

SEPTEMBER 22, 2003

A REGULAR MEETING OF THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS WAS HELD ON MONDAY, SEPTEMBER 22, 2003 AT 6:00 P.M. IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS AT CITY HALL, 200 EAST KLEBERG AVENUE.

CITY COMMISSION MEMBERS PRESENT:

Filemon "Phil" Esquivel, Jr., Mayor
 Horacio "Hoss" Castillo, City Commissioner
 Al Garcia, City Commissioner
 Arturo Pecos, City Commissioner
 Charles E. Wilson, City Commissioner

CITY STAFF PRESENT:

John A. Garcia, Interim City Manager
 Courtney Alvarez, City Attorney
 Irene Ramirez, City Secretary
 Michael Guerra, Contract Attorney
 Stanley Fees, City Engineer
 Vilma Castillo, Collections Manager
 Caron Vela, Interim Finance Director
 Sammy Maldonado, Utilities Superintendent
 Tina Galvan, Solid Waste Field Supervisor
 Joel Saenz, Code Enforcement Officer
 Dora Byington, Purchasing Director
 Jennifer Detloff, Dir. Of Development Services
 Dianne Leubert, Recycling Supervisor
 Diana Gonzalez, Human Resource Director
 Art Alvarez, Risk Manager
 Robert Alvarez, CID Police Supervisor
 R. Guajardo, Police Officer
 Macario Mayorga, Water Supervisor
 Rene Quintanilla, Fire Lieutenant

I. PRELIMINARY PROCEEDINGS.

OPEN MEETING

The meeting was opened at 6:00 p.m. by Mayor Esquivel.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Esquivel)

Mayor Esquivel asked Mrs. Dora Byington to lead everyone in prayer, followed by the pledge of allegiance led by Michael Guerra and the pledge to the Texas flag was led by Commissioner Castillo.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

None available.

II. PUBLIC HEARING - (REQUIRED BY LAW).¹

None.

III. PUBLIC COMMENT ON AGENDA ITEMS.³

None.

IV. Petitions, Grievances, and Presentations.²

1. Review and discuss department budget requests, revenues, new proposals and projections pertaining to the proposed fiscal year 2003-2004 budget. (Interim City Manager).

Mayor Esquivel stated the FY 2003-2004 budget year was a challenge for staff and Womack & Womack's firm; however, he is pleased with the hard work and diligence by staff to make some serious budget cuts and yet continue to provide quality service to the citizens of Kingsville. Mayor Esquivel stated staff was directed to work with a .685 tax rate because of the increase in ad valorem values and appraisals for this year. The budget started with a \$4M increase, then was trimmed to \$1M, and is now balanced.

Although the proposed budget includes an increase in commercial garbage pick-up fees as well as a sewer rate increase, neighboring communities still below the average fees charges the City of Kingsville. The Collections Department has been moved from the general fund into the utility fund per Mr. Luke Womack's recommendation to address a previous concern by Moody Investments. Mayor Esquivel stated this is the first time a capital improvements fund will be created from permit fees to be collected via the amusement redemption machine premise permits since he has been here and it will allow the city to make some much needed capital improvements.

Ms Caron Vela and Mr. Womack stated based on the 68.511 tax rate the M&O rate is 42.980 and the I&S rate will remain at 25.531. It is anticipated we will collect \$2,054,020 in revenues (based on the 95% historical tax collection rate) from the \$2,162,126 for maintenance and operations and \$1,284,374 in revenues to add in to our surplus of the prior year for a total of \$1,529,347 for our interest and sinking fund to repay debt service.

Commissioner Wilson questioned several line items starting with line items in the City Commission's #100 budget, one of which is for a new intern position totaling \$10,530. Mayor Esquivel responded to his question stating we are continuing to partner with TAMUK to utilize graduate students to assist the City at half the cost of hiring full-time employees as was we did last year. Ms Cinda Alvarado is a journalism major and the managing editor of the South Texan paper and Mr. Ivan Luna (Engineering Department intern) is currently working on his master's degree. He stated Ms Alvarado would be available to assist the commissioners and the mayor.

Other concerns noted by Commissioner Wilson in the #100 budget included: retirement, car allowance, group insurance and FICA figures. He stated he was disappointed in the increase in travel for last year. Mayor Esquivel stated BRACK is right around the corner and we need to be pro-active as there are over 1700 jobs at NAS that would be affected. He stated any bases that make the closure list for 2005 have a 90% chance of closing and we have to act now.

Commissioner Wilson asked if any staff position cuts were included in the .68511 tax rate, to which Mrs. Vela responded no positions are proposed to be cut.

Mayor Esquivel had questions on the railroad depot project, which includes \$10,000 in City Special, Budget #103, stating some of the money should come from the hotel/motel tax. Mrs. Carol Anderson of the KCVB responded to some of the concerns raised and stated they will be staffing and overseeing the new train depot museum.

Other issues discussed included: two new proposed positions for a permit inspector and a downtown police officer, increasing funding for the Boys and Girls Club and supporting the Kids Café program which started this year. The mayor stated he would like to increase funding for the Boys and Girls Club from \$5,000 to \$10,000 and wanted to allow \$5,000 for the Kids Café program, which will continue to operate during the school year. Currently there is a problem with transportation after school and depending on what can be worked out between the school district and the Boys and Girls Club, additional monies could be considered for a much needed latch-key program. Commissioner Wilson suggested we budget for \$15,000 to the Boys and Girls Club to avoid coming back later, and stated he also would like to budget \$5,000 for the Kids Café program.

Mayor Esquivel had questions on capital improvements for the parks and recreation department based on the inter-local agreement that is in place and the request for funding for the extension agent position, and position reclassifications, all of which were responded to by staff.

Commissioner Castillo stated he is very concerned with cuts in the Fire Department, Budget #220, totaling 30% and questioned several line items including professional services, travel and training, uniforms. Mayor Esquivel concurred with Commissioner Castillo and directed staff to increase travel and training as they are first responders.

Mayor Esquivel stated he would like to see a stipulation of no reimbursement of capital improvement projects unless a project is complete and stated he wanted to see commission approval on those expenditures.

Mr. Womack stated with the increases and cuts during this final review, there will be about \$27,000 in surplus and \$30,000 in the utility fund. He commended staff and the commission on a great job with the budget process. Mayor Esquivel asked for a round of applause.

2. Interim City Manager's Report. (Interim City Manager).

Mr. John Garcia stated the brush crew is working in Zone 6, and stated because of rainy weather there have been some delays in getting into some neighborhoods. Also, there have been some delays in mosquito spraying due to the wind and rain. Another delay is the fencing at the landfill due to the rain. Staff has received numerous complaints on the potholes created by the constant rains and is working diligently to patch the holes, to ensure drainage run off, and trimming of alleys.

3. City Attorney's Report. (City Attorney).

Ms Courtney Alvarez stated collective bargaining for the firefighters union is underway. She is looking into annexation laws and doing a historical background checks on Hawks Landing. Also, there are two variance requests for alcohol licenses, which have resulted in a special meeting for public hearings and review on September 29, 2003.

4. Mayor and City Commissioner's Reports. (City Commission).

Commissioner Castillo asked for an executive session item for the special meeting to review the selection process for the city manager position.

Commissioner Wilson stated he has not been contacted about the special meeting, had a prior commitment and asked to be informed prior to a public announcement. The interim city manager apologized for the oversight and the city secretary informed the commission of the 30-day notice requirement and the reason for the special meeting date to expedite the pending applications.

Commissioner Garcia stated he wanted to comment on minutes of meetings. Mayor Esquivel reiterated his concern and asked how far the minutes are behind. The city secretary responded they are backlogged to September 2002 and the interim city manager stated staff is putting a priority on this and minutes will be forthcoming.

V. Items for consideration by Commissioners.⁴

1. Consider approval of Sublease Agreement for the Railroad Depot between Union Pacific Railroad Company, the Kleberg County Heritage Foundation, and the City of Kingsville. (City Attorney).

Commissioner Wilson stated he was abstaining on this item and exited the chambers.

A motion was made by Commissioner Castillo and seconded by Commissioner Pecos to approve the sublease agreement.

The city attorney stated on August 11, 2003 two items were approved unanimously to authorize the lease with the Heritage Foundation for the depot and for consent of the use of the land with Union Pacific. This proposed sublease agreement is for the land for the railroad depot.

Mayor Esquivel asked the City Attorney to write up a service agreement or memo of operations to address all areas including revenues and maintenance and operations.

Motion carried, 4/0/1, with Commissioner Wilson abstaining.

2. Consider approval of resolution in support of state funding for the operating budget for the Irma Rangel School of Pharmacy at TAMUK. (Mayor Esquivel).

A motion was made by Commissioner Garcia and seconded by Commissioner Wilson to consider approval of the resolution for support of state funding for the operating budget for the Irma Rangel School of Pharmacy at TAMUK.

Mayor Esquivel stated he and several members of the community, including TAMUK, met with Governor Rick Perry in Austin on September 17, 2003 to request \$5.4M for operating costs for the new pharmacy school. He stated it was a very good meeting and he thanked the mayors of San Antonio, Ingleside, McAllen, Alice, San Diego, Brooks County Judge, and numerous others for their response and letters of support to secure funding for the pharmacy school.

Motion carried, 5/0 in favor of the resolution.

Ms Caron Vela, Interim Finance Director, asked the commission to consider action on Item #3 after Items #18 and #19 in order to approve the budget, the tax rate, then the tax roll.

A motion was made by Commissioner Wilson and seconded by Commissioner Garcia. Motion carried, 5/0.

18. Consider final passage of an ordinance adopting the annual budget of the City of Kingsville, Texas, and appropriating funds for the fiscal year beginning October 01, 2003 and ending September 30, 2004. (Interim Finance Director).

A motion was made by Commissioner Garcia and seconded by Commissioner Pecos to approve final passage of an ordinance adopting the annual budget for the fiscal year beginning October 01, 2003 and ending September 30, 2004.

Mayor Esquivel asked for a one-time increase of \$30,000 from the capital projects fund to be included in the safety incentive for hourly non-union employees. There was no opposition to his request.

Motion carried, 5/0.

19. Consider final passage of an ordinance establishing and adopting the ad valorem tax rate for all taxable property within the City of Kingsville, Texas for the fiscal year beginning October 01, 2003 and ending September 30, 2004, distributing the tax levy among the various funds, and providing for a lien on real and personal property to secure the payment of taxes assessed. (Interim Finance Director).

A motion was made by Commissioner Pecos and seconded by Commissioner Castillo to approve final passage of an ordinance adopting the ad valorem tax rate of 68.511 cents for the upcoming fiscal year. Motion carried, 5/0.

Return to Agenda Order: Item #3

3. Consider approval of resolution approving the City of Kingsville's 2003 Tax Roll as submitted by the Kleberg County Tax Assessor-Collector. (Interim Finance Director).

A motion was made by Commissioner Castillo and seconded by Commissioner Wilson to approve the resolution approving the City of Kingsville's 2003 Tax Roll as submitted by the Tax Assessor-Collector. Motion carried, 5/0.

4. Consider resolution repealing Resolution No. 2003-23 which established a 180-day moratorium on the acceptance of applications for the permitting of additional amusement redemption machines. (Mayor Esquivel).

A motion was made by Commissioner Wilson and seconded by Commissioner Pecos to accept the resolution prepared and presented by Mr.

Michael Guerra, contract attorney, repealing Resolution No. 2003-23, thus lifting the moratorium on amusement redemption machine premise permits.

Mr. Michael Guerra stated this item authorizes lifting of the moratorium and provides for an effective date of October 6, 2003 for accepting new fees and applications for amusement redemption machine premise permits.

Commissioner Wilson made motion to approve, seconded by Commissioner Pecos. The motion carried, 5/0.

5. Consider resolution authorizing the City Manager or his designee to execute an electric supply agreement pursuant to the contract to be signed by South Texas Aggregation Project, Inc. for deliveries of electricity effective January 1, 2004; authorizing eligible designees to include the chairman of STAP. (City Engineer).

Mr. Stanley Fees, city engineer, stated he attended an STAP board meeting in Austin on September 19, 2003. Adoption of the proposed resolution is necessary for member communities. We currently have a two-year contract with First Choice and due to billing errors they have opted out and do not wish to continue their contract. Mr. Fees stated the board will meet again on October 19, 2003 in Austin.

A motion was made by Commissioner Pecos and seconded by Commissioner Castillo to approve the resolution authorizing the Interim City Manager to execute the agreement as presented by staff. Motion carried, 5/0.

6. Consider renewal of the Kingsville Convention and Visitor's Bureau (KCVB) Professional Services Contract. (Mayor Esquivel).

Mayor Esquivel stated he asked for the KCVB contract to be placed on the agenda. Commissioner Wilson stated the contract is written so that it rolls over for a maximum of 6 years, adding the City is contractually obligated to have it in place prior to August 1.

A motion was made by Commissioner Pecos and seconded by Commissioner Garcia to renew the KCVB contract. Motion carried, 5/0.

7. Consider authorization of identifying items for \$12.5M of capital expenditures and water and wastewater improvements to be funded by new issue of certificates of obligations. (Utilities Superintendent).

Mr. Sammy Maldonado, utilities superintendent, addressed the commission on the \$12.5M needed for water and wastewater improvements to be funded through certificates of obligation. He stated the \$12.5M will be used to improve the maintenance of towers, wells, sewer lines, for the purchase of new equipment, replacement of motors, replacement of water meters, rehab on the 1MGD plant, as well as maintenance on both treatment plants.

After some discussion, a motion was made by Commissioner Wilson and seconded by Commissioner Garcia to table this item for a future workshop. Motion carried, 5/0.

8. Consider awarding bid for hazardous materials abatement project at the train depot. (Bid #23-46). (Director of Purchasing).

Commissioner Wilson stated he was abstaining from voting and exited the chambers.

A motion was made by Commissioner Pecos and seconded by Commissioner Castillo to award the bid for the hazardous materials abatement project at the train depot to Texas Remediation Services in the amount of \$29,903.90 as recommended by staff and the architectural firm of Bennett, Martin, Solka and Torno, Inc. Motion carried, 4/0/1, with Commissioner Wilson abstaining.

9. Consider awarding bid for annual contract for road materials. (Bid #24-09) (Director of Purchasing).

The city attorney asked the commission to hold off on this item as the bid item number was typed incorrectly.

No action was taken on this item.

Mayor Esquivel asked for Agenda Item #10 & #11 to be considered together. A motion was made by Commissioner Pecos and seconded by Commissioner Garcia to consider the next two items together. Motion carried, 5/0.

10. Consider awarding bid annual contract for automotive parts. (Bid #24-10) (Director of Purchasing).

11. Consider awarding bid for annual contract of lubricants and oils. (Bid #24-16) (Director of Purchasing).

Ms Byington, Purchasing Director, stated the low bidders meet the specifications, and staff recommends not to award the headlights portion of the bid as both bidders bid identical. Staff recommended approval of \$51,613 be awarded to Carquest Auto Parts for \$45,745 and O'Reilly Auto Parts for \$5,868 for automotive parts and the low bid of \$11,637.55 be awarded to Arnold Oil Company of Corpus Christi for lubricants and oils.

A motion was made by Commissioner Pecos and seconded by Commissioner Garcia to award the contracts on Items #10 and #11 as recommended and noted herein. Motion carried, 5/0.

12. Consider awarding bid for annual contract on cement products. (Bid #24-09) (Director of Purchasing).

Ms Byington stated two local vendors bid identical on 6 items, therefore if the commission wants to award those items 1 by 1 they can do so, however, it is easier for department heads to remember who received the bid when it is awarded to one company.

A motion was made by Commissioner Castillo and seconded by Commissioner Pecos to award line items #3, 4, 5, 6, and 9 to Alamo Concrete and line items #1, 2, 7, and 8, to Ingram Ready Mix. Motion carried, 4/1, with Commissioner Wilson voting against the motion.

13. Consider awarding bid for cleaning and pressing of uniforms for the Police Department. (Bid #24-17) (Director of Purchasing).

Ms Byington stated not everyone takes advantage of the cleaning of uniforms, and recommended the low bidder be awarded the contract as long as the contract does not exceed \$25,000 otherwise it will have to be rebid.

A motion was made by Commissioner Castillo and seconded by Commissioner Wilson to award the bid for cleaning and pressing of uniforms for the Police Department to the Man Shop per staff's recommendation. Motion carried, 5/0.

14. Consider awarding bid for cleaning and pressing of uniforms for the Fire Department. (Bid #24-19) (Director of Purchasing).

Ms Byington stated not everyone takes advantage of the cleaning of uniforms, and recommended the low bidder be awarded the contract as long as it does not exceed \$25,000 for a 24-month contract.

A motion was made by Commissioner Castillo and seconded by Commissioner Wilson to award the bid for a 24-month contract for cleaning and pressing of uniforms for the Fire Department to the Man Shop. Motion carried, 5/0.

15. Consider final passage of an ordinance amending Chapter V, Article 3, Water, amending Section 5-3-20, providing for fire hydrant meter fees. (Interim Finance Director).

A motion was made by Commissioner Castillo and seconded by Commissioner Garcia to approve final passage of an ordinance amending Section 5-3-20 of the Code of Ordinances to provide for fire hydrant meter fees. Motion carried, 5/0.

16. Consider final passage of an ordinance amending Chapter V, Article 3, Water, providing for bulk water purchases and fees. (Interim Finance Director).

A motion was made by Commissioner Pecos and seconded by Commissioner Castillo to approve final passage of an ordinance amending Section 5-3-56 to provide for bulk water purchases and fees. Motion carried, 5/0.

17. Consider final passage of an ordinance amending Chapter IX, Article 2, Alarm Systems, providing for false alarm fee for more than one false alarm per calendar year. (Interim Finance Director).

A motion was made by Commissioner Castillo and seconded by Commissioner Pecos to approve final passage of an ordinance amending

Sections 9-2-2 thru 9-2-99 to provide for false alarm fees for more than one false alarm per calendar year. Motion carried, 5/0.

Mayor Esquivel asked staff to send out notices to security alarm companies so they can make their customers aware of the change.

18. Consider introduction of an ordinance amending Chapter V, Article 1, Garbage, providing for an increase in the truck rental fee for residential or non-profit customers. (Solid Waste Collections Field Supervisor).

Ms Tina Galvan and Mr. Joel Saenz gave a brief overview of the proposed ordinances for Agenda Item #20 and #21, which follows.

No action was taken on this item.

19. Consider introduction of an ordinance amending Chapter V, Article 1, Garbage, providing for rates for special pickups. (Solid Waste Collections Field Supervisor).

No action was taken on this item.

20. Consider removing from table consider appointment(s) to the Planning and Zoning Commission. (Director of Development Services).

A motion was made by Commissioner Wilson and seconded by Commissioner Garcia to remove Item #23 from table. Motion carried, 5/0.

21. Consider appointment(s) to the Planning and Zoning Commission. (Director of Development Services).

Ms. Detloff, Director of Development Services, stated she received two letters of interest from Mrs. Carolyn Fees and Mr. Marcelino Lopez.

Mr. John Garcia stated he received a third letter of interest from Mr. Robert McCreight late this afternoon for the commission to consider. Commissioner Pecos stated he also received a letter from Ms. Lucy Contreras.

A motion was made by Commissioner Pecos and seconded by Commissioner Castillo to approve Ms. Contreras to fill a vacancy and to reappoint the other 3 members for another term.

Commissioner Wilson stated he would like to see some information on Ms. Contreras prior to filling the vacancy; therefore Commissioners Pecos and Castillo removed their motion.

A motion was then made by Commissioner Wilson and seconded by Commissioner Pecos to approve the reappointments of Mr. Faustino Erebia, Dr. Rajab Chaloo and Mr. Bill Aldrich only. Motion carried, 5/0.

22. Consider removing from table consider appointment(s) to the Historical Development Board. (Director of Development Services).

A motion was made by Commissioner Wilson and seconded by Commissioner Pecos to remove this item from table. Motion carried, 5/0.

23. Consider appointment(s) to the Historical Development Board. (Director of Development Services).

A motion was made by Commissioner Wilson and seconded by Commissioner Pecos to reappoint Mrs. Clara Mae Marcotte and Mr. Ben Glusing to the Historical Development Board. Motion carried, 5/0.

24. Discuss collective bargaining negotiations between the City of Kingsville and the Kingsville Professional Fire Fighters Association Local Union #2390. (Human Resources Director).

Ms. Diana Gonzalez, human resources director, stated negotiations started on July 25, 2003 with the firefighters association and a list of monetary and non-monetary items has been received. She stated at that time they were unaware of the city's financial situation, and have since reduced their list of demands.

Mayor Esquivel asked Ms. Gonzalez to provide the commission a written summary of the union's demands at another meeting. This item was discussion only.

VI. Adjournment.

A motion was made by Commissioner Castillo and seconded by Commissioner Pecos to adjourn at 9:10 p.m.

Filemon "Phil" Esquivel, Mayor

ATTEST:

Irene Ramirez, City Secretary

PRESENTED and ADOPTED by the Kingsville City Commission on this 12th day of April, 2004.

Charles E Wilson, Presiding Officer

ATTEST:



Edna S Lopez, Interim City Secretary