.

The mayor asked for clarification on this item from the Director of Finance. Director Vela stated that the TexPool money is separate.

d. City of Ingleside expenditures paid over \$3,000.00 for the period of August 2024.

Council Member Diehl stated that miscellaneous is a red flag for accountability.

e. Announcement of Updated Building Code Effectiveness (ISO) Grading Classification.

City Manager stated that the rating will be a reduction and is a positive which will be dropping.

Mayor Pro Tem stated that he wanted to thank Interim Building Official Gene Delauro for his contributions to the City of Ingleside.

Presentations

There were no presentations presented for this meeting.

Consent Agenda

Agenda Items 9 and 15 were pulled from the Consent Agenda and moved into the Regular Agenda for separate discussion.

- 7. Deliberate and take appropriate action on a Resolution of the City Council of Ingleside, San Patricio County, Texas appointing members to the Library Board.**
- 8. Deliberate and take appropriate action on a Resolution of the City Council of the City of Ingleside, San Patricio County, Texas, appointing Commissioners to the Housing Authority of the City of Ingleside.**
- 10. Deliberate and take appropriate action on approving the 2024 Zombie Walk and Trick or Treat Trail at Live Oak Park on October 26th 2024 from 4pm-7pm.**
- 11. Deliberate and take appropriate action on the City Council authorizing the Ingleside ISD District Cross Country Meet October 10, 2024 at Live Oak Park**
- 12. Deliberate and take appropriate action on the City Council authorizing the Port of Corpus Christi Tree For All event at N.O. Simmons park on December 5, 2024.**
- 13. Deliberate and take appropriate action on the modification from a 4-seat fire tender to a 2-seat fire tender with associated equipment.**
- 14. Deliberate and take appropriate action on a Resolution of the City Council of Ingleside, San Patricio County, Texas, approving the waiver of pet adoption fees and microchipping fees at the Ingleside Pet Adoption Events occurring on October 05, 2024 and October 26, 2024.**

Motion: Mayor Adame made a motion to approve the Consent Agenda excluding Items 9 and 15 which were removed from the Consent Agenda for separate discussion. Mayor Pro Tem Long seconded the motion. Motion carried with all present voting in favor.

Public Hearing

16. Public Hearing on the FY2025 City Manager's proposed budget.

At 7:19 p.m. Mayor Adame convened the Ingleside City Council into a Public Hearing.

Speaking For: None

Speaking Against: None

S. Paul Baen, 2177 Glenwood, addressed the Council requesting that his presentation be added to this meeting stating that the minutes from the last meeting were not available prior to this meeting. Baen stated that the notice of a public hearing for this budget only referred to one date and the Charter states there should be two public hearings. The projected Fund Balances in the budget vs. what is in the August financial statements had significant differences. It could be due to the year-end entries that might be made part of the process.

On the General Fund the report shows a deficit of \$303K vs. the August 31, 2024 financial statement of a positive \$241 for a difference of \$545K.

On the I&S Fund Balance in the budget it showed a net fund balance of \$1.5M. Per the Property Tax Summary pages on Fund Balance is zero.

Truth in taxation worksheet August 20, 2024 shows a collection rate of 104 percent. Legislation has changed the definition of collections to include interest and penalties, which is how the City is collecting more taxes than you are assessing.

Debra Sanders, 3076 Ave A, addressed the Council about being concerned when looking at a budget and taking from Utility Funds with shortages and paying for other things. This creates a burden on the taxpayers. Sanders stated that with the new budget some of the Exempt employees are being paid higher than County officials. Sanders stated that it should be a lower percent for the Exempt employees and a higher percent to the Non-Exempt employees.

At 7:26 p.m. Mayor Adame reconvened the Ingleside City Council into a Regular Meeting.

Regular Agenda

9. **Deliberate and take appropriate action on the second and final reading of an Ordinance regarding the City of Ingleside, Texas, Municipal Retirement System (TMRS) benefits (1) providing for an increase to the employee contribution rate; (2) adopting non-retroactive repeating colas, for retirees and their beneficiaries under TMRS act §853.404(f) and (f-1); (3) authorizing annually accruing updated service credits and transfer updated service credits; and (4) authorizing actuarially determined city contribution rate payments.**

S. Paul Baen, 2177 Glenwood, addressed the Council and stated that on the comparison of cost and rates pertaining to the pension plan on the unfunded pension of liability showing that the City has more assets than liabilities. The difference of the changes will bring the City to \$600K increasing the pension benefits. The council has made changes to reduce the unfunded pension liabilities and are ahead a half million dollars. Is the intention of Council to change the liabilities. Baen suggests Council pay as you go.

Discussion was held between Council Members, City Manager Lewis, Director of Finance Caron Vela about \$250K in the General Fund and in FY2026 we will be back where we should be. Stating when an employee is in the TMRS system and retires the funds go with them, but if an employee quits or is fired the portion the City contributed stays with the City. This should not be based on who retires.

Kenneth Oliver from TMRS joined the meeting virtually for questions. Oliver stated that the extra percent is for the employees. After January the lump sum will be paid in September. The Council wants assurance that the record showing will not be in a deficit. By December 31, 2024, any extra payment will be made at the end of the year. TMRS will send out rate letters in June and will have a surplus if this is adopted but will not be able to say for sure it will be enough. The benefit increase that goes to the Unfunded Account would be paid off in 20 years

and a new rate letter issued in June. The surplus offsets the normal cost paid every year. The prior service rates flip, if putting in lump sums and it will bring you out of a negative. With the new calculations it is all assumed.

S. Paul Baen, 2177 Glenwood, addressed the Council and stated now we are aware of the lump sums, and this has now addressed the issue.

Motion: Council Member Diehl made a motion to approve Ordinance 2024-22 the second and final reading and to direct staff to ensure the funds available and allocate with an immediate payment of \$350,000 on October 1, 2024, with a second payment of \$350,000 on October 01, 2025, for each fiscal year. Council Member John Salinas 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 Mayor Adame.

Against Motion: Council Member Julio Salinas

15. Deliberate and take appropriate action on the Regular Meeting Minutes of September 10, 2024.

Council Member Diehl asked for an amendment of the Regular Meeting Minutes of September 10, 2024, to strike "at this time" on the motion for Item 17.

Motion: Council Member Diehl made a motion to approve the Regular Meeting Minutes of September 10, 2024 as amended. Mayor Adame seconded the motion. Motion carried with all present voting in favor.

17. Deliberate and take appropriate action on a Resolution of the City Council of Ingleside, Texas, reviewing and adopting the Investment Policy.

S. Paul Baen, 2177 Glenwood, addressed the Council about the investment policies that have been around since 2008 that have been found after being told last year they couldn't be found.

Discussion was held about the listing of investments with no other changes and asking to be adopted as presented.

Motion: Mayor Adame made a motion to approve Resolution 2024-40 of the City Council of Ingleside, Texas, reviewing and adopting the Investment Policy. Council Member Pruitt seconded the motion. Motion carried with all present voting in favor.

Mayor Adame moved from Item 17 to Item 20.

20. Deliberate and take appropriate action on the first and only reading of an Ordinance amending the Fiscal Year 2023-2024 Budget for the City of Ingleside, Texas, for the General Fund, Ingleside Development Corporation Fund, and the IDC Promotional Sales Tax Fund for various department operating budget adjustments.

City Manager Lewis recommends the Council to adopt the amending of the FY 2023-2024 budget for the General Fund, Ingleside Development Corporation Fund, and the IDC Promotional Sales Tax Fund for various department operating budget adjustments.

A discussion was held between Council Members, City Manager Lewis, and S. Paul Baen about requesting the addition of the promotion section. Being aware that the 10% of promotional funds was not separated and will be separated into a new fund. The process for separation was already in place by an action. The interest at 4B Corporation between 2020 and 2022 was not segregated out. There is no additional sales tax but is 10% of the IDC Funds to be placed in the Promotional Fund. The Fund has been rectified and reconciled moving forward with a new fund set up.

Motion: Council Member Diehl made a motion to approve Ordinance 2024-23 amending the Fiscal Year 2023-2024 Budget for the City of Ingleside, Texas, for the General Fund, Ingleside Development Corporation Fund, and the IDC Promotional Sales Tax Fund for various department operating budget adjustments. Council Member Julio Salinas seconded the motion. Motion carried with all present voting in favor.

Mayor Adame moved from Item 20 to Item 23.

- 23. Deliberate and take appropriate action on an ordinance authorizing the issuance of “City of Ingleside, Texas combination tax and limited pledge revenue Certificates of Obligation, Series 2024”; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said certificates by a lien on and pledge of the pledged revenues of the system; providing the terms and conditions of said certificates and resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of said certificates, including the approval and distribution of an official statement pertaining thereto; authorizing the execution of a paying agent/registrar agreement and an official bid form; complying with the requirements of the letter of representations previously executed with the depository trust company; authorizing the execution of any necessary engagement agreement with the city’s financial advisors; and providing an effective date.**

Andrew Friedman, SAMCO Financial Advisor to the City addressed the Council about the bid results. Friedman explained that 6 bids were received. The City has a AA- rating for Certificates of Obligation which is a high credit quality and a low risk of default with S&P credit agency. The top bidder was at 3.58%.

Friedman explained that there are many people across the country looking at our obligations. The Federal Reserve’s actions and Municipal Bonds fall with no changes, which is better than forecasted. Friedman explained the tax rate impact analysis with future taxable growth. To get the lowest interest rate possible you must comply with some tax laws.

With borrowing \$9M and putting \$9M in the Surety Funds on a 20-year obligation it would be completed by February 1, 2033. This can be refinanced in the future. A bond rate review was conducted. Due to past conservative decisions the report kept the credit rating the same.

S. Paul Baen, 2177 Glenwood, addressed the Council about remembering when the city didn’t have a credit rating. This is a great time to move forward with Certificates of Obligation and needs to happen now.

Discussion was held between Council Members, Friedman, Baen, and Staff about the Texas Water Development Board financing was closed in FY2024. The Schedule of debt for 2025 \$19M is not being paid for I&S which is in the utility fund tonight but not currently in the budget. Friedman stated that the City of Ingleside is in great shape financially. The tax rate analysis calculates the future bonding capacity for the next 30 years.

The City Hall Construction line is for future processes for capacity of possible future projects. \$60M is the City’s debt capacity. A 20-year term and net benefit is \$9.5M on a \$10M loan. The actual cost to have a \$13M loan would be \$935K with interest and this is calculated into the budget under the proposed budget. There are some specific uses which are the Wastewater Treatment Plant, water renovations, and streets.

Motion: Mayor Adame made a motion to approve Ordinance 2024-24 authorizing the issuance of “City of Ingleside, Texas combination tax and limited pledge revenue Certificates of Obligation, Series 2024”; providing for the payment of said certificates by the levy of an ad valorem tax upon all taxable property within the city and further securing said certificates by a lien on and pledge of the pledged revenues of the system; providing the terms and conditions of said certificates and resolving other matters incident and relating to the issuance, payment, security, sale, and delivery of said certificates, including the approval and distribution of an official statement pertaining thereto; authorizing the execution of a paying agent/registrar agreement and an official bid form; complying with the requirements of the letter of representations previously executed with the depository trust company; authorizing

the execution of any necessary engagement agreement with the city's financial advisors; and providing an effective date. Council Member Diehl 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 Mayor Adame.

Against Motion: Council Member Julio Salinas

Mayor Adame moved from Item 23 to Item 18

- 18. Deliberate and take appropriate action of the first and only reading of an Ordinance adopting the annual budget for the City of Ingleside, Texas, for the fiscal year beginning October 1, 2024, and ending September 30, 2025; estimating the revenue for said fiscal year; appropriating for the purposes stated the sums set forth in said budget; and directing the City Manager to make necessary entries upon the books and accounts of the city to show appropriation and allocation herein provided.**

S. Paul Baen, 2177 Glenwood, addressed the Council Members about the City adopted in 2019 a 5% revenue increase associated with water and sewer and isolated account 40.21 And 54.022 on page 96, in FY22-23 there was \$583K recorded in the water account for debt, there was \$328K for sewer debt reserves, beginning in FY23-24 the line items for those revenue streams show zero. Baen asked what happened to the 5% increase.

Discussion was held between Council Members, City Manager Lewis, Director Vela and Baen about Council adopting the Resolution last year as a 5% increase of the Water and Sewer Rate. That resolution said 3% of total sewer revenues instead of on the increase.

The new resolution to be adopted would raise the new rate to 22% to ensure we have the funds reserved in contingency for the Wastewater Treatment Plant.

Utilizing the \$3.4M set aside and utilizing the \$80K from the current year set aside, utilizing \$900K over many years from the IOB contract and a schedule which shows how those payments will be made. The money is in a separate fund balance. The original resolution from 2019-2023 was rescinded in 2024.

Debra Sanders, 3076 Ave A, addressed the Council about presenting the budget so that normal citizens can understand, and it must be listed somewhere. Citizens want transparency. The tax rate and what the budget is based on is \$0.64 percent.

Further discussion was about having to approve a rate which is just below the threshold of \$.074 percent, and the \$0.64 tax rate, which Council cannot go above the rate and makes sure that Council doesn't exceed the rate. Still giving the exempt, a 2.8 percent COLA increase. Sanders stated that the exempt employees are already too highly paid.

Cindy Wilson, 2635 San Angelo Ave, addressed the Council about Item #7 and in the Charter on the budget section it states the budget is supposed to be easy for the City to understand, there is not one page number or index in this current budget and Council should enforce what is in the charter.

Final Discussion about the budget is not an easy process, and the City has sorted out past budgets. Looking forward to the additional new tools to help with the budget. This budget has been more detailed than what we have previously had.

Motion: Council Member Diehl made a motion to adopt Ordinance 2024-25 on the first and only reading of an Ordinance adopting the annual budget for the City of Ingleside, Texas, for the fiscal year beginning October 1, 2024, and ending September 30, 2025; estimating the revenue for said fiscal year; appropriating for the purposes stated the sums set forth in said budget; and directing the City Manager to make necessary entries upon the books and accounts of the city to show appropriation and allocation herein provided. Council Member John Salinas 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

- 19. Deliberate and take appropriate action of the first and only reading of an Ordinance providing for the levy of taxes for the year 2024 on all real and personal property within the corporate limits of the City of Ingleside, Texas; and appropriating monies for the payment of expenditures for the maintenance and upkeep of the City of Ingleside, and other purposes.**

S. Paul Baen, 2177 Glenwood, addressed the Council about why there is \$1.5M in the bank for the I&S Fund Balance.

Motion: Mayor Pro Tem Long to move that the City adopt an annual tax rate of \$0.642061 of which \$0.440765 on each \$100.00 worth of all property within the limits of the City of Ingleside is hereby levied and fixed for the current expenditures of the City of Ingleside, Texas, and for the general improvements of the City and it's property and \$0.201296 of each \$100.00 worth of all property within the limits of the City of Ingleside, Texas is hereby levied and fixed for the purposes of creating an interest and Sinking Fund for the retirement of Tax Notes, Certificates of Obligation and General Bonds. Council Member John Salinas seconded the motion. Motion carried with all voting in favor.

Discussion was held about not wanting to commit to Sinking Funds and looking at future years like a contingency. Previously reflected were homestead exemptions, when that process was conceived the City was at \$4M and now at \$1.5M, our exemptions are higher than any other surrounding city.

Mayor Adame moved from Item 19 to Item 21

- 21. Deliberate and take appropriate action on a Resolution of the City Council of the City of Ingleside, San Patricio County, Texas, to nominate a candidate for appointment to the San Patricio County Appraisal District Board of Directors.**

S. Paul Baen, 2177 Glenwood, addressed the Council and stated he had previously served on that board and volunteered to serve.

Discussion was held about a vacancy and needing to nominate a member.

Council Member Diehl nominated S. Paul Baen.

Motion: Council Member Diehl made a motion to approve Resolution 2024-41 of the City Council of the City of Ingleside, San Patricio County, Texas, to nominate S. Paul Baen for appointment to the San Patricio County Appraisal District Board of Directors. Council Member Wilson seconded the motion. Motion carried with all present voting in favor.

Moved to Item 23.

- 22. POSTPONED ON 9/10/2024 Deliberate and take appropriate action on first reading of an Ordinance granting a special use permit for intensive use authorizing a crude oil storage terminal for the following property legally described as a 288.13 acre tract comprising of 45.67 ACS OUT OF A-262 ROSA TEAL SURVEY, ABST 262 ROSA TEAL 36.198 ACRES, 44.08 ACS OUT OF A-262 ROSA TEAL SURVEY, and ABST 184 WM MCDONOUGH LAND OWNED NOT IN USE 162.182 ACRES and further providing for effective date, reading, severance, and publication.**

No action taken.

Mayor Adame moved from Item 22 to Item 24.

24. Deliberate and take appropriate action on the resolution changing the water and wastewater base and volume rates contained in Appendix "A" Fee Schedule of the Ingleside Code of Ordinances.

Discussion was held between Council Members, City Manager, Director of Infrastructure Gary Paredes about the rates being based on the budget that was adopted. The base and volume rates cannot be compared to other cities. The operation costs are spread out over different bases. Industrials are not contributing to the wastewater since they may have on-site sewer and do use City water just like the citizens on septic only pay for water. Aging infrastructure is a concern and how to pay for it. Water and sewer are a stand-alone business to balance. 22% included was to make the debt payment schedule. It has been recalculated to 10 percent. There is a \$2M bond issue needing to be paid off. There is an additional 7% for upkeep and maintenance with readjusting the maintenance of it. The existing revenue vs. expenditures with allocations for water sewer rates. Not being able to hit the budget to the penny every time.

S. Paul Baen, 2177 Glenwood, addressed the Council about San Patricio supply increase in their water rate from \$3.52 to \$3.77, which is 7% increase at Odem.

Debra Sanders, 3076 Ave A, addressed the Council about budget amendments being moved to different Funds during the budget amendment review. Sanders stated that the Wastewater debt should not be taken from the Utilities Fund. When Sanders served on the Council previously the compensation was donated to the elderly and suggested that this could be done for other City needs.

Further Discussion was about the average rate comparison was completed. The increase is \$39.00 for water vs. previously \$35.00 on 2,000-gallon water usage. The possibility of a bond election which is approved by the citizens. If the proposed rate increase does not pass by October 1, 2024, there will be a budget review.

Motion: Mayor Pro Tem Long made a motion to approve Resolution 2024-42 changing the water and wastewater base and volume rates contained in Appendix "A" Fee Schedule of the Ingleside Code of Ordinances. Council Member Pruitt seconded the motion. Motion carried 4-3.

For Motion: Council Member Pruitt, Mayor Pro Tem Long, Council Member John Salinas, and Mayor Adame.

Against Motion: Council Member Diehl, Council Member Wilson, Council Member Julio Salinas.

25. Deliberate and take appropriate action on the resolution changing monthly fees charged to users of solid waste services contained in Appendix "A" Fee Schedule of the Ingleside Code of Ordinances.

Discussion was held about the 4% increase every year being in the contract. The new untrained drivers for solid waste services are not getting the trash in the truck with several complaints from citizens having to pick up the trash from the road after collection.

The rate sheet applied 4% increase across the board which is in the 10-year contract and can be rebid at any time.

Motion: Council Member Pruitt made a motion to accept Resolution 2024-43 changing monthly fees charged to users of solid waste services contained in Appendix "A" Fee Schedule of the Ingleside Code of Ordinances. Council Member John Salinas seconded the motion. Motion carried 6-1.

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

Against Motion: Council Member Julio Salinas.

Executive Session

There was no Executive Session presented for this meeting.

Closing Agenda**26. Items to consider for placement on future agendas.**

Mayor Adame wants a Special Meeting on Monday September 30, 2024, and Attorney to provide the language.

Council Member Julio Salinas is requesting N.O. Simmons Park grass be cut and have staff add solid waste pick up on a Regular Council Meeting.

27. Adjourn.

Mayor Adame adjourned the regular meeting of the City of Ingleside at 9:16 p.m.

APPROVED:



Pedro Oscar Adame, Mayor

ATTEST:


Ruby Beaven, City Secretary