

**SPECIAL MEETING
CITY OF KARNES CITY
AUGUST 11, 2016**

**STATE OF TEXAS)
COUNTY OF KARNES)
CITY OF KARNES CITY)**

On this 11th day of **August 2016**, the City Council of the City of Karnes City, Texas convened in a **Special Meeting** at 6:00 P.M. in the City Hall with the following members answering to “Roll Call”:

Mayor: Leroy T. Skloss
Mayor – Pro-Tem: Jimmy D. Loya, Sr.
Councilmembers: Lillian Lyssy, Raymond Robinson,
Sherry Sommer, Helen Hernandez

Councilmembers absent:

Others present were City Manager (CM) Don Tymrak, City Development Manager/Finance Director Ray Kroll, City Secretary (CS) Veronica Butler, Director of Public Works (DPW) Fernando Rios and Chief of Police Roel E. Salas. Christina Rodriguez, Monty Small and Gus Hernandez

CONSIDER AND ACT UPON:

(4) Public Hearing on Annual Drinking Water Quality Report (2015) – Mayor Skloss opened the Public Hearing for discussion at 6:03pm, No comments or discussion. Mayor Skloss closed the Public Hearing at 6:26pm. No action Taken.

(5) Alpha Reclaim Technology, LLC Water Supply Agreement extension – CM Tymrak stated the original 5 year agreement with Alpha Reclaim, dated 10/25/11 for purchase of effluent contained an “Option to extend initial term for an additional 5 years”, they want exercise their extension option, and are requesting a renewal of the agreement. After further discussion, a motion was made by Councilmember Sommer and seconded by Councilmember Lyssy to extend the agreement for another 5 years. The vote was 5-0 in favor and the motion was declared unanimously passed.

(6) Water Plant Improvements resulting from TCEQ Audit – DPW Rios stated in the past 9 years we have been fighting the chlorine building, it’s a 8x8 building. TCEQ does not want the electrical system and extra chlorine to be stored in the same building. The building has handled the job, it is just not big enough. The chlorine is corrosive and can destroy the electrical system. DPW Rios stated the intention is to put another building and the old building can become a storage building only with a fan unit. The new building will have all the new chlorinators and everything that is required. DPW Rios stated have been getting by with only one (1) chlorine bottle on each system. The state law requires we have a backup system, we do not have a backup system. We rely on the men and myself, when chlorine runs low we change out the bottle, with the back-up system (piggy – back) it carries 2 bottles, when one goes out the other one kicks in. FD Kroll stated there is \$168,375 left in the budget for building projects. After further discussion, a motion was made by Councilmember Lyssy and seconded by Councilmember Hernandez to approve the construction of a new building and purchase

a back-up (piggy-back) system in the amount of \$64,380. The vote was 5-0 in favor and the motion was declared unanimously passed.

(7) Mineral Royalties held in suspense by Marathon Oil – No discussion, No action taken.

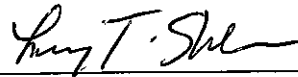
(8) Karnes Community Health Clinic Contract – Monty Small with Karnes Community Health Clinic (KCHC) stated he was present to answer any questions the Council may have in regards to the project. The Board of Directors want to thank the City Council for the land, but there is some concerns on the bid amount to redo the ditch on the property. Mayor Skloss stated the City would like to see the new building kept in Karnes City. Monty Small stated The City has their commitment that they will stay in Karnes City. CM Tymrak stated he has just heard of the issue 2 weeks ago and informed Mr. Small to bring the information to him to see what the City can do to help with this issue. CM Tymrak stated he has already met with an Engineer and Liska Const. to discuss the drain issue. Councilmember Robinson asked if KCHC has looked into the percent of clients to see where most of their clients are coming from and if changing the location helps with business then he would understand. No action taken.

(9) FY 2017 Budget Workshop – FD Kroll stated once we received our effective tax rate and roll back rates from Brenda, went back into the budget and pulled out the \$164,000 that was from asset replacement and took out raises for employees. I backed into the tax rate that would be necessary to balance the budget without spending any royalty money on day to day operations. Our current tax rate .6974 if we were to raise to .7688 that will allow us to balance the budget without spending any royalty money. The .7688 it is 15.5% under the effective tax rate. Mayor Skloss asked how many dollars are we saving going from .6974 to .7688, FD Kroll stated that would be a savings of \$85,921. FD Kroll stated Councilmember Loya wants to remove the discretionary award of \$10,000 under admin expenditures. CM Tymrak stated the discretionary award is in place if there is an employee that has gone over and above then we would be able to award them. Councilmember Loya stated he would like to see a 3% or 4% pay increase for each employee, if we do a lump sum we would have to do it out of the current budget. FD Kroll went over lump sum options along with pay increases options. Mayor Skloss stated he would like to see for the FD Kroll come up with recommendations and bring it back to the Council. FD Kroll stated if we do the 4% raise and save \$8,000 now take the 8,000 and add it to the \$10,000 discretionary award make it \$18,000, now you can give out the award to anyone that has been recognized for their work. Councilmember Sommer recommended the Council to approve the proposed budget and come back with a separate line item for any pay increases. Councilmember Robinson asked if all of Ray Kroll's salary will now come out of the Finance Department only and not 50% finance and 50% City development. Councilmember Sommer stated she would like to see it come out of both departments. After further discussion, a motion was made by Councilmember Lyssy and seconded by Councilmember Sommer to approve the proposed 2017 budget with the changes to add 50% of Ray Kroll's salary back to City Development and leave the \$10,000 admin discretionary award. The vote was 5-0 in favor and the motion was declared unanimously passed.

(10) Proposed FY 2017 Tax Rate - After further discussion, a motion was made by Councilmember Sommer and seconded by Councilmember Lyssy to approve the proposed FY 2017 Tax Rate of 0.7688. The vote was 4-1 in favor and the motion was declared passed, with Councilmember Loya voting against.

(11) City Manager Appraisal and Contract - The Council will convene into executive session as authorized by Texas Government Code 551.074 – The Mayor and Council convened into executive session at 8:01PM and reconvened into open session at 10:50PM. After no further discussion in open session, a motion was made by Councilmember Loya and seconded by Councilmember Sommer to extend the City Manager’s contract through September 30, 2017. The vote was 5-0 in favor and the motion was declared unanomously passed.

(12) Adjournment: There being no further discussion, a motion was made by Councilmember Lyssy and seconded by Councilmember Robinson to adjourn the meeting. The vote was 5-0 in favor and the motion was declared unanimously passed.



Leroy T. Skloss
Mayor

ATTEST:



Veronica Butler
City Secretary

