

JUNE 4, 2013

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON TUESDAY, JUNE 4, 2013 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 12:00 P.M.

CITY COMMISSION PRESENT:

Sam Fugate, Mayor
Dianne Leubert, Commissioner
Noel Pena, Commissioner
Al Garcia, Commissioner
Arturo Pecos, Commissioner

CITY STAFF PRESENT:

Vincent J. Capell, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Charlie Cardenas, Public Works Director/Engineer
Bob Trescott, Tourism Director

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chamber at 12:00 p.m. and announced quorum as present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

Mayor Fugate stated that unless there are any objections, he would like to skip the invocation and pledge of allegiance. No objections were made.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

None.

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

1. None.

III. Reports from Commission & Staff.² (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, Tourism, 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."

Mr. Vince Capell, City Manager announced the appointment of Mr. Robert Isassi to the position of Director of Planning and Development Services. Mr. Isassi will begin his duties with the City of Kingsville on June 18, 2013.

Mrs. Courtney Alvarez, City Attorney announced that she will be out of the office June 5-7, 2013 attending the Texas City Attorneys Association Conference. She further stated that with regards to the item before the Commission today, the County had anticipated voting on it yesterday at their meeting, but due to a death in the family on the developers side, the developer was not able to submit their application to the County on time. Mrs. Alvarez has spoken with the County Attorney to let her know that the City will be moving forward with this item pending their approval.

Commissioner Pecos thanked city staff for working on Saturday, June 1, 2013 repairing potholes.

IV. Public Comment on Agenda Items³

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

V.

Consent Agenda

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

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)

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. **Items for consideration by Commissioners.**⁴

1. Consider resolution authorizing the City Manager to enter into an Interlocal Agreement with Kleberg County for Residential Economic Development Assistance for Wildwood Trail Subdivision. (City Manager).

Mr. Capell stated that the City is willing to take over the administration of the benefits for the Wildwood Trail Subdivision. He further stated that the City Finance Director would need to coordinate a meeting with Kleberg County Appraisal District and the County Tax Collector.

Mayor Fugate asked Mrs. Alvarez that if during her conversation with the County Attorney, did the County Attorney anticipate any other changes to the agreement.

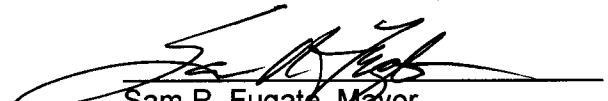
Mrs. Alvarez stated that both herself and the County Attorney felt very comfortable with the form and content of the document. She further stated that on page 2 of the agreement, once the agreement goes to the County for approval, this information would need to be provided with regards to what agenda item it was as well as the date of the meeting.

Mayor Fugate stated that he doesn't anticipate any changes between now and then. He further stated that if Zarsky Development Company, L.L.C. can submit their application to the County, it will be on the County agenda next week for their approval.

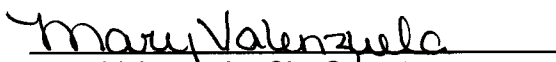
Motion made by Commissioner Garcia to authorize the City Manager to enter into an Interlocal Agreement with Kleberg County for Residential Economic Development Assistance for Wildwood Trail Subdivision, second by Commissioner Pecos. The motion was passed and approved by the following vote, Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

VII. **Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 12:10 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, City Secretary

Mr. Jonathan Plant, John E. Conner Museum Director reported to the Commission on the Annual Report for the John E. Conner Museum. The Conner Museum total operating expenses for Fiscal Year 2012-2013 was \$72,109.34. The projected budget for Fiscal Year 2014 is \$82,000, having a difference of close to \$10,000 from FY 2012-2013. The museum has been involved in six traveling exhibits this fiscal year, Vaquero: Genesis of the Texas, Running for Office: Candidates; Campaigns, and the Cartoons of Clifford Berryman; Images of the Madonna; Celebration of Quilts 2013; Lions Club International Peace Poster Contest, "Our World, Our Future"; Step Right Up! Behind the Scenes of the Circus Big Top. The City of Kingsville supports four of the museums vital positions which are the Curator, Visitor Services Staff which consist of two personnel, and Exhibit Fabricator. The museum has also participated in the Ranch Hand Festival Downtown in November, and the Parade of Lights in December. The museum intends to continue to participate annually in these events and other community events as appropriate. The Conner Museum has installed two new billboards on US Hwy 77 back in February to promote our community. After evaluating its advertising strategies, the Museum this year dropped some of its advertising in national publications and increased advertising in regional travel publications, including Texas Now aimed at visitors to the Coastal Bend and Viva Texas which targets visitors in San Antonio, the Rio Grande Valley, and Matamoros, Mexico. The museum plans to increase its advertising next fiscal year with a particular emphasis on attracting Winter Texans.

Mr. Plant further reported that new improvements were made to the museum. The museum is now equipped with a power-assist entry, making the facility more accessible to elderly visitors and visitors with disabilities. They have also added several new hands-on components aimed at making the museum experience more interactive. A new mammoth fossil exhibit and a South Texas rancho interior are nearing completion. Within the next fiscal year, the museum hopes to add new sections on Kingsville and Texas A&M University-Kingsville. Mr. Plant thanked the City of Kingsville for all their support.

Commissioner Leubert commented that during a visit to Rockport over the weekend, she received some really great comments about Mr. Plant. She further stated that the Conner Museum offers lots of activities for families.

Mr. Capell asked if the Conner Museum has tried to attach their efforts to hotel night stays which can be a benefactor to Kingsville. Mr. Plant responded that they have and this is why they aimed to change their focus in advertisement.

Mr. Bob Trescott, Tourism Director made a presentation to the City Commission regarding the Petra Vela Kenedy house. He stated that this house was built in the late 1860's in what is now known Kleberg County. The Kenedy's lived in Kleberg County for ten years on land that is now known as the King Ranch. The foundation which controls the house has offered it to the City with \$75,000 to accomplish the move. This historic home would be moved into the area where the pavilion is located on 6th Street. Mr. Trescott further showed a clip of a video that was aired on KIII Channel 3 as a Special Report on the Petra Vela Kenedy House.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. **Items for consideration by Commissioners.**⁴

6. Consider condemnation of structures located at 528 S. 18th Street, Kingsville, Texas. (Director of Planning & Development Services).

Mrs. Alvarez stated that since it did not get noticed, it wouldn't hurt to reset this condemnation for a future meeting.

Commissioner Leubert commented on the permits in which were issued to this particular property. Re-roof permit issued in July 2012 with an expiration date of December 2012, electric re-model permit issued on July 2012 expiring in January 2013. She further stated that it's the responsibility of the owner to begin the work after permits have been issued.

Daniel Ramirez, Building Official stated that normally when a contractor comes in for a permit to update meter services, the inspection gets done immediately. He further stated that it had been inspected and service is still brand new as it was one year ago.

Commissioner Leubert stated that if Commission allows the thirty days, the property owner has to do something to bring this structure up to code.

Mayor Fugate stated that his concern with this structure is that it is located near Harvey Elementary School.

Commissioner Garcia stated that normally when you rewire a home and passes inspection, the house is weathered in.

Commissioner Pecos stated that he knows the family and feels that Mr. Rios will bring this structure up to code.

City Commission took no action on this condemnation.

7. Consider condemnation of structures located at 1221 E. Huisache, Kingsville, Texas. (Director of Planning & Development Services).

Motion made by Commissioner Pecos finding not able to repair building or structure is unsafe; and present condition is a violation of ordinances; and cannot be corrected without substantial reconstruction; then declare the building or structure to be a public nuisance and order its demolition by owner/agenda/person in charge within 30 days. (City shall abate in any manner it deems necessary and proper), seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Pena, Garcia, Leubert, Pecos, Fugate voting "FOR".

8. Consider condemnation of structures located at 422 S. 18th Street, Kingsville, Texas. (Director of Planning & Development Services).

Mayor Fugate stated that what struck him about comments made during the public hearing is that it is very disconcerting that the owner will not be putting any more money into this structure. Mayor Fugate asked Ms. Birker if she plans on putting any more money into this structure, Ms. Birker responded no.

Motion made by Commissioner Pecos finding not able to repair building or structure is unsafe; and present condition is a violation of ordinances; and cannot be corrected without substantial reconstruction; then declare the building or structure to be a public nuisance and order its demolition by owner/agenda/person in charge within 30 days. City shall abate in any manner it deems necessary and proper, seconded by Commissioner Leubert.

Commissioner Garcia asked for clarification on identifying the property. Mr. Isassi stated that according to the tax roll, the address is 422 S. 18th.

The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

9. Consider condemnation of structures located at 1702 E. Fordyce, Kingsville, Texas. (Director of Planning & Development Services).

Mayor Fugate asked what shape the roof was in on this structure. Mr. Isaasi stated that the roof is in decent shape.

Mr. Capell stated that these structures are brought to the attention of the City Commission only because numerous complaints are made by neighboring properties.

Commissioner Leubert stated that the property owner needs to decide whether the structure can be restored and restored quickly.

Commissioner Pecos commented that he would like to give the property owner the opportunity to bring this structure up to code.

City Commission took no action on this condemnation.

10. Consider accepting the Comprehensive Annual Financial Report of the City of Kingsville for Fiscal Year 2011-2012. (Director of Finance).

Mr. Rushing stated that Mr. Luke Womack was present to provide information on the Comprehensive Annual Financial Report. Mr. Womack stated that there are two sets of financials today. He further reported that the in the General Fund has \$6.2 million, taxes receivable and various other receivables \$1.2 million. In restricted cash which is just under \$3.7 million, the \$3.7 million is from the landfill pre-imposed closure reserves that were set away over the years for a total asset of \$13,446,000. In liabilities there is \$2,712,000 with last year being \$3.1 million so liabilities are down primarily due to accounts payable. Total equity \$10,734,000 with last year being \$10,418,000, so the City in General Fund is in very good shape, that \$5.6 million is about \$1.6 million over what the City normally carries as a reserve of three months. Police forfeiture fund is very adequate with a total asset of \$5.1 million of which \$3.4 million is cash with equity of \$100,681,000 available for future expenditures. Debt Services has \$100,057,000 in assets including taxes receivable, and a liability of \$400,000 leaving them with a \$733,000 fund balance. Capital Improvements has a total asset of \$3.7 million with last year being \$5.0 million which has decreased by \$1.5 million which was expected due to borrowing bond money which will leave a balance of \$3,066,000. Mr. Womack stated that the City is in very good financial condition. Now looking at total revenue and expenditures, total revenues \$15,106,000 with last year being \$15,190,000 so revenue is still holding strong today. Total expenditures were \$15,552,000 versus \$14,000,000 which was up by \$100,000,000 due to expenditures planned during the budget for capital

improvements throughout the city. In net change in fund balances there was \$315,000,000, for fund balance equity of \$10,734,000. In the Police Department forfeiture fund brought in \$871,000 spent \$1,561,000 with a reserve of \$2 million which brought it down to \$1,681,000, which they still have a substantial reserves at the end of the year. Debt Service Fund brought in \$1,454,000 spent \$1,802,000 with a transfer in of \$427,000 resulting in a positive variance \$79,000 which is added to \$654,000 brings the balance to \$733,000. In Capital Improvements, very little money coming in, the income is only \$20,000 of interest earned on the bond proceeds. Spent was \$1.4 million which is depleted \$1.4 bringing \$4.3 million equity down to \$3,066,000. Mr. Womack stated that the revenues remain strong and reserves with four months of expenditures will be \$4,000,000. He further stated that the General Fund is in very good financial conditions, Police forfeiture fund is still heavily capitalized, debt service fund with \$733,000 is more than adequate. Capital Improvements are depleting based on the budget. Mr. Womack stated that the financial condition of the City is in excellent shape. During an Audit Committee meeting, they discussed one repeated finding in the condition of the accounting records as well as the investment policy and hours that need to be obtained.

Motion made by Commissioner Leubert to accept the Comprehensive Annual Financial Report of the City of Kingsville for Fiscal Year 2011-2012, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Pecos, Pena, Garcia, Leubert, Fugate voting "FOR".

11. Consider a resolution authorizing the Mayor to enter into the First Amendment to the Interlocal Cooperation Agreement between the City of Kingsville and Texas A&M University-Kingsville relating to engineering design work for Kleberg Avenue from Kleberg County Courthouse to Third Street. (City Engineer/Public Works Director).

Mr. Charlie Cardenas, Public Works Director/Engineer reported that this is for the design work on Kleberg Ave. There were some elements that needed to be upgraded one being the pedestrian and ADA elements.

Commissioner Leubert asked that the additional amount of \$6,000 will increase the contract price to \$35,000 for additional engineering design on 6th Street. Mr. Cardenas stated yes, to allow the upgrade of the pedestrian elements such as audible push buttons and ADA ramps.

Mayor Fugate asked if there would be a presentation to the Commission regarding this project. Mr. Cardenas responded that he would like to do a tour presentation to the City Commission and the downtown management district. Mayor Fugate asked for a cost estimate as to what this project will cost. Mr. Cardenas stated that the estimate would be \$800,000 to \$1 million in construction dollars. He further stated that with a project of this type, it will not be done in-house. This project will require going out for contractual bids.

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

12. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget of the General Fund for the City of Kingsville for the First Amendment to the Interlocal Agreement with Texas A&M University Kingsville for engineering design work for Kleberg Avenue. (Director of Finance).

Mr. Rushing stated that this is a budget amendment for agenda item #11 for an increase of \$6,000.

Introduction Item.

13. Consider a resolution authorizing the Mayor to enter into an Interlocal Cooperation Agreement between the City of Kingsville and Texas A&M University-Kingsville relating to usage of facilities and signage. (Mayor Fugate).

Mr. Scott Gines, Vice President of Intercollegiate Athletic & Campus Recreation at Texas A&M University-Kingsville, stated that this is an integrate partnership with the City to transform Javelina Stadium's track and field surface and other amenities around the stadium. This is a partnership agreement with no new monies that came from the institution itself. This was based on traffic generated in this stadium. Other partners involved are several Independent School Districts.

Mayor Fugate asked Mr. Gines to talk about some of the championship games that he is trying to pursue. Mr. Gines stated that the most recent event was bringing back UIL to Kingsville which was a two year agreement for track and field which brought over 1,000 participants that took place the third week in April. The University is attempting to bid on future events to be held in their stadium. Mayor Fugate asked for a cost estimate of the improvements. Mr. Gines stated that the field cost is \$1.7 million and some of the external entrance items are about \$600,000, which is on a separate business plan.

Commissioner Pena asked if Mr. Gines could reveal the agreement that they have with the ISD's. Mr. Gines stated that the City has the lowest portion of all. The other two agreements are for \$50,000 and \$80,000 per year for a five year contract with renewal aspects, given the nature of the agreements and the A&M System and what is allowed. Commissioner Leubert stated that the ISD's use the stadium for their games and any other events. Mr. Gines stated that those agreements have been expanded progressively into multiple sports, practices, practice opportunity in sub-varsity and middle school contest over the last six years.

Commissioner Pena asked Mrs. Alvarez for her comments regarding this resolution. Mrs. Alvarez responded that the money is coming from a legitimate source and in speaking with Mr. Gines, he has advised that they have billboards in the Stadium and along the roadway as well that they will allow City usage to scroll messages for public services or public health and safety issues. She further stated that since the City does not have adequate facilities for holding meetings, they have offered space within the campus to the City. Commissioner Pena stated that nowhere in the resolution is this stated to reference this purpose. Mrs. Alvarez stated that the City is providing the money and the A&M System can put it in whatever fund they need to put it into, so long as the City receive the ability to use the facilities and signage.

Commissioner Garcia asked how many meetings will be held in their campus and is it worth the \$25,000. He further stated that his concern is that we need to connect purpose and funding to make sense. He stated that \$25,000 for a meeting place sounds like a large amount of money to pay when the City can get meeting space for a small cost. He stated that he is not against the idea of this resolution, but would like to connect the purpose and funding in order for it to make sense.

Mayor Fugate requested that more language be put into this resolution stating how this would be beneficial to the City. He further stated that he would like for Mrs. Alvarez to further review this resolution and bring back to City Commission at a later meeting.

No action taken.

14. Consider resolution authorizing the City Manager to execute an Interlocal Agreement for E9-1-1 Public Safety Answering Point Services between the City of Kingsville and the Coastal Bend Council of Governments. (City Manager).

Motion made by Commissioner Leubert to authorize this resolution, seconded by Commissioner Pena. The motion was passed and approved by the following vote: Pecos, Pena, Leubert, Fugate voting "FOR". Commissioner Garcia not available to vote on this item.

15. Consider waiving landfill fees associated with community cleanup project for the health and safety of residents performed by First United Methodist Church, UM Army Camp. (City Manager).

Mr. Capell stated that this cleanup is for a good cause. At this time there is no estimate of tonnage that will be disposed of at the landfill.

Motion made by Commissioner Pecos to waive landfill fees associated with community cleanup project performed by First United Methodist Church, seconded by Commissioner Garcia.

Mr. Pete Pina, Interim Landfill Supervisor stated that as of today, only one load has been disposed of at the landfill. He further stated that there will be more loads to be dumped later in the week.

The motion was passed and approved by the following vote: Pena, Garcia, Leubert, Pecos, Fugate voting "FOR".

16. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewer, providing for an increase in sewer rates. (Director of Finance).

Mr. Rushing stated that these are scheduled increase rates in accordance with the water and wastewater models provided by HDR Engineering in which the City entered into in September 2010 which runs into fiscal year 2015. The increase that is scheduled based on the model is 1% increase in water and 3% increase in wastewater. He further stated that in water model over a 5 year period, there is a 7% increase and the wastewater there is a 16% increase. Due to the City freezing increases over the past few years, now it's time to play catch-up in this process of the rate models.

Commissioner Leubert stated that however taxes have increased. Commissioner Pecos stated that property taxes have not increased. Commissioner Leubert stated that the appraisals have increased. Mr. Capell stated that from a policy prospective it is best to have small increases rather than higher increases every seven to eight years.

Introduction item.

17. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Water, providing for an increase in water rates. (Director of Finance).

Introduction item.

18. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget of the General Fund for City Secretary Certification and City Manager Travel and Training. (Director of Finance).

Mr. Rushing stated that this funding will come from a rebate that came back on the fees of the Appraisal District which had some savings in the expected budget that allow the transfer of \$2,000.

Introduction item.

19. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget of the General Fund for City Commission Travel and Training. (Director of Finance).

Mr. Rushing stated that this will also be transferred from the same line item as stated above which will give an additional \$400 per Commission member on Travel and Training.

Introduction item.

20. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 Certificate of Obligation 2013 & 2011 Fund Budgets and Storm Water Utility Fund Budget for Street and Drainage Projects. (Director of Finance).

Mr. Rushing reported that a reduction in fund 065, CO 2011, which had projects originally budgeted that was able to be reduced. Drainage project in fund 068, increase of \$566,855. Storm Water Utility Fund 055, original adopted budget was \$925,000. These were the drainage projects in the initial FY 2013 adopted budget before the CO 2013 issue. Budgets amend decrease for Storm Water in utility fund is \$925,000 which will be transferred to fund 068. Mr. Cardenas stated that the bulk of the project has to do with the drainage elements involved.

Mr. Capell stated that this is the first budget amendment that reflects the additional cost required to implement the new program for this fiscal year.

Introduction item.

21. Consider accepting grant in the amount of \$3,000 from Union Pacific Foundation for Keep Kingsville Beautiful to support cleanups. (Director of Planning & Development Services).

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

22. Consider introduction of an ordinance amending the fiscal year 2012-2013 General Fund Budget for the City of Kingsville to accept a grant from the Union Pacific Foundation for Keep Kingsville Beautiful Program in conjunction with the Community Appearance Department. (Director of Finance).

Introduction item.

23. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 General Fund Budget for Community Appearance to fund demolition projects through the remaining fiscal year. (Director of Finance).

Mr. Rushing stated that this item will appropriate \$35,830 for property owned abatement agreements for July \$12,730, August \$4,240, and September \$7,420 for a subtotal of \$24,390. In addition there is another \$11,440 which is for two different demolitions. The two demolitions are the water tank and the old fire training building.

Introduction item.

24. Consider request from County to fund up to 1/3 of the estimated \$17,375 cost to repair the equipment barn at the L.E. Ramey/County Golf Course, which is contingent on the remaining funding being obtained from other sources first. (City Manager).

Mr. Capell stated that the Golf Course Manager has approached the City for monetary assistance in the repair of the equipment barn. The estimated portion requested is \$5,792 which will be transferred from the catering fund of 103.0-319.00.

Mayor Fugate asked if this will be a new roof placed on the barn. Mr. Al Gola stated that it will be replaced with a new roof and has received a bid from Gillespie Roofing which was the lowest bid of two submitted. He further stated that the Kleberg County Commissioner's Court has approved their share of the cost during a meeting held today.

Motion made by Commissioner Pena to approve request from County to fund up to 1/3 of the estimated \$17,375 cost to repair the equipment barn at the L.E. Ramey/County Golf Course, seconded by Commissioner Pecos and Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

25. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 Budget for the General Fund to assist with repair costs to the Equipment Barn at the L.E. Ramey/County Golf Course. (Director of Finance).

Introduction item.

26. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 General Fund budget for Community Appearance to purchase benches and litter/recycling receptacles for the downtown area. (Director of Finance).

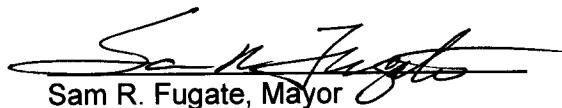
Mr. Rushing stated that is a budget amendment to purchase benches and litter/recycling receptacles for the downtown area. The total proposal is \$21,175 of which \$6,400 is being contributed for the purchase of five benches. The request is for the City to contribute the remaining \$14,775 for the purchases of seventeen litter/recycling receptacles.

Commissioner Garcia asked if the current benches will be replaced by the new benches. Mrs. Cynthia Martin, Downtown and Volunteer Manager stated that the current benches will not be replaced with the new ones.

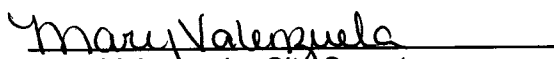
Introduction item.

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 8:35 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, City Secretary

AUGUST 12, 2013

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 12, 2013 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 6:00 P.M.

CITY COMMISSION PRESENT:

Sam Fugate, Mayor
Noel Pena, Commissioner
Dianne Leubert, Commissioner
Arturo Pecos, Commissioner
Al Garcia, Commissioner

CITY STAFF PRESENT:

Vince Capell, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
James Bryson, Accounting Manager
Bob Trescott, Downtown Director
Charlie Cardenas, Public Works Director/Engineer
Bill Donnell, Asst. Public Works Director
Mark Rushing, Finance Director
Emilio Garcia, Health Director
Ruthie Valdez, Interim Library Director
Robert Isassi, Director of Planning & Development Services
Diana Gonzales, Human Resources Director
Melissa Perez, Risk Manager
Cynthia Martin, Downtown & Volunteer Manager
Jennifer Bernal, Community Appearance Supervisor
Joey Reed, Fire Chief
Ken Starrs, Assistant Task Force Commander
Ricardo Torres, Chief of Police
Diana Medina, Collections Manager
Tony Verdin, Information Systems Technician
Manuel Buentello, Inspector

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the Robert H. Alcorn Commission Chamber at 6:00 p.m. and announced quorum as present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by Mark Rushing, Finance Director followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Regular Meeting – July 22, 2013

Mayor Fugate asked for a motion from the Commission to approve the minutes as presented.

Motion made by Commissioner Pecos to approve minutes as presented, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting “FOR”.

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

1. Public hearing regarding condemnation proceeding for structures located at 618 W. Fordyce, Kingsville, Texas. (Director of Planning & Development Services).

Mayor Fugate read and opened this public hearing at 6:02 p.m.

Robert Isassi, Director of Planning & Development Services reported that the building official has inspected the structure which is in severe disrepair. The walls are leaning with the roof and ceiling sinking. There are also signs of water damage and the wood support structure is rotting. The structure has had no utilities or power as of today. This structure was inspected in March, 2013 with a re-inspection on July, 2013 in which the inspector noticed no improvements made. A twenty day pre-notification letter was sent to property owner notifying them of this public hearing. All proper notices were mailed to the property owner as well as all necessary notices published in the newspaper and a placard has been placed on property. The property owner is behind seven years in taxes.

Mayor Fugate closed this public hearing at 6:04 p.m.

2. Public hearing regarding condemnation proceeding for structures located at 626 ½ W. Kenedy, Kingsville, Texas. (Director of Planning & Development Services).

Mayor Fugate read and opened this public hearing at 6:04 p.m.

Mr. Isassi reported that this structure has been signed over to the City of Kingsville on a voluntary demolition.

Mayor Fugate closed this public hearing at 6:06 p.m.

3. Public hearing regarding condemnation proceeding for structures located at 816 E. Doddridge, Kingsville, Texas. (Director of Planning & Development Services).

Mayor Fugate read and opened this public hearing at 6:06 p.m.

Mr. Isassi reported that this structure is unsecured and is in disrepair with dilapidated walls and roof and ceiling sinking. The structure was inspected in May, 2012 to which a notice of violation was mailed to the property owner in May, 2012 with a second notice mailed in June, 2012. A third notice was mailed in April 2013 and July 2013. The structure has not had utility services since September, 2008. The property owner is behind thirteen years in taxes. All proper notices were mailed to the property owner as well as all necessary notices published in the newspaper and placards were posted on property.

Mayor Fugate closed this public hearing at 6:08 p.m.

III. Reports from Commission & Staff.² (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, Tourism, 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."

Representatives of the Kingsville Independent School District (KISD) made a presentation to the City Commission regarding the Tax Ratification Election (TRE) on August 29, 2013. Ms. Karen Griffith, Assistant Superintendent for Support Services Kingsville Independent School District, 207 N. 3rd Street. Mr. Ed Blaha, Kingsville Independent School District Superintendent, 207 N. 3rd Street. Selind Sanchez, Public Relations Specialist, 207 N. 3rd Street.

Ms. Griffith and Mr. Blaha stated that Kingsville ISD wants to do a Tax Ratification Election (TRE). A TRE is where the voters are asked to authorize a tax rate set by the Board of Trustees. An election is required because the Board is proposing to raise the Maintenance & Operation (M&O) portion of the total tax rate. There will be no increase in the total tax rate proposed by the Board. The Board is proposing this action in order to maximize its revenues from the State under the Texas school finance system. The Board is attempting to meet student needs at the lowest possible cost to KISD taxpayers. She further explained why a TRE. She stated that the state cut approximately \$1.6 million for the 2012-2013 biennium. The state cut approximately \$433,840 in special programs, including funding for pre-kindergarten program, technology, pregnancy services and student success initiative programs. In return, Kingsville ISD cut library allocations, supply allocations, athletic expenditures, increased class size from 18/1 to 22/1 and in some cases 24/1. It has reduced elementary special area teachers (music, art & PE), reduced transportation expenditures, curtailed maintenance repairs and froze salaries. The possible uses are for employee salary increase, campus capital improvements, upgrade replacements for worn out buses, curriculum enhancements required by Legislature, dual credit – college/career readiness and technology upgrades such as using iPads. This election will not increase the current tax rate. KISD is

proposing to increase the M&O rate while reducing the I&S tax rate. Voting "FOR" the TRE will earn an additional estimated \$1.2 million dollars for Kingsville Independent School District per year without any additional tax burden to the KISD taxpayers.

Ms. Selinda Sanchez stated that the Kingsville Independent School District will be hosting its 2nd annual Community Fair Friday, August 16, 2013 from 6:00 p.m. to 8:00 p.m. in front of the KISD School Administration Building.

Mrs. Courtney Alvarez, City Attorney reported that the next Commission meeting is scheduled for August 26, 2013 with a prior budget workshop before the 6:00 p.m. meeting. She further reminded staff that the deadline for agenda items is Friday, August 16, 2013. Mrs. Alvarez also reported that there will be a budget workshop on August 27, 2013 and on September 3, 2013.

Mayor Fugate stated that there is a group in Kingsville that involves the County, City, KISD and other local industries that are looking into a campaign on how to market Kingsville. He further stated that he would like to see more families not only work in Kingsville but live in Kingsville.

Commissioner Pecos stated that with the new housing development coming into Kingsville, this may attract more citizens to our City.

IV. Public Comment on Agenda Items ³

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

Doris Pate, 242 Candlewood, stated that in August 2, 2013, she received a city citation for parking within 16 feet of a fire hydrant. The fire hydrant is located in her parent's front yard at 2001 S. 4th Street. She further stated that she, family and friends have been parking in the same location for the past 43 years. She feels that the citizens of the City should receive a warning that the City has decided to enforce citing citizens with a \$50.00 fine for parking within feet of a fire hydrant. She suggested to the Commission that a notice go out in everyone's water bill notifying them about the new enforcement of parking 16 feet within a fire hydrant.

Alfred Isassi, 213 W. Sage Road, stated that there will be a citizen group meeting within the next two weeks and would like to extend the invitation to the City Commission to hear citizens' concerns regarding street repairs. He further stated that the groups concern is the patching of a portion of Sage Road where there are potholes developing. He further stated that Young Drive is also as bad as Sage Road therefore they would like to see both streets repaved.

Jackie Guerrero, 321 W. Sage Road thanked the Commission and staff for patching up the potholes on W. Sage Road but would like to see the entire street repaved.

Joey Muniz, 203 W. Kenedy, stated that he is here today as a representative of his grandpa's estate located at 1221 E. Huisache. He is requesting for the City of Kingsville to rescind the order of demolition that was approved by Commission on July 22, 2013 for 1221 E. Huisache. He further stated that this property has been in his family for over two generations. He is asking for an opportunity to bring the house up to normal conditions where he can live and possibly raise a family of his own. He has already spoken to a contractor who is willing to work with him to bring the property back to livable conditions. He stated that the roof, walls and windows would be the first thing to be worked on. He further stated that if given the opportunity, he could have this home done within a year. He further apologized to the Commission on behalf of his family for not taken care of the situation at an early time.

Jesse Rodriguez, 221 W. Sage Road, stated that he moved from Corpus Christi to Kingsville and decided to purchase property on W. Sage Road. Mr. Rodriguez stated that he pays high taxes and would like to see his tax dollars spent on repairing roads.

Benjamin Barker, 1602 E. Huisache, stated that he is requesting for the City Commission to rescind the order of demolition that was approved by Commission on July 22, 2013 for property located 422 S. 18th Street. He stated that when this property came to Commission for condemnation, he was unable to attend the meeting as he was working out of town. Mr. Barker has spoken to contractors and has secured bids and would like to pull permits to start repairs.

V.

Consent Agenda**Notice to the Public**

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

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)

Mayor Fugate asked for a motion to approve the consent agenda as presented.

Motion made by Commissioner Leubert to approve consent agenda items #1-7 & 9, removing item #8 from consent agenda and placing it on the regular agenda, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia, Fugate voting "FOR".

1. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 budget of the General Fund for the City of Kingsville for the First Amendment to the Interlocal Agreement with Texas A&M University-Kingsville for engineering design work for Kleberg Avenue. (Director of Finance).

2. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 budget of the General Fund for City Secretary Certification and City Manager Travel and Training. (Director of Finance).

3. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 budget of the General Fund for City Commission Travel and Training. (Director of Finance).

4. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 Certificate of Obligation 2013 & 2011 Fund Budgets and Storm Water Utility Fund Budget for Street and Drainage Projects. (Director of Finance).

5. Motion to approve final passage of an ordinance amending the fiscal year 2012-2013 General Fund Budget for the City of Kingsville to accept a grant from the Union Pacific Foundation for Keep Kingsville Beautiful Program in conjunction with the Community Appearance Department. (Director of Finance).

6. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 General Fund Budget for Community Appearance to fund demolition projects through the remaining fiscal year. (Director of Finance).

7. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 Budget for the General Fund to assist with repair costs to the Equipment Barn at the L.E. Ramey/County Golf Course. (Director of Finance).

8. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 General Fund budget for Community Appearance to purchase benches and litter/recycling receptacles for the downtown area. (Director of Finance).

Commissioner Leubert stated that she is not convinced about the litter/recycling receptacles that will be purchased if this ordinance is approved. Her concern is the amount of space that is needed for the existing cans already located downtown which fill up quickly. She further stated that with the new receptacles, having a section for recycling and a section for garbage, this container would not be adequate. She further stated that the double receptacle which has two attached containers would be more adequate for the downtown area. One container would be for garbage and the other for recycling items.

Motion made by Commissioner Leubert to amend the ordinance to fund benches only and wait on the litter/recycling receptacles for the downtown area, seconded by Commissioner Garcia.

Commissioner Pecos asked Commissioner Leubert why she states that there will be more garbage than recycling materials. Commissioner Leubert responded that if the City is serious about recycling, the City has to provide the containers for recycling.

Mrs. Cynthia Martin, Downtown & Volunteer Manager, stated that the city is going from eight receptacles to twenty-three receptacles which will give more capacity. She further

stated that she thought about using the split units first, which will take up less space on sidewalks. Mrs. Martin stated that by using these containers, for a small cost these containers can be converted for all trash or recycling by just purchasing a new liner. Commissioner Leubert stated that she feels that these containers would become all trash containers. She further stated that one of the reasons recycling doesn't work curbside is because citizens are given recycling containers, and the ones that do work are those that are given a 95 gallon container.

Mayor Fugate asked Mrs. Martin what staff would like to see purchased. Mrs. Martin stated that she would like to try the split and if this doesn't work then go to the other receptacles. Mayor Fugate asked Mrs. Martin if she would like to keep the ordinance for the purchase of benches and receptacles as proposed by staff. Mrs. Martin responded yes.

Commissioner Garcia asked if it would setback the City if only the benches were to be purchased and wait on the receptacles. Mrs. Martin responded it would be a problem.

Mr. Capell stated that he keeps hearing from the Commission about staff not making progress in the downtown area and feels that this is responsible proposal.

Commissioner Pecos asked what the cost will be for the receptacles. Mrs. Martin stated that an individual receptacle for trash only will cost \$725. The receptacle with the split liner with a special lid will cost \$925 and the double units are \$1335.

Motion "FAILED" by the following vote: Pecos, Pena, Fugate voting "AGAINST". Leubert, Garcia voting "FOR".

Mayor Fugate asked for a second motion to this item.

Motion made by Commissioner Pecos to approve this ordinance amending the Fiscal Year 2012-2013 General Fund budget for Community Appearance to purchase benches and litter/recycling receptacles for the downtown area, seconded by Commissioner Pena. The motion was passed and approved by the following vote: Pena, Pecos, Fugate voting "FOR". Leubert, Garcia voting "AGAINST".

9. Motion to approve certification of 2012 excess debt collections and the certification of 2013 anticipated collection rate, pursuant to Section 26.04(b) of the Texas Property Tax Code. (Director of Finance).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

10. Consider condemnation of structures located at 618 W. Fordyce, Kingsville, Texas. (Director of Planning and Development Services).

Motion made by Commissioner Pecos to condemn 618 W. Fordyce finding not able to repair building or structure is unsafe; and present condition is a violation of ordinances; and cannot be corrected without substantial reconstruction; then declare the building or structure to be a public nuisance and order its demolition by owner/agenda/person in charge within 30 days. (City shall abate in any manner it deems necessary and proper), seconded by Commissioner Garcia and Commissioner Pena. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

11. Consider condemnation of structures located at 626 ½ W. Kenedy, Kingsville, Texas. (Director of Planning and Development Services).

No action taken due to voluntary demolition signed by property owner.

12. Consider condemnation of structures located at 816 E. Doddridge, Kingsville, Texas. (Director of Planning and Development Services).

Motion made by Commissioner Pecos to condemn 816 E. Doddridge finding not able to repair building or structure is unsafe; and present condition is a violation of ordinances; and cannot be corrected without substantial reconstruction; then declare the building or structure to be a public nuisance and order its demolition by owner/agenda/person in charge within 30 days. (City shall abate in any manner it deems necessary and proper), seconded by Commissioner Garcia and Commissioner Pena. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia, Fugate voting "FOR".

13. Consider resolution abandoning and vacating all rights and interests within Farm Lot 15, Section 17 of the KT&I Co. Subdivision. (Director of Planning and Development Services).

Mayor Fugate stated that this item has been approved in the past by the Commission but the developer did not like the language that was used in the prior resolution. The developer has prepared a resolution which was submitted it to the City Attorney for review. Mrs. Alvarez, City Attorney has reviewed the resolution and has approved it for Commission's consideration. This easement is located directly behind IHOP.

Motion made by Commissioner Pecos to approve this resolution, seconded by Commissioner Pena.

Commissioner Garcia asked for clarity from the Mrs. Alvarez on the difference in both resolutions. Mrs. Alvarez stated that in the prior resolution it spoke about drainage easement as this was conveyed to staff. Once it was done and approved, the seller did not have problem with it but the buyer and their attorney had some concerns and basically wanted more of a blanket stating that any right that may potentially have been conveyed by the 1905 easement, for drilling or anything else, would be a way for taking away but the City would still have every other right, either by code, regulation or any other statue or anything else.

Motion was passed and approved by the following vote: Pecos, Pena, Garcia, Leubert, Fugate voting "FOR".

14. Consider out-of-state travel for the Mayor to travel to Washington, D.C. from September 8-10, 2013 for city business related to legislative and military issues. (Mayor Fugate).

Mayor Fugate stated that this trip is to meet and speak to new individuals that are at the Pentagon regarding NAS Kingsville. With BRAC round in 2015 and 2017, it is important to keep our name visible in Washington, DC.

Motion made by Commissioner Pecos to approve out-of-state travel for the Mayor to travel to Washington, DC from September 8-10, 2013 for city business related to legislative and military issues, seconded by Commissioner Garcia and Commissioner Pena. The motion was passed and approved by the following vote: Pena, Garcia, Leubert, Pecos voting "FOR". Fugate "ABSTAIN".

15. Consider resolution nominating certain person(s) as candidate(s) for election to the Board of Directors for the Kleberg County Appraisal District. (City Manager).

Motion made by Commissioner Pecos to nominate Commissioner Al Garcia as candidate for election to the Board of Directors for the Kleberg County Appraisal District, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

16. Consider accepting 2013 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. (Director of Finance).

Mr. Mark Rushing, Finance Director reported that the appraised value this year has gone up to \$20,815,163. He further stated that if you average the past 6-7 years, the average is about a \$13 million increase sometimes up to \$15 million. He further stated that there was one year where it only increased by \$854,000 which was in the certified values that came out July 25, 2011.

Motion made by Commissioner Pecos to accept 2013 certified total appraised, assessed, and taxable values of all property and total taxable value of new property in the City of Kingsville as certified by the Kleberg County Appraisal District, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia, Fugate voting "FOR".

17. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewer, providing for an increase in sewer rates. (Director of Finance).

Mr. Rushing reported that surveys that were performed by HDR of the surrounding areas which show the City of Kingsville in the middle of the pact as far as the charges that is charged for sewer and water rates. The proposed increase which is in accordance to the model and rate study that was performed, it calls for an increase of 1% in water and 3% in wastewater.

Commissioner Pena stated that he has some concerns with regards to raising these fees especially with those families on a fixed income. This increase will only making it harder

for a family to live comfortably. He further stated that he is not in support of these increases at this time.

Commissioner Leubert stated that she agrees with Commissioner Pena and feels that the water and sewer rates should not be increased.

Commissioner Garcia stated that yes it is a burden to increase these rates, but if the increase is not done in small steps, the City will eventually have to increase the rates at a later time with at higher rate which could be more devastating to our citizens. He further stated that this is the third year for these types of increases and the model has kept the City where it needs to be.

Mr. Rushing reported that initially in the model, there were 14 months operating expenses and the design of the model is to pull down fund balance which is already scheduled in. Each year that fund balance gets pulled down to about 6 months operating, which was the target within the operation.

Mayor Fugate asked how much annually is pulled down from fund balance. Mr. Rushing responded around \$760,000, which is how much is subsidized for the 054 fund, Capital Projects.

Commissioner Pecos asked if this was the third year for this model. Mr. Rushing responded that this is the third year of a five year plan. He further stated that a moratorium on increasing between the previous model and the current model was factored in as well.

Commissioner Leubert asked what the total of increases amounted too. Mr. Rushing responded that 19% in wastewater with water not increasing too much.

Motion made by Commissioner Pecos to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewer, providing for an increase in sewer rates, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Pecos, Fugate voting "FOR". Leubert, Pena voting "AGAINST".

18. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Water, providing for an increase in water rates. (Director of Finance).

Motion made by Commissioner Pecos to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Water, providing for an increase in water rates, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Pecos, Fugate voting "FOR". Leubert, Pena voting "AGAINST".

19. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the Water Department to purchase production generators. (Director of Finance).

Mr. Rushing stated that this was originally budget in FY 2012 out of CO 2011 Utility Fund portion for \$480,000. In fiscal year 2012 only \$36,900 was expended with the remainder to be expended this year at \$375,000 which is for the six generators that have already been purchased and installed and the seventh would be for FY 2014 at \$68,100.

Introduction item only.

20. Consider a resolution authorizing the Mayor to enter into an Interlocal Cooperation Agreement between the City of Kingsville and Texas A&M University-Kingsville relating to usage of facilities and signage and economic development. (Mayor Fugate).

Mayor Fugate stated that the City is very fortunate in having the University here for many reasons. He further stated that it is time to do more for the University and feels that by given this money to the University it will improve our city.

Commissioner Leubert stated that she agrees with the Mayor, although not all students enrolled in the University are involved in athletics. She further stated that she understands that the University brings in lots of visitors to our community who spend their money in our stores and even in our hotels. But after speaking to citizens, she feels that this money can be utilized in other areas of the City.

Mayor Fugate stated that he feels that this is a great start in getting the City to work with the University because of what they do for us economically. Mayor Fugate asked for Mr. Scott Gines of Texas A&M University-Kingsville to speak to the Commission.

Mr. Scott Gines stated that sports are one of the three largest industries in all 50 states. He further stated that the University has filed for the intend to bid for four National Championships between 2015-2018 by last Friday. He further stated that the \$25,000 to

be donated by the city will help pay of an amortization schedule that will be a perpetual payment on synthetic surfaces on track and field. He further stated that there are four partners in this agreement which make up of two school public districts along with the institution, UIL and NCAA with only one partner missing, that being the City of Kingsville.

Commissioner Leubert stated that she is not here on her personal note as she is here on behalf of the citizens of the City.

Motion made by Commissioner Pecos to approve this resolution authorizing the Mayor to enter into an Interlocal Cooperation Agreement between the City of Kingsville and Texas A&M University-Kingsville relating to usage of facilities and signage and economic development, seconded Commissioner Pena. The motion was passed and approved by the following vote: Garcia, Pecos, Pena, Fugate voting "FOR". Leubert "AGAINST".

21. Consider a resolution authorizing the Police Chief to enter into an Operating Agreement between Commander, Navy Region Southeast and Naval Air Station Kingsville and the Kingsville Police Department Communications Bureau, Kleberg County, Texas relating to Managing Emergency ("911") calls for service at Naval Air Station Kingsville. (Chief of Police).

Mr. Ricardo Torres, Chief of Police stated that in the efforts to continue to work with the local Navy installation, an agreement is being proposed to work with the Commander of Navy Region Southeast. He further stated that NAS Kingsville will be moving their dispatch center to Jacksonville, FL. This is an agreement that if a 911 call originates within NAS Kingsville, and for some reason it gets transferred to the Kingsville Police Department, we will have the capability to move it over to Jacksonville, FL so they may respond to calls. He further stated that in the meantime if 911 should go down and receive calls, they can be directed to the local services security and fire department of NAS Kingsville.

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

22. Consider a resolution authorizing the City Manager to enter into an Agreement between the City of Kingsville and the Ed Rachal Foundation relating to the Petra Vela Kenedy House. (Director of Tourism).

Mr. Bob Trescott, Tourism Director stated that this item has been discussed at a previous meeting of the Commission. The City of Kingsville has been offered the Petra Vela Kenedy House from the Ed Rachal Foundation and has offered to pay the cost of moving the structure to Kingsville in amount of \$75,000. Mr. Trescott has proposed two possible sites where this structure can be located to, one being on 6th street next to the canopy and the second site being on the property located on 3rd & King Street near the proposed new City Hall. The Ed Rachal Foundation would like to close this agreement before the end of August as their budget year ends in August. Mr. Trescott reported that the value of this structure is \$10,000.

Commissioner Pena stated that he has some concerns with the historical ties of this structure with Kingsville. He further stated that the one location that has been proposed is not a good location. He further stated that he doesn't see this project as appropriate as we have some unfinished projects pending. He further stated that he is not in support of the structure to be moved to Kingsville.

Commissioner Pecos asked Mr. Trescott if he felt that the Ed Rachal Foundation will give any additional funding. Mr. Trescott stated that after meeting with the Ed Rachal Foundation they may want to work with the City.

Commissioner Garcia asked that if there is a time limit that this project would need to be completed. Mrs. Alvarez stated that there is no time limit.

Mayor Fugate stated that this is a great project but the timing is not right with all other projects that the City has pending.

Motion made by Commissioner Garcia to authorize the City Manager to enter into an Agreement between the City of Kingsville and the Ed Rachal Foundation relating to the Petra Vela Kenedy House, seconded by Commissioner Pecos. Motion "FAILED" by the following vote: Leubert, Pena, Fugate "AGAINST". Garcia, Pecos voting "FOR".

23. 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. (Director of Finance).

Mr. Rushing stated that the Commission will be setting the maximum amount of the tax rate.

Mayor Fugate explained to members of the audience that you set the tax rate below rollback and then come back and set the rate at to what it will be for the next year.

Mr. Rushing stated that right underneath rollback, the tax rate would be .90060.

Mayor Fugate stated that this will not be the adopted tax rate, but if it is set at .84220 and something happens between now and October, the City is pretty much stuck with this rate. This is why you set it just below rollback.

Mrs. Alvarez stated that this will allow the City to keep their options open until it's time to finalize the adopted tax rate. She further stated that once you set something too low, you can't go back to change it according to the Tax Code.

Mr. Rushing stated that I&S would be at the rate of .18816 that's if \$116,810 is utilized in Interest & Sinking fund balance. That would drop the rate down which will allow us more M&O rate. If the I&S fund balance \$116,810 would drop the projected fund balance to \$425,690 which will be 29.4% of the schedule for the next year. The range the City should be operating by which is recommended by the financial advisors is that the City operate between 25% which is the floor that the City can't go underneath based on its policy and about 1/3 of the schedule for next year's debt service.

Motion made by Commissioner Pecos to consider a proposed tax rate if the proposed tax rate will exceed the effective tax rate or the rollback rate whichever is lower, take record vote and schedule public hearings, seconded by Commissioner Pena.

Mrs. Alvarez stated that the rate would be .90060 that the Finance Director spoke of. Commissioner Pecos stated that this was correct.


The motion was passed and approved by the following vote: Pena, Garcia, Leubert, Pecos, Fugate voting "FOR".

Mrs. Alvarez asked the Commission to vote on scheduled dates for the public hearings. Staff recommends the following dates and times, August 26, 2013 at 6:00 p.m. and September 4, 2013 at 6:00 p.m. Both public hearings are to be heard in the Robert H. Alcorn Commission Chambers.

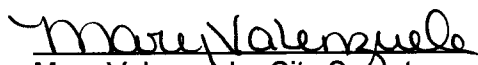
Motion made Commissioner Pecos to approve the hearings as proposed by the City Attorney, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 8:23 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, City Secretary

AUGUST 26, 2013

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 26, 2013 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 3:30 P.M.

CITY COMMISSION PRESENT:

Sam Fugate, Mayor
Noel Pena, Commissioner
Arturo Pecos, Commissioner
Al Garcia, Commissioner
Dianne Leubert, Commissioner

CITY STAFF PRESENT:

Vince Capell, City Manager
Mary Valenzuela, City Secretary
James Bryson, Accounting Manager
Bob Trescott, Downtown Director
Courtney Alvarez, City Attorney
Charlie Cardenas, Public Works Director/Engineer
Bill Donnell, Asst. Public Works Director
Mark Rushing, Finance Director
Emilio Garcia, Health Director
Ruthie Valdez, Interim Library Director
Diana Gonzales, Human Resources Director
Melissa Perez, Risk Manager
Cynthia Martin, Downtown & Volunteer Manager
Joey Reed, Fire Chief
Willie Vera, Task Force Commander
Ken Starrs, Assistant Task Force Commander
Ricardo Torres, Chief of Police
Tony Verdin, Information Systems Technician
Robert Isassi, Planning & Development Services Director
Avelino Valadez, Street Supervisor
Marco Jimenez, Water Supervisor

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the Robert H. Alcorn Commission Chamber at 3:30 p.m. and announced quorum as present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

1. Review and discuss proposed fiscal year 2013-2014 budget for departments of the City of Kingsville. (City Manager).

Mr. Capell, City Manager addressed the Commission and stated that he would like to thank staff for their assistance in preparation of Fiscal Year 2013-2014 budget. He further spoke about budget in general. He mentioned that budgets are more than one year budget, it has to balance and pays for certain expenses and has certain revenues. He further stated that the decisions made this year will be looked at for 10 years ahead. One project is the Wildwood Trails Development where the City had to pull \$300,000 for this project. This development will pay larger dividends eight to nine years from now. The City will receive \$300,000 plus per year in additional property tax revenues. He further stated that the City may begin planning as to how to use these revenues in the future. He further stated that he characterizes the budget as truth and budgeting. He further stated that the City does not use one time money to pay for annual ongoing expenses, He further stated that staff does not ask Commission to appropriate what he calls contingencies. These are things that might happen or have a remote possibility of happening. He further stated that in the past, Commission has approved funds for particular projects, those projects don't get done and funds are expended in other ways. Mr. Capell mentioned that there is one thing that is being done today that will help in the future. The City puts money aside for obligations that are being created today but won't actually be paid until years from now. A couple of those examples are employee pensions, liabilities for medical claims for future retirees, and post closure of the landfill. He further stated that this budget includes numerous and significant investments in capital equipment, and infrastructure projects. This budget continues to improve employee compensation by including scheduled compensation increases for general and civil service employees under the City's Comprehensive Plan and recommending a 1.5% Cost of Living Adjustment for the City's general employees. This budget also provides employees with the proper equipment that is

needed to on day to day projects. It also provides health insurance to employees at no charge for employee-only coverage. Mr. Capell stated that this budget also helps with Fire Station upgrades. He further stated that this budget will also assist with the renovation of the old high school which will become the new City Hall. In this budget, it also includes a document imaging software where ordinances, resolution, minutes, contracts, and long term agreements can be kept for the life of the document. The budget continues to make investments in our streets, storm-water drainage, and in Community Appearance activities. He further stated that he would like to use property and sales tax for the non-fee services as fire service, and police service. This budget also maintains minimum fund balances in general fund, utility fund, assets seizure fund, tourism fund, which are maintain minimum fund balances which is important for emergencies which will allow us to pay for the cost. Mr. Capell further stated that the proposed annual budget for fiscal year 2013-2014 is complete except with respect to changes, if any, made by the City Commission.

Police Department – Ricardo Torres, Chief of Police

Chief Torres addressed the Commission with regards to the Police Departments budget. The Police Department's commitment is to provide quality police service and citizen interaction with an emphasis on integrity, fairness and professionalism. The Police Department value human life and strive to perform their duties with integrity and uphold the laws embodied by our constitution at the federal, state, and local level. The Police Department is committed to the City and hold themselves accountable to both each other and the citizens they serve. He further stated that they strive to treat the citizens with respect, while protecting their right to live in a safe environment. He further stated that the new Information Technician, Tony Wilson has been working on major project in installing COBAN server/client software, getting the videos. He also provides video support and editing as well as assisting officers in pulling security camera footage. Mr. Wilson has mapped out high crime areas for a period of time and looking for patterns in specific crimes and locating nearby offenders that fit the MO. The Kingsville Police Department has several social media sites that provide information regarding crimes that occur in the city which is shared with Kingsville citizens. Chief Torres stated that the command staff, sergeants, corporals and patrol officers have completed all necessary training in NIMS. Chief Torres moved forward in reviewing his department's budget which requires some increases in certain line items. Division 210.1 – Administration there are some increases for motor gas & oil from \$3,955 to \$4,232, training and travel from \$3,718 to \$4,780. Divisions 210.2 – Patrol, increased their motor gas and oil from \$102,812 to \$115,000 with a decrease in training and travel \$36,500 to \$25,000. Division 210.3 increased their supplies from \$3,187 to \$5,215, motor gas & oil increased from \$750 to \$1,318 with a decrease in minor equipment decreased from \$3,015 to \$1,800, and travel & training decreased from \$3,136 to \$1,500. He further reviewed the increases and decreases for Division 210.4 & 210.5. He touched on the utilization of State Forfeiture Funds and Federal Forfeiture Funds for fiscal year 2013-2014. He further reported that Operation Stonegarden for 2013 has not been funded. Operation Border Star for 2013-2014 does not have additional funding available. He further stated that the Kingsville Police Department is always committed to excellence.

Commissioner Leubert asked how many dispatchers are employed at this moment. Chief Torres responded that at this time there twelve dispatchers employed. Mr. Capell stated that the Chief has requested for two additional dispatchers for the new fiscal year.

Fire Department – Joey Reed, Fire Chief

Chief Reed reported that the Fire Department operates 24/7 with 10 employees assigned to each of the (3) 24 hour shifts. Due to vacations, sick, and other types of leave, the department tries to keep at least 7 personnel on duty. The 7 personnel operate out of 2 fire stations and attempt to staff 3 ambulances, 2 fire engines, 1 rescue vehicle, 1 brush truck, 1 aerial ladder truck, and 1 emergency response trailer. They do this by changing vehicles depending upon the type of call and number of personnel available. He further stated that the personnel has adapted to the new Fire Chief and changes that have been implemented. Chief Reed reported that there average response time for fire calls are within the national average of eight minutes, but only arrive with half the personnel recommended. The response times with EMS calls are within the eight minutes for advance life support for the ambulance service but do not meet the four minute response time for first responder service. He further touched on the Fire Department needs such as proper PPE for personnel to operate in various hazard conditions per State and NFPA standards, proper inspection and cleaning tools for PPE per state requirements. Also needed is dishwasher, washer, and dryers per NFPA standards, upgrades to facilities to improve working conditions, upgrades to apparatus for safety and response issues. A vehicle maintenance and replacement program is also needed. He further stated that a third fire station is needed to reduce response times to the south side of the City. An exhaust removal system in both stations is also needed and will be seeking a grant for the \$98,000 project. He further stated that the Fire Department is asking for additional increase in the following line items; overtime, uniforms, chemicals, minor equipment, medical, computers, communications, postage, training and travel,

memberships, medical treatments, subscriptions, and vehicle maintenance. He further touched on Capital item requests are the following, commercial extractor washing machine needed to clean firefighting PPE, restroom renovation for Fire Station #1 upstairs and downstairs, exterior improvements, exterior improvements, interior remodel improvements for Fire Station 2, and clean up electrical room wiring for Fire Station 1 and improve fire dispatch center.

Mayor Fugate called for a recess at 5:15 p.m.

6:00 P.M. – Regular Session of the Agenda continues. Mayor Fugate announced that they are only four Commission members present with Commissioner Leubert coming in late for the second part of this meeting.

**MINUTES OF PREVIOUS MEETING(S) – Required by Law
Regular Meeting – August 12, 2013**

Mayor Fugate asked for a motion from the Commission to approve the minutes as presented.

Motion made by Commissioner Pecos to approve minutes as presented, seconded by Commissioner Pena. The motion was passed and approved by the following vote: Garcia, Pecos, Pena, Fugate voting “FOR”. Leubert “ABSENT”

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

1. Public Hearing to consider rezone of 1.43 acres of Lot 1-10, Block 1 of the Escondido Park 4 Subdivision from R3-Multi-Family District to R1-Single-Family District, also known as 800 Escondido Road, Robert Garza applicant. (Director of Planning & Development Services).

Mayor Fugate announced and opened this public hearing at 6:04 p.m.

Mr. Robert Isassi, Director of Planning & Development Services, stated that this request was unanimously approved by the Planning & Zoning Commission on July 17, 2013. The petitioner is requesting the zoning change to construct nine single-family garden homes with a gated entrance and privately maintained cul-de-sac road. The developer will be working with the City on the construction and layout of these homes to meet City ordinances once the subdivision is re-zoned.

Commissioner Garcia asked if drainage has been discussed. Mr. Isassi stated that drainage has not been discussed.

Mayor Fugate closed this public hearing at 6:08 p.m.

2. Public Hearing to consider rezone of 2.0 acres of Farm Lot 10, Block 2 of the Kleberg Town & Improvement Co. Subdivision from AG-Agricultural to R1-Single-Family District, also known as 102 W. Sage Road, Hoss Castillo applicant. (Director of Planning & Development Services).

Mayor Fugate announced and opened this public hearing at 6:02 p.m.

Mr. Robert Isassi, Director of Planning & Development Services, stated that this hearing is to consider changing the zoning ordinance of a 2.0 acre tract located at 102 W. Sage Road from AG-Agricultural to R1-Single Family. The request was unanimously approved during a meeting of the Planning & Zoning Commission on July 17, 2013. The petitioner is requesting a zoning change so that the owner, Mr. Zaragosa can construct his single family home on the proposed rezone.

Mayor Fugate closed this public hearing at 6:04 p.m.

3. Public Hearing to consider rezone of Lot 1, Block 7, Retama Park Subdivision from R2-Two Family District to C2-Retail District, also known as 808 S. 13th, Linda Franklin applicant. (Director of Planning & Development Services).

Mayor Fugate announced and opened this public hearing at 6:08 p.m.

Mr. Isassi stated that this request was made by Linda Franklin to rezone the Southeast corner of 13th and Doddridge from a two-family R2 District to a Commercial C2 District at Retama Park. He further reported that this request was approved by a unanimous vote of the Planning & Zoning Commission on March 9, 2008 but was not immediately submitted to Commission for approval. The owner may be selling the property soon and wishes for the re-zoning to be finalized. The lot is currently a vacant lot next to HomeSmart and Remco. The Planning Department has evaluated the request and can find no issues with it. It is within the Master Plan concept and should continue to promote commercial growth in the area.

Mayor Fugate closed this public hearing at 6:10 p.m.

4. Public hearing on a proposed tax rate increase from \$.084220 to \$.90060 for Fiscal Year 2013-2014. (Finance Director).*

Mayor Fugate announced and opened this public hearing at 6:10 p.m.

Mrs. Courtney Alvarez, City Attorney read the following required statement:

The vote to adopt the City of Kingsville's 2013-2014 fiscal year rate will take on Monday, September 16, 2013 at a City Commission meeting at 6:00 p.m. in the Alcorn Commission Chambers here at City Hall, 200 E. Kleberg Ave., Kingsville, TX. The second public hearing on the tax rate will take place on Wednesday, September 4, 2013 at a Special City Commission meeting at 6:00 p.m. in the Alcorn Commission Chambers here at City Hall, 200 E. Kleberg Ave., Kingsville, TX.

Mayor Fugate closed this public hearing at 6:12 p.m.

III. Reports from Commission & Staff.² (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, Tourism, 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."

Mrs. Alvarez reported that school is back in session and would like to remind everyone to be extra careful while driving in school zones. Mrs. Alvarez reminded everyone about the Kingsville Independent School District Tax Ratification Election on August 29, 2013.

Commissioner Pecos reminded everyone that the use of a cell phone device on a school zone is a violation in which a traffic citation can be issued.

Mayor Fugate commended staff for working and helping new developers in making our City a better place to live in.

IV. Public Comment on Agenda Items³

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

Jean Claire Turcotte, 3730 Andron, reported that the Kleberg County 100th birthday celebration is this weekend. She further stated there will be a parade and a rededication of the Kleberg County Courthouse.

V.

Consent Agenda

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

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)

Mayor Fugate asked for a motion to approve the consent agenda as presented.

Motion made by Commissioner Pecos to approve the consent agenda item as presented, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Pecos, Pena, Garcia, Fugate voting "FOR". Leubert "ABSENT".

1. **Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 budget for the Water Department to purchase production generators. (Director of Finance).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

2. Consider awarding bid for City's self-funded group health insurance (RFP 13-14). (Director of Purchasing and IT).

Mr. Rushing stated that the self-insurance fund that has been utilized by the City for the past decade has turned out to benefit the City in containing cost. Advertisement for this proposal was done on June 24, 2013 and July 10, 2013, as well as posting the information on the City of Kingsville's website and the Public Purchase website. Three proposals were submitted by ENTRUST, Inc., GPA and Humana. The City's consultants, Carlisle Insurance Agency, Inc., reviewed all proposals in which each proposal was broken down for easier review and comparison. On August 5, 2013, a recommendation was submitted suggesting for the City of Kingsville to continue with ENTRUST, Inc., as the Third Party Administrator using Security Standard as the stop-loss carrier. This action will incur \$436,717.80 in Stop-Loss Premiums and \$93,513.60 in Administration Cost and annual fees of \$4,000 totaling \$534,231.40 in total annual fixed costs. The total expected plan costs is \$2,680,746.60 which includes the above fixed cost of \$534,231.40, pre-paid claims expenses totaling \$258,150.60, variable expected claims totaling \$1,823,364.60 and \$65,000 aggregating specific. Staff recommends the contract be awarded to ENTRUST, Inc. of Houston, TX.

Mr. David Jacobson, Vice President of Sales & Marketing stated that over the past 12 years, the City of Kingsville has maintained a very competitive benefit offering for employees and their eligible dependents. He further reported that last year in 2012, slight benefit changes were presented in an attempt to control rising costs of out-of-area medical claims, generic and brand prescription expense, and stop-loss insurance premium costs. The approved changes in prescription drugs resulted in claims saving of \$202,449 this year and should continue to offer annual savings of around \$88,079. He further stated that the main reason they continue to be able to offer an attractive benefit program is the stability of medical expenses when utilizing Christus Spohn Health Network providers. In the past four years, the plan has experienced a trend increase in costs when utilizing providers outside the Christus Spohn Health Network service area. Entrust and Carlisle Insurance Agency is suggesting that the City of Kingsville consider slight changes to their current program. The change being suggested is making out of area providers subject to a flat percentage of Medicare. Outside of local EPO networks, many employers are starting to define what their benefit plans allow as a reimbursement to providers for services rendered. Local providers represent approximately 97% of the services rendered and approximately 78% of medical costs, limiting the amount that the plan will only impacts a small number of plan participants. Mr. Jacobson further stated that providers are not required to accept reimbursement of payment in full resulting in balance billing to patient. The projected savings to the plan by implementing this change totals \$137,532 annually assuming the current increased usage of out-of-area providers. In the cash-pay incentive, the City of Kingsville would offer a savings on the deductible in the event the cash price achieved a savings over a pre-determined benchmark price. The pro on this is that the participants could save on deductibles. The con is that providers may not agree to the price. The projected savings to the plan by implementing this change totals \$46,886 annually assuming the current increased usage of out-of-area providers. He further spoke about changing the copay for generic prescriptions from \$5 to \$10. Changing the copay could result in lower utilization in excess prescription patterns. The projected capitation savings totals \$23,900 based on the renewal offered. Mr. Jacobson spoke about the elimination of Plan B. Currently, the City of Kingsville has one individual on Plan B. Plan B has been offered since inception to allow employees to purchase a benefit option that is traditional in design and similar to what was offered twelve years ago. He further stated that since inception, Plan A has been the preferred plan with very little participation, if any, on Plan B. He further stated that the City may want to consider eliminating this plan option. He touched on the premium savings. The claims savings offered with the 130% of Medicare Plan Allowable Option, the stop-loss premium expense would reduce by approximately 10% if this option was selected. The projected premium savings totals \$43,672 based on renewal premiums offered. Mr. Jacobson spoke with regards to the patient support services. In order to assist plan participants with the medical claims cost-savings option being presented, the use of a patient support program is recommended. Patient support services would vary in cost based on whether the program was voluntary or mandatory. The projected additional cost on a voluntary basis totals \$4,500 annually and on a mandatory basis totals \$13,500 annually. He further stated that overall cost was \$700,000 less than the previous year. The City generally averages about \$2.2 million a year over the course of twelve years. He stated that if the City wants to maintain stable cost in the future, the only spikes tend to be when individuals seek services in Houston, San Antonio, or within the Valley areas.

Mr. Capell asked Mr. Rushing if when the Commission is asked to approve this, do they have to select which one they choose to go with. Mr. Rushing responded yes. Mr. Capell further asked that for budgeting purposes we would assume number 2 and number 5, patient support services. Mr. Jacobson stated that it would save money because now, there is an hourly rate on every health plan that is charged by nurses that get involved after the fact. He further stated that there would be savings if people called in advance as opposed in getting them involved afterwards.

Commissioner Leubert stated that she would like to for City employees to receive some type of training in using the support services. Mr. Jacobson stated that the hardest thing is getting individuals to speak with their providers about medical pricing.

Mr. Rushing stated that the recommendation of staff would be to go with Cash Pay Incentive with a projected savings of \$46,886 and the Elimination of Plan B with a projected savings of \$457 and also the Patient Support Services with a projected savings of \$13,500, it would cost us the additional \$4,500. This is staff's recommendation. Mrs. Alvarez stated that this would be through an award to Entrust, Inc.

Commissioner Pena stated that he is concerned with the level of care that employees would receive. He further stated that with the options that would be available, he feels that the quality of care would suffer through this plan. He further stated that he personally will be looking for the best doctor verses the best deal.

Mr. Rushing stated that these are voluntary options to the employee. If the employee goes to the cash pay, the employee would save their deductible. The Patient Support Services is an option that the employee can utilize, only if they choose to do so. He further stated that there is not a negative in this recommendation. This is an alternative that is available that has no penalty to the employee, but that can utilize it if they choose to do so.

Commissioner Pecos asked how many retirees receive health insurance from the City. Diana Gonzales responded nine retirees are still caring our health insurance.

Motion made by Commissioner Garcia to award this contract to Entrust, Inc. and accept staff's recommendation, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia voting "FOR". Fugate "ABSTAIN".

3. Consider a resolution supporting the Kingsville Independent School District's Proposed Tax Ratification Election on August 29, 2013. (City Manager).

Mayor Fugate stated that the school district is taking advantage of an accounting procedure that will transfer money from Maintenance & Operations in the amount of \$1.17 per \$100 valuation for the tax year 2013-2014 without raising the current total tax rate. The proposed TRE has committed to reduce the Interest and Sinking rate from 47-cents to 34-cents which will bring the total effective tax rate to the current \$1.51. The extra revenue will be used for employee salary increases, campus capital improvements, curriculum enhancements, dual credit-college/career readiness, and technology upgrades. Mayor Fugate further stated that Kleberg County, Kingsville Chamber of Commerce, Kingsville Economic Development Cooperation, and the Kingsville Foundation are in support of the Tax Ratification Election.

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

4. Consider a resolution authorizing the City Manager to execute a Software Maintenance and Support Agreement between the City of Kingsville and Timmons Group relating to GIS hosting services. (Director of Purchasing & IT).

Tony Verdin stated that the Timmons Group has submitted scope of work, schedule services and included a timeline.

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

Mayor Fugate stated that if there is no objection from the Commission, he would like to move item 7 before item 5. No objections were made by the Commission.

5. Consider a resolution authorizing the City Manager to enter into a Third Revised Water Utility Supply Contract (Gov. Contract #N69450-12-C-0011) between the City of Kingsville, Texas and the Federal Government for Naval Air Station-

Kingsville for emergency water line connection. (City Engineer/Public Works Director).

Mr. Charlie Cardena, City Engineer/Public Works Director stated that this item authorizes a contract amendment between the City of Kingsville and the Federal Government for Naval Air Station-Kingsville regarding the emergency 16" waterline extension along General Cavazos Boulevard. The amendment includes a 16" bypass to allow for emergency services during meter testing or repairs. Mr. Cardenas further stated that on January 14, 2013, the City Commission approved the original contract to extend a 16" emergency waterline 1275' along General Cavazos to NAS Kingsville. The original contract is not to exceed \$256,000 with this amendment. The amended contract amount is \$235,087.

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

6. Consider authorization of a change order for E-Tech Construction to build an extension and a meter vault bypass for the NASK emergency water line connection. (City Engineer/Public Works Director).

Mr. Cardenas stated that this item authorizes a Change Order between the City of Kingsville and E-Tech Construction for the addition of the 16" bypass emergency 16" waterline extension along General Cavazos Boulevard. The amendment includes an extension to NAS Kingsville property and a 16" bypass to allow for emergency services during meter testing and repairs. He further stated that on January 14, 2013, City Commission approved Bid 13-04 to extend a 16" emergency waterline 1275' along General Cavazos to E-Tech Construction for the installation of the waterline in the amount of \$188,686.25 in which this phase has been completed. The Navy has requested additional work consisting of 120' of 16" waterline to include a meter vault bypass and extension of the project to NAS property. The Change Order is for \$46,400.

Motion made by Commissioner Leubert to authorize this change order, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia, Fugate voting "FOR".

7. Consider participation in and waiver of expenses for the Kleberg County 100th anniversary parade and events. (Director of Tourism).

Bob Trescott, Tourism Director stated that Kleberg County will be celebrating their centennial this weekend. He further stated the Kleberg County Centennial Celebration Committee has applied for sponsorship of this event from the City of Kingsville in terms of waiver of fees and support from City departments for this event. The Committee is requesting City support in the form of street closures, parade permit, speaker permit, vendor fees, the participation of staff and vehicles from the Police Department, Health Department and Public Works Department, barricades, trash receptacles and a waiver of fees. The estimated cost of these services is \$4,672. Mr. Trescott further stated that these waivers and services be considered as in-kind sponsorship.

Motion made by Commissioner Pena to approve the participation and waiver of expenses for the Kleberg County 100th celebration, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

8. Consider a resolution authorizing the City Manager to enter into an Interlocal Agreement between Kleberg County and the City of Kingsville for Road Improvement. (City Engineer/Public Works Director).

Mr. Cardenas stated that this item authorizes the City manager to enter into an agreement with Kleberg County to accept assistance from Kleberg County to repair Franklin Adams Road, from County Road 1030 to Trant Road within the Kingsville city limits. The proposed agreement would be beneficial in completing the 2013 street reconstruction program in a timely manner. Mr. Cardenas stated that there is no financial impact to accepting this agreement.

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

9. Consider introduction of an ordinance amending the zoning ordinance by changing the zoning map in reference to 1.43 acres of Lot 1-10, Block 1 of the Escondido Park 4 Subdivision known as 800 Escondido Road from R3-Multi-Family District to R1-Single-Family District. (Director of Planning & Development Services).

Introduction item only.

10. Consider introduction of an ordinance amending the zoning ordinance by changing the zoning map in reference to 2.0 acres of Lot 10, Block 2 of the Kleberg Town & Improvement Co. Subdivision known as 102 W. Sage Road from AG-Agricultural to R1-Single-Family District. (Director of Planning & Development Services).

Introduction item only.

11. Consider introduction of an ordinance amending the zoning ordinance by changing the zoning map in reference to Lot 1, Block 7, Retama Park Subdivision known as 808 S. 13th from R2-Two Family District to C2-Retail District. (Director of Planning & Development Services).

Introduction item only.

12. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for Fund 067 CO Series 2013 GF Streets and Fund 068 CO Series 2013 Drainage for the CO2013 debt issuance costs net of refund. (Director of Finance).

Mr. Rushing stated that this budget amendment will provide for the CO 2013 debt issue in January/February 2013 net of the \$15,343.29 refund by First Southwest our financial advisors. The initial issuance cost fees paid to First Southwest was \$76,194.55. The refund pulls the net issuance down to \$60,851.26 which is a reasonable issuance cost amount considering the issue dollar amounts. Mr. Rushing further stated that the CO 2013 issue consisted of new debt in the amount of \$4,265,000 for drainage projects and \$965,000 for street projects totaling \$5,230,000. The CO 2013 refunding of the CO 2002A existing debt in the amount of \$1,260,000 was issued at the same time reducing the overall issuance cost.

Introduction item only.

13. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the transfer of fund balance from Fund 001 General Fund to the Solid Waste Capital Projects Fund 087. (Director of Finance).

Mr. Rushing stated that the first half year of collected revenues resides in reserves in General Fund, Committed Fund Balance. He further stated that this budget amendment would move the money to Fund 087, Solid Waste Capital Projects.

Introduction item only.

14. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the transfer of fund balance from Fund 065 CO Series 2011 to Fund 039 CO Series 2002-2002A. (Director of Finance).

Mr. Rushing stated that as a result of the arbitrage review, it was discovered that there wasn't a timely reimbursement of the general fund. The transfer of \$203,646 from Fund 061 CO 2002 Utility Fund to Fund 039 CO 2002 General Fund is needed. He further stated that balances in September 30, 2012 was the fact that pooled cash in Fund 061 was not reimbursing General Fund in a timely manner over the years and resulted in an overstatement of interest earned in the MBIA investments accounts.

Introduction item only.

15. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the reallocation of funds initially budgeted for a drainage project to be used for a water line project along Seale Street. (Director of Finance).

Mr. Rushing stated that the in fiscal year 2013, \$70,000 was budgeted for drainage. Texas A&M University-Kingsville has requested for the City to reallocate the drainage funds for the installation of a waterline and service connection along Seale Street between Corral Avenue & Avenue B. Texas A&M University-Kingsville has agreed to pay the drainage improvement expenses for the north side of Santa Gertrudis Estate Subdivision and Aveune B & Seale street intersection.

Introduction item only.

16. Consider a resolution authorizing the City Manager to enter into an Agreement between the City of Kingsville and the Ed Rachal Foundation relating to the Petra Vela Kenedy House. (Director of Tourism).

Mr. Trescott stated that this resolution is for a counter proposal to the Ed Rachal Foundation to doubling the amount of the cash donation to \$150,000. He stated that if Commission is to decide and approve this resolution, it would still need to go to the Ed Rachal Foundation Board for their approval. He further stated that the proposed location to place the structure is not as tight as it seems. He further stated that discussions with the railroad have begun. One of the items discussed with the railroad is moving Alacorn

Street farther to the West which provide a larger lot for the pavilion and the Petra Vela Kenedy House.

Mayor Fugate asked Mr. Trescott if there was any indication that they Ed Rachal Foundation would accept this offer. Mr. Trescott stated that both sides have discussed it and they really want this house to have a home. Mayor Fugate stated that he does not agree with the proposed locations to set this house.

Mrs. Alvarez stated that staff would need to speak with Union Pacific first.

Commissioner Leubert stated that she still has some concerns with this even if the Ed Rachal Foundation approved it.

Motion made by Commissioner Garcia to approve this item as presented, seconded by Commissioner Pecos.

Commissioner Pena stated that he is still not convinced as to the historical value of this structure. He further stated that there are other projects that have more pressing matters and does not agree with any additional funding.

Mayor Fugate stated that this structure is in terrible shape and cannot be left as is. Mayor Fugate commented to Mr. Trescott that this is his idea and he will be responsible for making this happen.

Mr. Capell stated that he does not have the opportunity to vote therefore he will not be taking responsibility for this project. He further stated that the decision is up to the Commission and he will further it and do his best.

The motion was passed and approved by the following vote: Garcia, Pecos, Fugate voting "FOR". Leubert, Pena voting "AGAINST".

17. Executive Session: Pursuant to Section 551.072, Texas Open Meetings Act: The City Commission shall convene in Executive Session to discuss the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third party. (City Manager).

Mayor Fugate announced and convened the Executive Session at 7:43 p.m.

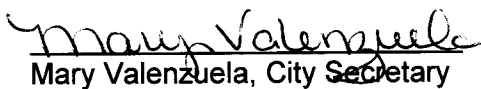
Mayor Fugate reconvened from Executive Session at 7:55 p.m.

VII. 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:


Mary Valenzuela, City Secretary

