

AUGUST 14, 2000

A REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS WAS HELD MONDAY, AUGUST 14, 2000 AT 6:00 P.M. IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS, 200 EAST KLEBERG AVENUE.

CITY COMMISSION MEMBERS PRESENT:

Stanley Laskowski, City Commissioner
 Rene "Mr. V" Villarreal, City Commissioner
 Filemon "Phil" Esquivel, Jr., Mayor
 Arturo Pecos, City Commissioner
 Al Garcia, City Commissioner

CITY STAFF PRESENT:

Hector M. Hinojosa, City Manager
 Diana F. Valadez, City Secretary
 Ruben Perez, City Attorney
 Victor Salas, Director of Finance
 Dianne Leubert, Sanitation Superintendent
 Corando Garza, Assistant City Manager / Fire Chief
 Stanley Fees, Director of Planning
 Dora Byington, Director of Purchasing
 Sammy Maldonado, Director of Utilities
 Ricardo Guzman, Street Superintendent
 Robert Rodriguez, Library Director
 Maria Robles, Accountant
 John Garcia, Garage Superintendent
 Joe Casillas, Water Supervisor
 Estella Garcia, Director of Collections

I. PRELIMINARY PROCEEDINGS.

OPEN MEETING:

Mr. Steve Childers, a member of the audience, led the Commission and members of the audience in an invocation. immediately thereafter, Mrs. Louise Straiton, a member of the audience, led the Pledge of Allegiance.

Mayor Filernon "Phil" Esquivel, Jr., introduced members of the AAU Kingsville Olympic Team that recently attended the Olympic Games in Orlando Florida.

MINUTES OF PREVIOUS MEETING(S) - REQUIRED BY LAW.

There were no minutes available for approval.

II. PUBLIC HEARING - (REQUIRED BY LAW).

1. None.

III. PETITIONS, GRIEVANCES, AND PRESENTATIONS.

1. UPDATE FROM STAFF ON FOLLOWING QUESTIONS AT THE REQUEST OF THE MAYOR AND COMMISSIONERS.

A. PRESENTATION BY MR. ANSE WINDHAM ON THE PROPOSED KINGSVILLE DEMONSTRATION GARDEN AT 14TH AND KENEDY. (CITY MANAGER).

Mr. Anse Windham presented a slide presentation on a garden being proposed for the Kenedy Park located at Kenedy and 14th Street. He requested that the City prepare a lease agreement to have El Sol Project lease Kenedy Park for the purpose of opening a demonstration garden.

There was a discussion regarding the costs associated with operating a demonstration garden as well as with liability issues the City may incur.

Mayor Esquivel stated that staff would draft a lease agreement for the Commission to approve at a later meeting.

B. PRESENTATION BY SOUTH TEXAS WATER AUTHORITY REGARDING THE LONG TERM PLAN. (CITY MANAGER).

Mrs. Carola Serrato, Executive Director of the South Texas Water Authority made a presentation regarding the Water Authority's long term plan.

There was a discussion regarding water usage, rates and also the process in selecting the Board of Directors. Mayor Esquivel requested that when the City Commission considers a new contract with the Water Authority, that perhaps a clause could be placed in the contract that would allow the City Commission to appoint a board member to the Water Authority Board of Director's.

C. PRESENTATION BY U.S. FILTER COMPANY REGARDING A CHANGE-OUT PROGRAM. (CITY MANAGER).

A presentation was made by a representative of U.S. Filter Company regarding a meter change-out program. Mr. Hector M. Hinojosa, City Manager stated this program would benefit and improve the meter reading process.

IV. PUBLIC COMMENT ON AGENDA ITEMS.

Mr. Dick Messbarger, Executive Director of the Economic Development Council requested that the City Commission sign a letter in support of Spaceport legislation. He stated that the Commission needs to go on record supporting the Spaceport Project.

V. ITEMS FOR CONSIDERATION BY COMMISSIONERS.

1. CONSIDER REMOVAL FROM THE TABLE THE FOLLOWING AGENDA ITEMS. (CITY COMMISSION).

A motion was made by Commissioner Rene "Mr. V" Villarreal and seconded by Commissioner Stanley Laskowski to remove from the table the following agenda item. The motion passed by a unanimous vote.

1A. CONSIDER CONDEMNATION OF STRUCTURE LOCATED AT 1321 EAST LOTT. (FIRE MARSHAL).

1B. CONSIDER CONDEMNATION OF STRUCTURE LOCATED AT 714 EAST RICHARD. (FIRE MARSHAL).

Mr. Guadalupe Garcia, Fire Marshall, stated that the property owners at 1321 East Lott Avenue and 714 East Richard made no contact with him regarding their plans to repair the structures. He recommended that the Commission approve the condemnations of both structures.

Mr. Garcia explained that the property owner is given one last opportunity to begin repairs. He said that one final letter would be sent to the property owner informing them that the condemnation has been approved and the condemnation will take place in thirty days.

A motion was made by Commissioner Villarreal and seconded by Commissioner Arturo Pecos to approve the condemnation of the structure located at 1321 East Lott and 714 East Richard. The motion passed by a unanimous vote.

2. CONSIDER AUTHORIZING THE PURCHASE OF ONE SEDAN FOR THE TASK FORCE DEPARTMENT. (DIRECTOR OF PURCHASING).

Mrs. Dora Byington, Director of Purchasing stated this item authorizes the purchase of one sedan for the Task Force. This action will expend \$21,670.26 and funds have been authorized through the Texas Narcotics Control Program. Mrs. Byington recommended that the vehicle be purchased through the Houston Galveston Area Council (HGAC) provided that the City does not pay \$241.00 for the floor plan and \$30.00 for lot insurance.

Mr. Bill Quellhorst, Task Force Assistant Commander, stated that the charges of \$271.00 could be reimbursed simply by one traffic stop. He said that the vehicle is needed to allow more drug interdiction and patrolling on the highways.

Mayor Esquivel requested that in the future, local vendors be given an opportunity to submit a bid for this type of purchase.

Upon a motion by Commissioner Villarreal and second by Commissioner Al Garcia, the Commission voted unanimously to award the purchase of a sedan in the amount of \$21,670.26 as requested by the Task Force.

3. CONSIDER AWARDING BID FOR THE TREATMENT AND REHABILITATION OF WATER WELL #19. (BID #20-55). (DIRECTOR OF PURCHASING).

Mrs. Byington stated this item authorizes treatment and rehabilitation to water well #19 and will expend \$48,601 for these services. Mrs. Byington recommended the bid be awarded to Alsay, Inc. from San Antonio, Texas.

Commissioner Villarreal made a motion and was seconded by Commissioner Pecos to award the bid for the treatment and rehabilitation of water well #19 as recommended by staff.

Commissioner Laskowski expressed some concern regarding the price difference between the two bidders for the pump. He asked if both companies would be providing the same pump as specified in the bid specifications. After a brief discussion, it was determined that the pumps were the same from both vendors.

The Commission proceeded to vote on the motion. The motion passed by a unanimous vote.

4. CONSIDER AWARDING ANNUAL CONTRACT FOR AUTOMOTIVE BATTERIES. (BID #21-03). (DIRECTOR OF PURCHASING).

Mrs. Byington stated this item authorizes execution of an annual contract for automotive batteries. This action does not directly expend any funds, rather, the contract specifies unit prices and enables these batteries to be acquired as needed during the time of the contract. Mrs. Byington stated that based on estimated usage, approximately \$5,800 would be expended under this contract. She recommended the bid be awarded to O'Reilly Auto Parts from Kingsville.

Upon a motion by Commissioner Villarreal and second by Commissioner Pecos, the Commission voted unanimously to award the bid as recommended by staff.

5. CONSIDER AWARDING ANNUAL CONTRACT FOR TIRES AND SERVICES FOR THE POLICE DEPARTMENT. (BID #21-06). (DIRECTOR OF PURCHASING).

Mrs. Byington stated this item authorizes execution of an annual contract for tires and services for the Police Department. This action does not directly expend any funds, rather, the contract specifies unit prices and enables these tires to be acquired as needed during the time of the contract. Mrs. Byington stated that funds for these items are included in the annual budget and based on estimated usage approximately \$10,000 would be expended under this contract. She recommended the bid be awarded to C & A Services and Tires from Kingsville.

Commissioner Pecos then made a motion and was seconded by Commissioner Villarreal to award the annual contract for tires and services for the Police Department as recommended by staff. The motion passed by a unanimous vote.

6. CONSIDER AMENDMENT TO TAX ABATEMENT AGREEMENT WITH AFFORDABLE HOUSING OF KINGSVILLE I, LTD. (CITY MANAGER).

Mr. Hinojosa stated that the City of Kingsville granted the Kingsville Affordable Housing, Inc. a five-year tax abatement for a tract of land comprising of Reinvestment Zone 2 in July, 1998. He stated that on June 12, 2000 the City Commission amended the tax abatement agreement to reflect that Affordable Housing of Kingsville I, Ltd is the record owner of the tract of land. Mr. Hinojosa stated that a second amendment is necessary in order to correct a provision in the original agreement. He stated that the original agreement specified that the owner agreed that at least \$4,000,000 in certified appraised value of improvements would be constructed or expanded by the completion date. The amendment provides for the correct value of the taxable interest with respect to improvements to be \$2,000,000. Mr. Hinojosa recommended that the amended tax abatement agreement be approved.

A motion was then made by Commissioner Pecos and seconded by Commissioner Laskowski to approve the amendment to the tax abatement agreement for Affordable Housing of Kingsville I, Ltd. The motion passed by a unanimous vote.

7. CONSIDER RESOLUTION AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT PROGRAM APPLICATION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR THE COMMUNITY DEVELOPMENT FUND. (CITY MANAGER).

Mr. Hinojosa stated that a local engineer, Mr. Hoss Castillo is in the process of applying for a grant in the amount of \$360,000 for water and wastewater system improvements under the 2001/2002 Texas Community Development Program. Mr. Hinojosa recommended approval of the proposed resolution.

Upon a motion by Commissioner Villarreal and second by Commissioner Pecos, the Commission unanimously approved Resolution #200032, authorizing the submission of a Texas Community Development Program application to the Texas Department of Housing and Community Affairs for the Community Development Fund.

8. CONSIDER RESOLUTION AUTHORIZING THE ALLOCATION OF THE CITY'S SHARE OF THE COASTAL BEND COUNCIL OF GOVERNMENTS (CBCOG) UNRESERVED AND UNDESIGNATED FUND BALANCE FOR USE IN SUPPORT OF THE SOUTH TEXAS SPACEPORT CONSORTIUM. (CITY MANAGER).

Mayor Esquivel stated that it was the consensus of the Commission that \$10,000 would be allocated to the South Texas Spaceport Consortium, Inc. He stated that the proposed resolution authorizes that the revenues the City is scheduled to receive from the Coastal Bend Council of Governments (COG) be allocated to the Consortium. He stated that the funds being received from the COG is a refund to member cities based on the year end unreserved and undesignated fund balance. Mayor Esquivel recommended approval of the proposed resolution.

Upon a motion by Commissioner Pecos and second by Commissioner Villarreal, the Commission unanimously approved Resolution #200033, authorizing the allocation of the City's share of the Coastal Bend Council of Governments unreserved and undesignated fund balance for use in support of the South Texas Spaceport Consortium, Inc; and authorizing the City Manager to allocate the refund.

9. CONSIDER RESOLUTION APPROVING AN ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT FOR TEXAS CAPITAL FUND REAL ESTATE DEVELOPMENT PROJECT (CONTRACT #719242) BY AND BETWEEN THE CITY OF KINGSVILLE AND CALLING SOLUTIONS, INC. (CITY ATTORNEY).

Mr. Ruben Perez, City Attorney stated that this is the last document that needs to be executed between the City of Kingsville and Calling Solutions in order to receive the \$710,000. He stated that the monthly payment by Calling Solutions will change and a lien will be held by the Industrial Foundation. Mr. Perez said that all liens would be released with the exception of the one held by the Industrial Foundation.

Commissioner Laskowski expressed some concern regarding the City taking over the contract from the Industrial Foundation and taking on a note payment of eight months.

A motion was then made by Commissioner Laskowski and seconded by Commissioner Villarreal to revise the lease agreement to provide an increase of the initial term of the lease to eight months or provide for the suspension of payments to the Industrial Foundation in the event that Calling Solutions does not extend the initial term for eight months. The motion passed by a unanimous vote.

Another motion was made by Commissioner Villarreal and seconded by Commissioner Pecos to approve Resolution #200034, approving an assignment and assumption of the lease agreement for Texas Capital Fund Real Estate Development Project (Contract #719242) by and between the City of Kingsville and Calling Solutions, Inc. The motion passed by a unanimous vote.

10. MOTION APPROVING MEETING DATES FOR THE CONSIDERATION OF A PROPOSED TAX RATE FOR PURPOSES OF SETTING PUBLIC HEARINGS, AND RECEIVING PUBLIC COMMENT. (DIRECTOR OF FINANCE).

Mr. Victor Salas, Finance Director, stated that the effective tax rate calculation was published on August 6, 2000. He said that according to the Truth and Taxation Law, it requires the publication to specify a proposed tax rate. He said the taxing unit must vote to place a proposal to adopt the rate on the agenda of a future meeting as an action item. Mr. Salas proposed that the meeting be scheduled for August 28th. He stated that as of this date a deficit of \$167,000 is showing and it will require a tax increase of 3%. Mr. Salas said that the Commission needs to agree on a proposed tax rate in order to publish the correct information.

Mayor Esquivel stated that he would like to look at the proposed budget a little closer and suggested that this item be tabled until Friday.

Mr. Perez stated that the purpose of the notice is not to set the rate, it simply allows staff to publish the notice, and notifies the citizens of the highest possible rate the City can charge.

A motion was made by Commissioner Pecos and seconded by Mayor Esquivel to table this agenda item until Friday, August 18th. The motion failed due to a 2/3 vote. Commissioner's Laskowski, Villarreal, and Garcia cast the dissenting votes.

Another motion was then made by Commissioner Villarreal and seconded by Commissioner Laskowski to set the public hearing date for August 28th with a proposed tax rate of \$.71970. The motion passed by a 3/2 vote. Mayor Esquivel and Commissioner Pecos cast the dissenting votes.

11. CONSIDER REAPPOINTMENT TO LIBRARY BOARD. (LIBRARY DIRECTOR).

Mr. Hinojosa stated that Mr. Joe Davis has agreed to remain on the Library Board because his current term expired on February 28, 2000. He recommended that Mr. Joe Davis be re-appointed to the Library Board.

Upon a motion by Commissioner Villarreal and second by Commissioner Garcia, the Commission voted unanimously to re-appoint Mr. Joe Davis to the Library Board.

12. CITY MANAGER'S REPORT. (CITY MANAGER).

No report was given at this time.

13. EXECUTIVE SESSION: PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE, THE CITY COMMISSION SHALL CONVENE IN EXECUTIVE SESSION TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, OR EVALUATION OF APPLICANTS FOR THE POSITION OF CHIEF OF POLICE. (CITY MANAGER).

The Commission went into Executive Session at 8:40 p.m. and concluded at 9:13 p.m.

RECONVENE INTO OPEN SESSION:

The Commission reconvened into open session at 9:14 p.m.

14. CONSIDER CONFIRMATION OF APPOINTMENT AND/OR EMPLOYMENT OF THE CHIEF OF POLICE. (CITY MANAGER).

Mr. Hinojosa stated that after an extensive research and interview process, he was recommending to the City Commission that Mr. Samuel C. Granato be appointed as the new Chief of Police for the City of Kingsville.

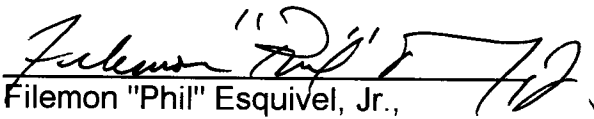
Mayor Esquivel stated that he commended all of the individuals that took part in the interview process for the selection of the Chief of Police.

A motion was made by Commissioner Villarreal and seconded by Commissioner Garcia to confirm the appointment and employment of Samuel C. Granato as the Chief of Police for the City of Kingsville. The motion passed by a unanimous vote.

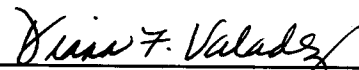
Mr. Granato was present in the audience and introduced his wife and children to the audience.

VI. ADJOURNMENT.

The meeting adjourned at 9:16 p.m.


 Filemon "Phil" Esquivel, Jr.,
 Mayor

ATTEST:


 Diana F. Valadez, City Secretary