

JANUARY 24, 2011

**A REGULAR MEETING OF THE CITY OF KINGVILLE CITY COMMISSION WAS HELD ON MONDAY, JANUARY 24, 2011 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  
Mark Rushing, Finance Director  
Naim Khan, City Engineer  
Ken Clark, Director of Development Services  
Al Lopez, Fire Chief  
Yolanda Cadena, Health Director  
Diana Gonzales, Human Resource Director  
David Mason, Purchasing Director  
Frank Garcia, Wastewater Superintendent  
Ricardo Torres, Police Chief  
Gary Fuselier, Landfill Supervisor  
Diana Medina, Collections Supervisor  
Bill Donnell, Public Works Director  
John Garcia, Risk Manager  
Susan Ivy, Parks Director

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate called the meeting to order in the Commission Chamber at 6:00 P.M., and announce quorum as present.

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

The invocation was delivered by Mr. Rushing, 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, January 10<sup>th</sup>, 2011 and the special meeting of Tuesday, January 18<sup>th</sup>, 2011. **Commissioner Pecos made a motion to approve the minutes, as presented, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Wilson, Laskowski, Garcia, Pecos voting "FOR".**

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

1. Public Hearing regarding submission of an application for Texas Community Development Block Grant Program assistance from the Texas Department of Agriculture for a 2011 Texas Capital Fund program award. (Interim City Manager).

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

Interim City Manager Alvarez stated Ms Martha Drake from Grant Works is present. Ms Drake has been assisting the local business, PROCO who has expansion needs with possibly doing a Texas Community Block Grant program. She stated that in the regular portion of the agenda there's more information with regard to the project and what's involved. Essentially it's a two phase type of project that the City has done in the past. The City has done infrastructure programs and real estate programs, but has done more infrastructure programs. The Infrastructure, if awarded does not have to be repaid but

the business has to meet certain reporting requirements to show that they are meeting the job threshold represented in their pre-application. With regard to the real estate award, that would require the City to get into a contractual relationship with the underlying business. Essentially they would have the City hold title to the real estate improvements until such time that was repaid. The resolution has the breakdown, \$750,000 is the full amount that can be requested for the project and that is what has been applied for; \$290,000 of that would be for infrastructure improvements and \$300,000 for real estate improvements, costs for engineering and other related services; and \$50,000 for administration services.

Mayor Fugate announced this is a public hearing and if anyone wanted to address this issue they could do so by approaching the podium, identify themselves, and providing an address, and that they have five (5) minutes to talk about this subject.

Mr. Dick Messberger, Economic Development Director addressed the Commission and strongly encouraged the support for this program. This will triple the work force.

Mayor Fugate closed the public hearing at 6:07 P.M.

### III. Reports from Commission & Staff<sup>2</sup>

*"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, Financial Advisor presentation. No formal action can be taken on these items at this time."*

Mayor Fugate presented a "Catholic Schools Week" proclamation to Principal Beverly Lanman and student, Nikki from St Gertrude Catholic School.

Commissioner Laskowski and KKB Board Members presented two "Because You Care" awards to the Fugate Law Office and Infinity Insurance.

Interim City Manager announced/reported TCEQ approved request from the Landfill to use alternate daily cover method; the Livestock Show parade is on Friday at 5:00 P.M.; free flu clinic on Saturday, January 29<sup>th</sup>; working on repairs to Water Well 21; and both street sweepers have been repaired. Finally, she announced the next TML Region 11 meeting will be on Thursday, February 17<sup>th</sup>, 2011 in Corpus Christi, Texas.

Upon a question from Commissioner Pecos, Interim City Manager Alvarez stated the water repair should be done correctly if not it should be reported. Mayor Fugate stated he is asking about road repairs after the work is done. Mr. Donnell stated the Water department is helping the Street department make repairs but they don't have a set practice. Mr. Khan stated they will look in to this concern.

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

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.

Mayor Fugate called for consideration of the items in the Consent Agenda, Items 1-4. 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

1. **RESOLUTION NO. R2011-03 Motion to approve resolution authorizing the Police Chief to execute a Cooperative Working Agreement with Crime Victim Services. (Police Chief).**
2. **RESOLUTION NO. R2011-04 Motion to approve resolution authorizing the City Manager to enter into a Cooperative Purchasing Agreement between the City of Kingsville and National Purchasing Partners and authorizing execution as a Participating Agency. (Fire Chief).**
3. **RESOLUTION NO. R2011-05 Motion to approve resolution authorizing submission of an application to the Coastal Bend Council of Governments for the purpose of requesting funding for EOC generator package. (Risk Manager).**
4. **ORDINANCE NO. ORD2011-01 Motion to approve final passage of an ordinance amending the Fiscal Year 2010-2011 Budget for the City of Kingsville to accept donations for Keep Kingsville Beautiful, for the software maintenance for the residential roll outs in the Solid Waste Department, for the Fire Department Grant match portion for breathing apparatus equipment and for generators, including installation, for the Wastewater Department. (Finance Director).**

### **REGULAR AGENDA**

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

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

5. **RESOLUTION NO. R2011-06 Consider resolution authorizing submission of an application to the Texas Department of Agriculture for funding through the Texas Capital Fund for infrastructure and real estate improvements. (Interim City Manager).**

Interim City Manager Alvarez stated the resolution, a budget justification, a letter from the corporation, and several other documents were provided. Additional hiring will be done of a minimum of thirty-five (35) new jobs for this site and probably even larger than that. Mayor Fugate commented the City has tried these grants in the past and haven't been able to get the businesses to commit to those thirty-five (35) jobs but this one looks like it far exceeds that number and it is a good opportunity. Mayor Fugate called for a motion.

**Commissioner Garcia made a motion to approve the resolution, seconded by Commissioner Pecos. Mayor Fugate called for questions.**

Commissioner Laskowski asked if there was any cash match. Ms Drake, from Grant Works addressed the Commission and replied it's a dollar per dollar match from the business. The City will not have any cash investment in it other than two small charges, for public hearing notice for the newspaper and a second public notice that's about forty (40) words. Commissioner Laskowski asked about the repayment on the infrastructure portion. Ms Drake replied it is a 0% interest repayable loan for a period of up to twenty (20) years. She explained that when the award is made the Capital Fund will talk to the business and figure out with them if twenty years is needed or could they comfortably make a monthly repayment to the City that returns it to the State in less than the twenty (20) year period. Commissioner Laskowski then asked if the City would be responsible for payment of the money. Ms Drake replied only the real estate funds, no infrastructure funds. The infrastructure money would be 100% grant, engineering is 100% grant, and environmental & administration services are 100% grant. The only repayment is whatever portion is ultimately dedicated to real estate. She stated that she had met with PROCO representatives and one possibility is, that if the public infrastructure portion doesn't come in at the full estimate there's a way to transfer that money to real estate, but that will have to be known before the contract is formally executed. She added it may be that instead of basically a 50/50 split in the money, it would be 60% real estate and 40% infrastructure. Commissioner Laskowski stated there's an estimate of \$265,000 for roadway and drainage improvements, the State will provide 50% of that. He asked what the City's match is. Ms Drake replied that 100% of that comes from State and the match is the business's investment in their own property. She added that for every dollar that the State gives to the City they will spend equally that amount on their development, so it's a private/public partnership. Commissioner Laskowski then asked if the City could set the length for repayment. Ms Drake replied it is typically the Capital Fund staff that sets this. Commissioner Laskowski voiced his

concern about the City's empty building that is located on Brahma Blvd. Ms Drake stated that as part of this process the State agency is going to mandate that the City obtain from the business some sort of personal guarantee, whether it be a corporate assignment of assets, or the owner's pledging some sort of personal guarantee. The exact terms of the guarantee will be negotiated between the City and the business but there are numerous formats that the guarantee can be presented, like a Performance Bond.

Upon a question from Commissioner Garcia, Ms Drake replied no additional property purchased outside the compound of PROCO. They will purchase and install manufactured buildings on their property. She stated they expect to hire seventy (70) more employees.

Upon a question from Commissioner Pecos, Ms Drake replied as for the production at the facility, it will be the same but will be adding two more lines due to the oilfield boom.

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

**6. Consideration and approval of an ordinance authorizing the issuance of "City of Kingsville, Texas Certificates of Obligation, Series 2011" and approving all other matters related to the issuance of the certificates of obligation. (Interim City Manager).**

Ms Ann Burger Entrekin addressed the Commission and stated she had exciting news. She provided a brief update of the market on the Bond Buyer Index, AAA Municipal Yield Curve, BBI, Fed Funds, and SIFMA. The key point in the market has been very dynamic. On the Standard and Poor's report, she stated that Kingsville, Texas, Go Debt Rating was raised to A+ due to strong finances. They highlighted the City on very strong financial positions, continued deepening of the city's tax base, and the city's stable local economy. She congratulated the Commission and Staff. She stated that Management has, in practice, always adopted a balanced budget. She stated she is using Assured Guaranty, the premium is 55.0 basis points, previously it was estimated based on recent sales that the premium would be 78 basis points, but it was only 55 basis points. She stated a major part of receiving a lower insurance premium was due to the upgrade of an A to A+. The par amount of the bonds is \$10,000,000; for Commissions' consideration they were able to lower the average life. Last week, it was thought that the true interest cost would be a 4.03; there was an improvement 3.903 true interest cost. She stated that some of the numbers presented in November and December time frame have significantly improved. The decision made last week by the Commission to be able to access the Bank Qualified Market optimized a low interest, even from a historical perspective in light of the overall interest rate environment being experienced. She stated that from last week there's a couple of hundred thousand dollar savings in interest over life of the bond issue. She stated they were able to put a lower amount into the project fund, a little difference in the Underwriters couponing structure. The total available for projects is \$9,899,853; the new City Hall remodeling is \$1,065,000; the utility system numbers did not change. She provided information on the Tax Supported Debt service, Before and After; Water and Wastewater Supported Debt Service: Before and After and Solid Waste Supported Debt Service: Unchanged.

Ms Entrekin introduced Mr. Dan Martinez, Winstead, who serves on the Bond Council for the City of Kingsville. She congratulated everyone working on the bonds.

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

**7. ORDINANCE NO. ORD2011-02 Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter VII, Article 5, Traffic Schedules; Providing for a revised school zone for the Kingsville Independent School District's new Harvey Elementary School and the installation of school zone signs. (City Engineer).**

Mr. Khan stated the ordinance was changed because TXDOT changed the location on the east side to 1151 feet from previous location. Interim City Manager Alvarez stated the speed limit will be addressed in a separate ordinance.

Mr. Khan stated all internal streets are the City's responsibility, King Street is TXDOT responsibility.

**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".**

**8. Consider authorizing amendment to the Interlocal Agreement with KISD for the Douglass Center. (Mayor Fugate).**

Mayor Fugate stated monies are short for the curb. Mr. Khan stated the maximum bid amount is \$8,000, but other contractors can do the job for less. Upon a question from Commission Laskowski, Mr. Khan replied the County is not contributing to the curb and gutter. The City's share is \$13,000 plus the \$8,000. This was not budgeted. Interim City Manager Alvarez stated there's a refund from STAP in the amount of \$8,765 which might be able to be reallocated for this or transferred in a budget amendment to the Street department. Mr. Rushing stated there are other funds that he can look for monies.

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

**9. Consider authorizing the purchase of 30 self-contained breathing apparatuses (SCBA) for the Fire Department. (Purchasing Director).**

Mr. Mason stated the Fire Department is requesting authorization to expend funds for the purchase of thirty (30) scott air packs or self-contained breathing apparatus. The cost for this purchase is \$165,685.50 plus any applicable cooperative purchasing fees. Twenty-five of the air packs are being funded by the Department of Homeland Security. Interim City Manager Alvarez clarified there's roughly twenty-five (25) of the SCBA that are funded through the Homeland Security Grant, the budget amendment approved in the Consent Agenda shows an increase in ambulance billing to cover the portion of the required cash match for the Homeland Security Grant and the rest will be covered by the CO's.

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

**10. Consider introduction of an ordinance amending the Kingsville Code of Ordinances Section 5-1-57(C) and (D), revising the rate for volume haulers who exceed a specified monthly threshold at the City Landfill. (Public Works Director).**

Mr. Donnell stated large volume haulers have asked for a reduction in price. A number of 250 tons has been established. If the hauler reaches that number then they would receive a 10% discount on the monthly disposal at the Landfill. This will bring the waste going to Corpus and Robstown to the City's landfill. The new Landfill has a cell life of seven (7) years. If the contractors utilize this discount, in the long run the life of that cell will be shortened by 6 ½ to 7 months. He stated that there's a potential increase of revenues per year of \$98,000 if just by two (2) of the large haulers if they meet the 250 tons.

Upon a question from Commissioner Garcia, Mr. Donnell replied the City still has plenty of land.

**INTRODUCTION ONLY**

**11. Consider proposal to present to Kleberg County regarding the L.E. Ramey Golf Course and local parks. (Interim City Manager).**

Interim City Manager Alvarez provided history on the issue and referred to a memo that was in the agenda packet. She stated Staff worked on detail work and research on this time frame. With regard to the parks, if the City were to consider taking back the

\$200,000 that is currently given to the County, there's two scenarios: (1) hire employees and (2) have the majority of the ground work for the labor contracted out and still hire one person to do troubleshoots at the parks. Under those scenarios there's expenses not exceeding the \$200,000 that the City would have to use in the Park system. That does include in the draft budget, \$30,000 for improvements each year. With regard to the golf course, the Finance Director prepared a letter with suggestions that is the agenda packet. She stated that Mr. Rushing's letter identifies what has been discussed about drainage and irrigation being two areas of concern at the golf course. This would need to be addressed by whoever is going to be taking care of the golf course. She stated that Mr. Rushing worked very hard with the current manager, Mr. Balt Ramos to get some information with regard to revenues and cost. She stated the better scenario is for someone to take over that really knows the business, and that the City currently does not have anybody on staff to do this. She stated what's reflected in the Finance Director's letter of recommendation is that having someone manage and take over the labor ends of the golf course is the better scenario. The Finance Director's letter indicates a high end and low end with regard to projected revenues. There's a high likelihood that the golf course would be running at a deficit for a few years. There are five recommendations from the Finance Director that he recommends the Commission consider doing if they are to go into this venture. The only company that responded to the golf course management bid is Southern Golf. There's a stop gap approach for the drainage which is estimated to cost about \$25,000 and roughly about \$65,000 to address the irrigation. She stated the drainage is a stop gap or short term approach. In order to do it well, a topographical map is needed by an engineering company. She stated that Staff has put a lot time into making sure they could bring the Commission as comfortable a proposal or presentation on what is anticipated for expenditures or budgets to be to a level that they are accustomed to with regard to normal budgetary process.

Mayor Fugate called for questions or comments. Commissioner Wilson commented that \$65,000 would only address irrigation and \$25,000 only addresses the drainage which is \$90,000. He added it appears that the City is going down the same road that the County went down. Mayor Fugate called for further questions or comments.

Mr. Clark stated that the irrigation can be repaired for \$65,000 as per the Toro Company. This company sent their irrigation specialist to see the golf course and they felt there's a serious problem but it can be done for \$65,000. The County spent money on the irrigation system, but now the wiring needs work. Once corrected then it's a normal kind of situation. With regard to the drainage problem, over the years many things were done to basically change the drainage so it could work properly. He suggested getting a topographic map. He stated a golf course management company is desperately needed. He stated Staff feels that the company, Southern Golf will do a good job. He stated several entities want to help to make the golf course better. Mr. Clark stated that if the City were to try to go into the golf course business and hire people, do a bare bones thing, not having the capability of anybody on Staff, the City would also be setting itself up for failure down the road. He stated that Staff thinks that this company, Southern Golf would do a good job because they have a lot of experience.

Mayor Fugate stated the City could propose something tonight but a workshop with the County is needed to see if there's common ground. He stated it's like the City is mediating this subject, publicly. If the City chooses to take the park back, that's the City's business, but the City would take back the \$200,000 and the water trade money.

Mr. John Junker, Southern Golf Properties addressed the Commission. He stated there are facilities that they don't take on but the City has an asset, the University and Naval Base. This golf course will run at a deficit for a period of time. He stated this golf course is in better shape than the golf course in Laredo that they just took over. He stated the golf course will be operating in a deficit for several years.

Mayor Fugate called for comments or questions. Commissioner Wilson commended Staff stating that Staff had a tremendous amount of pressure to make this thing go, for Mr. Clark to stand up and say that as a group they had figured out the City should not be in the golf business and that the City needs to figure out another way to do it, took a lot of courage. He stated he was proud of Staff being able to work through the numbers and figure out what the City ought to be doing as a Commission and for giving them certain paths that they can go down.

Commissioner Garcia requested Mr. Chuck Watson, Vice-President, Professional Turf Products, Toro distributor, address the Commission. Commissioner Garcia asked for Mr. Watson's professional opinion on what is needed at the golf course, as far as additional monies to get the sprinkler system working again. Mr. Watson replied that two (2) years ago approximately \$200,000 was spent on the sprinkler system. The scope of the work involved half the money spent on replacing the pump station, which the life expectancy is fifteen (15) years; the second half was to get the control system in place, a computer that

talks to satellite controllers that actuates sprinkler heads. What was not included in the scope was to connect the sprinkler head that are in the ground to the satellites, which was going to be done by the County once the satellites were in place. All satellites were put in, but the work was never done. The estimate to do this is \$65,000. Upon a question from Commissioner Pecos, Mr. Watson replied there are 700 to 800 sprinklers at the golf course.

Commissioner Pecos concurred with Mayor Fugate's earlier comment about meeting with the County. Mayor Fugate stated that presenting the County with a proposal will not work. Mayor Fugate requested for Interim City Manager Alvarez to set a workshop with the County.

**NO ACTION**

**Mayor Fugate announced the Executive Session. The Commission took a short break at 7:40 P.M., and then convened into Executive Session at 7:47 P.M.**

**12. Executive Session pursuant to Section 551.074, Texas Open Meetings Act, Personnel Matters, the City Commission shall convene in Executive Session to deliberate the appointment, employment of the position of City Manager. (Mayor Fugate).**

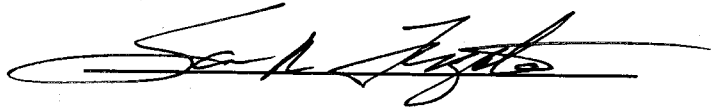
The Commission reconvened into regular session at 8:25 P.M.

**13. Consider action on applicants for the position of City Manager, to include but not be limited to the selection of candidates for interview. (Mayor Fugate).**

**No Action Taken**

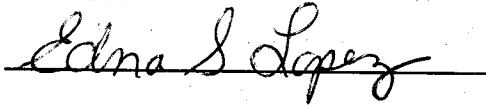
## **VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 8:25 P. M.



Sam R Fugate, Mayor

ATTEST:



Edna S Lopez, TRMC, CMC

City Secretary