

AUGUST 31, 2009

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 31, 2009 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL/200 EAST KLEBERG AVENUE AT 5:30 P.M.

CITY COMMISSION PRESENT:

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

CITY STAFF PRESENT:

Carlos Yerena, City Manager
Edna S Lopez, City Secretary
Courtney Alvarez, City Attorney
Jennifer Vela, Code Enforcement Officer
Frank Garcia, Wastewater Supervisor
Rudy Najera, Information Systems Technician
Ashley Najera, Administrative Secretary
Ken Clark, Director of Development Services
Naim Khan, City Engineer
Dora Byington, Purchasing Director
Al Lopez, Fire Chief
Ricardo Torres, Police Chief
Macario Mayorga, Water Supervisor
Bill Donnell, Public Works Director
John Garcia, Risk Manager
Diana Gonzalez, Human Resource Director
Joe Casillas, Water Production Supervisor
Wilma Castillo, Collections Manager
Yolanda Cadena, Health Director
Fidel Gonzalez, Task Force Commander
Caron Vela, Accounting Manager
Dianne Leubert, Solid Water Superintendent
Robert Rodriguez, Library Director

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chamber at 5:30 P.M., and announced quorum as present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Mayor Fugate called for consideration of the minutes of the regular meeting of Monday, August 24th, 2009 and the special meeting of Thursday, August 27, 2009. **Commissioner Pecos made a motion to approve the minutes, seconded by Commissioner Laskowski. The motion was passed and approved by the following vote: Fugate, Garcia, Wilson, Laskowski, Pecos voting “FOR”.**

II. Public Hearing - (Required by Law).¹

None.

III. Reports from Commission & Staff.²

“At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Convention and Visitor’s Bureau, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, and Texas Municipal League. Staff reports include the following: Building & Development , Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment

Information, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works- Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration – Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Tax Increment Zone Presentation, Budget Workshop. No formal action can be taken on these items at this time.”

Ms Alvarez announced that Monday is a holiday.

IV. Public Comment on Agenda Items ³

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

Mayor Fugate called for comments on all agenda and non-agenda items. There were no comments.

V. Consent Agenda Notice to the Public

None

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. **Consider awarding Bid No. 10-07 for janitorial maintenance services for City Hall. (Purchasing Director).**

Ms Byington stated this item authorizes a one-year contract commencing in October 1, 2009 through September 30, 2010. This recommendation includes the option to renew for up to two additional years in 12 month increments after the original 12 months. It is recommended that the contract be awarded to Pais Janitorial Service from Gregory. This action will expend \$15,425.00 for the next twelve (12) months, which is \$1,550.00 less than the amount awarded three years ago and \$775.00 less than what the City is currently paying.

Commissioner Garcia made a motion to award the bid as recommended by Staff, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Wilson, Laskowski, Pecos, Garcia voting “FOR”.

2. **ORDINANCE NO. ORD2009-24 Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter VII, Article 5, Traffic Schedules; providing for a new school zone for the Santa Gertrudis Independent School District Academy High School and the new Elementary and Intermediate school and the installation of school zone signs. (City Engineer).**

Mr. Khan stated this was presented at the last meeting and a Commissioner had suggestion and concerns about the artery streets. Upon a question from Commissioner Laskowski, Mr. Khan replied the proposal is to put signs on both sides of the artery streets.

Commissioner Garcia made a motion to approve the ordinance seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Wilson, Laskowski, Pecos, Garcia voting “FOR”.

3. **ORDINANCE NO. ORD 2009-25 Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter VII, Article 8, Traffic Control Devices; providing for the installation of No U-Turn signs on Richard**

Avenue at Alice Avenue for East and West bound traffic and on Richard Avenue for West bound traffic. (City Engineer).

Mr. Khan stated there are no changes to the ordinance since it was presented at the last meeting.

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

4. RESOLUTION NO. R2009-46 Consider resolution authorizing submission of an application to the State Energy Conservation Office (SECO) for Energy Efficiency Community Block Grants for the purpose of requesting funding for a broad range of energy efficiency projects. (City Manager).

City Manager Yerena stated that Staff is requesting this resolution in order to apply through the State Energy Conservation office for federal grants. The purpose of the grant is to promote energy conservation and efficiency and reduce energy demand by developing implementing comprehensive state energy conservation plan. He stated that an audit of the City's buildings will be done, and there is no matching portion for the grant. Staff is working on the application. Mr. Khan stated the company helping will be here on the 8th of September. Commissioner Laskowski stated that this is the same concept that is being used in the City of Corpus Christi, Texas.

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

Mayor Fugate deviated from the agenda and called for agenda items #6.

5. Review and discuss proposed fiscal year 2009-2010 budget for departments of the City of Kingsville. (City Manager).

Mr. Rushing provided information updating the Emergency Management Department's proposed budget. Commissioner Laskowski asked if the Risk Manager was receiving a salary increase and how would Staff account to the County for his salary. City Manager Yerena explained if the County wants to join the City on Emergency Management, they would be billed for a portion of the time spent on working on Emergency Management. Upon a question from Commissioner Laskowski, City Manager explained the intent of how the downtown person will be paid and he added that the amount budgeted, \$3,500 for the line item for publishing and printing would be taken from the hotel/motel tax. Commissioner Laskowski asked about the accounting portion, City Manager Yerena replied the monies will be kept by the City and information sent to the Visitor's Center. Commissioner Wilson stated the KCVB would need to reduce their budget by that amount. Monies will be taken from the check that the KCVB would have received. Mr. Rushing stated the KCVB has already met expected revenues for this year. Commissioner Wilson stated their concern that the City is building on a given.

There was discussion on notifying the County in reference to splitting with them on Emergency Management.

Mr. John Garcia addressed the Commission and stating that the Recycling Center would need some repairs, like window storm shutters. He stated that the Recycling Center would be a good place. Ms Leubert stated this building is built for hurricane force. Mr. Khan stated the building official and him will go to inspect the roof.

Mayor Fugate stated in light of Mr. Womack's email which was received today with regards to maintaining the same level of employees in the Water Collections Department, he stated that he had some real concerns. He stated that it seems that those employees have a lot of time on their hands with what happened this year. It seems to him that they can get by with the people they have now and the position doesn't need to be filled. He

stated he is concerned with Mr. Womack's email and he thinks this is something that needs to be discussed to give Staff direction on this issue. Commissioner Pecos admitted not having read Mr. Womack's letter, but stated that this is a very important office which brings in over \$1,000,000 from collecting water revenues and they have a lot of contact with people and adequate service is needed. Mayor Fugate stated that brings up another issue, that maybe they don't have people there all the time like is needed, so if the City is going to maintain the same employment level maybe what needs to be done is to do away with the travel and car allowance and have everybody there. He directed Staff to have the Director's car allowance taken out of the budget. Mayor Fugate called for further comments. Mayor Fugate addressed Mr. Rushing and stated this is an employment issue and he didn't want to get into great detail, and he stated that he is not satisfied with that department and he was prepared to cut that position until he read Mr. Womack's letter. Mayor Fugate added he was not sure Mr. Womack is right.

6. Discuss proposed water and sewer rate study for the City of Kingsville. (City Manager).

Mr. Grady Reed, HDR representative stated this information is only the preliminary finding with the preliminary rate recommendation for FY2010 and changes can be made. He provided information on the history on the rate model and rate adjustment history. He stated that in 2006 a redesigned rate structure was implemented with a slight increase in the price of water and noticeable increase in the price of wastewater services. He further provided initial findings of the update, adding that the definition of current residential use blocks are appropriate; the city has a well defined water and wastewater capital improvements plan, the city will be unable to fund all of the Capital Improvement Projects (CIP) through cash, new debt will need to be issued in FY 2011 to help fund a portion of the CIPs, increased contributions will be needed to the Capital Fund to cash fund the remainder of the 5-year CIP, and the City is experiencing limited growth which adds to the rate pressure slightly. Mayor Fugate disagreed with the statement about limited growth and stated the City is growing. He explained the forecasting assumptions. He stated the City has an incredibly healthy utility fund. He provided information on how the proposed rates are developed. Current rates were adjusted so that during the 5 yr planning period the City would have at least three months reserves. He stated that preliminary recommendations for FY2010 are a 2% water rate increase and a 4% wastewater rate increase. He discussed a comparison rate to other cities for residential and commercial customers. In summary, he stated the proposed rate increase for FY2010 and the planned rates would allow the city to maintain a three month reserve of available funds, the proposed rate increase would allow the city adequately fund the planned capital improvement program, and rates should be adjusted every year based upon any changed conditions such as changes in the CIP increased operation expenses, etc.

Commissioner Wilson asked for further explanation about the growth pattern which a stagnant or solid baseline was used. Mr. Reed replied in the model .2% was used per year increase in the number for single family residential connections and commercial. He added that discussion with City staff regarding new connections, Staff felt that was typically how the City was growing on a yearly basis. He stated this could be adjusted. Upon a question from Commissioner Laskowski, Mr. Reed stated he did not know how many cities have a power generator system for backup. Upon a question from Commissioner Garcia, Mr. Reed replied growth was discussed with City Staff and numbers were developed from what Staff thought they were seeing coming on to the system.

Mayor Fugate stated at the last meeting discussion was to pare down the fund balance to the three months and using those funds to fund the 2010 projects. The direction the Commission gave was to go with three months. City Manager Yerena stated that is the scenario being presented. Mayor Fugate stated the rate study was done under the direction of the Commission and suggested raising rates just half, (1% water and 2% sewer). He stated that it might be prudent to raise the rates somewhat, but the citizens would be better served if the City pays cash for some of the capital outlay. Upon a question from Commissioner Laskowski, Mr. Rushing replied the current year's revenue in the summary are current up to the 25th of August, and actual revenues and expenditures are posted through July. Mr. Rushing provided an explanation of the Utility Fund – Capital Projects funding. There was lengthy discussion on revenues over expenditure funds. Mr. Rushing stated the City can forego the 2% and 4% increase and

issue Certificates of Obligation in 2011. Commissioner Laskowski commented that an increase of 2% and 4% would generate an extra \$530,000. Mr. Reed stated if debt is issued in 2011, starting in 2012 there will an additional debt service of \$33,000.

Commissioner Wilson stated over the last three or four years this Commission has diligently built that reserve up. He added that now it is time to go to the savings account and buy what is needed. He added that the citizens would be happy. He suggested that instead of an foregoing a rate increase and maybe going 2 1/2% for two (2) years and doing a catch up where you do 2 1/2, 2 1/2, 2, and 2 to get back closer to being able to continue at that level. The City would spend the monies diligently saved but the citizens would be given a break on the rate increase.

There was lengthy discussion to clarify the Utility Fund Total Expenditures.

Mayor Fugate announced the executive session. The Commission convened into executive session at 6:55 P.M.

7. Executive Session: Pursuant to Section 551.074 of the Texas Open Meetings Act, the City Commission shall convene in executive session to deliberate the evaluation of the City Manager and the City Attorney. (Mayor Fugate).

The Commission reconvened into regular session at 7:55 PM

8. Consider evaluation of the City Manager. (Mayor Fugate).

Mayor Fugate stated the Commission was back in open session and two items are left that will not be acted on.

9. Consider evaluation of the City Attorney. (Mayor Fugate).

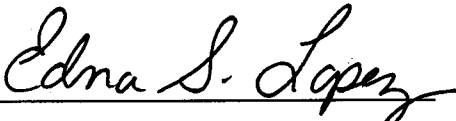
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:55 P.M.



Sam R Fugate, Mayor

ATTEST:



Edna S Lopez, TRMC, City Secretary