

OCTOBER 11, 2010

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, OCTOBER 11, 2010 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
Al Garcia, Commissioner
Charles Wilson, Commissioner
Stanley Laskowski, Commissioner
Arturo Pecos, Commissioner

CITY STAFF PRESENT:

Courtney Alvarez, Interim City Manager
Edna S Lopez, City Secretary
Diana Gonzales, Human Resource Director
Frank Garcia, Wastewater Supervisor
James Creek, Firefighter
Al Lopez, Fire Chief
Ricardo Torres, Police Chief
Bob Trescott, Downtown Manager
Mark Rushing, Finance Director
Yolanda Cadena, Health Director
Dora Byington, Purchasing Director
Joe Casillas, Water Production Supervisor
Bill Donnell, Public Works Director
Ken Clark, Director of Development Services
Naim Khan, City Engineer
Gary Fuselier, Landfill Supervisor
Caron Vela, Accounting Manager
Tamera Blackstock, Police Officer
John Garcia, Risk Manager

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chambers at 6:00 P.M. and announced quorum as present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

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

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Mayor Fugate called for consideration of the minutes of the regular meeting of Monday, September 27th, 2010 and the special meeting of Tuesday, October 5th, 2010. **Commissioner Laskowski made a motion to accept the minutes with the corrections as addressed by Commissioner Garcia, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Garcia, Pecos, Wilson, Laskowski voting "FOR".**

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

1. Public Hearing to rezone 4.90 acres out of Farm Lot 15, Section 17, K.T. & I Subdivision in the northwest corner of the lot partially fronting U.S. 77 north frontage road from AG Agriculture to C-4 Commercial. (Director of Development Services).

Mayor Fugate opened the public hearing at 6:04 P.M.

Mr. Clark stated this has been previously presented at workshops and meetings by the applicant, Merchants, LLC, who owns the property behind the I-Hop and Holiday Inn Express along General Cavazos Blvd. About a year ago, the corner was rezoned to commercial and they are actively trying to find a restaurant to occupy that site. The back portion of the property was rezoned for a hotel. A conceptual plan was presented to develop a large portion of the site with multi-residential which would require that part to be rezoned to R-3. He stated that there are three public hearing items. The first two items are the properties that

frontal on General Cavazos Blvd, and it has always been their intention to rezone those to C4 commercial as the two previous lots. The applicant is present and can answer questions. Several meetings were held with NAS-Kingsville and there's a representative present.

Mayor Fugate announced if anyone wanted to speak on this subject they could do at the podium for five (5) minutes.

Mr. Ryan Mallert, Merchants Holding, introduced the project. He stated there is an exclusion of a future phase II. The product for a multi-family residential is a two-story product which stays under the requirements for noise continuance and noise abatement which currently stands 65 decibels inside and around. The property in question is at the corner where the I-Hop and existing hotel are located.

Mr. Glen Jones, Community Plans Liaison Officer NAS Kingsville, voiced the concerns of NAS Kingsville stating the entire eastern part of US 77 will be developed and that is a concern to NAS Kingsville. NAS Kingsville would like to see things developed to a higher standard. He made clear that the proposed project is outside the AICUZ so NAS Kingsville is not opposing it, and that they actually think it is a good thing for the City of Kingsville and the Base. As future development moves up that corridor is just a concern. There were three requests from NAS Kingsville for consideration of the Commission and Planning & Zoning Commission: (1) sound attenuation to be built into any future construction on the east side of that corridor; (2) avigation easement, to restrict future height of development; and (3) that the City get a seller's disclosure. He stated the City of Kingsville is a good neighbor to the Base.

Commissioner Laskowski asked if the current ordinance addressed these items. Interim City Manager Alvarez replied she believes it does have the sound attenuation and the disclosure. The only one not addressed in an ordinance is the avigation easement but the Planning Department has been working with the people that develop in that area. Commissioner Laskowski stated it might be a good thing to amend the ordinance to take into consideration so that any future developers would have the information and know what is required.

Mr. Clark stated the disclosure was recommended by the JLUS Implementation Committee and was put in the ordinance. Commissioner Laskowski suggested this be brought to the Commission for consideration.

Mayor Fugate closed the public hearing at 6:15 P.M.

2. Public Hearing to rezone 6.09 acres out of Farm Lot 15, Section 17, K.T. & I Subdivision in the southeast corner of the lot fronting General Cavazos Blvd. & FM 3320 from AG Agriculture to C-4 Commercial. (Director of Development Services).

Mayor Fugate opened the public hearing at 6:15 P.M. He announced all three properties deal with the same project and they would take into consideration what has already been said.

Mayor Fugate announced if anyone wanted to speak on this subject they could do so at the podium for five (5) minutes.

Mayor Fugate closed the public hearing at 6:17 P.M.

3. Public Hearing to rezone 19.53 acres out of Farm Lot 15, Section 17, K.T. & I Subdivision in the northeast corner of the lot fronting FM 3320 from AG Agriculture to R-3 Multi-family. (Director of Development Services).

Mayor Fugate opened the public hearing at 6:17 P.M.

Mayor Fugate announced if anyone wanted to speak on this subject they could do so at the podium for five (5) minutes.

Mayor Fugate closed the public hearing at 6:18 P.M.

III. Reports from Commission & Staff²

"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, Keep Kingsville Beautiful, 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, Health Plan Update, Tax Increment

Zone Presentation, Main Street Downtown, Chapter 59 project. No formal action can be taken on these items at this time.

Interim City Manager Alvarez thanked the volunteers and staff who helped with the Trash-off and the Art Walk on Saturday. The next Commission meeting will be in two weeks on October 25th, a vector truck will need to be replaced; she provided information on a revision to the sewer sanitation agreement regarding the linear feet amount. She reported on the projects of the Street Department. There's an opening on Planning and Zoning Commission; and Thursday is the University's homecoming parade. She announced the presentation to Mr. Macario Mayorga. Mayor Fugate presented Mr. Mayorga a certificate of appreciation and a City of Kingsville watch for his years of service to the City.

Commissioner Laskowski thanked the Texas A&M University-Kingsville Athletic Department for their participation at the Trash-off.

IV. Public Comment on Agenda Items³

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 made.

Commissioner Laskowski made a motion to accept the Consent Agenda as presented, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Garcia, Pecos, Wilson, Laskowski voting "FOR".

V. Consent Agenda

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

1. **Motion to approve membership renewal with Electric Reliability Council of Texas ("ERCOT") for 2011 membership year. (Interim City Manager).**
2. **Motion to approve out of state travel for Mr. Ken Clark, Director of Development Services to Coronado, California on October 19th – October 22nd. Mr. Clark will be participating on an overnight U.S. Navy aircraft carrier embark under the Commander Naval Air Forces (CNAF) Distinguished Visitor program, at no cost to the City. (Interim City Manager).**
3. **Motion to approve the purchase through BuyBoard from Philpott Motors from Ft. Neches, Texas one new 2010 ECV100 Ford van equipped with fingerprint equipment to be utilized as an evidence collection vehicle for \$38,190.00 plus \$400.00 BuyBoard fee, grand total \$38,590.00. (Purchasing Director).**
4. **Motion to approve Bid No. 10-20 authorizing the renewal of a contract with Vicente Valerio from Riviera for janitorial maintenance services at the Law Enforcement Center. (Purchasing Director).**

Mayor Fugate called to consider Item #18 on the regular agenda. Commissioner Wilson suggested taking Items #16, 17, & 18. There was a consensus from the Commission to deviate from the agenda. Mayor Fugate called for starting at Item #16.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

5. **RESOLUTION NO. R2010-45 Consider resolution authorizing the City Manager to enter into Master Agreement between LNV Engineering and the City of Kingsville for Professional Services for Water & Wastewater Departments. (Interim City Manager).**

Interim City Manager Alvarez stated this is the contract authorized by the Commission. This would be for engineering services Water & Wastewater and the fee schedule is attached.

Commissioner Laskowski made a motion to pass the resolution authorizing the City Manager to enter into Master Agreement with LNV Engineering, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Garcia, Pecos, Wilson, Laskowski voting "FOR".

6. RESOLUTION NO. R2010-46 Consider resolution authorizing the Mayor to enter into a Sanitary Sewer Agreement between the City of Kingsville and Presbyterian Pan American School. (Interim City Manager).

Interim City Manager Alvarez stated there was discussion over the course of the last year and it appears they are looking to move forward and the City received this revised sanitary sewer agreement. As noted in the presentation section, the linear feet are 6,333.

Commissioner Garcia asked who will be responsible for the easement. Interim City Manager Alvarez stated once the line is installed it will be the City's line but with regard to being able to use Union Pacific's easement and cost associated by that, the cost will be borne by the school.

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

7. Consider authorizing the City to obtain the services of The Waters Consulting Group, Inc. to begin searching for candidates for the position of City Manager. (Purchasing Director).

Ms Byington stated this authorizes the city to obtain the services of a consulting firm to begin searching for the candidates for the position of City Manager, at the cost of \$22,000.00. Funds for these services will be charge to 001-5-103.0-314.29.

Commissioner Garcia made a motion to approve the services of The Waters Consulting Group, Inc. to begin searching for candidates for the position of City Manager, seconded by Commissioner Laskowski. The motion was passed and approved by the following vote: Fugate, Wilson, Laskowski, Garcia voting "FOR". Pecos "AGAINST".

8. Consider authorizing the purchase of three new 2011 Police Pursuit Package Chevrolet Tahoe vehicles from Caldwell Country Chevrolet from Caldwell, Texas under BuyBoard contract. (Purchasing Director).

Ms Byington stated the cost for the vehicles is \$79,399.00 out of Chapter 59 Funds. The BuyBoard fee is \$400 and \$78,999.00 for the vehicles.

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

9. Consider introduction of an ordinance amending the zoning ordinance by changing the zoning map in reference to 4.90 acres out of Farm Lot 15, Section 17, K.T. & I subdivision, said property in the northwest corner of the lot partially fronting U.S. 77 north frontage road from AG Agriculture to C-4 Commercial. (Director of Development Services).

Mayor Fugate called for the next three items #9, 10, & 11 to be taken together.

INTRODUCTION ONLY

10. Consider introduction of an ordinance amending the zoning ordinance by changing the zoning map in reference to 6.09 acres out of Farm Lot 15, Section 17, K.T. & I Subdivision, said property in the southeast corner of the lot fronting General Cavazos Blvd. & FM 3320 from AG Agriculture to C-4 Commercial. (Director of Development Services).

INTRODUCTION ONLY

11. Consider introduction of an ordinance amending the zoning ordinance by changing the zoning map in reference to 19.53 acres out of Farm Lot 15, Section 17, K.T. & I Subdivision, said property in the northeast corner of the lot fronting FM 3320 from AG Agriculture to R-3 Multi-family. (Director of Development Services).

INTRODUCTION ONLY

Mayor Fugate asked Mr. Glenn Jones if the Navy had any objections. Mr. Jones replied there is no objection from the Navy. He stated that he wants to make it clear when he said "concern" he regrets that statement, they have no objection.

12. Consider request to allow use of land north of Xeriscape Garden on 6th Street for a proposed Farmer's Market for grant submitted by Texas A&M University-Kingsville. (Interim City Manager).

Interim City Manager Alvarez stated Staff was approached by an Assistant Professor at the College of Business to have the students work on a summer project with regards to the development of the Farmers Market north of the Xeriscape between the garden and the south end of the fence of Water Well #19. They have an opportunity to submit a grant which would not require a cash match. They would like to get the City's okay to be able to move forward to see if they will get funded.

Commissioner Wilson made a motion to allow the request to use the land north of the Xeriscape, seconded by Commissioner Pecos and Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Laskowski, Garcia, Pecos, Wilson voting "FOR".

13. Consider request to allocate \$1,400.00 per year for three (3) years for Historic Documentation Program as a cash match for Texas A&M University-Kingsville grant. (Interim City Manager).

Interim City Manager Alvarez stated the City received a request this spring for \$700 to be given to the University to buy supplies for a documentation program. The letter of requests reflects the work done. She stated the Mr. Glusing hopes that the City might continue to donate \$700 per semester, for a total of \$1,400 per fiscal year. The item is not budgeted for FY 2010-2011, but \$3,000 in the line item for Economic Development. He is looking for \$1,400 for the next three years. Mr. Glusing stated the grant is for \$150,000.

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

14. RESOLUTION NO. R2010-47 Consider resolution authorizing the City Manager to enter into a Collective Bargaining Agreement between the City of Kingsville, Texas and the Kingsville Law Enforcement Association for Fiscal Years 2010 through 2013. (Interim City Manager).

Interim City Manager Alvarez stated the City conducted negotiations over the course of the summer which resulted in the attached collective bargaining agreement. The Kingsville Law Enforcement Association has voted to approve the agreement. There was healthy discussion on both sides on several issues with regards to: compensation 2% consistent with what Staff is receiving with some leveling to increase gaps or spaces; FY 2011-2012 – 1% salary increase

with regard to wages with additional compensations for certification pay; FY 2012-2013 – they would received a 1.5% wage increase with additional compensations for certification pay. She stated a lot of the contract was redone.

Mayor Fugate called for comments or questions. Commissioner Laskowski pointed out a typo on page 22, Section 6.

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

15. RESOLUTION NO. R2010-48 Consider resolution authorizing the City Manager to enter into a Collective Bargaining Agreement between the City of Kingsville, Texas and the International Association of Firefighters Local #2390 for Fiscal Years 2010 through 2013. (Interim City Manager).

Interim City Manager Alvarez stated that City Staff began working on this contract in the summer. She stated there weren't quite as many items changed, an ordinance was amended to allow the Union to participate in three consecutive days to collect for Muscular Dystrophy. With regard to the wages, it is fairly consistent with what is in the current contract, a general COLA 2%; 2nd year a 1%; and the 3rd year a 2%.

Mayor Fugate called for questions or comments. Commissioner Wilson asked what the discussion was about allowing firefighters to live outside the Kingsville area. Interim City Manager Alvarez replied there was a healthy discussion over the course of several meetings because they were trying to impress upon them the Commissions' position from prior collective bargaining agreements regarding wanting people to live closer. While there is State Statute that states they can't be forced to live within the City, the City can regulate response times. The Union wanted to increase the scope because they have several firefighters that have been with the department from 15 to 19 years that travel. They are willing to make a commitment to the City but either because of family members they drive rather than the spouse; with the economy it is hard to sale their home; and with regard to recruiting if somebody who has a family or children that are settled in school they would be willing to do the commute instead of relocating the family.

With regard to the last agreement, Commissioner Laskowski stated those hired prior to a certain date were grandfathered and didn't have to live within any type of distance of the City of Kingsville and then anybody hired after that they were required to live within Kleberg County. He stated this is his major concern and responsibility as a Commissioner is to make sure our residents are provided the best and quickest response to an emergency. He asked the Chief if he felt comfortable if there's a major event allowing the firefighters to live 45 miles from the station. Fire Chief Lopez replied he didn't have a problem with that, it has worked out well and there's not a lot of difference between the proposed distance and the last distance. He stated the amount of firefighters that live outside the City limits basically remained the same. The new firefighters are going to have to live closer. Commissioner Laskowski countered that the contract says that everybody now, after October 1st, will have to live within 45 miles, and hired prior to that shall be within a 45 miles radius of the City of Kingsville, so that is 100% of the department that will be allowed to live 45 miles away from the station. Chief Lopez stated this has been discussed and has never made a difference in response time. The department has operated in the past with the on-duty shift, help of the volunteers and NAS. Since being Chief, he stated what he has had a problem with is recruiting which is his number one problem at the present time. The restriction of the residency requirement is what is keeping him from recruiting paramedics. The department is drastically down on paramedics. He stated that hopefully this tool will help him turn that around.

Commissioner Garcia stated that in the past the request has been that more firefighters be hired in order to have more people at fire scenes. Fire Chief Lopez stated his request has been to increase on-duty staffing. He stated everybody that is off whether they live in Kingsville can all be out-of-town. The problem is to increase the staffing level not the amount of the department. Commissioner Laskowski stated this changes the allowance for 100% of the department to live outside, 45 miles from Kingsville. He voiced his concern and stated he would feel much better if they were responding from a closer distance. Chief Lopez stated it

is the on-duty staff that is going to make a difference if a fire will be put out, it's not going to be the ones that come later, it's going to be the on-duty staff and with the mutual aid. He added that is the way they are fighting fires and it has been working well. Commissioner Laskowski stated he would be willing to consider something lesser than the 45 miles which is a major concern and safety to the citizens of Kingsville. Commissioner Garcia asked how about the way it was before, since the Chief was comfortable doing that. Mayor Fugate state that the problem is that anybody that he hires now comes under that rule and he is having a hard time hiring people willing to make the move, and that's the issue. Chief Lopez stated that a big concern, the biggest problem that the department has had within the last couple of years is losing the paramedics. He added that this residency requirement is hindering him terribly and the off-duty will not make a difference.

Mayor Fugate called for a motion. Commissioner Pecos made a motion to approve the resolution, seconded by Mayor Fugate. The motion failed by the following vote: Fugate, Pecos voting "FOR". Garcia, Wilson, Laskowski "AGAINST".

Mayor Fugate adjourned the meeting at 8:04 P.M.

Commissioner Laskowski stated there's nothing to prevent them from making another motion to modify this contract for recommendation, for a contract that was voted down 3/2. He added there could be another motion to make a change to this contract.

Mayor Fugate opened the meeting back up at 8:04 P.M.

Commissioner Laskowski made a motion to change the residency requirement back to the language that was included in the previous contract, seconded by Commissioner Garcia. Commissioner Pecos called for an explanation of that language. Commissioner Laskowski replied that he did not have it exactly but they were hired before such and such date. Mayor Fugate called for discussion. Mayor Fugate asked Chief Lopez if he knew the language on the previous contract and if so to explain. Chief Lopez replied they would have to live within the city limits. Commissioner Laskowski stated not all of them, only the new hires. Mayor Fugate then asked Commissioner Laskowski if he was going to put that language back into this contract. Commissioner Laskowski stated that his motion was to put the language that was in the previous contract for that residency requirement the same as it was in the contract that was adopted three years ago. Mayor Fugate called for a roll call vote. The motion was passed and approved by the following vote: Wilson, Garcia, Laskowski voting "FOR". Fugate, Pecos "AGAINST".

16. ORDINANCE NO. ORD2010-37 Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter III, Article 7, Personnel Policies. (Human Resource Director).

Ms Gonzales stated this is the same ordinance introduced at the previous meeting. Mayor Fugate called for questions or comments.

Commissioner Laskowski made a motion to adopt the compensation plan minus the property maintenance foreman and the golf course supervisor position, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Pecos, Wilson, Laskowski voting "FOR". Fugate, Garcia "AGAINST".

17. Consider introduction of an ordinance creating a certain classified service position; ratifying classifications and prescribing the number of positions in such classifications for the classified service in the Police Department. (Human Resource Director).

Ms Gonzales stated this would add one additional police officer due to the awarding of a grant for a position. Commissioner Wilson stated this is the Santa Gertrudis Independent School District position.

INTRODUCTION ONLY

18. Discuss and consider allowing staff to pursue plan to present to City Commission on Golf Course & Parks. (Interim City Manager).

Interim City Manager Alvarez stated her memo mentions a synopsis of a joint meeting with the County on September 13th. At that time the Mayor expressed to the County Commission that he would like to present the proposal they had made a motion on once there was a full Commission present. She stated that Staff is here to ask the Commission to give Staff some direction of scenarios so that they can be presented to them at a future meeting. There are many different options and angles that of potential scenarios between the golf course and the parks that can be evaluated that it would be an inefficient use of Staff's time to have them all flushed out.

Mayor Fugate stated there was some discussion at a previous meeting that Staff did not have enough time to really look into all the issues dealing with the golf course. He stated he spoke with the County Judge and there's money to operate the golf course up until the first of the year. The October 15th deadline for shutting the golf course down is not going to happen.

Interim City Manager Alvarez stated that Staff will benefit from having more time and the City is blessed from having an intelligent and educated Staff and they've worked very hard and very fast on this issue. The City is essentially going into a business that they haven't been into in quite a long time with regards to the parks system and another business that the City has never been into at all before, a golf course. Since this is a municipal corporation, Staff would like to do our due diligence. Mayor Fugate called for Staff's recommendation. Interim City Manager Alvarez replied that Staff needs more guidance from the Commission. She stated the City is going into Certificate of Obligation in January 2011, the Finance Director would feel more comfortable if we could try to pass that hurdle before the City takes on any of the responsibilities of these departments. The proposal when analyzed and discussed with the auditor would be easy because there's an item already set up for parks within the current city budget. She stated the question is funding and what the Commission would like to see. If desired, the City could set up an enterprise fund with regard to the golf course. With regard to the golf course, she stated there's various options available, continue on month to month basis with someone, could go out for proposals for someone to manage the golf course, and another option is to hire on personnel to do that. She requested the Commissions' preference with regard to one or maybe two of the options. This would help better focus their time and energies from a Staff's perspective. During a conversation with the University's golf coach, she suggested to have different turf companies sponsor certain holes to help develop the course.

Commissioner Wilson stated he applauds all the efforts of the Staff because they have worked extremely diligently in an unknown quantity and have really done their due diligence. His guidance to Staff is that the City has spent enough time and energy on this and he does not want Staff to spend any more time and energy on this effort.

Mayor Fugate asked how many scenarios are viable that Staff wants to present and what's the time line. He stated the Commission is looking for guidance from Staff. Interim City Manager Alvarez stated that the research and the efforts that Staff have worked on thus far has come to the conclusion that it will take a few years, perhaps 3 to 5, before the golf course will be a break even or cash positive situation for the City. She provided further information on the scenarios. If the City takes this on, it would appear that for the first 2 to 3 years it would a drawdown on the City's overall budget. It would be an enterprise fund, but it would still require some additional revenues to supplement since it wouldn't be an even venture from somewhere within the City's budget.

Mayor Fugate stated this discussion item is to see if we continue with the City's research and development of this project, or does the Commission decide to forget it and move on, and if the Commission allows the Staff to pursue this then maybe the first meeting in February would be the time to bring back some scenarios. Interim City Manager Alvarez stated maybe getting through the hurdles of the CO's in January and not taking on any of these fiscal

responsibilities until February. She stated Staff is willing to do whatever the Commission directs.

Commissioner Laskowski stated from his perspective he would not be opposed to the Commission moving forward with taking back from the County the City's properties in which the City is paying the County \$200,000. The City should consider taking back some of the water that the City is currently giving the County for the Dick Kleberg Park which is about \$66,000, take back the mower and pickup, and to develop a cost for operation of the parks system. With regard to the golf course, he commended Staff for the information and the USGA report which has been very beneficial in helping him get a better handle on what the needs are for the golf course. He stated that the money being borrowed in January 2011 is to address the basic needs of the City, streets, equipment, and a commitment has been made to the foundation that the City is interested in redeveloping the old high school and utilizing it for City Hall. A resolution was adopted for refunding of certain funds that would be expanded prior to the borrowing. He stated the USGA report states that the City would need to invest about \$900,000 into the golf course within the next two years. He stated the City should share all the information that Staff has put together with the County, the USGA report, the contract from the City of Corpus, RFP from the City of Corpus and the operating budget information. He stated that Mr. Rushing has done a good job on putting together his projected cost for the loss of the first year which is \$134,000, excluding major capital outlay. He suggested sending the County a message, today, that the City wants them to do their due diligence and be responsible to the taxpayers of Kleberg County. He added for them to take this information and turn the golf course around and make it a first class facility. The City can't borrow any more money.

Mayor Fugate called for Staff's feeling on the information provided. Mr. Rushing replied there are two different paths, take back the parks which has some saving in that venture, cut back on the water trades, then maybe the City can net and save \$75,000 to \$80,000. The City could then do some RFP's to firm up the golf course venture to see if in February this would be something to recommend. As far as the parks, he stated he was in agreement with Commissioner Laskowski to take the parks back and get control of it and start recognizing a savings whether the City goes to the golf course or not. Commissioner Laskowski stated that's assuming the City is only taking back the City parks and right-of-ways and not the park on Corral Street nor the park by Gillett.

Commissioner Pecos commented the County wants the water and no requirements to buy park equipment. Mr. Rushing stated in the next meeting or two, Staff could bring to them, in very short order, information on getting control of the parks and making a proposal to the County, if this is the Commissions' direction.

Commissioner Garcia commented the County has had control of the golf course for years, but it belongs to the Department of Interior. Whether the County or City retains operation or possession and invest monies, it's still public money. He stated he believes the City has the opportunity to make that difference where the County has not actively turned the golf course into a professional and quality golf course. The only discussion has been the expenses and no discussion on the revenues. Mr. Rushing explained projections were obtained and they were presented conservative revenue numbers. The City has looked at different scenarios and if the City enhances their mix in offering then those revenues could go up but they must be vetted out before they are presented to them. He stated he has a twenty-six (26) page scenario. Commissioner Garcia stated the negativism is that the City is scare and fearful of the particular cost involved and potential revenues that will decrease that cost haven't been discussed. Mr. Rushing countered that it's not like he has ignored the revenues that this was explored in great detail and can offer a report at the present. Commissioner Laskowski stated that Mr. Rushing had provided the Commission an estimated revenues and expenditures for the golf course. He added that when he cites that there's \$134,000 deficit that's taking into account Mr. Rushing's conservation revenues for the golf course and what the City needs to operate the golf course. The USGA report states the City needs about \$400,000 to operate the golf course. Commissioner Garcia commented that's the same amount the County has been operating with.

Mayor Fugate stated that Staff is asking to give them a couple options and a time line and the Commission is not voting on whether this will be done. Mr. Rushing stated he needs to know if the City is going to tie together the parks and the golf course or does the City want to explore those independently. Mayor Fugate suggested they be taken together. Commissioner Garcia stated that was the initial discussion with the County officials and whether they change their minds is yet to be seen, but they did vote, 4 to 1. Commissioner Laskowski voiced his concern about using Staff's time to put together all these different scenarios and that Staff needs to focus on preparing for the issuance of the bonds between now and the first of the year.

Mayor Fugate stated he'd like Staff to give their honest opinion, whether the City should take this project on. He stated that the Commission needs some guidance from Staff by giving them two options. Mr. Rushing said, "I wouldn't take it" and added that given the numbers this really concerns him. Mayor Fugate asked if this was the consensus of the Staff. Mayor Fugate suggested the Commission take no action, pass it over. He requested that Staff come back with a recommendation.

Mr. Clark stated he had given the report to Mr. Leo Alarcon, County Clerk to give to the County Commissioners. He stated he would like more people in the community to view this report. He suggested hearing from Commissioner Pecos.

Commissioner Pecos stated his concern since the last meeting is there is a deficit of \$134,000. He stated he wants to see a plan of the actual cost to hire personnel and the revenues. He stated the report states the golf course is in very poor shape. He feels the City can make a difference because the City is very professional, is progressive, always moving forward and putting the City ahead of everybody. At conferences and workshop the City of Kingsville is always ahead, so he felt the City could make a difference at the golf course because the City runs everything professionally. The City has the Staff to be able to do that and can do a better job than the County. He stated he'd like to see the numbers before a decision is made. Mayor Fugate stated this will not be a money maker. He stated Staff should get more time to review and give them more options.

Commissioner Pecos commented that the University just got a golf team and asked where they will practice. Mr. Clark stated that the team practices in Alice but occasionally use the L E Ramey Golf Course.

Mayor Fugate stated it is frustrating and there's no reason for the County not to have gotten the report from USGA. This report was received in less than a month. He stated this is how the County runs their business, if people think this golf course is in poor shape, people need to go to Dick Kleberg Park and see what it looks like. He added go out to the City parks that they manage and see what they look like. The County taxes the citizens that live inside the City of Kingsville yet the citizens receive very little in return. He stated that .01 cent that the City taxes, the City receives about \$66,000, .01 cent that the County taxes, they receive \$106,000 because they have a bigger tax base. The City had to raise our taxes for employee raises and make sure the citizens of Kingsville receive the services they are entitled. Commissioner Laskowski stated the County didn't raise their taxes to the effective tax rate to bring in the same amount of revenue as what they did last year. They took \$600,000 from the reserves to balance the budget. Mayor Fugate stated they took \$400,000 on a bet that they are going to collect a debt that is owed on ad valorem taxes, an oil company that is in bankruptcy. It is that kind of management that the City has to deal with. These men should not be here. He stated he wants to take this over because the City of Kingsville cannot afford to not have a quality golf course. As much as he hates it and as irresponsible as the County has been in managing this golf course something has to be done.

Commissioner Laskowski stated the City raised the taxes to 7,000 of .01 cent below the rollback rate and the City is now .15 cents between the County's tax rate and the City's tax rate and the City is talking about going and pulling from the reserves and borrowing \$1M and the City's not asking any participation from the County. Staff as part of their recommendation, should tell the Commission and say how much you are going to put into this venture. If they want a quality golf course they are going to have to be a part of it. They didn't take four parks for free, they demanded that the City pay them \$200,000, \$66,000 of water, and

the City received \$30,000 of park equipment and now in reality the City isn't even getting that because we agreed to help them with the Dick Kleberg Park grant. Mayor Fugate stated the County Commissioners are more interested in keeping their jobs than doing what is right for the citizens of this County.

Commissioner Garcia stated his philosophy is that the parks system and golf course are the only public access in the City and they need to be protected. When you compare the park system and how it exists today, and the golf course, the City has been funding parks for the longest time in this community. If any money is received, it is marginal. Marginal money comes in from fees and nothing will compare to what goes out. Compare the park system with the golf system there's a chance to get even but you make these places available for people of all ages so they can enjoy. He added when he personally compares what goes out to the park system for people to enjoy and what goes into the golf course system at least this has a revenue aspect to it to where the outgo is not as much as the park system.

Mayor Fugate asked Staff if they felt more comfortable after the discussion. Mr. Rushing stated Staff will continue running scenarios. Commissioner Laskowski stated the only salvation of making the golf course operation a profitable operation would be to take the additional acreage and put in some Winter Texan slots. Mayor Fugate stated this can't be done because there's an issue with the Department of Interior. Commissioner Laskowski stated it would be up to the County to pursue this since they have the agreement with the Department of Interior. This would increase the number of rounds of golf and this would certainly help by having the Winter Texans camping right there. He added if the City pursues this he would want to demand total control of the entire facility for future development not just the golf course.

Mayor Fugate stated the County needs to be a part of the solution.

NO ACTION TAKEN

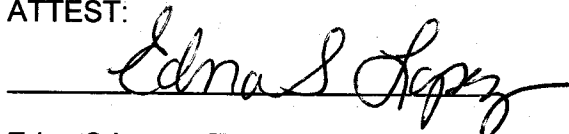
VI. Adjournment.

There being no further business to come before the City Commission the meeting was adjourned at 8:05 P.M.



Sam R Fugate, Mayor

ATTEST:



Edna S Lopez, TRMC, CMC

City Secretary