

MAY 23, 2005

**A REGULAR MEETING OF THE KINGSVILLE, TEXAS CITY COMMISSION WAS HELD ON MONDAY, MAY 23, 2005 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS, CITY HALL / 200 EAST KLEBERG AVENUE AT 6:00 P.M.**

**CITY COMMISSION PRESENT:**

Sam R Fugate, Mayor  
Charles E Wilson, Commissioner  
Al Garcia, Commissioner  
Stanley Laskowski, Commissioner  
Arturo Pecos, Commissioner

**CITY STAFF PRESENT:**

Carlos Yerena, City Manager  
Courtney Alvarez, City Attorney  
Edna S. Lopez, City Secretary  
Wilma Castillo, Interim Finance Director  
Jaime Garza, Task Force Commander  
Dora Byington, Purchasing Director  
Al Lopez, Interim Fire Chief  
Ricardo Torres, Police Chief  
Robert Rodriguez, Library Director  
Dianne Leubert, Solid Waste Superintendent  
John Garcia, Garage Superintendent  
Stanley Fees, City Engineer  
Diana Gonzales, Human Resource Director  
Jennifer Cantu, Director of Development Services  
A L Noyola, Health Director  
Caron Vela, Account Manager  
Art Alvarez, Risk Manager  
Joe Casillas, Water Production Supervisor

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate called the meeting to order in the City Commission Chambers at City Hall at 6:00 P.M.

**INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)**

The invocation was delivered by Ms Dora Byington, followed by the Pledge of Allegiance and the Texas Pledge.

**MINUTES OF PREVIOUS MEETING(S) – Required by Law**

Mayor Fugate called for approval of the minutes of the City Commission's regular meeting of May 9, 2005. **Commissioner Laskowski made a motion to accept the minutes as presented, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Wilson, Garcia, Pecos, Laskowski voting "FOR".**

**II. Public Hearing - (Required by Law).<sup>1</sup>**

1.Public Hearing for an alcohol variance application for Party Express located at 2021 South Brahma Blvd. (City Secretary).

The Public Hearing was opened at 6:03 P.M.

Ms Edna Lopez, City Secretary provided information regarding the variance application. She stated that the applicant, Mr. Leo Saenz was applying for a variance to the City of Kingsville for a Mixed Beverage Permit & a Mixed Beverage Late Hours Permit for a bar to be known as Party Express. She added that the property is within 300 feet of the KISD property, thirteen letters were

mailed to surrounding property owners. Staff received no responses from the property owners.

Mayor Fugate called for comments. No comments were received.

The Public Hearing was closed at 6:05 P.M.

### **III. Petitions, Grievances, and Presentations.<sup>2</sup>**

1. Proclamation designating May 23, 2005 as "Laura Canales Day".

Mayor Fugate presented a proclamation to the family of Ms Laura Canales.

Mayor Fugate called for the next item. Mr. Womack was not in the room so the agenda was altered and the City Manager's report followed.

2. Comprehensive Annual Financial Report of the City of Kingsville by Mr. Luke Womack of John Womack & Co., P.C. (City Manager).

Mr. Luke Womack briefly went over the Comprehensive Annual Financial Report. He pointed out information regarding the General Fund, Police Forfeiture Fund, Federal Grants, Debt Service Fund, and Other Governmental Funds. He stated there was an increase in the Fund Balance, and the General Fund continues to improve. The Enterprise Fund is not cash rich, and needs two types of reserves, a Capital Outlay Replacement Reserve and an Operating Reserve. The Cash Flow needs to be doing better than the \$1,309,301. Financially, the City is a step ahead of last year as far as dollars in the bank, but there were problems with receivables, but meetings with the State have taken place. He stated there were overruns on the budget which is very typical for government entities. He continued to say that the City would have to amend the budget during the year and at the end of year. In reference to Unsecure Deposits, the City needs to work closer with the Banking Institution to make sure the City is covered. He stated that there were sufficient deficiencies with the Internal Control Cash Management which was a material finding. During the year, the financial reports reflected about a \$2,000,000 cash overdraft, monies were available but were not managed and moved from the savings account; the receivables were not managed properly and were severely outstanding. Once again, he stated there was not sufficient oversight from the Finance Department over the operations of the cash flow and the cash management which is a material finding. He touched on the Davis Bacon Act. Finally, he stated there are several challenges for the upcoming budget, but they can be overcome.

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

Mayor Fugate called for the City Manager's report. City Manager Yerena reported on the appointment of Ms Vilma Castillo, as Interim Finance Director and on the closing of City Hall for the Memorial Day holiday.

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

Mayor Fugate called for the City Attorney's report. Ms Alvarez reported on her work schedule, on meetings with NAS concerning AICUZ, and with MHMR on issue that affects everyone, and on a meeting with the City Negotiating Team.

5. City Commission's Reports. (City Commission).

Mayor Fugate called for the City Commission's report. Commissioner Pecos reported on Memorial Day ceremonies.

#### IV. Public Comment on Agenda Items <sup>3</sup>

1. Comments on all agenda and non-agenda items.

Ms Susan Ivy, 410 East Johnston, provided information on the Parks, KISD, Texas A&M University-Kingsville summer activities and on the softball field lighting ceremony.

#### V. Consent Agenda

**1. Motion approving an ordinance amending the Fiscal Year 2004-2005 Budget for the City of Kingsville for the General Fund, Task Force Fund, Utility Fund, I&S Revenue Bond Fund, CO 2002-2002A Fund and CO 2005 Fund for revenues and expenditures. (City Manager).**

**2. Motion approving request from the Parks Director to allocate \$3000 from City/County Water Trade Capital Improvement Funds for grant match to Brookshire Foundation for equipment for Brookshire Pool. (Parks Director).**

Mayor Fugate called for a motion to approve the consent agenda. Commissioner Wilson made a motion to approve the consent agenda, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Laskowski, Garcia, Pecos, Wilson voting "FOR".

#### REGULAR AGENDA

#### CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

#### VI. Items for consideration by Commissioners.<sup>4</sup>

**3. Consider approval of alcohol variance application for Party Express located at 2021 South Brahma Blvd. (City Secretary).**

Ms Lopez stated that earlier a public hearing was held, and no comments were received on this variance request.

Mayor Fugate called for a motion. Commissioner Pecos made a motion to approve this variance, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Laskowski, Garcia, Pecos voting "FOR". Wilson voting "AGAINST".

**4. Consider authorization for the expenditure of funds from the Capital Projects Fund for mold repairs at the Central Fire Station. (Interim Finance Director)**

Ms Vilma Castillo stated that information from the Capital Projects Fund has been provided and this would cover the cost for the roof and mold remediation. Ms Castillo stated that she had learned that at a City Commission meeting held in September 2003 there had been discussion allowing for this expenditure to be paid out of part of the Arrest Fees that were collected from the County. She stated that either option would work, but if approval is made to pay from the Arrest Fees, a budget amendment would be needed.

Commissioner Laskowski stated that if the money was earmarked for that project, than it should be used as that and the Capital Projects Fund should be saved.

Mayor Fugate asked for Staff's recommendation, and he apologized to the Firemen for taking too long. City Manager Yerena stated the bid was submitted two years ago, but the company is honoring the same price. He said he would like to get the monies from the unreserve account.

Interim Chief Lopez stated that if asbestos was found it would be minor and could be taken care of with budget monies.

**Commissioner Laskowski made a motion to approve the bid for \$23,485.00 to Myane Insulation Company, fund to be taken from the unrestricted fund balance, and \$28,462.00 for the roof repairs from the Capital Projects fund, seconded by Commissioner Garcia.**

As a point of order, Commissioner Wilson stated those were two separate agenda items.

**Commissioner Laskowski stated he would withdraw one motion; and that the first motion would be to award the contract to Myane Insulation Company for \$23,485.00, monies to be taken from the unrestricted reserve fund, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Wilson, Pecos, Garcia, Laskowski voting "FOR".**

**5. Consider authorization to enter into a contract for the Central Fire Station roof repairs. (Interim Fire Chief).**

Mayor Fugate called for a motion. **Commissioner Laskowski made a motion to award the contract to South Texas Urethane for \$28,462.00 for roof repairs, monies to come from the Capital Projects fund, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Pecos, Wilson, Garcia, Laskowski voting "FOR".**

**6. Consider appointments to the Charter Review Committee. (City Attorney).**

Mayor Fugate stated that at this point the Commission needed to appoint two members at large and Commissioner Garcia needed to make his appointment. Commissioner Garcia appointed Mr. Antonio Mario Ramirez.

Ms Alvarez stated that prior to today's meeting two resumes were submitted, from Mr. Roberto Moreno and Ms Carolyn Fees.

**Commissioner Wilson made a motion to approve Commissioner Garcia's appointment, Mr. Antonio Mario Ramirez, seconded by Commissioner Laskowski. The motion was passed and approved by the following vote: Fugate, Garcia, Pecos, Laskowski, Wilson voting "FOR".**

Mayor Fugate requested nominations for the two at-large members. **Commissioner Pecos nominated Mr. Robert Moreno, seconded by Mayor Fugate.**

Mayor Fugate called for other discussion. Commissioner Garcia asked if newspaper advertisement had a cut-off date. Ms Alvarez responded it did not. Mayor Fugate stated that advertising could be extended.

There were questions on how the voting could take place, discussion on extending the time for receiving resumes and on setting a deadline.

Commissioner Pecos stated there are two people who had shown an interest and they should be nominated so that work can start on the Charter.

Mayor Fugate called for a roll call vote for Commissioner Pecos' motion. The motion was passed and approved by the following vote: Fugate, Wilson, Garcia, Laskowski, Pecos voting "FOR".

Commissioner Wilson made a motion to appoint Ms Carolyn Fees as the final appointee to the committee of seven, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Garcia, Laskowski, Pecos, Wilson voting "FOR".

The City Commission took a break at 6:49 P.M., than convened into Executive Session.

**7. 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. (Mayor Fugate).**

The City Commission reconvened into Regular Session at 7:07 P.M.

**8. Discuss and consider proposed and current contracts with the South Texas Water Authority and any other action necessary regarding the current water supply contract. (City Attorney).**

Ms Alvarez stated that the Water Authority has had the signed contract that was executed about a month ago and they have not acted on it. She stated that the Water Negotiating team is reconsidering things with regard to the contract since it has not yet been accepted by the Authority.

Commissioner Wilson made a motion to withdraw the City's contract from consideration to the Water Authority, seconded by Commissioner Pecos. Commissioner Laskowski stated for the record that the information is sent certified mail to Mr. Willatt and Ms Carola Serrato. The motion was passed and approved by the following vote: Fugate, Garcia, Laskowski, Pecos, Wilson voting "FOR".

**9. Consider authorizing the City Manager to enter into an Interlocal Agreement between the City of Kingsville and Kleberg County relating to the approval of Plats and the Regulation of AICUZ restrictions within the extraterritorial jurisdiction of the City of Kingsville. (City Attorney).**

Mayor Fugate asked if there were any questions. He mentioned he had spoken with County Judge DelaGarza, and he had no objections.

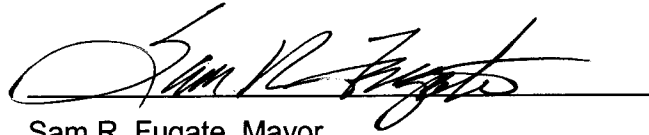
Ms Alvarez stated that with the City's and County's approval this Interlocal would allow to help enforce the ordinance within the ETJ of the City. She provided information that was on her memorandum to the Commission. She stated that she made sure the AICUZ ordinance was compatible with what is being suggested in the Interlocal.

Commissioner Wilson made a motion to authorize the City Manager to enter into this Interlocal Agreement between the City of Kingsville and Kleberg County, seconded by Commissioner Garcia. The motion was

passed and approved by the following vote: Fugate, Laskowski, Pecos, Garcia, Wilson voting "FOR".


**VII. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 7:10 P.M. on Monday, May 23, 2005.



Sam R. Fugate, Mayor

ATTEST:



Edna S. Lopez, City Secretary