

FEBRUARY 24, 2020

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, FEBRUARY 24, 2020 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 5:00 P.M.

CITY COMMISSION PRESENT:

Sam R. Fugate, Mayor
Edna Lopez, Commissioner
Hector Hinojosa, Commissioner
Dianne Leubert, Commissioner
Arturo Pecos, Commissioner

CITY STAFF PRESENT:

Mark McLaughlin, City Manager
Mary Valenzuela, City Secretary
Kyle Benson, IT Manager
Deborah Balli, Finance Director
Derek William, IT Department
Susan Ivy, Parks & Recreation Director
Emilio Garcia, Health Director
Bill Donnell, Public Works Director
Cynthia Martin, Downtown Manager
Rudy Mora, City Engineer
Charlie Sosa, Purchasing Manager
Courtney Alvarez, City Attorney
Ron Lee, Interim Fire Chief
Diana Gonzales, HR Director
Janine Reyes, Tourism Director
Robert Rodriguez, Library Director
Ricardo Torres, Police Chief
Uchechukwu Echeozo, Director of Planning & Development Services

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 5:00 p.m. with all five Commission members present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by Mrs. Courtney Alvarez, City Attorney, followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting- February 10, 2020

Motion made by Commissioner Lopez to approve the minutes of February 10, 2020 as presented, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Lopez, Hinojosa, Leubert, Pecos, Fugate voting "FOR".

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

- 1. Public Hearing on request for an alcohol variance for a Beer Retail Dealer's Off-Premise Permit (BF) and Package Store Permit (P) and Local Cartage Permit (E) and Package Store Tasting Permit (PS) for the establishment known as Malibooze Liquor, Wine, Spirits, Cigars, Beer & Kegs at 1701 Brahma Blvd. Suite D, Kingsville, Texas. (Director of Planning and Development Services).**

Mayor Fugate read and opened this public hearing at 5:04 p.m.

Mrs. Cynthia Martin, Downtown Manager stated that this location was formerly known as Squirrely's Liquor Store. This property falls within 300-foot boundary of one school, Coastal Bend College therefore requiring a variance. Notice of this public hearing was published in the Kingsville Record and notices were mailed to those within the 300-foot boundary. Staff received no feedback from citizens.

Mayor Fugate announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so now with a five-minute time limit. Additional time cannot be extended by City Commission.

There being no further discussion or comments, Mayor Fugate closed this public hearing at 5:06 p.m.

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, Condemnation Update, 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; Landfill Update, Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Health Department, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Employee Recognition, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation, Golf Course, Library Summer Programs, Grants Update. No formal action can be taken on these items at this time.”

Mr. Mark McLaughlin, City Manager welcomed and introduced Professor Nicole Morris and her Journalism Class of Texas A&M University-Kingsville that are present during this meeting. McLaughlin reported that over 500 kids have signed-up for the youth baseball and softball and is still growing. He further stated that it looks like we will have 12 girl teams and 26 boy teams.

Mrs. Courtney Alvarez, City Attorney reported that the next regular meeting is scheduled for Monday, March 9th with a deadline to staff for submittal of agenda items for this meeting scheduled for Friday, February 28th. She further reminded the Commission that a second meeting will be schedule with Kleberg County Commissioners’ Court on Tuesday, March 17, 2020 at the Dick Kleberg Park Recreation Hall.

IV. Public Comment on Agenda Items.³

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

No public comments 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 Leubert and Commissioner Pecos to approve the consent agenda as presented, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting “FOR”.

1. **Motion to approve a resolution of the City of Kingsville, Texas revising the Designation of Signatories form for TXCDBG#7219012 (stating signatories for environmental review documents too). (Director of Planning & Development Services).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

2. **Consider an alcohol variance for a Beer Retail Dealer’s Off-Premise Permit (BF) and Package Store Permit (P) and Local Cartage Permit (E) and Package Store Tasting Permit (PS) for the establishment known as Malibooze Liquor, Wine,**

Spirits, Cigars, Beer & Kegs at 1701 Brahma Blvd. Suite D, Kingsville, Texas. (Director of Planning and Development Services).

Motion made by Commissioner Lopez and Commissioner Pecos to approve this alcohol variance for a Beer Retail Dealer's Off-Premise Permit (BF) and Package Store Permit (P) and Local Cartage Permit (E) and Package Store Tasting Permit (PS) for the establishment known as Malibooze Liquor, Wine, Spirits, Cigars, Beer & Kegs at 1701 Brahma Blvd. Suite D, Kingsville, Texas, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Hinojosa, Fugate voting "FOR".

3. **Consider a resolution approving an application and agreement for the Historic District Façade Grant Program from Mary Lou and Tony Gonzalez for property located at 323 E. Kleberg Avenue, Kingsville, Texas. (Downtown Manager).**

Mrs. Martin stated that Mary Lou and Tony Gonzalez recently purchased the building and wish to restore its' appearance both inside and outside to the days when it housed the C.R. Anthony Company which was a local clothing store. The project includes replacing the front and rear entrances, repairing exterior walls, making roof repairs and bringing electrical power to the building.

Motion made by Commissioner Leubert to approve the resolution approving an application and agreement for the Historic District Façade Grant Program from Mary Lou and Tony Gonzalez for property located at 323 E. Kleberg Avenue, Kingsville, Texas, seconded by Commissioner Lopez and Commissioner Pecos. The motion was passed and approve by the following vote: Pecos, Lopez, Hinojosa, Leubert, Fugate voting "FOR".

4. **Consider a resolution authorizing the City to submit an application to the State Defenses Economic Adjustment Assistance Grant program for the purpose of requesting grant funding for a new HVAC in the Captain's Club Building at NAS-Kingsville. (Director of Planning and Development Services).**

Mayor Fugate asked City Manager McLaughlin where the city intends in getting the match for this project. Mr. McLaughlin responded that there is some savings from positions that have not been filled yet. He also stated that the city has two years to put the match amount in. McLaughlin also stated that he has spoken to the Skipper of NAS Kingsville mentioning to him that if this happens, NAS Kingsville needs to find a way to open it up as it would be the City's Bowling Alley.

Mayor Fugate also asked about the status on hooking up the wastewater plants. Mr. McLaughlin stated that this is part one of two awards. The DEAG Grant would be connecting the North and South Wastewater Treatment Plant and lift stations. He further stated that this application needs to be submitted in September 2020. This would be a project in the \$300,000,000.00 range therefore the City would need to figure out what kind of match we will be doing and what fiscal year we will be doing in. McLaughlin commented that the higher the match, the better chances on the city's scoring.

Motion made by Commissioner Pecos to approve the resolution authorizing the City to submit an application to the State Defenses Economic Adjustment Assistance Grant program for the purpose of requesting grant funding for a new HVAC in the Captain's Club Building at NAS-Kingsville, seconded by Commissioner Leubert.

Commissioner Leubert asked when the grant is due to go in and when do they allocate.

Mr. McLaughlin responded that the application is due at the end of February 2020, which the packet is ready. The award will be sometime in April 2020 with two years to execute the awarded grant. He further stated that even though the Captain's Club is a Navy structure, it is designed as a multifacility that has held many city functions in the past.

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

5. **Consider a resolution authorizing the City to submit an application to the FEMA Assistance to Firefighters Grant requesting grant funding for SCBA respirator units, masks, and air cylinders on behalf of the Kingsville Fire Department with an anticipated \$32,357 cash match. (Interim Fire Chief).**

Mr. Ron Lee, Interim Fire Chief stated that this is the same grant that was applied for last year. Unfortunately, the grant was awarded to the Fire Department. If awarded the grant this year, it would allow for the replacement of aging Self-Contained Breathing Apparatus that will become non-compliant this year. He further stated that they would be replacing 31 units, 31 masks, and 62 air cylinders. The grant request is for \$355,929. The City would be responsible for a cost share match of \$32,357 when the grant is awarded and fulfilled.

Motion made by Commissioner Lopez and commissioner Leubert to approve the resolution authorizing the City to submit an application to the FEMA Assistance to Firefighters Grant requesting grant funding for SCBA respirator units, masks, and air cylinders on behalf of the Kingsville Fire Department with an anticipated \$32,357 cash match, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".

6. Consider a resolution appointing Election Judges and the Early Voting Ballot Board Judge for the City of Kingsville General and Special Election on May 2, 2020. (City Secretary). CONSIDERE UNA RESOLUCIÓN QU NOMBRA JUECES ELECTORALES Y EL JUEZ DE LAS JUNTA DE VOTACIÓN ANTICIPADA PARA LAS ELECCIONES GENERALES Y ESPECIALES DE LAS CIUDAD DE KINGSVILLE QUE SE LLEVARAN A CABO EL 2 DE MAYO DE 2020. (SECRETARIA MUNICIPAL).

Motion made by Commissioner Pecos to approve the resolution appointing Election Judges and the Early Voting Ballot Board Judge for the City of Kingsville General and Special Election on May 2, 2020, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Hinojosa, Fugate voting "FOR".

7. Consider a resolution authorizing the City Manager to enter into the 2020 Election Services Agreement between the City of Kingsville and the Kleberg County Clerk. (City Secretary).

Motion made by Commissioner Lopez to approve the resolution authorizing the City Manager to enter into the 2020 Election Services Agreement between the City of Kingsville and the Kleberg County Clerk, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Pecos, Lopez, Hinojosa, Leubert, Fugate voting "FOR".

8. Consider out of state travel for the Finance Director to attend the GFOA Annual Conference in New Orleans, Louisiana from May 17-20, 2020. (Finance Director).

Motion made by Commissioner Leubert to approve out of state travel for the Finance Director to attend the GFOA Annual Conference in New Orleans, Louisiana from May 17-20, 2020, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Hinojosa, Leubert, Pecos, Fugate voting "FOR".

9. Discussion of projects and interlocal agreements with Kleberg County. (City Manager).

Mr. McLaughlin started the discussion by stating that he has previously meet with city staff to discuss the recommendations he is about to mention. He stated that what he is looking at is four interlocal agreement that he would like to break up into five, making it three and getting rid of two. The first interlocal agreement McLaughlin discussed was the Parks Interlocal agreement. This agreement is a large agreement and has been modified multiple times and has changed hands on who controls what. McLaughlin stated that his recommendation is to take the Parks Interlocal agreement and address only the nine parks inside the city limits and remove any mention of the JK Northway and readjust the County's contribution. The Parks revenues are budgeted at \$658,764, of which \$500,000 came from the County, with actual revenues of \$656,824. In addition, budgeted expenses \$995,296, with actual expenses at \$911,009. The City lost \$254,185 managing all nine parks last year. McLaughlin further stated that he recommends the new Parks Interlocal seek a County match of \$500,000 vice \$550,000. The \$50,000 reduction to the County will be reapportioned to \$25,000 for JK Northway and an increase of \$25,000 to the Golf Course. Even though the City takes a loss on the Parks, they are still a quality of life multiplier for citizens. Mr. McLaughlin further stated that the JK Northway interlocal is a new idea. This would separate it from the Parks System with a whole number of reasons why. He stated that it will be a training venue that the County would like to create with the EDA Grant. The new interlocal for the JK Northway would address a number of topics to include, who insurer's the building and grounds, who schedules, pays for maintenance and operations, pays for capital improvements, staffing and personnel, who pays utilities and how the revenue is split. He stated that if the County host large events, such as police training with at least 500 police officers going through training and being charged about \$100 each, where is all this profit going? As the both the City and County would be responsible for this building, there should be profit sharing between both entities. He further commented that last fiscal year, the budgeted revenues for the JK were \$49,000 with actuals of \$52,143, which includes a \$25,000 transfer from the Park's Department from the \$550,000 we received from the County. Budgeted expenses were \$157,147 with actuals of \$140,237. The City lost \$88,095 last year on the JK Northway. McLaughlin further went on discussing the Golf Course. He stated that he recommends amending the interlocal to raise the County's contribution from \$35,000 annually to \$60,000 but leave the City fully in charge of managing and operating the Golf Course. Golf Course budgeted revenues

were \$330,000 with actuals of \$288,327. Budgeted expenses last year were \$529,811, actuals were \$452,302. The City lost \$163,975 on the Golf Course last fiscal year. McLaughlin commented that all three of the above actions incur no extra cost to the County.

Mr. McLaughlin further discussed the Library and Health Departments. He stated that the Library employs 12 employees of which 8 are fulltime employees and 4 part-time employees. Of those 8 fulltime employees, 6 employees are fully vested in the City's retirement system making them eligible for full retirement. He further stated staff has added up the total cost and divide it 50/50, yet all the labor is on the city's budget as they are city employees. He further stated that what is not captured are any claims on health insurance that could change and increase our health care overall. Long time retirement benefits are also on the city's money. He commented that sharing labor is hard to determine who is paying what. McLaughlin commented that the Library is a City building on County land and they perform library functions outside Kleberg County as well. This interlocal was created in 1979 and has never been modified. McLaughlin further stated that any revenue from the Library and this action will save the City \$280,671. This interlocal agreement has never captured the true cost of the employees being on the City's payroll, which includes extra cost for health insurance claims and the cost of retirements on the City. Mr. McLaughlin stated that it is his recommendation to submit 180-day notice stating the intent to get out of the Library Interlocal effective October 1, 2020. This would save the city about \$280,000 per year.

McLaughlin then went on to speak about the Health Department interlocal agreement. He stated that the Health Department like the County you add up the total cost which is about \$750,000 total and split it down the middle with all the employees being a city employee using our retirement and health insurance. The Health Department has 9 fulltime employees and 2 part-time employees. All employees are on the City's payroll with City benefits. The Health Department budgeted revenues for last year were \$30,000, actuals were \$29,575. He further stated that there are more revenues that come in that the city has not collected since 1985 as it has been going to the County, these would be the animal shelter fees. He stated that the city has an ordinance which state that 100% of these fees are to go to the City, but for whatever reason the City hasn't been holding those back and going straight to the County. McLaughlin stated that the amount runs up to \$700,000 of Health Department animal shelter fees that have been going to the County since 1985. He further stated that it is his recommendation to submit the City's 180-day notice stating the intent to get out of the Health Department interlocal agreement effective October 1, 2020. On October 1, 2020, the City still has a Health Department performing all the functions it does today with all the same employees. All revenues of the Health Department go to the City. He further stated that it is City's land and building, half the building is the City's, with Emilio's office being County building but sitting on City land. The City has more than paid for it already, as the County has kept all of the City's profits. By giving up the Library, the City saves \$28,671, however, we would incur an extra \$364,419 in expenses by assuming the Health Department 100%. This is an increased net cost to the City of \$83,748, however, by keeping the \$45,000 in annual revenue the City should have been receiving all along since 1985, the true deficit is \$38,748. The City can make this up by asking the County to provide a defined contribution of, for example \$40,000 to perform the current Health Department tasks for the County. Mr. McLaughlin stated that being doing all this, it cleans up the interlocal agreements that are sharing labor and have cost against the city that are not quite fully understood. He further commented that this is something that he and staff have looked at and before going into the March 17th joint meeting with the County, he would like to give the Commission the opportunity to ask questions regarding his recommendation.

Commissioner Hinojosa asked how retirement for those employees is going to work and has the city asked if the County retirement will be accepting years of service with the City for those employees going to the County. Will they be fully vested?

Mr. McLaughlin responded that he does not have the answer to the question, as he has not approached the County yet.

Mrs. Alvarez commented that as staff just had this conversation this past Friday, but as she had worked for the County a year prior to working with the City, the City retirement system allowed her to claim the year worked with the County.

Commissioner Hinojosa stated that yes, the City has it, but his question was, does the County allow it?

Mrs. Alvarez commented that staff would need to verify this incase their plan has changed at all, but it is her understanding that there is a reciprocity agreement between the plans that they would also recognize municipal service towards that, but staff would still need to verify that before representing it to the Commission.

Commissioner Hinojosa further asked if they would start the highest three years here or over there and how would this work.

Mr. McLaughlin commented that these are questions that he is unable to answer at this time.

Commissioner Hinojosa also commented that these are questions he would like answers to and further commented if employees are willing to go or not.

Commissioner Pecos commented that the County has a retirement for their employees and once the City makes this happen, employees going to the County will not lose their retirement as they will have the City's retirement and pick up the County's retirement when they go in as employees to the County.

Commissioner Lopez commented that she recalls back in the day, when the City was thinking about doing this, those employees would be able to retire from the City and then be hired by the County.

Mr. McLaughlin commented that of the 8 fulltime employees at the Library, 6 are fully vested. He further stated that after speaking with the Human Resources Director, all of them should be retirement eligible from that day. The other two are less than a year with the Library.

Commissioner Leubert commented that once you leave the City, you wouldn't lose the city's retirement.

Commissioner Hinojosa stated that his question is, when do those employees that go to the County get vested and will they be able to carry the service credits from the City to the County.

Mr. McLaughlin commented that he wouldn't be recommending this if he thought it would be hurting the employees, but this cleans up the interlocal agreements. He further commented that if he thought it was going to hurt them, he wouldn't be recommending this. Since the younger employees are in the Health Department there is no change for them as they would be staying on with the City. McLaughlin further stated that the City is required to have a Health Department as per the City Charter.

Mrs. Alvarez commented that the city has gone into interlocal with other neighboring counties for assistance in certain services. She further stated that what the City Manager is proposing, is not unheard of.

Commissioner Hinojosa commented that he is not against the recommendation, but he wants the city to cover all its bases prior to acting on it.

Commissioner Pecos commented that the employees are already vested, they can retire from the City then go with the new retirement they must start over again which is 8 years for the County.

Commissioner Hinojosa commented that this is the information he was looking for. He further stated that when you work for the County then move to the City, the City's retirement system allows credit for year worked with the County. But when you go from the City to the County, will they honor it.

Mr. McLaughlin commented that this is a question that can be asked. He further stated that it wouldn't be any different then when he entered into the TMRS System and they accepted his time in the military and not have to wait the five years to be fully vested.

Mrs. Alvarez commented that each employer can set its own vesting period. The City of Kingsville has a five-year vesting period, where if someone comes to work for the City must work for the five years before they are vested in our plan in order to be eligible for retirement benefits. With Commissioner Pecos stating that the County's vesting plan may be at eight years, it would still be different from the State retirement plan.

Mr. McLaughlin stated that Judge Rudy Madrid has hired an attorney to look at the interlocal' s and probably drafting their own ideas.

Mayor Fugate commented that the City has some authority to make some of these interlocal agreements go away and make some of them happen. Fugate further commented that one of the concerns he has about the Library is what is going to happen to the Library. He stated that he saw what the parks looked like when the City took over them. He further stated that he understands staff's recommendation regarding dividing it up, which is probably a long time coming. He further stated that as for the Health Department, he could not understand how you can manage something with two bosses. He stated that these are good thing for the City, but he is still concerned about the Library. Fugate further asked if staff wants for the Commission to wait on these notices as they are action items.

Mrs. Alvarez commented that this is one of the reasons why the City Manager was bringing the issues up now is to bring some things to light. This would give the Commission some time to think about it before the next meeting with the County. She further stated that in the event the Commission were to decide at a future meeting, at that point in time there would be an action item on a future agenda to do that exact same, to authorize giving notice of the intent to dissolve the agreement. She further

stated that regards to the Health and Library, those only require 180 days written notice. One of the reasons why staff thought it was good time to bring this up, is so everybody can start thinking about it, hear the questions and find answers to the questions as the opportune time to make a decision or have a decision reached from the City Commission would be no later than the last meeting in March; such that notice could be provided by the end of March which would make the 180-day notice period expire the first of each entity fiscal year. This way people know how to budget moving forward into the upcoming budget season.

Commissioner Leubert commented that this makes sense for both City and County. She further commented on the statement made by Fugate regarding the Library, it is true about the past, but the County seems to be doing better on maintenance and management.

Mayor Fugate commented that he agrees with Commission Leubert and giving them the benefit of the doubt.

Mr. McLaughlin commented that the intent was not to shaft the County, if anything they will come out on ahead at the end if they agreed to all of this.

Commissioner Leubert asked what if the County does not want to wait the 180-days and say they just want to get it done.

Mrs. Alvarez commented that both parties would have to mutually agree.

Commissioner Hinojosa asked if the County has any idea of what the City is thinking of doing.

Mr. McLaughlin responded that the Judge knows about his idea with regards to the Library and the Health Department.

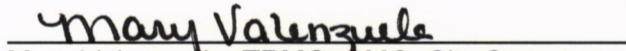
Mayor Fugate asked how the Judge reacted to receiving the news. Mr. McLaughlin responded that he didn't seem that he was opinionated one way or the other.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:45 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, TRMC, CMC, City Secretary