

DECEMBER 15, 2014

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, DECEMBER 15, 2014 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 4:00 P.M.

CITY COMMISSION PRESENT:

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

CITY STAFF PRESENT:

Vince Capell, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Deborah Balli, Finance Director
Tom Ginter, Director of Planning & Development Services
Leo Alarcon, Tourism Director
Emilio Garcia, Health Director
Susan Ivy, Parks & Recreation Manager
Charlie Cardenas, Public Works Director/City Engineer
Ricardo Torres, Chief of Police
Bill Donnell, Assistant Public Works Director
Cynthia Martin, Downtown Manager
Melissa Perez, Risk Manager
Michael Krueger, Municipal Court Judge
Joey Garcia, Library Information Technician
Charlie Sosa, Street Supervisor
Daniella Herrera, GIS Technician
Austin Jurica, GIS Technician
Arnoldo Castillo, GIS Technician
Sharam Santillan, Engineer's Assistance
Diana Gonzales, Human Resources Director
Tony Verdin, Information Systems Technician
Kyle Benson, Help Desk
Joey Reed, Fire Chief
Ricardo Torres, Police Chief

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the Robert H. Alcorn Commission Chamber at 4:00 p.m. and announced quorum with four Commission members present. Commissioner Pecos not in attendance at this time.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

Mayor Fugate asked that if there weren't any objections, he would like to waive these proceedings and go directly into the agenda items. No objections were made.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Regular Meeting – December 8, 2014

No action taken on minutes to allow for additional information to be added. Minutes for December 8, 2014 City Commission meeting will be brought back for approval on January 12, 2015.

Public Hearing - (Required by Law).¹

1. NONE.

II. 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, wished all Happy Holidays.

Mrs. Courtney Alvarez, City Attorney, reported that the next regularly scheduled meeting is set for January 12, 2015 with agenda items due on January 2, 2015. Alvarez reported that city offices will be closed on December 25th & 26th, 2014 and January 1, 2015. Mrs. Alvarez further stated that there was an item that was added to the agenda, item #10, which was placed at the end and asked to move this item prior to discussing the city logo and street workshop. Alvarez wished all Happy Holidays.

Mayor Fugate commented that he would like to move agenda item #10 before item #5, if no objections were made. No objections were made.

Commissioner Garcia wished all Happy Holidays.

III. Public Comment on Agenda Items.³

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

Mayor Fugate opened public comments section of the agenda. Anyone speaking during this time would need to state their name and address and would have three minutes to speak.

No comments were made from the public.

IV.

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)

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

1. **Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Section 15-1-172, providing for collection of attorney’s fees and court costs with lien foreclosure suits. (City Attorney).**
2. **Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Section 9-7-5, providing for collection of attorney’s fees and court costs with lien foreclosure suits. (City Attorney).**
3. **Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Section 3-10-37, providing for collection of attorney’s fees and court costs with lien foreclosure suits and updating who receives payments. (City Attorney).**
4. **Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances by adopting Section 3-10-60, providing for collection fees on delinquent debts to City, including attorney’s fees and court costs. (City Attorney).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

Mayor Fugate announced that if there were no objections from the City Commission, he would like to move and take action on agenda item #10 before agenda item #5. No objections were made by the City Commission, therefore moving on to agenda item #10.

5. Consider a resolution authorizing the Mayor to execute a Consent to Sublease Agreement between the City of Kingsville, Texas, the Kleberg County Heritage Foundation, and Union Pacific Railroad Company for the land at the Kingsville railroad passenger depot. (City Attorney).

Commissioner Pecos arrives to the meeting at 4:08 p.m.

Mrs. Alvarez reported that the City has previously had consent to sublease agreement with the Kleberg County Heritage Foundation and Union Pacific Railroad Company for land around the railroad depot. Alvarez further reported that in July, 2014, a new lease agreement between the Heritage Foundation and the City was approved, which was just for the depot building only. Once that's done it gets reported to Union Pacific and then their people will draw up this consent to sublease agreement and it was just received recently from the Kleberg County Heritage Foundation which was then brought to the City for approval. This is something that the Union Pacific requires and has required in the past, to which the city has had one in place for the about 10 years.

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

6. Consider participation with the 2015 Kleberg-Kenedy County Junior Livestock Show series of events at the J.K. Northway Expo Center. (Parks and Recreation Manager).

Mrs. Susan Ivy, Parks Manager, reported that she has provided the City Commission with a brief history on the Livestock Show and its involvement with Kleberg County as well as a schedule for the show for this coming year. It is her understanding that there was some conversation in the transition of the Parks system from the County to the City. Ivy further stated that when she began discussing the event with the livestock show and City Manager, by the time they were transitioning, they had already planned half of the event. It is their understanding that the request is that the City honor the same arrangement that the County had with the Livestock Show Association, which is no cost for the use of the facility and that the Parks Department provide assistance with cleanup and assist with the setup of equipment needed to hold this event.

Commissioner Leubert asked what would be the cost to the City for this type of event including labor and electricity.

Mrs. Ivy responded that the electricity for the month is about \$10,000. Commissioner Leubert asked if this was for the livestock show. Mrs. Ivy responded that the show itself is a week-long. They split off the pee-wee show into the beginning, because of the size of the thing which has just grown and grown. The animals usually come in on Tuesday and they start showing from Wednesday through Saturday with the auction on Saturday night. Because of the size of the event, they split it the really young kids where the pee-wee show is held the Saturday before.

Commissioner Leubert further asked what the City's cost would be for supporting the show. Mrs. Ivy responded that it would probably cost around \$20,000 with the utilities and manpower and equipment time. Ivy further commented that within the last five years, the event has grown with the addition of the concert. However, some of the events that have been added are very well attended which brings in more people into Kingsville. Mrs. Ivy stated that keeping it the same this year, is going to result in us having conversations with the new Kleberg County Judge elect, and Kenedy County, after this event is over with to see how we can bring in revenue to offset some of the expenses for the next year's show.

Commissioner Garcia asked that on the revenue side, does the County participate in any of this. Mrs. Ivy's response was no.

Commissioner Pecos commented that all revenues are returned to the kids for scholarships.

Mrs. Ivy further commented that all revenue gained from the concert, is given back to the kids in a scholarship.

Commissioner Leubert commented that it is important that the community understands what the City is providing to the community.

Mrs. Ivy commented that one of the things they are researching and will be working with them on is trying to find ways that they may bring in revenue without hurting their

scholarship fundraising. They have been a couple of suggestions made to which they are pursuing some of those possibility.

Motion made by Commissioner Pecos to approve participation with the 2015 Kleberg-Kenedy County Junior Livestock Show series of events at the J.K. Northway Expo Center, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Pecos, Pena, Garcia Leubert, Fugate voting "FOR".

7. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Section 15-6-130, providing for revisions to the electronic variable messaging sign ordinance. (Director of Planning and Development Services).

Mr. Tom Ginter, Director of Planning and Development Services, reported that up to this point, these types of signs have been prohibited and between November 2012 and March, 2014, there were 4 requests to the Zoning Board of Adjustments (ZBA) for approval, which were approved. This past summer the Planning and Zoning Commission had some research done to determine what it would take to approve the signs instead of going through the ZBA and getting them approved, and also to get them regulated. Ginter stated that this has been done and finding that the City of Amarillo and City of Rockport do allow the verbal message signs in their communities, which raises the question, how far do you go in regulating them. The City of Amarillo regulates them such as the one that the Planning and Zoning has recommended approval of with the number regarding the brightness, no animation and those kinds of things. Ginter further mentioned that the City of Rockport is very general which gives no numbers which is a safety factor. Mr. Ginter further stated that the Planning & Zoning Commission recommended unanimously this amendment.

Commissioner Garcia asked if there was one already in place. Mr. Ginter responded by stating that there wasn't one in place for changing a verbal message sign. Commissioner Garcia asked if the City has an ordinance for illumination signs. Mr. Ginter's response stated that there is an ordinance for illumination but it doesn't cover what is being requested. Commissioner Garcia commented that when this ordinance was approved, the City was approached by Naval Air Station-Kingsville regarding this ordinance.

Mayor Fugate asked if Mr. Ginter has already been in contact with the Naval Air Station-Kingsville. Mr. Ginter responded that he has not been in contact with Naval Air Station-Kingsville. Mayor Fugate commented that the reason the Commission has not voted to approve these types or signs is it could affect the Navy jets flying at dark. Mayor Fugate further commented that the Zoning Board of Adjustments should be made aware of this matter. Fugate continue to state that Kingsville has a different issue than Amarillo and Rockport. Mayor Fugate requested for Mr. Ginter to come in contact with Naval Air Station-Kingsville and be sure they are ok with this matter.

Introduction item.

8. Consider approval of new City seal/logo. (Director of Tourism).

Mr. Leo Alarcon, Tourism Director, provided the City Commission with proposed City seal/logo samples for Commission reviews. The first sample was pictured with a prickly pear cactus to the left side of the logo and no palm trees as requested to be seen by some of the Commission members. The second sample was that of the tower with prickly pear cactus to both sides (left and right) of the tower. The third sample is that of the city logo (long version) with palms trees to the left and right of the logo. The fourth sample is the (smaller version) tower with palms trees on both sides of the tower. The fifth sample was that of the (longer version logo) with a prickly pear cactus to the left and a palm tree to the right of the logo. The sixth sample was that of the (smaller version logo) with a prickly pear cactus to the left of the tower and a palm tree on the right side of the tower.

Mr. Alarcon commented that his recommendation for the new city log be that of sample 3 and 4. The logo with the palm trees on both sides of the logo.

Mayor Fugate asked about a previous logo sample with the horse silhouettes in the background, which was introduced to the Commission at a previous meeting.

Mr. Alarcon commented that this sample with the horse silhouettes will be used for marketing such as for the Ranch Hand Festival/Breakfast.

Commissioner Leubert commented that she prefers the sample with the prickly pear cactus and the palm as it looks more indicative to Kingsville.

Motion made by Commissioner Pena to approve city logo three (long version of city logo with palms trees at both ends) and four (short version of city logo with palms

trees at both sides of the tower), seconded by Commissioner Garcia with one condition, that he would like the star in city logo sample 3 that within the horseshoe located below the letter g, the small star be colored in white instead of brown/tan.

Mr. Alarcon commented that he will make the change as requested.

Mayor Fugate asked for clarification on the motion. The motion stands as stated above.

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

9. Workshop to discuss streets and street funding sources. (City Engineer/Public Works Director).

Mr. Capell reported that there has been at least three years of study and work for this presentation tonight. It has been a tremendous amount of work for a good reason because there is nothing more important today than the condition of our streets.

A three ring binder of information was provided to each member of the City Commission regarding the City of Kingsville's Street Maintenance Improvement Program.

Mr. Capell reported the following information from the workbook provided to the City Commission regarding the City of Kingsville's Street Maintenance Improvement Program. Commentary Assumptions & Perspectives Q&A.

Commentary, the early years- How did our streets, curbs & gutters get into this condition? So far as I can tell the City of Kingsville has rarely has a consistently reliable, annual, ongoing source of funding for its streets, curbs, and gutters. In my view, this reality has been and continues to be the leading cause of poor streets, curbs, and gutters.

Staff's research, which included reviewing documents as far back as July 1915 shows that the City relied upon a number of different funding mechanisms comprised mostly of bonds, special street assessments, and an occasional property tax initiative. Between 1972 and 1986 when the program ended, the City of Kingsville likely used and relied upon the Federal Revenue Sharing Program to pay for repairs and upgrades to these assets. When that program ended in 1986, the City was likely left once again without an adequate source of annual, ongoing funding for streets.

Mr. Capell further reported that approximately three years City staff inventories, assessed and quantified the condition (Good, Fair, or Poor) of all City asphalt & concrete streets and curbs & gutter assets on a per mile basis. This information was later presented to the City Commission at which time it was agreed that staff needed to change and improve its construction methods in order to maximize the life expectancy of these assets at a lower average annual cost to our residents. It appeared to me at that time that the City had not, or at least not recently, inventoried or rated the condition of these assets. This lack of assessment violated an essential truth, which is if it can't be measured, it can't be improved. Capell further commented that today, everything that has happened in the past leads us to this point in time. Since that first streets workshop with the City Commission two plus years ago, Charlie Cardenas, Engineer, and his staff have developed and tested a Geographic Information System (GIS) containing 66,000 data elements for every mile, block, and square yard of city street, curb and gutter. Had the City Commission not authorized the purchases of the GIS Software the Server three years ago our staff would not have been able to develop the City's GIS tool nor would we have the high quality and engineering certainty contained in the GIS data for making important decisions. It deserves mention that most City's would have hired an engineering/consulting firm at great expense to develop and refine their GIS. Capell stated that he is proud to say that our City's GIS tools have been created internally at a far lower cost. Capell further congratulated Mr. Cardenas and his team for this amazing and successful effort.

Mr. Capell stated that for each of the last three budget cycles, his budget message has included a comment to the City Commission that the use of bond funds is not the best way to fund street improvements. Capell stated that he said that while bond funds are better than no funds, the use of bond funds doesn't achieve the City's objective of having a sufficient, annual, ongoing source of funding for its streets, curbs, and gutters. Bond funds are, however, a preferred source of funding for larger, intermittent street and infrastructure projects. Mr. Capell further reported on the assumptions and perspectives. He stated that our goal is the elimination of all poor streets (those having a CRI < 50 on a 100 point scale) and the high number of potholes that come with them. This is arguably the number one immediate priority for our City. Better streets = safer streets, fewer potholes, happier motorists, more attractive neighborhoods and corridors, and a more livable city. Capell stated that anything of importance that is worth doing well – streets included. In order to do anything well, it must be planned, measured and monitored. Our plan will, if used properly and updated timely, outlast individual staff members and elected officials. Streets satisfy two important public needs: traffic conveyance and water conveyance. Traffic conveyance is often financed using sales taxes, property taxes and other general fund sources. Water

conveyance can and often is funded using a Storm Water Fee in a Utility Fund. The reality of our streets (design and function) makes them an operational hybrid – part transportation system (General Fund) and part water conveyance system (Utility Fund). The most cost effective solutions for streets (best overall value for our residents) are those that cost the least in the long term even though they might cost more in the short term. Spending more now gives us streets that last longer so that over the life of the street the City is actually spending less per year. Unless there is a pressing need to do so, streets should not be replaced until they are at the very end of their useful lives. To replace a street before the end of its useful life would be to waste resident and taxpayer resources.

Mr. Charlie Cardenas, Public Works Director/Engineer, reported that this started plan began before he came on board with the City of Kingsville. Cardenas recognized the hard work done by Mr. Naim Kahn, previous Engineer and Ms. Valerie Valero, previous Engineering Assistant. Cardenas further introduced the Street Team, Mr. Capell, Mrs. Balli, Charlie Sosa, Daniella Herrera, Austin Jurica, Arnoldo Castillo, Sharam Santillan, Engineering Assistance, and Bill Donnell.

Mr. Cardenas stated that in the definitions, the asphalt streets have a rating of good, fair, or poor. During the budget workshops, the scoring of streets was discussed. The scoring began in the spring and early summer. Mr. Cardenas stated that he personally drove every street and every block and part of the scoring is to count every pothole at that time. The reason he mentions spring and summer is because it changes once the wet weather begins, which requires it to be updated with a new scoring.

Mayor Fugate commented that the list of streets and dates of repair is out for the public to see. Fugate further asked staff to be careful when rearranging the order as it may upset some citizens.

Mr. Cardenas commented that this list stands as it is for 2015 and 2016. The 2015 list of streets is what has already been approved by the City Commission. Cardenas further discussed the ratings of streets, good is a rating of 176, fair is a rating of 75-51, and poor is 50-0. In the Federal Highway Administration and the best engineering practices, there are some other things that were taken out on the scoring. Cardenas stated that it's important to him that this is noted. In Kingsville the traffic volume is negligible. Kingsville does not have a traffic problem. Cardenas further commented that the life of an asphalt street is about 20 years and concrete streets have a life of 50 years. Cardenas further commented that the rating of a concrete street is different than an asphalt street. Curb and gutter will last for 50 years, however we are replacing the type of curb with new developments as they are being fixed. He further stated that during this presentation, the Commission will hear him say PCI, which means Pavement Condition Index, which is a score that is given to a street and FDC, acronym for Full Depth Construction, which is what has been done in the past two years during the construction of a street. When you tear up a street and putting in new limestone based materials. Cardenas further stated that you then have an overlay, which is the top two inches of a street. If the base material is good, the top two inches is all they will replace.

Commissioner Garcia asked how one would know if the base is good before tearing it up. Mr. Cardenas stated that they are two ways to do this. The primary way is to do a core sample, where they drill down and pull it out and analyze the different layers of the asphalt or the flexible paving. The other way, upon experience and observation, you could see where the base has failed on a street or you can see the sunken portion of the street or a ring around the street. Cardenas commented that when you see the sunken portion of the street it's usually water infiltration.

Commissioner Garcia asked that when core samples are done, how many samples are pulled. Mr. Cardenas responded that it's usually one every four hundred feet (one per block). Cardenas reported that a rejuvenator is chemical application that is sprayed on the surface of the street so that the surface of the pavement may be activated chemically.

Mr. Cardenas further reported that during his presentation, he will use the acronym GIS, Graphic Information System which is a computer software that the City has invested in. The GIS software is available on the City of Kingsville's website which will allow you to measure a property and check on a property, which is information that the title companies and developers like to use. Cardenas stated that GIS is being used for the pavement model. Cardenas further spoke about the different distresses on a street such as alligator cracking, edge cracking, joint reflection cracking, longitudinal and transverse cracking, patching and utility cut patching, potholes, and rutting.

Mr. Cardenas spoke about the calculated and informed assumptions. The size of a block which is 400 feet, but some blocks is larger than others and some blocks are wider than others. GIS measures, very accurately, the width and length of every block.

Commissioner Garcia if the meets and bounds are used with GIS to the exact.

Mr. Cardenas responded that it is exact. Same as with properties is also exact, which is important for the title companies. Cardenas further reported that in the last two years, the city has done six miles of street. In 2014, forty-seven blocks were done and in 2013 they worked on thirty blocks. This happened with better equipment, trained personnel, and more efficient ways of constructing a new street. Cardenas stated that there is a drop off rate if a poor street (under 50) it's already dropped off. But there are those fair streets that are dropping off. Some are on the verge of dropping to poor and some are descent. Cardenas further talked about the life of a street and how the score affects the remaining life of a street and how we plan what year a street will be rebuilt. As for fair streets there is a certain rate that those streets are dropping off to poor. These fair streets are dropping off at two miles a year, although we are still going positive at a one-third rate. A maintenance activity has certain periodic maintenance activities that need to be done on a street within those 20 years. Cardenas continued and discussed curb and gutter, in which this case they are seeing both sides of the streets. However, there are some that once the reconstruction begins only one side may be done.

Mr. Cardenas continued to speak about the factors contributing to asphalt street failure. Water infiltration is where water seeps into the roadway through cracks that cause base failures. Passenger traffic loads is moderate weight causing minor but more distress. Commercial traffic loads are heavy weight causing severe distress. A traffic volume is when frequent traffic causes repetition distress. Vehicle turning movements causes distress at intersections, driveways, and back up motions. Corrosion/Oxidation can be done by Ultra Violet (UV) exposure. Chemical decomposition is also created. Several chemicals and solvents react chemically when contact is made with the reinforcing steel in concrete. Utility repairs are street cuts made to the roadway compromising the uniformity and integrity of the roadway. This results in roadway failure over a period a time.

Mayor Fugate asked what is being used to spray the weeds on the street. Mr. Bill Donnell, Assistant Public Works Director, responded that what is being used is roundup for the grass and 24D broadleaf weed killer mixed with soapy water.

Mr. Cardenas further commented that temperature changes is extreme changes is temperature causes soil and materials to expand and contract. This causes the street to buckle. Weather conditions, salt treatment affects the chemical compound of the reinforcing steel to decompose and corrode. Lack of scheduled maintenance causes the roadway to be short lived. Mr. Cardenas further stated that the primary purpose of a curb is water conveyance instead of open ditches.

Mr. Cardenas spoke about maps (provided to the Commission) regarding GIS pavement model maps showing street, curb and gutter ratings of streets in Kingsville. Cardenas stated that there are long concrete streets that will be considered Capital Projects such as Kleberg Street from City Hall to the Kleberg County Courthouse, Richard Street from Tenth Street to 6th Street. Mr. Cardenas spoke about the curb and gutter inventory. There are three types of curbs in Kingsville, but would like to standardize it to one type of curb. The old type is what is called the square curb. The popular 1970's, 1980's type was the rollover curb which is a swale. The most efficient type of curb is the six inch curb, which does retainage of the soil and works well for the water conveyance. The standard curb for Kingsville is the six inch curb, so when a curb needs to be replaced, it is replaced with the six inch curb. Mr. Cardenas spoke about photos (provided to the City Commission) regarding curbs.

Mayor Fugate commented that on his street, he has rollover curbs which has edge cracking, and asked if this was common with this type of curb or any other type of curb. Mr. Cardenas responded that this indicates that there was some water infiltration in the base material underneath the curb. Cardenas further gave examples of different types of curbs and gutters rating by condition.

Mr. Cardenas stated that there are five types of data elements that were placed on a chart. The five types are street identifiers, conditions rating, past street activity, future street activity, and cost components. He further commented that they will be keeping track of the maintenance history by GIS. This will help track every pothole and work order done. Cardenas commented that it isn't wise to reconstruct a fair street if it still has eight years of left rather reconstruction a street that is poor or has one year left. Cardenas stated that he as other staff and Commission members hear the concerns coming from citizens regarding street repairs. Cardenas stated that he takes all concerns from citizens very seriously.

Ms. Daniella Herrera, GIS Technician, reported on data elements key and information. Ms. Herrera reported that this is every block in the City have an attribute from all the elements.

Every block has the type of surface whether its asphalt, caliche, or concrete. They are identified what zone from 1-15. It also has whether the streets are arterial, collector, principal arterial, and the direction it's in. What is most important to the citizens is the block number for every street. Herrera further reported that the important factor to this is the PCI Class rating (0-100) that was received from Mr. Cardenas. The status is where it is mentioned what size is the block and what year is it in the schedule for repair or has it been completed. In the activity section, this shows where the streets falls such as FDC overlay. Ms. Herrera further reported that what GIS does is measurements on streets where cost are calculated. Based on the length and width, the cost of overlay, fog seal rejuvenation cost overlay edge, cost FDC, and fog & crack for every block. Herrera reported that by knowing the length and the width, the square footage meaning they got the square yards and able to use the current cost of overlay, materials for overlay, materials for FDC and add them up and multiply into the square yardage to determine how much that particular block will cost to do overlay and fog seal.

Commissioner Garcia asked that out of curiosity, if he was to give them his address, a time estimate can be given to him of when his street will be up for repairs. Garcia further asked how much it would cost to do every street today.

Mr. Capell responded that it would cost \$2,125,366.

Commissioner Pecos asked that considering the fact that the oil is 60% less than last year, is there a possibility to purchase as much as material so we can take advantage of the low cost, before oil prices go up.

Mr. Capell's response was that we are not seeing a reduction in asphalt prices unfortunately.

Mr. Cardenas responded that asphalt prices are not going up as concrete prices are up. Cardenas further commented that every year it gets bided out and there are so many contracts that there are one year, two year, with the most being a three year contract. When it does bid out, you get the three year contract that holds in those prices for the three year period. He further commented that if every street were to get fixed today, we would be fixing some streets that still have some life to it.

Mayor Fugate stated that city crew is doing all they can do, and it would be impossible to fix all the streets in one year.

Mr. Cardenas commented that their current plan that is being presented, does not take into consideration contractor cost or employee cost as this is done in-house. In a full depth construction (FDC) a 6" base is used with MC-30 primer emulsion (seal of base material), AC-5 oil (tack for rock), #4 grade gravel (for seal coat) and 2" of hot mixed asphalt concrete (HMAC). In the hot mix overlay, it is used MC-30 primer emulsion (seal of existing road base), and 2" of hot mixed asphalt concrete (HMAC). Fog and crack seal, use bituminous asphalt oil (much like an AC-5) used to cover/seal the street, and use rubberized crack sealant to fill in lateral and longitudinal cracks. Rejuvenator is a chemical compound used through a distributor to re-oxidize asphalt streets. Chemical reacts with top surface of the asphalt. Concrete street is 6" base material (limestone), 6" 3000 psi concrete, and #4 rebar, 18" off center. Concrete curb and gutter consist of 6" base material (limestone), 6" 3000 psi concrete, and #4 rebars, 18" off center. Cardenas further commented on the construction and maintenance plan which was provided in map form to the City Commission. He further explained that the term "sandwich" which is a term used in building streets. Mr. Cardenas briefly commented on maps of street repairs for years 2016 through 2033. Cardenas stated that the 2035 year street is what is being done this year, 2015.

Mayor Fugate called the meeting to recess at 5:40 p.m. to allow dinner to be served.

Mayor Fugate reconvened the meeting at 6:08 p.m.

Mr. Cardenas discussed briefly the yearly cost graph which is the 20 year plan can current cost estimates. In the graph provided to the City Commission it shows a green line that is for the next 20 years to replace every bad concrete street in the city. Since it doesn't have a rating, it's a static cost in today's dollars. The red line is the average cost. This is the average yearly cost which is \$2.16 million dollars a year. The blue line is a variable line, which is considered the actual line. This line in some years is lower and some years are higher. In order to come to that target line, we had to move up and move back some street but not moved more than two years. He further stated that the city would not want to replace the street before its time, the most it's going to be before its time is two years. He further commented on a chart that shows how many blocks will be done in full depth

construction and overlay. In the first five to six years, it's mostly full depth construction, because we will be getting rid of poor streets.

Mr. Capell commented that 16% of city streets are rated poor today, which is about sixteen miles. Those streets will be repaired, because they are top priority, in the first five years. The rest of the time, the streets that are falling from fair into poor. All the streets that are rated poor today will be repaired within the next five years.

Mr. Cardenas continued with his presentation stating that the question was asked, what \$2.1 million a year buys. Cardenas stated that every year is a little different. It will buy so many miles of full depth construction, overlay, concrete street, curb and gutter, and maintenance activity. Cardenas further discussed maps provided to the Commission regarding the projected years of street repairs.

Mayor Fugate asked when 6th street will be repaired. Mr. Cardenas responded that it will be done in the year 2026. Mayor Fugate asked if staff will try to place a seal coat on the street. Cardenas stated that there is a maintenance activity schedule for this to keep it for 2026.

Commissioner Leubert commented that the information that was provided to the Commission regarding the street presentation is well put together. The information is easy to read to where anyone reading this can understand it.

Mr. Capell stated that the one thing he would caution the Commission about is that this is a dynamic model and each and every year Mr. Cardenas and his staff estimates will change. Mr. Capell gave an example of a street that may be on the schedule for full depth construction in 2021, because this changes every year and updated every year, that 2021 street may be able to be moved to 2022 or move to 2020. Mr. Capell further commented on the financing part for street repairs. He stated that he understands from the City Commission stand point that property taxes are not the most popular way to provide revenue for streets. The direction he is taking from the City Commission is that it is preferred to look at other areas than property tax. Increasing property taxes is problematic in several ways. Property tax is already been used to fund the city's employees cost, supplies/materials needed in the everyday street maintenance program. Our budget is roughly around \$1.5 million in the general fund which goes to employees, basic cost in the streets division in the Public Works Department. If you assume that all of this is paid by property tax, it's about \$.20 of our property tax levy or M&O levy or about 31% of our property tax levy is getting used to pay for streets department expenses. Capell further commented that Mr. Cardenas has been talking about the \$2.1 million that will go for are the outside contractor cost as well as the material cost. With the employee cost already covered in the existing general fund budget, which is provided each and every year. What we don't have annual ongoing source of funding is for material cost and contractor cost. Mr. Capell further stated that if the city was to try and raise \$2.1 million using property tax, we would have to increase our levy \$.29. Mr. Capell stated that of \$2.1 million a year it's actually \$2,125,000. He is proposing that we take \$1.4 million from stormwater fund which goes back to his definition of what street are for. Streets are for two things, traffic conveyance and water conveyance. Because it's for both those reasons, if he had to assign a percentage to which is the greater, he would say that water conveyance is the greater. It affects everything from the design to the construction. Capell further stated that water infiltration is the single largest factor that deteriorates our streets. For those reasons staff should look at the stormwater fee as a way to fund the street improvement program.

Mayor Fugate asked how much is being proposed to go up on the stormwater. Mr. Capell responded that at this time it is \$15.00 per year (\$1.25 per month) which goes entirely to paying a debt service, which we would have to keep that in place. We can't go in and spend that for something, it needs to stay in place until the bonds are fully retired. The increase would be about \$98.00 per year which makes a little less than \$7.50 per month.

Commissioner Leubert asked if this includes the \$3.00 that staff wants to take from the Landfill Department. Mr. Capell's response was no, this is something separate. Commissioner Leubert commented that if you want to take landfill fees, which in her opinion, anybody that is paying that thinks it's going to landfill. She further asked if it is or isn't at this time. Mr. Capell responded that it is, as of right now it is. Commissioner Leubert further asked if before there was money taken from it and used for something else. Mr. Capell response was that we did use the excess reserved that was created. Capell stated that the excess reserve was created for the H.M. King. Commissioner Leubert further asked that it is being suggested to raise \$7.78 plus \$3.00. Mr. Capell stated that we are talking about the stormwater fee. Commissioner Leubert responded right, you want to raise the stormwater to about \$7.78 and add the other \$3.00 from the landfill for that. Mr. Capell asked if those could be handled individually. Commissioner Leubert's response was that she is only trying to cut to the chase of that. Mr. Capell's

response was that he doesn't think we should cut to the chase but go through it methodically one by one. Commissioner Leubert responded to go ahead and explain. Mr. Capell continued to state that it is slight less than \$7.50 per month which is the cost of a hamburger and fries. People can get new streets in this town if they want to put \$1.4 million toward \$2.1 million. The other portion, there are two portions, which Capell calls fee swap, the reason he proposed these is because the landfill closure is currently being paid at \$3.00 per month, which is included in the monthly utility bill. Capell stated that because of a mistake in the 1999 landfill tipping fee study where they misestimated the acreage, which was disclosed in the city annual financial statements. It was discovered that there were using two cube acres. They really had more acres and more time to accumulate the required post closure/closure reserves. Capell stated that we had been accumulated more than the city needed for a little more than a decade, and because we accumulated more than we needed, we used some of those excess funds to pay for the H.M. King High School (proposed new City Hall). The \$1.7 million in particular, there was \$1 million from bond funds and \$1.7 million from the excess reserves in the landfill post closure fund and another \$500,000 of utility funds, which is what got us to the \$3.2 million for the H.M. King School. The excess collected, \$3.00 collected every month, about \$2.00 of that is an excess, we really only need to collect about \$1.00 per month. To have enough money to pay for the closure/post closure care reserves by the year 2060. Capell commented that Engineering Firms will come in and refigure the numbers and those may change. One place the money could come from is to take the \$200,000 and use it for something else. Capell stated that what he likes about that, from a residents stand point, it doesn't ask them to pay any more than they are already paying. It is up to the City Commission whether they would like to characterize that and use it for something else.

Mayor Fugate commented that this is what Commissioner Leubert is stating. There should be some truth and diligence if we do decide to use this money for something other than what it's been collected for.

Mr. Capell stated that it has been previously disclosed as it has been included in his previous year's budget messages and stating again here at tonight's meeting. Capell stated that we made no effort to conceal it or hide it, we just need to decide if we are going to roll it back \$1.00 and that where it will stay until it needs to be increased and are we going to use the extra \$2.00 to go towards this cost. Capell commented that this isn't the only reason he is suggesting, he stated that Mr. Cardenas mentioned the damage that heavy trucks do to our streets such as when we send our garbage trucks out there, twice a week, to every resident in this city. It has never been asked from the Sanitation Division of Public Works to reimburse or pay for any of our streets, but that would be one justification for using some of those funds on our city streets. Mr. Capell further commented that he isn't asking for the Commission to make a decision tonight but simply just making recommendations.

Mayor Fugate commented that this is the number one issue that our citizens have in our city, streets. Hearing that Commission Leubert and Commissioner Pecos receive the most complaints regarding our streets, we have to pay for them somehow.

Mr. Capell commented that there are other ways to pay for streets, such as use property taxes or street fees.

Mayor Fugate asked that besides property taxes and street fees, what else is staff recommending.

Mr. Capell responded that there what he calls swap. It comes from the \$4.00 fee that was excess fee added on to landfill bills that were for debt service. The debt service was used to purchase all kinds of vehicles and trucks prior to Mr. Capell's arrival. This debt is now posted and close to paid off. He stated that this debt right now is close to \$482,000. It will take us until year seven (2022 yr), until that debt is all paid off but it shows that the debt every year mostly declines until year seven at which point it's all paid off and all that money, if Commission chooses to do so, could be changed over and directed towards streets rather than simply letting it lasp or issuing new debt. Mr. Capell stated that his suggestion is that Commission let this debt lasp to use the debt capacity that is in the general fund debt to purchase the equipment. This is something the residents are currently paying that we could both let lasp and allow their fees to go down or it can be utilized for something else. If we utilize it, if it's not used for this, then we would have to generate the money in some other fashion. Capell commented that the transfer is basically is taking the money from solid waste until the excess debt is completely paid off at which point the transfer is a nominal amount. Capell stated that this is as simple as he can make it without including any property taxes which has some advantages. Saves on having to increase the fees on residents above what they are currently paying. Capell further stated that stormwater fee is interesting from a public policy perspective, because right now if you generate this money through a property tax, all kinds of organizations are exempt from property tax. Very few organizations are exempt from the stormwater fee.

Commissioner Leubert commented that call it a stormwater fee, basically it's a street fee.

Mr. Capell's response was that he is calling it a stormwater fee because our street is a utility and by definition that the street utility is as much about stormwater drainage as it about traffic.

Commissioner Leubert agreed but stated that its going to be fixing streets so the public will look at this and say that the city wants to charge them a stormwater fee to fix the streets cause that's where the water floods. Leubert further commented that it's still a street which makes a fee added on plus \$10.00 per individual paying taxes or bills, but it's a fee whether it is called a stormwater or street, but it will be used to fix streets. Leubert further commented that she rather be honest with the public and let them know it will be used to fix the streets.

Mr. Capell stated that he is being honest and if Commissioner Leubert wants to characterize it as something else, that is her decision. Capell further commented that he doesn't think he is being dishonest with anybody. He has given the Commission plenty of justification for why he thinks this is a stromwater fee. Streets are created to drain water from the crown of the street to all the individual sandwich layers. The way it's constructed is all about preventing infiltration and prompting water runoff.

Mayor Fugate commented that for the sake of argument, legally it could not be done. Can we just do a street fee. Mr. Capell responded that he thinks we have had some experience with street fees. Mayor Fugate commented that he isn't speaking of doing the assessment; he is talking about doing a user fee. Mr. Capell commented that staff would need to look into it some more. Capell stated that he doesn't know whether voter approval is required or not. Mayor Fugate commented that the city created a stromwater fee without voter approval.

Mr. Capell commented that he hopes that this could be brought back to Commission in January, 2015 where staff talk about it again or bring back additional information to the Commission. This would have given the City Commission enough time to think about all that has been presented during tonight's meeting.

Mayor Fugate stated that the City Attorney would need some time to look into this as well as the City Commission. He further stated that he understands that the City Manager has done as much as he can with the finances available. But he cannot imagine the voter approving raising ad valorem taxes.

Mr. Capell commented that whether it's a stormwater fee or street fee, he thinks voters would like the fact that the city is spreading it around a little more than to the typical property tax payer.

Mayor Fugate commented that the voters may get an opportunity to vote on this and see what they want.

Mr. Capell further spoke about information provided by First Southwest when the City was refinancing debt and issuing new debt. It shows that the City of Kingsville tax rate comparison to Texas cities our size, Kingsville has the higher tax rate and the lowest assessed valuation compared to all the comparable. This means that we have had to charge a high tax rate because of our low assessed valuation. The low assessed valuation is probably because we had so many tax exempt employees. Based on comparisons to other Texas Cities Kingsville is the third from the highest in terms to the total tax rate. Capell further reported that while we are trying to attract development, builders are doing their math they look at tax really hard and not look at stormwater fees. Capell commented that another reason whether the Commission wants to call it a street fee or stormwater fee, you look at a fee as oppose to the property. He further commented that they may have trouble getting a sufficient return on investment because our tax rates are too high. Capell's concern is that if the City raises the taxes higher, it may make it difficult for new development to come in.

Commissioner Leubert commented that her concern is that if the proposed rate is \$10.00 per month or per resident or business, our residents at a higher tax bracket are going to have less of an impact. Those who are making less money and living in smaller homes we will be impacting the lower economic group than the higher economic group. Leubert stated that she understands spreading around, which makes sense, but we still have to look at both tax brackets and how it will impact each.

Mr. Capell responded that the stromwater fee is regressive because whether you own a \$50,000 home or \$350,000 home, they will be paying the same fee. It was designed to setup that way and it is regressive but that's a policy decision. Capell stated it does spread

it around and more people are paying it but its regressive tax because the little guy will be paying more of a percentage of his/her income.

Mayor Fugate commented that the argument to that is that it is a user fee, everybody uses the streets and if you use them, you should pay for them.

Mr. Capell stated that after looking at a 2012 Stormwater Fee Survey, Kingsville was not included in this survey as we didn't have stormwater fee at the time. Capell calculated what Kingsville's fee would be per month and per year, what the additional proposed would be per month and per year, and what the total proposed would be per month and per year. The City's would go to \$9.03 per month which puts us in the upper rates for stormwater. Capell further commented that the City Commission has not increased the City's property tax for five years in a row. In his view, the longer the Commission holds the properties tax the more comparable and competitive Kingsville will get with other communities. Whether it's a stormwater fee or street fee, it makes more sense to look in that direction than it does in property tax. A stormwater fee or user fee, which ever the Commission decides to do, it puts it at \$108 per year which is less than any most individual family monthly electric bill. In terms on how it compares to other utilities it's far more cost effective.

Mayor Fugate and Commissioner Pecos excused themselves from Commission meeting at 6:42 p.m.

Commissioner Garcia opposed a question that if the City doesn't raise property taxes, how does this impact our bond rating.

Mr. Capell's responded that based on our existing based levels the city is fine. Capell stated that after having First Southwest run a debt capacity schedule for Kingsville which states with current tax rate both I&S and M&O, if those rates don't increase this is how much debt you can issue in the future by year and Kingsville is sitting pretty well. There are two analyses that are run for Kingsville. One says we can issue \$11,800,000 in new debt between now and 2019 assuming no growth in assessed valuation. The reason for this is because the city is paying old debt off. The second analysis shows that the city can issue \$15,500,000 worth of debt by year 2019 assuming that our estimated average growth and assessed valuation is at 1.67% per year. This indicates that we will have a high ability to issue new debt without increasing the tax rate.

Commissioner Garcia asked if staff has looked into possibly cutting back on garbage pickup to just one day a week instead of twice a week. This will allow the city to divert some of those funds into the street program.

Mr. Capell responded that it has been discussed with staff internally. A lot of cities have once a week garbage pickup and works well for them, but we would like to poll the residents and see how they feel about garbage being changed from being picked up twice a week to once a week.

Commissioner Garcia commented that by possibly changing the garbage pickup schedule, it will save some money that can be used for the street program.

Mr. Capell commented that with all the information presented during tonight's meeting, if Commission needs additional information or would like some analysis done it will be provided to Commission at a future meeting. Capell further stated that the City is trying to create \$2.1 million dollars to do something that the city hasn't done before in the way we are trying to do it.

Commissioner Leubert asked what the City's surplus per year is. Mr. Capell responded that in the general fund for this year is an estimated \$160,000. Capell stated that when he first arrived in Kingsville, the City had a surplus of \$2 million dollars. This was due to budgeting our sales taxes to low and received some savings from vacancies within the City.

Mr. Capell reported on divisions that have a user fee charge. He stated that the problem with some of those divisions that have a user fee services are experiences large deficits that are coming from sales tax and property tax. Capell gave an example that within the Planning Division for permits & licenses it shows \$407,000 in revenue with \$858,000 in expense incurred. This division alone has deficit of \$451,000 which needs to come from somewhere. Capell continued to state that where this is coming from is all the other general fund sources such as sales tax, property tax, and ambulance fees. Capell stated that one of the solutions for general fund and street improvements is to increase the amount of expenses covered by user fees.

Commissioner Leubert stated that staff could tighten some of the budgets as well and save this way. Leubert continued to state that in the past the city had been able to purchase needed items with surplus monies.

Mr. Capell responded that as soon as people start asking city employees to do less, he will be fully onboard. Capell further stated that tightening the budget is a consideration in order to save money.

Commissioner Garcia asked staff to look into the possibility of changing the garbage pickup from twice a week to once a week, and see what type of savings this would bring to the City.

Mr. Capell commented that he encourages the City Commission to keep in mind that although with talks of possibly increasing some fees, citizens will be receiving improved streets within the City.

Commissioner Pena agrees with this, but he further stated that we should not be deceitful as to how the city presents it to the community.

10. Consider a resolution abandoning a 1907 water and drainage easement within 1.891 acres of Lot 14, Section 17, K.T.& I. Co. also being out of Lot 1, Block 1, Bhakta Subdivision at 2489 U.S. 77 in Kingsville. (Director of Planning and Development Services).

Mrs. Alvarez reported that the City Commission did one of these earlier this year for the Legends Property on West Santa Gertrudis.

Mayor Fugate commented that there was one done for the Western Oaks as well.

Mrs. Alvarez continued to state that this is not uncommon for these things to come up and sometimes the new purchasers or new lenders would like to have them removed so that they may have some higher level of confidence that it wouldn't be an issue in the future. The City is still protected with regards to State Statute and City Ordinances.

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

Mayor Fugate commented that with both owners/representatives from the title company are present at tonight's meeting, it was suggested that since this has become an issue, maybe we should look into doing away with all these easements at one time to where they won't have to be addressed individually.

Mrs. Alvarez's response was that the only challenge would be with regards to the filing at the courthouse. She's not sure how they would attach this to every K.T. & I property.

Mayor Fugate asked for Mr. Michael Krueger to address this to the City Commission and staff.

Mr. Michael Krueger stated that it would only be necessary to file one time stating that the City of Kingsville no longer wish rely upon these restrictions that were filed in 1907. As Kingsville continues to grow, it will keep them from coming to the Commission with this issue over and over. Krueger further stated that he is willing to assist the City Attorney in drafting this document.

Mrs. Alvarez commented that this can be worked on and bring to the Commission for their approval at a meeting in January, 2015.

Mayor Fugate commented that there is no rush to do this, as we have some time to work on it.

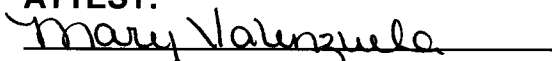
The motion was passed and approved by the following vote: Leubert, Pena, Garcia, Fugate voting "FOR".

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:57 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, TRMC, City Secretary