

**CITY OF INGLESIDE  
MINUTES  
SPECIAL CITY COUNCIL  
AUGUST 30, 2016  
6:30 P.M.**

**1. Call meeting to order**

The meeting was called to order at 6:30 p.m. with Mayor Luis Lamas presiding. Council Members present: Mayor Luis Lamas and Council Members Ben Tucker, Bill Underbrink, Oscar Adame, Dennis Knippa, Steve Diehl and John Schack. Staff present: Acting City Manager Florencio Pena, Finance Director Paul Baen, and City Secretary Kimberly Sampson. There were 5 guests.

**2. Consideration for action authorizing the renewal of the following TML Intergovernmental Risk Pool insurance policies for the period beginning October 1, 2016 and ending September 30, 2017: Workers' Compensation \$ 97,709, Automobile \$ 16,424, Law Enforcement Liability \$ 10,599, Errors & Omission Liability \$ 9,104 and General Liability \$ 4,159.**

Acting City Manager Florencio Pena explained this is the annual renewal of the TML Intergovernmental Risk Pool insurance policy. Council Member Underbrink questioned if there are sufficient funds within the proposed budget and Finance Director Paul Baen stated yes, there are sufficient funds in the proposed budget.

Council Member Diehl made a motion authorizing the City Manager to sign the renewal of the TML Intergovernmental Risk Pool insurance policies for the period beginning October 1, 2016 and ending September 30, 2017; and was seconded by Council Member Knippa. The motion was approved unanimously.

**3. Consideration for approval of Change Order no. 1 an increase of \$ 18,600 to the contract with Vortex for the Splash Pad at N.O. Simmons Park to add a structure to cover pump equipment. Current construction contract amount with this change order is \$246,100. Completion date for the project is scheduled for three months once approved. Funding is available in the 2015 Bond funds.**

Acting City Manager Florencio Pena explained this is one of the projects from the \$7M bonds. The BuyBoard vendor Vortex bid for a turn-key project but did not include the pump house in the bid. At this time, the staff is requesting an additional \$18,600 for a pump house that all four sides are doors so the staff can work on the pump as need without being in an enclosed space with chemicals.

Allen Buyer with Naismith Engineering noted that due to other pieces of this project coming in under the budgeted amounts, the staff anticipates this project still being approximately \$5,000 under the total projected budget of \$351,799.

Council Member Underbrink questioned the size, materials, and other specifications regarding the pump house and the staff did not have those answers at this meeting. Mr. Pena suggested the tabling of the item until additional quotes could be requested.

Council Member Underbrink made a motion to table this agenda item until the staff could bring back other quotes for a similar product; and was seconded by Council Member Schack. The motion was approved unanimously.

Council Member Adame confirmed that the rest of the project would move forward as planned with only the pump house being delayed. Mr. Beyer agreed he would proceed with the rest of the project.

**4. Presentation by Staff of the 2016-17 Annual Budget (Operating and Capital) reflecting City Council direction at budget workshops and further consideration and actions with regards to the proposed 2016-17 Annual Budget.**

Acting City Manager Florencio Pena provided an overview of the changes to the proposed budget following last night's workshop. The overall changes now produce a revenue excess of \$81,169. Other items noted were: the anticipated increase in AEP franchise fee increase is not reflected in this proposal; no utility increase other than direct pass through, but a rate study does need to be performed due to the increase in needs; the anticipated rebates for Chapter 380 agreements are included; and the disputed taxes with regards to the boundary lawsuit are being set aside from other funds.

Council Member Diehl questioned if the other area cities include depreciation in the water and wastewater rates. Staff will make inquiries and bring back to Council.

Council Member Schack questioned how much the water and wastewater rates need to be increased to allow for depreciation and/or other future needs. Mr. Pena stated that is an unknown factor until a rate study can be performed. Since 2006, there have been no rate increases other than direct pass through of water rates from SPMWD. Finance Director Paul Baen reminded the Council that in a few years, Ingleside on the Bay will be providing their own wastewater lines (approximately 320 homes); however, in the mean time we have 470 new apartments and other single homes coming onto our existing wastewater system. A utility rate study is required to be able to better answer any questions regarding our system.

Mr. Pena explained the new and revised staffing positions included in the current draft budget and stated that in the FY 15/16 budget there are funds for an organizational study which would help to see where any other staffing needs may be. Those could be considered at the mid-year budget review and/or in next year's budget. The positions moving from Part Time to Full Time are: Library Clerk and Code Enforcement Officer. The Temporary Part Time Secretary is transitioning to Part Time, but only ten (10) hours per week. There is a reclassification of the Parks and Events Coordinator to now be the Parks and Facility Manager. The new positions include: Parks Laborer, PT IT Technician, Accountant, PT Utility Clerk, and the Parks Administrative Assistant. The new staffing within the Finance and Utility offices will allow the Human Resources (HR) Administrative Assistant to be able to focus on HR duties and the City Secretary's office.

Council Member Diehl made a motion to reverse the Council's prior direction provided May 19<sup>th</sup>, 2016 regarding the replenishment of Council Reserve for the \$30,000 originally authorized to cover the costs associated with the May 16, 2016 Flood Event. Originally, such funds were to be recovered from the \$2,000,000 payment expected from Cheniere. However, at this time, those funds are not necessary and can remain intact. The motion was seconded by Council Member Adame and approved unanimously.

**5. First Public Hearing regarding the proposed Budget, the proposed Tax Rate, and the proposed Tax Revenue for FY 2016/2017.**

Mayor Lamas opened the Public Hearing at 7:21 p.m.

Mr. Willie Vaden suggested the negotiations with the industrial companies include some type of leverage of payments in lieu of taxation in order for them to assist with the \$4M funds needed for SH-200 as well as possibly assisting with the new wastewater plant.

Mayor Lamas closed the Public Hearing at 7:25 p.m.

**Council Member Diehl made a motion to reopen agenda item # 4: Presentation by Staff of the 2016-17 Annual Budget (Operating and Capital) reflecting City Council direction at budget workshops and further consideration and actions with regards to the proposed 2016-17 Annual Budget. The motion was seconded by Council Member Adame and was approved unanimously.**

Council Member Underbrink questioned when the City would need to provide the \$4M for the SH-200 project. Acting City Manager Florencio Pena explained it would probably be sometime mid-2018, but it could be sooner. Mr. Pena announced that just Monday night (August 29, 2016) the City received notification from TxDOT that Phase I (Environmental Clearance) has been approved and we will now begin the process to request reimbursement for this Phase of the project.

Mr. Willie Vaden suggested that the City Manager and/or Mayor should be pushing the various elected officials to push for SH-200 to be funded in full by the State and for the road to be constructed as a 4-lane from the beginning.

Mr. Pena stated revised draft budgets will provided for the next Special Council Meeting which is Tuesday, September 6, 2016 for the second public hearing.

**6. Adjourn**

There being no further business, the meeting was adjourned at 7:35 p.m.

**ATTEST:**

**APPROVED:**

  
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Kimberly Sampson, City Secretary

  
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Mayor Luis Lamas