

JULY 24, 2017

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JULY 24, 2017 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 6:00 P.M.

CITY COMMISSION PRESENT:

Sam Fugate, Mayor
Edna Lopez, Commissioner
Arturo Pecos, Commissioner

CITY COMMISSION ABSENT:

Al Garcia, Commissioner
Noel Pena, Commissioner

CITY STAFF PRESENT:

Jesús Garza, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Tom Ginter, Director of Planning & Development Services
Diana Gonzales, Human Resources Director
Kyle Benson, IT Manager
Sharam Santillan, Capital Projects Manager
Israel Vasquez, Facility Maintenance Manager
Emilio Garcia, Health Director
Jason Alfaro, Parks & Rec Director
Derek Williams, Systems Specialist
David Solis, Risk Manager
Bill Donnell, Asst. Public Works Director
Charlie Sosa, Purchasing Manager
Ricardo Torres, Police Chief
Leo Alarcon, Tourism Director
Deborah Balli, Finance Director
Avelino Valdez, Street Supervisor
Cynthia Martin, Downtown Manager

I. Preliminary Proceedings.**OPEN MEETING****INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)**

Mayor Fugate opened the meeting at 6:00 P.M. with three Commission members present. Commissioner Garcia and Commissioner Pena absent from the meeting.

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting – June 26, 2017

Regular Meeting - July 10, 2017

Motion made by Commissioner Lopez to approve the minutes of June 26, 2017 and July 10, 2017 as presented, seconded by Commissioner Fugate. The motion was passed and approved by the following vote: Lopez, Pecos, Fugate voting “FOR”.

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

1. None.

III. Reports from Commission & Staff.²

“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, Investment Report, Quarterly Budget Report, Monthly Financial Reports, Utilities Billing Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works - Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Legislative Update, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time.”

Mr. Jesús Garza, City Manager presented the June Employee of the Month Award to Mr. Jeremy Lopez from the Street Department.

Mr. Garza presented to the City Commission the Fiscal Year 2016-2017 Quarterly Budget Report. This report runs through the end of June 2017.

The General Fund account is at 80% in this third quarter. Total revenues for General Fund are trending as expected in relation to current year projections and past year performances.

The Ad Valorem Tax is at 96%. The majority of Ad Valorem Taxes are collected in the early part of each fiscal year as penalties and interest are assessed on homeowners who do not make payment by January 31st.

In the Non-Property Taxes, this category contains sales tax, mixed drink and franchise taxes. In this account the City is at 75%. Garza commented that there are a few areas that the city will be eliminating for next year. Staff had budgeted an amount for Bingo Taxes, and with us not having an establishment like this, this is something that will go away as a revenue source in the upcoming fiscal year.

As for Sales Tax, the City sales tax revenue is trending as expected with the revenue percentage at 78% versus 75% for the overall category.

In Permits & Licenses, this revenue category consists of all permits and licensing revenue generated by the Planning Department. This category is trending slightly lower than expected at 70.51% versus the 75% the fiscal year is at. Revenues should be at \$206,250 which is short about \$12,000.

As for Municipal Court, revenues are trending slightly lower than expected due to several factors: Incode Software was upgraded from Version 9 to Version 10 in January and there were several issues with the implementation of the upgrade. Full functionality was not restored until April 2017, but staff continues to work with issues. During the Warrant Roundup in February, staff was not able to process warrants as this was one of the major pieces of functionality that was not operating once the upgrade went live. Due to the software issues, Municipal Court is currently behind 494 cases for Failure to Appear and Promise to Appear. Municipal Court is only at 65% expected revenues for this fiscal year.

The Parks & Golf Course, this Spring the City began to collect revenues from the Golf Course through alcohol sales and through its concession operation. Alcohol revenues through the 3rd quarter are \$11,434.33 with other food and beverage sales at \$7,947. The third quarter results for the Golf Course is at 79% and Parks & Recreation at 79%.

In the Solid Waste category includes revenue from the Landfill Fee which is at 71%. This category includes landfill and garbage fees. Revenues for this fiscal year have increased from last year, due to changes in the ability to accept outside haulers.

The main revenue for Tourism Fund are Hotel Occupancy Taxes collected by the hotels overnight hotel guests. Revenue received through the third quarter are higher than what was received for last year. The fourth quarter actually records four months due to revenues in October are for September stays. The Tourism Fund is at 70% for the third quarter, which is not inconsistent with what has been seen in years past.

The JK Northway was moved from the Parks Division to the Tourism Fund at the beginning of the current fiscal year with a budget of \$36,375. For the 3rd quarter ending June 30th, the JK Northway is at about 95%, which is doing well.

Utility fund revenues are on track. The revenue for this fund comes from water and sewer sales for both residential and commercial customers. The adjusted annual budget for FY15-16 was \$8,570,000 and FY 16-17 at \$7,953,000. The budget for FY 16-17 was reduced by \$617,000 due to revenues last fiscal year.

Street Maintenance Fund, revenues for this new fund is generated by the street maintenance fee that began January 2016, with the first billings sent out in February, 2016. When the program was first established and presented in 2013, it was done so with the idea that it would necessitate about \$1.2 Million dollars per year to meet the 20 year mark that was set out from the original plan. Through adjustments that were made through the fees, that was dropped down to about \$900,000. Since that time, staff has been developing list of streets based on the \$900,000 mark. Now that the City is actually beginning to collect money, it became evident that the city would be collecting less than \$900,000 per year, which may necessitate some changes to the program to meet the

budgetary numbers that are coming in. The formula related to the street maintenance fee was based on purpose of a building. What happens throughout the year is that we may have a building classified as a type of business X but is actually a business Y, which impacts the money coming in. Now that money is being collected, staff now has a stand for it.

The Commission looked at an overall monies and expenditures for the third quarter fiscal year 16-17. Overall revenues are ahead which is also the case when you see the city across the board which is at 80%. On the expenditure side, the city is at 62%. Garza commented that staff is trying to the man the budget such as manage expenditures, when we hire and don't hire. This will allow us the opportunity to be in a position when we present the budget for the next fiscal year, to present a budget that doesn't necessitate or require distract cuts. There will be efficiencies needed to balance the budget but staff is trying to be smart as to how to manage monies this fiscal year to get us in a better position for next year.

Account receivable, in this category it will show monies that is owed to the City. The City has contracted a third party to assist in the collection of these monies. This is an ongoing process, therefore, the city has not seen the benefits of this as of yet. Staff is hoping to see the benefits of this in the upcoming fiscal year.

Interdepartmental Transfers, approved through Resolution 2016-62 which allows transfers between departments in the same fund without Commission approval as long as those transfers do not increase a department's appropriation by more than 10%. In the Interdepartmental transfers there is a category called Lockdown of Budget to EA's. This is a step that staff took to help staff's efforts for the budget next year. Staff is being very money conscious with money that is being spent this fiscal year and money that may come up the rest of this fiscal year, and so by locking these budgets was a strategy on staff's part to have more control from a management standpoint on what those expenditures are and make sure there is enough money in the bank going into next fiscal year.

Mayor Fugate asked that when you say lockdown, it means that staff cannot spend that money without the approval of the City Manager.

Mr. Garza responded that this was correct. He continued to comment that when staff asked department heads to submit their EA's, which is expected annuals that are being proposed to spend by the end of the year. Whatever money was left, is the amount that was placed on lockdown. The money is still within their budget, if needed, but would need approval. Each request will be taken on a case by case basis.

Mr. Garza commented that the third quarter investment report will be presented during the August 14th Commission meeting. Garza further commented that staff is in the process of finalizing the detailed scheduled for the budget workshops that will occur in mid-August. The schedule information will be submitted to the Commission in the upcoming week.

Mayor Fugate asked that under expenditures, Fund 071, FEMA FF Assistance, what is this item?

Mr. Garza commented that when the City had the May, 2016 storm, the city incurred some expenses, so this is the fund that was created to track those expenses, and from his understanding, this is some of the money that the city is waiting to get from FEMA so that this amount can be cleared and balanced.

Mrs. Deborah Balli, Finance Director commented that for audit purposes the city needs to recognize those expenditures even though we hadn't received reimbursement, which is the reason for fund balance being negative. Once the city receives the reimbursement, it will clear the negative balance and will bring it to current budget.

Mayor Fugate asked about the disaster response recovery.

Mr. Garza commented that this is a fund that staff created in order to have money to pay for overtime or pay for things whenever a storm happens. Staff later found out that FEMA doesn't advice for this because they prefer for us to expend our normal dollars until we get reimbursed. Staff has been working on zeroing out this fund and will discontinue the fund as per FEMA's requirements and guidelines.

Mayor Fugate asked about the Parks Maintenance Fund, why only 6% has been expended.

Mr. Garza commented that this is also partially intentional. Staff seated this parks maintenance fund a couple of months ago, so it hasn't been there for a long time. The vision for this fund was for it to be utilized for some of the maintenance issues that come up with the parks. When the budget is presented for the next fiscal year, there will be more detailed list of items that will be paid for out of this fund.

Mrs. Courtney Alvarez, City Attorney reminded staff that the next City Commission meeting is scheduled for Monday, August 14, 2017. Deadline to submit agenda items for this meeting is Friday, August 4, 2017.

Commissioner Lopez asked about the success of the Gun Show that was held this past weekend.

Mr. Leo Alarcon, Tourism Director commented that it was a little bit better than the time before, but they didn't do very good the last time.

Mr. Garza commented that staff is looking into doing better marketing to assist these types of events be more successful.

Commissioner Lopez asked about the hotels in Kingsville being full and asked if this was due to the pipeline. Mr. Alarcon commented that it could be.

Commissioner Pecos commented that he would like to remind staff that we are in hurricane season. He would like for staff to be looking at area creeks and ditches and be sure that they are clean of any debris or trash.

Commissioner Lopez thanked city crews for the efforts and hard work in cleaning up Caesar Ditch.

IV. Public Comment on Agenda Items.³

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

No public comments were made.

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)

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

1. **Motion to approve final passage of an ordinance amending the Fiscal Year 2016-2017 Budget to accept and expend donations for Parks and Tourism Departments. (Finance Director).**
2. **Motion to approve accepting a donation of \$400 from the South Texas Quail Coalition for the Parks Department. (Parks Director).**
3. **Motion to reappoint Mr. Octavio X. Alvarez and Dr. Carol J. Tipton to the Library Board for three year terms. (Library Director).**
4. **Motion to reappoint Mr. Mike Klepec to the Planning & Zoning Commission for a two year term. (Director of Planning & Development Services).**
5. **Motion to approve out-of-state travel for up to two Police Officers to St. Joseph, Missouri in 2017 for homicide case investigation and related court matters. (Chief of Police).**
6. **Motion to approve a revised resolution accepting funds for Operation Stonegarden with the Homeland Security Grants Division of the Governor's Office for local border security to interdict criminal activity with no anticipated**

cash match, authorizing the Chief of Police to act on the City's behalf with such program. (Chief of Police).

7. Motion to approve final passage of an ordinance amending Chapter VII, Article 8, Traffic Control Devices, providing for the installation of stop signs on West Avenue D at its intersection with North 4th Street and on North 4th Street at its intersection with West Avenue D. (Engineering Department).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

8. Consider resolution authorizing the City Manager to enter into a Contract for Professional Services between City of Kingsville and LNV, Inc. for Engineering Services for Preliminary Engineering Report and Environmental Narrative for Street, Drainage, and Utility Infrastructure Improvements under Economic Development Administration's Public Works Assistance Program. (Capital Improvements Manager).

Mr. Sharam Santillan, Capital Improvements Manager, reported that in order to be considered for assistance the application for the EDA Public Works Assistance Program must include a Preliminary Engineering Report (PER) and an Environmental Narrative Report (ENR). The PER is an application supplement for construction programs that includes information such as the description of project components, drawings, feasibility analysis for permits required, a project schedule, and an overall project budget breakdown. The ENR is required by the National Environmental Policy Act. The ENR will assess the potential environmental impacts associated with the proposed project. This assessment will include information such as identifying historic or archeological resources within the project site, affected environments including coastal zones, wetlands, floodplains, air quality, and a mitigation plan for any affected environment. Mr. Santillan stated that the cost will be \$12,500, which is available through account 033-5-1030-71216, Downtown Revitalization Improvements in CO 2016.

Motion made by Commissioner Lopez to approve the resolution authorizing the City Manager to enter into a Contract for Professional Services between City of Kingsville and LNV, Inc. for Engineering Services for Preliminary Engineering Report and Environmental Narrative for Street, Drainage, and Utility Infrastructure Improvements under Economic Development Administration's Public Works Assistance Program, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Lopez, Pecos, Fugate voting "FOR".

9. Consider resolution authorizing the City Manager to enter into an Interlocal Agreement between the City of Kingsville and the Kingsville Independent School District relating to Emergency Management. (Fire Chief).

Mr. David Solis, Risk Manager reported the Kingsville Office of Emergency Management is requesting an Interlocal Cooperation Agreement with KISD for the use of their Community Safe Rooms located at H.M. King High School. These Community Safe Rooms will be utilized for the purposes of establishing a temporary emergency or disaster shelter for city essential employees or as a last resort refuge for un-evacuated Kingsville residents. Solis stated that the city's emergency policy has a provision that states that the city will provide a shelter for essential city employees that have to stay behind in the event of an emergency.

Mr. Garza commented that this is only for and during a storm event. This is not intended to be used for long term shelter.

Mr. Solis commented that the financial impact on the city would be outfitting the shelter for essential city employees such a bedding, water, and food. The city will be held liable for any damages done while in use of these shelters.

Mr. Garza commented that this agreement will be up for consideration by the School Board during their August 14th meeting.

Mrs. Alvarez commented that this is an agreement that the city has had with KISD for over ten years, it just didn't include the facilities that are they for the city use.

Commissioner Lopez commented that she recalls, while employed with the City of Kingsville, that when the domes were built, they were to be used as shelters during emergency events. After reviewing the Interlocal Agreement, under Liability, #4, it

states "responsible for any damage", Lopez feels that this language needs to be defined as the language is too vague.

Commissioner Alvarez commented, arising from its use. If the damage occurs because of the city's use of the facility, then the city is responsible. If it is windstorm damage, it will still fall on KISD, it would just be damage perhaps inside the structure for whatever reason something was modified in anyway.

Commissioner Lopez further commented that she feels that this needs to be defined within the agreement. Lopez asked if FEMA provides and direction or policy concerning the responsibility and/or expense of the shelters? She commented that the agreement is kind of vague and while she reviewed the agreement, questions would come up on certain items of the agreement. Regarding the utilities section of the agreement, it states that the city does not routinely pay for utility bills resulting from the use of school buildings. Lopez asked that in part where it states if KISD is unable to absorb the cost, they may request reimbursement from the City. Lopez asked if this is something that is legal to do being that the utilities are under KISD name and to have the city pay for those bills, is this legal to do?

Mrs. Alvarez responded yes it would be legal, otherwise this agreement wouldn't be presented to the Commission tonight.

Commissioner Lopez asked Mrs. Alvarez to provide her with information stating that this is legal to do.

Mrs. Alvarez further commented that it is legal because if there is a regular \$3,000 amount water bill and this event occurs at a time where our use of the building doesn't make them have a \$5,000 a month water bill and it's still at \$3,000 then they can absorb that within their normal billing as they already have that budgeted and set aside. But if our use of the facility somehow caused an increase in their utility..

Commissioner Lopez commented that none of this language is stated in the agreement. Lopez stated that to her, the agreement looks like it states that the City will be paying someone's utility bill. The language is not stated in the agreement.

Commissioner Alvarez commented that it states that if it is above their usual usage.

Commissioner Lopez commented that she needs some clarification on this and feels that it needs to be clearly defined if the city is going into an agreement with them. Lopez further commented that after reading the agreement, she had a lot of questions on this. Lopez further asked who applies for FEMA assistance after the storm if something happens that's inside the building, but the city is in the building.

Mr. Garza commented that if there is FEMA assistance, for example the city can't budget because FEMA is telling us that we can't budget a fund in case something happens, so in this particular case, as it occurred last May, the City is going to see increase in expenditures. Over time, if the city had to make purchases for the event, the city would track those expenses including utilities. All expenditures with detailed listing of items purchased would be submitted to FEMA for reimbursement for up to 75%, just as it is with any other case. Garza further commented that FEMA doesn't come in and just give you money, it's on a reimbursement basis.

Mayor Fugate asked how long it takes FEMA to reimburse. Mr. Garza commented that it takes a while.

Mr. Solis commented that of the five project worksheets that were submitted to FEMA on behalf of the City of Kingsville, totaling to \$575,000, three of them have been approved and the funds have been obligated but it takes time to receive it.

Mayor Fugate suggest that no action be taken on this item during tonight's meeting. This will give Commissioner Lopez to get with staff and have her questions answered.

Commissioner Pecos asked if the domes had generators. Mr. Solis responded yes. Pecos further asked if the generators will be producing electricity. Mr. Solis responded that this was correct, during the storm when power goes out. Pecos further commented that during the storm, what is used is a lot of water bottles as it is not recommended to drink from the faucet after a storm in case of any contamination to the water during the storm.

No action taken.

10. Consider awarding roof repairs for Public Works building to Parsons Commercial Roofing, Inc. via TIPS Purchasing Cooperative, as per staff recommendation. (Purchasing Manager).

Mr. Charley Sosa, Purchasing Manager, reported that the roofs at these buildings are in dire need of repair/replacement. The Public Works Building roof will use a TPO (thermoplastic polyolefin) system manufactured by DuroLast, and the tire shop will be replaced with 24 gauge R-Panel. Parsons is a member of the TIPS Purchasing Cooperative and has done the rood at Kingsville Fire Station No. 1 and the City Hall in Corpus Christi, as well as many others. Local Government Code 271 (c), states that a local government that purchases good and service under this subchapter satisfies any state law requiring the local government to seek competitive bids for the purchase of goods and service. Therefore, competitive bidding statutes have been met. Sosa further stated that funds are available through CO 2016 with no more than \$107,518 previously expended from 033-5-22000-71300, Public Works Improvements so that \$125,000 is available. It is recommended that City contracts with Parsons Commercial Roofing, Inc., P.O. Box 21835, Waco, TX 76702-1835.

Mayor Fugate asked how old the roof was at the Public Works building. Mr. Sosa responded that it is the original roof of the building.

Commissioner Lopez asked about the warranty of the roof. Mr. Sosa responded that it will have a 20 year warranty.

Motion made by Commissioner Pecos to award roof repairs for Public Works building to Parsons Commercial Roofing, Inc. via TIPS Purchasing Cooperative, as per staff recommendation, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Pecos, Fugate voting "FOR".

11. Consider a Chapter 380 Economic Development Agreement with Shabir Shah for alley improvements behind 809 W. King Avenue for new proposed commercial site at the location. (Director of Planning & Development Services).

Mr. Tom Ginter, Director of Planning & Development Services, stated that Shabir Shah is the owner of the convenience store at this site. He is going to have a food truck on the property and would like to utilize the alley behind the store as an exit to Armstrong. In the past the city has entered into an agreement with Ali Samadi in improving the alley behind his subway on Santa Gertrudis so the users of the drive thru would utilize the alley for an exit. The reason for that request and this one is the same in that the condition of the alley is not conducive for that traffic load. Ms. Shah has reviewed the agreement along with the paving estimate and is willing to pay for the materials so the city can do the construction work. The amount to be paid is \$3,037.79. The impact to the city is that while crew is doing the alley work, they are not doing other street maintenance. This method worked well for the alley improvement for the subway and thinks that it will also work for this request.

Motion made by Commissioner Pecos to approve Chapter 380 Economic Development Agreement with Shabir Shah for alley improvements behind 809 W. King Avenue for new proposed commercial site at the location, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Pecos, Fugate voting "FOR".

12. Consider introduction of an ordinance amending the Fiscal Year 2016-2017 Budget to accept and expend donation for the Parks Department. (Parks Director).

Mr. Jason Alfaro, Parks Director, stated that the Parks & Recreation Department would like approval from the Commission to receive a \$400 donation form the South Texas Quail Coalition.

Introduction item.

13. Consider a resolution authorizing the City Manager to enter into Amendment Three of an Interlocal Cooperation Agreement between the City of Kingsville and the University of Texas-San Antonio relating to a Sponsored Research Agreement for the downtown area. (City Manager).

Mr. Garza commented that when the city first partnered with UTSA for the Downtown Vision Plan, that initial agreement with them was for \$5,000 for them to conduct the Downtown Vision Plan. That original agreement was intended to run through December 31, 2016. They ended up running behind with the schedules so staff came back and brought forward amendment one which had no budget impact to the city. The final plan at that time called for parallel parking in the downtown area. This suggestion was received with hesitation. We then entered into a second amendment in April 2017 with UTSA for them to look at options that would not alter the existing head in parking. That was completed and presented in May 2017. Now the 3rd amendment is to edit and make changes to the original Downtown Vision Plan video presented in March 2017 to show

the updated streetscape with head in parking. An additional \$1,000 to come from CO 2016 Downtown Revitalization Funds.

Motion made by Commissioner Pecos to approve this resolution authorizing the City Manager to enter into Amendment Three of an Interlocal Cooperation Agreement between the City of Kingsville and the University of Texas-San Antonio relating to a Sponsored Research Agreement for the downtown area, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Pecos, Fugate voting "FOR".

14. Consider writing off uncollectible ambulance billings as per consultant's recommendation. (Finance Director).

Mrs. Deborah Balli, Finance Director commented that Intermedix is the company that is used for to bill customers for ambulance services on behalf of the City of Kingsville. Many of these billings are for patients on Medicare which have limits on what they are authorized to pay. Patients on Medicare are not responsible for the difference in what is billed and what is paid by Medicare and various other insurance companies. The earliest bill is from November 26, 2004 and the latest bill is from December 31, 2014. The amount to be written off is \$2,705,508 in uncollectible ambulance billings. The write-off will have no effect on Fund Balance or working capital as we have an allowance account to offset the write-off.

Motion made by Commissioner Pecos to approve writing off uncollectible ambulance billings as per consultant's recommendation, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Pecos, Lopez, Fugate voting "FOR".

15. Executive Session: Pursuant to Section 551.087, Texas Government Code, Deliberations Regarding Economic Development Negotiations Exception, the City Commission shall convene in executive session to deliberate the offer of a financial or other incentive to a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations. (City Manager).

Mayor Fugate announced the executive session and convened the meeting into closed session at 6:50 P.M.

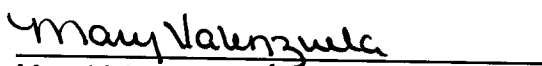
Mayor Fugate reconvened the meeting into open session at 7:05 P.M.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:06 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, TRMC, City Secretary