

**AUGUST 13, 2012**

**A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 13, 2012 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  
Noel Pena, Commissioner  
Arturo Pecos, Commissioner  
Dianne Leubert, Commissioner

**CITY STAFF PRESENT:**

Vincent J Capell, City Manager  
Edna S Lopez, City Secretary  
Courtney Alvarez, City Attorney  
David Mason, Purchasing Director  
Roel Carrion, Interim Fire Chief  
Robert Rodriguez, Library Director  
Yolanda Cadena, Health Director  
Melissa Perez, Risk Manager  
Bob Trescott, Tourism Director  
Diana Gonzalez, Human Resource Director  
Ricardo Torres, Police Chief  
Mike Kellam, Director of Development Services  
Naim Khan, City Engineer/Public Works Director  
Bill Donnell, Asst Public Works Director  
Mark Rushing, Finance Director  
Tony Verdin, Information System Technician  
Ken Starr, Asst Task Force Commander  
Rose Morrow, Municipal Court Supervisor

**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 Mr. Mark 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, July 23<sup>rd</sup>, 2012 and special meeting of Thursday, July 26<sup>th</sup>, 2012. **Commissioner Pecos made a motion to approve the minutes, as presented, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Fugate, Garcia, Pena, Leubert, Pecos voting “FOR”.**

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

NONE

**III. Reports from Commission & Staff.<sup>2</sup> (City Manager’s Staff Report Attached).**

*“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. No formal action can be taken on these items at this time.”*

City Manager Capell introduced two new City employees, Mr. Robert Bennett, Landfill Supervisor and Ms Melissa Perez, Risk Manager, not present is the new building Official, Mr. Daniel Ramirez. He recognized Mr. Bob Trescott as the new Tourism Services Director. He recognized KISD Superintendent, Mr. Blaha and Assistant Superintendent Mr. Castro.

He announced there were three presentations for tonight’s meeting: Ms Melissa DeLaGarza will present tax rate information, Ms Ann Entrekin with First Southwest will present information on City debt, and Ms Hillary Reyna with Halo-Flight will present information on the Guardian Subscription Plan.

Ms Reyna addressed the Commission and provided information on the Guardian Subscription Plan. The plan covers the entire household at the rate of \$12.00 per year. It totally eliminates the amount an individual will be charged out-of-pocket for an emergency helicopter transport or specialty care transport. The plan is available to residential customers and members of the City for a low rate of \$1.00 per month. Halo-Flight will do all the paperwork involved.

Ms Melissa DeLaGarza, Tax Assessor Collector - Kleberg County presented the total certified and appraised values that were certified by Kleberg County Appraisal District. The 2012 final value information that was certified as of July 25<sup>th</sup>, 2012, net taxable value was \$690,433,232. She continued with information on the proposed tax rate. If the proposed tax rate exceeds the effective rate or the rollback rate whichever is the lower of the two, a record vote has to be taken, and two public hearings have to be scheduled. She referred to the 2012 Governing Body Summary #1A worksheet in the agenda packet. The effective tax rate for 2012 is \$0.83147 and upon the Finance Director’s recommendation, last year’s rate was proposed which was \$0.84220 for this year’s rate. The effective rate is lower than last year’s rate, the reason being that the City had an increase in value of approximately \$10,179,597. Since the City is proposing this year’s rate compared to the effective, unfortunately public hearing would have to be set. The motion has to have a specified rate to be able to set up public hearings.

As a point of clarification, Mr. Rushing stated before entering into the budget process, the Commission can lower the tax rate. Normally, the amount is set right under the rollback rate. Mayor Fugate stated they can go up but they can’t go down. Ms DeLaGarza stated if the effective rate is adopted that stops the entire process. Mr. Rushing stated their suggestion would be to adopt the rate at \$0.88218 which is right under the rollback rate and the INS rate is already set based on the schedule which is \$0.17825 from total of \$0.88218. Ms Alvarez stated that August 27<sup>th</sup> and September 5<sup>th</sup> would be the public hearing dates. Mayor Fugate stated that would not be the tax rate but something to start the budget process. Ms DeLaGarza stated the motion had to include the time, place, and the date of the public hearing with the specified tax rate of \$0.88218.

Ms Ann Entrekin, First Southwest addressed the Commission and explained they have been working in conjunction with City staff to analyze certain financial benchmarks and compare this data to peer cities in Texas. In addition to the results of this analysis the presentation provides a summary of the City of Kingsville’s current debt profile. This presentation provides an update to our refunding analysis and various components to analyze in making the decision to move forward and when this presentation analyzes project future capital funding and related timing. She explained the Tax Supported Debt Service as of September 30, 2012. She added that previous Commission has made sure that term of debt match assets that have been funded. She touched on the Waterworks and Sewer Supported Debt Service, the callable principal is 81.958%. The last system evaluated is the Solid Waste Supported Debt Service with callable principal (%) 16.480%. She touched on the Summary of Comparative Analysis provided information of criteria for peer cities- population, comparable taxable assessed valuation, and similar geographic similarities. She provided information on tax rate comparison. She explained

the Market Update and Refunding Analysis with Considerations, the Bond Buyer's Index of 20 Municipal Bonds, and the Municipal Market Data. If considering debt it is an opportune time because interest rates are 3.75%, the lowest rate in this course of time going back to 1964 is 3.60%. This happened the 3<sup>rd</sup> week of January 2012. Some feedback from the FEDS is they believe interest rates will stay near lows from a FEDS fund prospective through 2014. She explained negative arbitrage. She added in general, while there is no definite rule, we try to target Negative Arbitrage of not more than 20-25% of projected Net Present Value savings. Ms Entekin stated that the savings of the 2002A now make sense on a stand-alone basis but believes the negative arbitrage on a Series 2005 refunding is too significant to consider moving forward with at this time. Given the current economic and interest rate forecast, she believes the City could realize more savings by waiting until closer to call date to refund the Series 2005 Certificates. She touched on the Qualified Tax Exempt Obligations (QTEO) or Bank Qualified (BQ). In order to be able to have Bank Qualified interest rates and to take advantage of the historically low interest rate environment, the timing has been targeted for the first meeting in January 2013. Targeted have a bond sell in January 14<sup>th</sup>, 2013 with closing on February 14<sup>th</sup>. She stated she will come back for further information.

City Manager Capell stated he would like to schedule budget meetings on August 20<sup>th</sup>, 21<sup>st</sup>, 22<sup>nd</sup> at 4:00 P.M. with the last budget meeting on the 27<sup>th</sup>. Mayor Fugate requested Tuesday's meeting start at 5:00 P.M. Commissioner Pena stated he can only be available on Monday.

Ms Alvarez reminded everyone that Thursday, August 16<sup>th</sup> from 6:00 to 8:00 P.M., KISD will be having the Community Pep rally and Parade downtown; Friday, the 17<sup>th</sup> is the deadline for agenda items for the next regularly scheduled meeting on the 27<sup>th</sup>.

Commissioner Leubert commended the Police and Health Departments on their handling of a cruelty and abandonment dog case.

Commissioner Garcia commended the Street department on their work on Armstrong Street.

Commissioner Pecos asked about striping on Armstrong and Kleberg Street and mowing at National Guard Armory.

Commissioner Pena voiced his concern about the south turn into McDonalds. Mr. Khan stated TXDOT said this is the way it should be. Suggestion was made to discuss with TXDOT to install barriers.

#### **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.

Mr. Lance Hamm, 912 S Creek, spoke about a complaint he sent to City regarding the fence at the Nature's Own RV Park and other issues at that park.

Mr. Benny Guerra, 323 S 24<sup>th</sup>, KING TV-69, invited everyone to the Mixer with Halo Flight at the Chamber of Commerce on Wednesday, August 15<sup>th</sup>.

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

**Commissioner Pecos made a motion to accept the Consent Agenda, Items 1-4, as presented, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Fugate, Garcia, Pena, Leubert, Pecos voting "FOR".**

#### **V. Consent Agenda**

1. **Motion to approve certification of 2011 excess debt collections and the certification of 2012 anticipated collection rate, pursuant to Section 26.04(b) of the Texas Property Tax Code. (Finance Director).**
2. **Motion to approve amending Joint Airport Zoning Board (JAZB) member, Mr. Ken Moses' term from a two-year term to a three-year term to create staggered terms. (Director of Development Services).**

3. Motion to approve out of state travel for Task Force Agent Richard Kirkpatrick to Las Vegas, Nevada to attend a training conference from August 21<sup>st</sup> – 23<sup>rd</sup>, 2012 with DIAP covering expenses. (Task Force Commander).
4. Motion to approve participation in and waiving of all City fees and any fees for services for participants of KISD Community Street Fair on August 16<sup>th</sup>, estimated cost \$1,500; Kingsway Family Church and HEB back to school event on August 18<sup>th</sup>, estimated cost \$200; Texas A&M University-Kingsville Homecoming Parade on October 25<sup>th</sup>, estimated cost \$400; and Ranch Hand Breakfast activities on November 16<sup>th</sup> – 18<sup>th</sup>, estimated cost \$1,500. (Downtown Manager).

## REGULAR AGENDA

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

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

5. RESOLUTION NO. 2012-42 Consider resolution authorizing the City of Kingsville to join with HALO-Flight to offer a Guardian Subscription Plan to residential customers of the City and authorizing the City to participate in collection of the monthly fee from persons opting to purchase it. (Commissioner Garcia).

Commissioner Garcia stated he personally feels this is an opportunity for the citizens to participate in the program for a reasonable price. Other cities have joined the process and are receiving those benefits. He wanted to make this available for the citizens.

Mayor Fugate asked how much more work this would be for City staff. City Manager Capell stated he has expressed some concerns to Commissioner Garcia but it seems they are trying to make it as trouble free as possible. If the Commission want to do this then the City will do it but if it presents any kind of unusual problem or excessive workload he will come back to the Commission. Ms Alvarez stated Ms Reyna in her presentation presented three options which were not previously clearly defined. The City did not know whether we were going to send the letters and do the collection, whether they were going to send the letters and we do the collection, and lastly, whether we just provide the data base and they do it all.

Ms Reyna stated Halo Flight can cut the City out completely and they do everything.

Ms Alvarez stated the resolution will be modified by taking out the 2<sup>nd</sup> part of the caption – Authorizing the City to participate in collection of the monthly fee. Also, removing from the resolution anywhere else where it references the collection.

Commissioner Leubert made a motion to authorize the City of Kingsville to join with HALO-Flight to offer a Guardian Subscription Plan to residential customer of the City with amendments stated by Ms Alvarez, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Garcia, Pena, Pecos, Leubert voting "FOR".

6. Consider accepting certified total appraised, assessed, and taxable values of all property and total taxable values of new property in the City of Kingsville as certified by the Kleberg County Appraisal District. (Finance Director).

Mr. Rushing stated at an earlier presentation, Ms DeLaGarza has set out and reviewed the information for their acceptance.

Commissioner Leubert made a motion to accept the appraised values, as presented, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Pena, Pecos, Garcia, Leubert voting "FOR".

7. RESOLUTION NO. 2012-43 Consider resolution authorizing the City Manager to execute a Professional Service Agreement between the City of Kingsville and Imagine It Studios relating to City website. (Director of Development Services).

Mr. Mike Kellam stated he provided a memo with detailed outline of services that will be provided. This is an effort to increase the curb appeal on web traffic. We are proposing enhancement to the website. The functionality has outgrown itself. This is a complete revamp redesign graphically and functionality regarding each department. Our website is outdated technology. The cost is \$27,000 for final product which includes a two week creative session and full construction which is two 45 day periods, for a total of 105 days from start to beginning. The 2<sup>nd</sup> part of this proposal and company agreement is the 12 month contract for ongoing maintenance at \$500 per month.

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

**8. Consider introduction of an ordinance amending the Fiscal Year 2011-2012 budget for the General Fund Capital Projects Fund for the City website to utilize Fiscal Year 2010-2011 surplus funds. (Finance Director).**

Mr. Rushing stated this is the budget amendment for consideration of item just passed.

**INTRODUCTION ONLY**

**9. Consider introduction of an ordinance amending the Fiscal Year 2011-2012 budget for the General Fund Capital Projects Fund for Public Works Service Center electric gate opener and fuel pump canopy to utilize Fiscal Year 2010-2011 surplus funds. (Finance Director).**

Mr. Rushing stated is for a sum total of \$6,253.

**INTRODUCTION ONLY**

**10. Consider introduction of an ordinance amending the Fiscal Year 2011-2012 budget for the General Fund 001 for the Legal Department Professional Services. (Finance Director).**

Mr. Rushing stated this would appropriate the current year budget funded from estimated auction revenues for \$8,000.

**INTRODUCTION ONLY**

**11. RESOLUTION NO. 2012-44 Consider resolution authorizing the City Manager to execute an easement with David Cummings for an area near 1500 East General Cavazos Blvd. (City Engineer/Public Works Director).**

Mr. Khan stated there's a sewer line but no easement on this property.

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

**12. RESOLUTION NO. 2012-45 Consider resolution authorizing the City Manager to execute an easement and an agreement with Deral Meadows relating to drainage and utility easement issues at 1500 East General Cavazos Blvd. (City Engineer/Public Works Director).**

Mr. Khan stated this item is a little different from the previous item. Mr. Meadows believes he has some slab collapse and damage on his property due to some construction work from the City. The agreement states the City will fix that, but at the same time there's a 40 ft. drainage easement on the eastside and the sewer line on that drainage easement. The City is proposing a 40 ft. drainage easement if it can be converted into 40 ft. drainage plus utility easement.

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

**13. RESOLUTION NO. 2012-46 Consider resolution authorizing participation in Union Pacific Foundation: Community Based Grant Program for victim and responder kits, authorizing the Chief of Police to act on the City's Behalf with such program. (Chief of Police).**

Chief Torres stated this grant is available through the Union Pacific Foundation. There have been many incidents of active shooters scenarios occurring across the nation. With that in mind his department has always worked diligently to be at the forefront and have the officers well trained. He stated these kits work well. They have already been accepted for the first portion and are moving on to the second phase of the grant. They have applied for 55 ALERRT Victim and responder kits at a cost of \$5,610 excluding shipping.

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

**14. Consider authorizing the award of a contract, Bid #12-39, for repair of ten concrete street intersections as per staff recommendation. (Purchasing Director).**

Mr. Mason stated this is a continuation of the program started last year for ten (10) intersections within the City. There were four potential vendors and only one bid. Elite General Contractors, LLC in the amount of \$248,000. This action will expend from 065-5-305.0-521.00 – CO 2011 funds.

Commissioner Pena made a motion to consider the contract, seconded by Commissioner Leubert and Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Garcia, Leubert, Pecos, Pena voting "FOR".

**15. RESOLUTION NO. 2012-47 Consider a resolution establishing a residency requirement for appointees to City Boards and Commissions. (Commissioner Garcia).**

Commissioner Garcia stated there was discussion at the last meeting regarding appointments to Boards and Commissions regarding residency issues. The City Secretary Edna Lopez did some research and from that research, the City Attorney Courtney Alvarez did the resolution. This would clean it up. Mayor Fugate stated the resolution would allow Kleberg County citizens to serve if you can't get good candidates in the City. Ms Alvarez stated unless there is state statute that prohibits it.

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


**16. Consider a proposed tax rate; if proposed tax rate will exceed the effective tax rate or the rollback rate (whichever is lower), take record vote and schedule public hearings. (Finance Director).**

Mayor Fugate stated he wanted to make sure that everyone knows that this is not what the City's actual tax rate will be. The only reason for setting at this level, now, is because once set you can't go higher but you can go lower. The tax rate will be significantly lower.

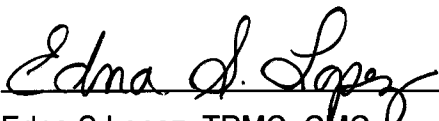
Commissioner Pecos made a motion to set the proposed Fiscal Year 2012-2013 tax rate at \$0.88218; and to set public hearings for Monday, August 27<sup>th</sup> and Wednesday, September 5<sup>th</sup> at 6:00 in the Alcorn Commission Chambers in City Hall at 200 East Kleberg, Kingsville, Texas, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Fugate, Garcia, Pena, Leubert, Pena voting "FOR".

**VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 7:50 P.M.

  
Sam R Fugate, Mayor

ATTEST:

  
Edna S Lopez, TRMC, CMC

City Secretary