

MARCH 23, 2020

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, MARCH 23, 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  
Courtney Alvarez, City Attorney  
Kyle Benson, IT Manager

**STAFF PRESENT VIA CONFERENCE CALL OR VIDEOSTREAM**

Bill Donnell, Public Works Director  
Ron Lee, Interim Fire Chief  
Uchekukwu Echeozo, Director of Planning & Development Services  
Diana Gonzales, Human Resources Director

**Conference Line call: 1 (408) 418-9388 and  
when prompted type access code: 620805471#**

**OR**

**Live Videostream: <http://www.cityofkingsville.com/webex>**

**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.

Mayor Fugate announced that at this meeting there are only 10 people in attendance which includes the five City Commission members, City Manager, City Secretary, City Attorney, IT Manager, and Chief of Police.

Mrs. Courtney Alvarez stated that this is the first virtual meeting of the City of Kingsville due to the COVID-19 virus and the Governor's Proclamation of March 19, 2020 restricting gatherings of no more than 10 persons. As this is a new process with new technology, we ask patience from everyone with the proceedings. Alvarez further stated that procedures for public participation for all public meetings for the Commission and Boards were posted last week by the City Secretary. These procedures were posted on the City's website and posted outside of City Hall. The electronic submission is the preferred method for input. If people are participating via Webex, there should be an option for participants to notify the city moderator they wish to comment when it becomes time for public comments or when it becomes time for the public hearing. Any input received electronically by the City Secretary under the new public comment procedures, will be read to the City Commission at the appropriate time and will become part of the record for the meeting. If citizens have not participated in one of our meetings before, they will need to know that each speaker will need to state their name and address for the record. Public comments are allowed 3 minutes and may be extended by the Commission. Public hearing comments are allowed 5 minutes and may not be extended by the Commission. No dialogue is allowed under the regular public comments section of the agenda.

**MINUTES OF PREVIOUS MEETING(S)****Special Joint Meeting with County - February 18, 2020****Motion made by Commissioner Pecos to approve the minutes of February 18, 2020 as presented, seconded by Commissioner Leubert.**

Commissioner Hinojosa commented that a correction needed to be made to the minutes of February 18, 2020. He stated that on page 7, a paragraph states "unnamed individual". Commissioner Hinojosa stated that he believes the individual who spoke at that time was Ms. Petra Reyna.

Mayor Fugate asked Commissioner Hinojosa if this was a motion he would like to make. Commissioner Hinojosa responded yes.

Commissioner Pecos and Commissioner Leubert withdrew their prior motions.

Motion made by Commissioner Hinojosa to approve the minutes of February 18, 2020 with the correction to be made on page 7 listing the name of Ms. Petra Reyna as the unnamed individual as listed on the minutes, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Lopez, Hinojosa, Leubert, Pecos, Fugate voting "FOR".

**Regular Meeting - March 9, 2020**

Motion made by Commissioner Pecos to approve the minutes of March 9, 2020 as presented, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".

**\*\*AUDIENCE AND PRESENTER SOCIAL DISTANCING AND PUBLIC TESTIMONY AND PUBLIC HEARING INPUT AT PUBLIC MEETINGS OF THE CITY COMMISSION.** To reduce the chance of COVID-19 transmission, public meetings will be held in a manner intended to separate, to the maximum practical extent, audience and presenters from personal contact with members of Community, City Staff, and City Commission. Public testimony and public hearing input for Public Comment and all items on the agenda at public meetings of the City Commission shall be provided in written format and presented to the City Secretary and/or designee prior to the start of each meeting of the City Commission. This testimony and/or public input shall be in accordance with the City Secretary's instructions, which shall be posted on the City Secretary's outdoor public bulletin board at City Hall and on the City website and allow for electronic submission. The written public testimony shall be provided to members of the City Commission prior to voting on measures for that meeting. Written testimony shall be limited in accordance with the City Secretary requirements and shall be placed into the record of each meeting. This written testimony shall serve as the required public testimony pursuant to Texas Government Code section 551.007 and shall constitute a public hearing for purposes of any public hearing requirement under law. The meeting may be held telephonically or via videoconference; and, if so conducted, the public may participate remotely by following the instructions of the City Secretary which would be posted on the City Secretary's outdoor public bulletin at City Hall and on the City website.

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

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 Distributor's Permit (LP) 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 announced and opened this public hearing at 5:08 p.m.

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.

Mrs. Courtney Alvarez commented that this item was brought forward to the Commission at a previous meeting and was approved, although the owner has decided to add an additional permit, Local Distributor Permit, therefore requiring for it to be brought back for consideration.

There being no further discussion or comments, Mayor Fugate closed this public hearing at 5:10 p.m.

**III. Reports from Commission & Staff.<sup>2</sup>**

*"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 over the City Manager Staff Report. He stated that planning for utility bill payment delays. With some of the economic hardship some of our citizens will be facing due to the COVID-19, city staff is working on solutions to bring forth to Commission on what we can do during this difficult time. Budget execution directives to department heads; due to the COVID-19 impact that will be coming to the City revenues, it is believed that the impact from sales tax on the non-labor portion of the City budget will necessitate upwards of a 34% cut in expenditures. HOT tax are projected to fall as well. It is being anticipated an approximate 80% reduction in HOT for April through June, which will have a net effect of a 25% loss in City HOT revenues for the year. Street paving initiative, with COVID-19 impacting all sorts of industry, there is an opportunity for the City to increase street paving projects with extra employment from the oil and paving industry where employees may be furloughed. Staff is looking at a temporary hiring of several positions that will require all the necessary licensing so that we can get them straight onto street projects and offer them employment. McLaughlin commented on status of city services. Most city services are running 100% it is the access to city employees is restricted in all city buildings as to avoid the physical contact and prevent the spreading of the virus. Employees are still accessible by phone or by email.

Commissioner Hinojosa commented that he commends the City Manager by trying to reduce the budget by 34%. He further commented that hopefully this will reflect on the budget next year.

Mrs. Alvarez reported that the next Commission is scheduled for April 13<sup>th</sup> with the deadline to city staff to submit their agenda items no later than April 2<sup>nd</sup>. Notice was received that CenterPoint Gas did a GRIP Filing and with this GRIP Filing it will be raising the fee by an additional \$1.55 per month for each residential gas customer which will take effect on May 4<sup>th</sup>.

Commissioner Pecos commented that he has heard that the Navy will be sending 30 individuals to work on a Navy carrier, but also send 40 other individuals to work at Cecil Base in Florida.

Mr. McLaughlin commented that Cecil Field is a private airfield but utilized by the Navy for carrier qualifications. He further commented that the Commanding Officer of NAS Kingsville stated that the Department of Defense is not restricted mission essential in getting these students pilots carrier qualified is considered mission essential because they must fill a fleet seat. The rules about shelter in place in a State that it applies, the Department of Defense will do what they need to do for mission essential. He further stated that the 40 people going to Cecil Field is for ground support.

Commissioner Pecos further stated that he is concerned with the fact that the state of Florida has had a lot of confirmed cases of the COVID-19 virus and with these individuals going to Florida, there could be a chance they can contract it and bring it back to our community.

**IV. \*\*Public Comment on Agenda Items.<sup>3</sup>**

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

No public comments made via conference call or through livestream or received via email.

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

**1. Motion to approve final passage of an ordinance amending the Fiscal Year 2019-2020 Budget to accept and expend LEOSE Grant funds for Police Department training expenditures. (Police Chief).**

**2. Motion to approve final passage of an ordinance amending the Fiscal Year 2019-2020 Budget to accept and expend donation received for bullet proof armor for Police K-9's. (Police Chief).**

## REGULAR AGENDA

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

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

**3. Consider a resolution ordering the extension the Local State of Disaster declared by the Mayor of the City of Kingsville on March 17, 2020 and amended on March 18, 2020. (City Attorney).**

**Motion made by Commissioner Leubert to approve the resolution ordering the extension the Local State of Disaster declared by the Mayor of the City of Kingsville on March 17, 2020 and amended on March 18, 2020, seconded by Commissioner Lopez.**

Mayor Fugate commented that the language on this order mirrors the language that was put in place by the Governor.

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

**4. Consider a resolution postponing the City of Kingsville General and Special Elections from May 2, 2020 until November 3, 2020, which is the next uniform election date, pursuant to the Governor's Proclamation dated March 18, 2020. (City Attorney).**

Mrs. Alvarez stated that on March 13, 2020, the Governor of Texas certified that the Coronavirus (COVID-19) poses an imminent threat of disaster and, under the authority vested in the Governor by Section 418.014 of the Texas Government Code, declared a state of disaster for all counties in Texas. The Governor signed a proclamation on March 18, 2020 suspending Sections 41.0052(a) and (b) of the Texas Election Code to the extent necessary to allow political subdivisions that would otherwise hold elections on May 2, 2020 to move their general and special elections for 2020 only to the next uniform election date occurring on November 3, 2020, without otherwise adjusting the term of office. The proclamation also stated that the authority ordering the election under Section 3.004 of the Texas Election Code is authorized to make the decision to postpone its election in accordance with the March 18, 2020 proclamation. The rapidly changing public health crisis due to the contagious virus and the primary concern is the health and safety of voters, election workers, and our local election officials and the City desires to protect them and reduce the spread of the virus. Alvarez further stated that depending on what the Commission decides tonight, there may be other items for consideration at a future meeting.

Commissioner Lopez commented that she has been asked if on the November election will it be Federal, State, County, City, and School District(s) having their election on the same day. Mrs. Alvarez responded that this is correct. Lopez further asked if all elections would be on the same ballot. Mrs. Alvarez responded that if the City decides to postpone their election to November, at a future meeting there would be an agenda items on whether the City wants to do a joint election with the County or go on its own; we hope to have a costs estimates at that time so that a decision could be made.

Commissioner Lopez commented that her concern, as people have spoken with her about, is that the city election is different, you can vote for one, two, three, or four is confusing when it comes to the State as they already voted for one and then giving them different directions. She further stated that this is what those individuals who spoke with her are concerned about.

Commissioner Hinojosa asked how it would work when you have Democrats and Republicans, would there be ballots on both side of the equation? Commissioner Lopez responded that it would be one ballot.

Commissioner Leubert asked City Secretary Mary Valenzuela that the last general election the city had, it stated on the ballot to voter for one, two, three or four.

Mrs. Valenzuela responded that the ballot has always given the direction of voting for one, two, three, or four, it has always been listed since she's been doing elections. You must give the voter the option to vote for none, one, two, three, or four when it comes to the Commission race and none, or one for the Mayor's race. Valenzuela further stated that the ballot for the City of Kingsville election would not change other then it being on a ballot that has other entities ballot on it. The City's ballot could be listed on the back of a ballot depending on how many entities are on that ballot.

Mayor Fugate commented not necessarily if the city decides to do their own election, it would have its own ballot.

Mrs. Valenzuela stated that if the City decides to do their own election on November 3<sup>rd</sup>. the cost would be much more than if it was a general election done in May. The City would have to abide by the election code which states that if a city is to have an election on November 3<sup>rd</sup>, it must use all county precinct, which are 15 county precincts that the city has, which are consolidated into 6 city polling locations. It would also mean that if the sites that are used for election sites charges a fee, the city would have to pay that fee in order to use the facility as a voting cite. The City would also have hire 15 sets of 3 to 4 election workers to work each of the 15 voting sites, which would be hard to find that many individuals to works, as the election workers that are used by the city during a May election also work the County's election in November; with the County having an agreement with their election workers for two years. If the city decides to go on its own, it could be a high price for this election.

Mayor Fugate asked when early voting is set to begin for the May election. Mrs. Valenzuela responded that first day for early voting is April 20<sup>th</sup>.

Mrs. Alvarez commented that if the Commission decides not to postpone the election to November 3<sup>rd</sup>, staff will notify the company that is printing the ballots to continue with printing the ballots so that we can receive them in time for early voting on April 20<sup>th</sup>. However, tonight the Commission is only being asked to decide if they would want to postpone the May 2<sup>nd</sup> election to November 3<sup>rd</sup>.

Commissioner Lopez commented that for clarification if this was only one ballot as it would not be democrat or republican as it is the general election.

**Motion made by Commissioner Leubert that for the safety of our citizens, with the situation as it is and not knowing from day to day what could happen, it will be the best for everyone to postpone the May 2, 2020 election to November 3, 2020 seconded by Commissioner Pecos.**

Commissioner Lopez commented that she agrees with Commissioner Leubert that for the safety of the citizens we have to do this as we are still unsure how long this situation will go for, as the school district is still out.

Mayor Fugate commented that he does not know what the school district is intending to do. He has had some conversation with some of the school districts members and he suspect that they will continue to move forward, but they wanted to know what the city was going to decide to do.

Commissioner Lopez commented that the school district would need to piggy-back off the city.

Mrs. Valenzuela commented that it would be up to the school district to make that decision for themselves. If they chose to keep it in May, they could be violating the Education Code.

Mayor Fugate commented that not knowing what this virus is going to do, there is not much of a choice then to move the election to November 3<sup>rd</sup>.

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

5. Consider an alcohol variance for a Beer Retail Dealer's Off-Premise Permit (BF) and Package Store Permit (P) and Local Distributor's Permit (LP) 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 to approve the alcohol variance for a Beer Retail Dealer's Off-Premise Permit (BF) and Package Store Permit (P) and *Local Distributor's Permit (LP)* 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 Pecos. The motion was passed and approved by the following vote: Lopez, Hinojosa, Leubert, Pecos, Fugate voting "FOR".

6. Consideration of approval of an ordinance authorizing the issuance of "City of Kingsville, Texas Limited Tax Refunding Bonds, Series 2020", a Paying Agent/Registrar Agreement, and an Escrow Agreement; providing for the sale of such bonds; delegating authority to city representatives to select obligations to be refunded and approve final terms of the bonds; and approving all other matters related thereto. (Finance Director).

Motion made by Commissioner Leubert to approve the ordinance authorizing the issuance of "City of Kingsville, Texas Limited Tax Refunding Bonds, Series 2020", a Paying Agent/Registrar Agreement, and an Escrow Agreement; providing for the sale of such bonds; delegating authority to city representatives to select obligations to be refunded and approve final terms of the bonds; and approving all other matters related thereto, seconded by Commissioner Pecos.

Commissioner Hinojosa asked is it would be going through open market or privatized? He further commented that he agrees to go out for refunding, but his question is what kind of rate the city is going to get, based on market the way it is at this point.

Mr. McLaughlin referred the question to Mrs. Deborah Balli, Finance Director who is attending the meeting via WebEx. He further stated that this bond that the city is paid off in 2032 and not changing this date. The current bond is financed at about 4 to 4 ½%. He further commented that there is money out there that is really cheap at 1 to 1 ½%, which through the life of the bond could save the city about \$850,000 of what would need to be paid back on. He further stated that there is a time limit that you can start the refinancing process.

Mr. Don Gonzales reported that the City of Kingsville will be the issuer, Estrada Hinojosa & Company, Co. will be the Financial Advisor, Winstead, PC will be the Bond Counsel. He further stated that the City of Kingsville currently underlying rating is an A+.

Mrs. Balli, and Don Gonzales, Financial Advisor and Dan Martinez Bond Counsel were unable to continue the presentation due to technical difficulties.

Mrs. Alvarez gave this presentation on their behalf. She stated that it is her understanding that what Mr. Gonzales was saying is that if you are looking at the call dates, CO Series 2011 is the only one that is currently available for call. This would be the issue that they will be looking to refinance at a lower interest rate and in order to save the city money. Alvarez further stated that this ordinance would allow for the Financial Advisor and staff to work together to determine, based on the interest rates available at the time they go to market, what amount of the 2011 issue they could refinance and once they determine what the best rate is then they would be authorized to engage the refunding at that point. Once authorization is given and the rate is locked in for the amount of the issue, the completed financial documents would be prepared showing the payments and interest rates.

Commissioner Hinojosa asked if this would be done through open market versus privatization? Mrs. Alvarez responded that this would be done in compliance with the State Law based on advice from the Financial Advisor and Bond Counsel.

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

7. Consider accepting donations for Kingsville Parks' Pony League team sponsorships. (Parks Director).

Motion made by Commissioner Leubert to approve the acceptance of a donation for Kingsville Parks' Pony League team sponsorships, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Hinojosa, Fugate voting "FOR".

8. **Consider introduction of an ordinance amending the Fiscal Year 2019-2020 Budget to accept and expend donations received for Pony League costs of uniforms and umpires. (Parks Director).**

Introduction item.

9. **Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter XV-Land Use, Article 6, Section 4-Changes and Amendments to include clarification on the vote required. (Director of Planning and Development Services/ City Attorney).**

Introduction item.

10. **Consider introduction of an ordinance amending the City of Kingsville Code of ordinances by amending Section 15-6-124, providing for the maximum height of pole signs along U.S. Highway 77 Bypass. (Director of Planning & Development Services).**

Introduction item.

11. **Consider resolution dissolving the 1979 Interlocal Agreement with Kleberg County for the City-County Library Department. (City Manager).**

**Motion made by Commissioner Leubert to approve the resolution dissolving the 1979 Interlocal Agreement with Kleberg County for the City-County Library Department, seconded by Commissioner Pecos.**

Mayor Fugate commented that at one point he had some reservations regarding turning over the Library to the County, but the things are a lot better now than what they used to be financially.

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

12. **Consider resolution dissolving the 1978 Interlocal Agreement with Kleberg County for the City-County Health Department. (City Manager).**

**Motion made by Commissioner Leubert to approve the resolution dissolving the 1978 Interlocal Agreement with Kleberg County for the City-County Health Department, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Fugate voting "FOR". Lopez voting "AGAINST".**

13. **Consider a resolution authorizing the Mayor to execute a Quit Claim Deed with the Texas Department of Transportation for three utility easements and a road parcel needed for improvements to US77 From General Cavazos to the southern city limits. (City Engineer).**

Mayor Fugate commented that as a lawyer he does not quit claim deeds and maybe we would need to do a special warranty deed as oppose to a quit claim deed, as it serves the same purpose.

Mrs. Alvarez responded that this is what TXDOT prepared and recommended. She further stated that the total amount based on independent appraisals that the city has obtained for the three easements and road parcel is \$41,436. She further stated that TXDOT is aware of the dollar amount and has no objection.

Mayor Fugate asked how much property this is. Mrs. Alvarez responded that it is 1.67 acres total.

**Motion made by Commissioner Leubert to approve the resolution authorizing the Mayor to execute a Quit Claim Deed with the Texas Department of Transportation for three utility easements and a road parcel needed for improvements to US77 From General Cavazos to the southern city limits, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".**

14. **Consider a resolution authorizing the Mayor to enter into a Standard Utility Agreement with the Texas Department of Transportation for reimbursement of part of the City's cost to relocate and adjust utilities due to improvements along US77. (City Engineer).**

Mr. McLaughlin stated that the total relocation of everything, all the utilities is \$823,000. He further stated that the final TXDOT cost with Engineering is \$386,000, the cost to the city was \$436,000 but will be reimbursed under 51 on top of this, so the net cost for the city, what the city will have to pay to get all this moved is \$385,203. The city has budgeted \$600,000.

Commissioner Hinojosa asked how it was arrived at 43% that the city will be reimbursed.

Mrs. Alvarez stated that it is her understanding from speaking with the Engineer that it was mentioned that TXDOT has some guidelines that they are required to abide by, and so it kind of depends on where the utilities are located and various other factors, but they would need to look at the matrix set out on their guidelines and based on our situation and the matrix they have to deal with, it was arrived at 43%.

Commissioner Hinojosa commented that it is probably under the Texas Administrative Code. He further commented that he doesn't agree with it.

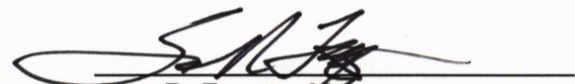
Mayor Fugate asked what would happen if the Commission does not agree to this and say no to moving the lines?

Mrs. Alvarez responded that we have to move the lines and we would pay the full amount.

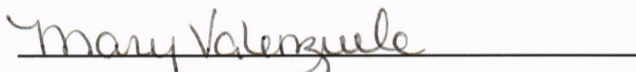
**Motion made by Commissioner Pecos to approve the resolution authorizing the Mayor to enter into a Standard Utility Agreement with the Texas Department of Transportation for reimbursement of part of the City's cost to relocate and adjust utilities due to improvements along US77, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Hinojosa, Fugate voting "FOR".**

**VII. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 5:56 P.M.

  
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Sam R. Fugate, Mayor

**ATTEST:**

  
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Mary Valenzuela, TRMC, CMC, City Secretary