

JANUARY 28, 2002

A REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS WAS HELD MONDAY, JANUARY 28, 2002 AT 6:00 P.M. IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS AT CITY HALL, 200 EAST KLEBERG AVENUE.

CITY COMMISSION MEMBERS PRESENT

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

CITY COMMISSION MEMBER(S) ABSENT:

Arturo Pecos, City Commissioner

CITY STAFF PRESENT:

Hector Hinojosa, City Manager
Diana F. Valadez, City Secretary
Ruben Perez, City Attorney
Coeta Montgomery, Director of Personnel
Sammy Maldonado, Utilities Superintendent
Stanley Fees, City Engineer
Sam Granato, Chief of Police
Dora Byington, Director of Purchasing
Corando Garza, Assistant City Manager / Fire Chief
Artemio Alvarez, Risk Manager
A.L. Noyola, Health Director

I. PRELIMINARY PROCEEDINGS.

OPEN MEETING:

Father Paul Hesse from St. Gertrudes Catholic Church led the Commission and members of the audience in an invocation. Immediately thereafter, Mr. Quincy Kell, St. Gertrudes Catholic School Member, led the Pledge of Allegiance.

II. PUBLIC HEARING – (REQUIRED BY LAW).

1. None.

III. PETITIONS, GRIEVANCES, AND PRESENTATIONS.

1. REPORT BY MAYOR ESQUIVEL REGARDING U.S. CONFERENCE OF MAYORS IN WASHINGTON, D.C. AND NEW YORK CITY. (MAYOR ESQUIVEL).

Mayor Filemon "Phil" Esquivel, Jr., briefed the Commission on the meetings he attended while attending the U.S. Conference of Mayors. He stated that all the meetings were excellent, and thanked the Commission for allowing him the opportunity to attend.

2. REPORT ON STREET IMPROVEMENTS FOR 2001 AND 2002. (COMMISSIONER LASKOWSKI).

Mr. Stanley Fees, City Engineer, discussed the proposed paving plan for the year 2002.

Upon a question raised by Commissioner Stanley Laskowski, Mr. Fees responded that the reconstruction of Caesar Street is scheduled to begin in February.

3. QUARTERLY REPORT BY KINGSVILLE CONVENTION AND VISITOR'S BUREAU. (DIRECTOR OF TOURISM).

Mr. Anse Windham, President of the Kingsville Convention and Visitor's Bureau, briefed the Commission on certain events they have been working on. He stated that the Cactus Bowl was a huge success and he thanked everyone that participated. Mr. Windham also stated that the NAS Air Show is scheduled for the first weekend in April.

4. REPORT BY CONNER MUSEUM REGARDING SOUTH TEXAS RANCHING HERITAGE FESTIVAL. (DIRECTOR OF THE CONNER MUSEUM).

Mr. Hal Ham, Director of the Conner Museum briefed the Commission on the Ranching Heritage Festival. He stated that this year the event will be bigger and better than last year. He urged everyone to attend.

5. UPDATE REGARDING TEXAS CAPITAL FUND GRANT APPLICATION. (CITY MANAGER).

Mr. Hector M. Hinojosa, City Manager, stated that in December, the City of Kingsville applied for a grant for the Texas Capital Fund. The City received a letter outlining certain items that were lacking in the application. Mr. Hinojosa stated that all the information they have requested would be sent out immediately.

6. UPDATE REGARDING STATUS OF THE PROSPECT OF A LOWE'S BUSINESS IN THE CITY. (ECONOMIC DEVELOPMENT COUNCIL EXECUTIVE DIRECTOR).

Mr. Dick Messbarger, Executive Director of the Economic Development Council addressed the Commission. He stated that the City has offered tax abatements to businesses such as PROCO. He stated that had it not been for the leadership of the City of Kingsville, this business would not be in Kingsville today. Mr. Messbarger stated that the City Commission has an opportunity to bring to Kingsville one of the top thirteen retailers, which is a new store, Lowe's. He stated that improvements to General Cavazos Boulevard are very important for the growth of Kingsville. He said it was also important to receive the funding from the Texas Capital Fund in order to bring in the Lowe's project. Mr. Messbarger stated that to date the private sector has contributed \$35,000 for the engineering plans for the General Cavazos Improvements.

Representatives from Lowe's were present and discussed with the Commission the type of business they propose to operate in Kingsville as well as employment figures.

Mayor Esquivel stated that Lowe's is requesting that the Commission approve and support a memorandum of understanding in order to ensure that this project is built in Kingsville.

Mayor Esquivel recognized Mr. Chester Kyle for donating \$10,000 to be used for the engineering plans for the General Cavazos improvements.

IV. PUBLIC COMMENT ON AGENDA ITEMS.

1. COMMENTS ON ALL AGENDA AND NON-AGENDA ITEMS.

Ms. Tony Suarez, 930 Vela, addressed the Commission regarding agenda item number four and five. She urged the Commission to approve the proposed ordinances.

Mr. Porfirio Mendez, 1206 East Fordyce, addressed the Commission regarding the Lowe's project. He stated that growth is needed in Kingsville, and urged the Commission to support this project.

Mr. Bill Aldrich, 236 Pasadena, stated that he has contacted several businesses in Kingsville. Most of the businesses he contacted have concerns about Lowe's building in Kingsville. He stated that the Commission should not support a business that will definitely hurt other businesses.

V. ITEMS FOR CONSIDERATION BY COMMISSIONERS.

1. EXECUTIVE SESSION: UNDER SECTION 551.087 OF THE TEXAS OPEN MEETINGS ACT, THE CITY COMMISSION SHALL CONVENE IN EXECUTIVE SESSION TO DISCUSS AND DELIBERATE THE OFFER OF FINANCIAL INCENTIVES TO BUSINESS PROSPECTS WITH WHICH THE GOVERNMENTAL BODY IS CONDUCTING ECONOMIC DEVELOPMENT NEGOTIATIONS. (CITY COMMISSION).

The Executive Session began at 8:02 p.m. and ended at 9:05 p.m.

The Commission reconvened into open session.

2. CONSIDER APPROVAL OF MEMORANDUM OF UNDERSTANDING GRANTING CERTAIN FINANCIAL INCENTIVES TO LOWE'S FOR LOCATING A NEW BUSINESS IN THE CITY. (CITY COMMISSION).

Mr. Ruben Perez, City Attorney, recommended that the following changes be made to the proposed Memorandum of Understanding:

The City to enter into a tax abatement agreement with the Company in accordance with its policies and procedures set forth pursuant to its Economic Development Program.

The City will provide a coordinated package of economic incentives for the Company up to a maximum cumulative not to exceed 1.2 million in tax abatement incentives, sales tax rebate, and other public improvement incentives.

The City to enter into an agreement with Company to share a portion of the sales tax generated by the proposed project not to exceed 100% of 1% of total taxable sales generated by the proposed facility for an agreed upon period.

A motion was made by Commissioner Al Garcia and seconded by Mayor Esquivel to approve the Memorandum of Understanding with the changes noted above by the City Attorney.

Commissioner Stanley Laskowski stated that a tax abatement schedule is going to be developed and approved by the Commission that benefits new businesses as well as existing businesses.

Commissioner Garcia stated that with the tax incentive schedule that Commissioner Laskowski has will benefit new and existing businesses. He stated that additional growth and change must take place.

The Commission proceeded to vote on the motion. The motion passed by a 4/0 vote. Commissioner Arturo Pecos was not present.

3. CONSIDER FINAL PASSAGE OF AN ORDINANCE CHANGING THE ZONING ON THAT PROPERTY COMMONLY KNOWN AS 1500 EAST CORRAL AVENUE (A 10-ACRE TRACT OUT OF A 22 ACRE TRACT IN FARM LOT 11, SECTION 6, K.T. & I. SUBDIVISION), FROM CLASS "R-1" SINGLE FAMILY RESIDENTIAL DISTRICT TO CLASS "R-3" MULTI FAMILY RESIDENTIAL DISTRICT. (CITY ENGINEER).

Mr. Stanley Fees, City Engineer, stated that the property owner is requesting the zoning change to Multi-Family Residential District for the proposed 120-unit housing project. He stated that the Planning and Zoning Commission approved the rezoning application.

Upon a motion by Commissioner Laskowski and second by Commissioner Rene "Mr. V" Villarreal, the Commission unanimously approved Ordinance #ORD-2002-04, changing the zoning at 1500 East Corral Avenue from Class "R-1" Single Family Residential District to Class "R-3" Multi Family Residential District.

4. CONSIDER FINAL PASSAGE OF AN ORDINANCE AMENDING THE CODE OF ORDINANCES, CHAPTER IX, ARTICLE 10, STREETS AND SIDEWALKS, PROHIBITING SPORTS GOALS THAT INTERFERE WITH TRAFFIC ON STREETS, ALLEYS AND TRAVEL WAYS; AND REPEALING ALL ORDINANCES IN CONFLICT HEREWITH. (CITY MANAGER).

Mr. Hinojosa recommended approval of the proposed ordinance.

Upon a motion by Commissioner Villarreal and second by Commissioner Laskowski, the Commission unanimously approved Ordinance #ORD-2002-05, amending Chapter IX, Article 10, Streets and Sidewalks, prohibiting sports goals that interfere with traffic on streets, alleys and travel ways.

5. CONSIDER FINAL PASSAGE OF AN ORDINANCE AMENDING CODE OF ORDINANCES, SECTIONS 7-1-25 AND 7-1-26 OF CHAPTER VII, ARTICLE 1, TRAFFIC REGULATIONS; PROVIDING FOR A DEFINITION OF COMMERCIAL BUS AND ADDITIONAL INFORMATION ON TRUCK RESTRICTIONS. (CITY MANAGER).

Mr. Hinojosa stated that a change was recently made to the truck route ordinance, but did not include commercial buses. He stated that commercial buses need to be identified in the ordinance.

Upon a motion by Commissioner Laskowski and second by Commissioner Villarreal, the Commission unanimously approved Ordinance #ORD-2002-06, amending Sections 7-1-25 and 7-1-26 of Chapter VII, Article 1, Traffic Regulations, providing for a definition of commercial bus and additional information on truck restrictions.

6. CONSIDER RESOLUTIONS PROVIDING FOR THE ADOPTION OF HUMAN RESOURCE INITIATIVES FOR THE CITY OF KINGSVILLE. (DIRECTOR OF PERSONNEL).

- 6.1 POLICY 310 – POSTINGS
- 6.2 POLICY 320 – POSTING TIMETABLE FOR CIVIL SERVICE POSITIONS
- 6.3 POLICY 330 – RECRUITMENT & HIRING
- 6.4 POLICY 340 – PROFESSIONAL SEARCH & RECRUITMENT
- 6.5 POLICY 350 – U.S. CITIZENSHIP AND OTHER LEGAL REQUIREMENTS

- 6.6 POLICY 410 – ELIGIBILITY FOR PROMOTION, TRANSFER, OR REASSIGNMENT
- 6.7 POLICY 420 – NEPOTISM POLICY
- 6.8 POLICY 430 – U.S. CITIZENSHIP AND OTHER LEGAL REQUIREMENTS
- 6.9 POLICY 750 – FMLA LEAVE (FAMILY & MEDICAL LEAVE ACT)

Mr. Hinojosa requested that no action be taken on this item at this time.

7. CONSIDER INTRODUCTION OF AN ORDINANCE ORDERING THE CITY OF KINGSVILLE GENERAL ELECTION ON MAY 04, 2002, DESIGNATING VOTING PRECINCTS AND POLLING PLACES, ESTABLISHING ELECTION PROCEDURES, AND APPOINTING EARLY VOTING CLERK. (CITY SECRETARY).

Mr. Hinojosa stated that the proposed ordinance orders the general election for May 4th.

Mayor Esquivel stated this was an introductory item only and final passage would be considered at the next meeting.

8. CONSIDER CITY PARTICIPATION IN AN AMOUNT OF \$10,000 FOR FUNDING THE ENGINEERING CONTRACT BETWEEN THE CITY OF KINGSVILLE AND S & B INFRASTRUCTURE, LTD. FOR THE DESIGN AND SPECIFICATIONS FOR PROPOSED IMPROVEMENTS ON GENERAL CAVAZOS. (MAYOR ESQUIVEL).

Mr. Hinojosa requested authorization to expend \$10,000 towards the cost of the engineering plans for General Cavazos improvements.

Commissioner Laskowski stated that whether or not the Lowe's project is built in Kingsville, the improvements to General Cavazos are definitely needed. He stated that the General Cavazos improvement project must move forward.

A motion was made by Commissioner Laskowski and seconded by Commissioner Villarreal to approve City participation in the amount of \$10,000 for funding the engineering contract between the City of Kingsville and S & B Infrastructure, Ltd. for the design and specifications for proposed improvements to General Cavazos Boulevard. The motion passed by a unanimous vote.

9. CONSIDER WASTEWATER LINE EXTENSION IN FARM LOT 11, SECTION 6, K.T. & I. SUBDIVISION AND AUTHORIZING THE CITY MANAGER TO PROCEED WITH FUNDING ALTERNATIVES FOR THE PROPOSED EXTENSION. (CITY MANAGER).

Mr. Fees stated that the wastewater line for Lowe's must be located on the property or City right-of-way. Since the engineer for Lowe's has been able to provide gravity flow to the manhole located on the north side of General Cavazos Boulevard, the proposed wastewater line extension will not be funded by the Texas Capital Fund Grant. Mr. Fees stated that there is an alternative for funding this wastewater line extension. He said that although the grant would not provide funding for a wastewater line located on private property in a utility easement, it is possible to finance a wastewater line extension as a simultaneous applicant at a 0% interest rate. Mr. Fees stated that the "loan" could be financed over a twenty-year period with a minimum monthly payment of \$500. He stated that the cost of the proposed wastewater line extension is \$24,525, using the minimum payments of \$500 per month; the loan would be paid off in 49 months. If the City desired, the payments could be accelerated to retire the debt earlier.

A motion was made by Commissioner Laskowski and seconded by Commissioner Villarreal to approve the wastewater line extension and pursue the funding at 0% interest to be paid in 49 months. The motion passed by a unanimous vote.

10. CONSIDER APPROVAL OF OUT-OF-STATE TRAVEL FOR MEMBERS OF THE CITY COMMISSION AND CITY STAFF TO ATTEND THE NATIONAL LEAGUE OF CITIES CONGRESSIONAL CITY CONFERENCE IN WASHINGTON, D.C., MARCH 08-12, 2002. (CITY MANAGER).

Mr. Hinojosa stated that the National League of Cities Congressional Conference would be held in Washington, D.C on March 8-12, 2002. He requested authorization to register any member of the Commission or City Staff interested in attending this year's conference.

A motion was made by Commissioner Garcia and seconded by Commissioner Laskowski to authorize the out-of-state travel for any member of the City Commission as well as City Staff. The motion passed by a unanimous vote.

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

Mr. Hinojosa stated that the City's application for the Housing Infrastructure Fund was not approved for funding.

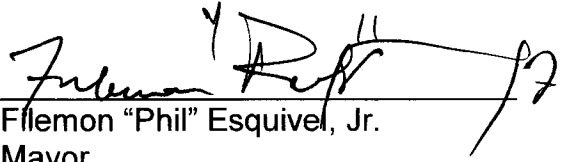
12. EXECUTIVE SESSION: UNDER SECTION 551.071 OF THE TEXAS OPEN MEETINGS ACT, THE CITY COMMISSION SHALL CONVENE IN EXECUTIVE SESSION TO SEEK LEGAL ADVICE FROM THE CITY ATTORNEY REGARDING POTENTIAL LITIGATION AFFECTING PROPERTY VALUATION AND TAXATION OF CITY PROPERTY. (CITY ATTORNEY).

13. EXECUTIVE SESSION: UNDER SECTION 551.071 OF THE TEXAS OPEN MEETINGS ACT, THE CITY COMMISSION SHALL CONVENE IN EXECUTIVE SESSION TO SEEK LEGAL ADVICE FROM THE CITY ATTORNEY REGARDING POTENTIAL LITIGATION REGARDING ADMINISTRATION AND ENFORCEMENT OF CITY OBLIGATIONS UNDER THE SOUTH TEXAS WATER AUTHORITY SUPPLY CONTRACT. (CITY ATTORNEY).

The Executive Session began at 9:40 p.m. and ended at 10:45 p.m.

VI. ADJOURNMENT.

The meeting adjourned at 10:46 p.m.


Filemon "Phil" Esquivel, Jr.
Mayor

ATTEST:

Diana F. Valadez, City Secretary