

City of Kingsville, Texas

**AGENDA
CITY COMMISSION
MONDAY, JULY 13, 2020
REGULAR MEETING**

**CITY HALL
HELEN KLEBERG GROVES COMMUNITY ROOM
400 WEST KING AVENUE
5:00 P.M.**

**Conference Line call: 1 (415) 655-0001 and
when prompted type access code: 126 210 9951 #**

OR

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

I. Preliminary Proceedings.

OPEN MEETING


INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting – June 8, 2020

Regular Meeting – June 22, 2020

APPROVED BY:


Mark McLaughlin
City Manager

****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).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, 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.”

IV. **Public Comment on Agenda Items.³

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

V.

Consent Agenda

Notice to the Public

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being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon.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

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

1. Motion to approve reappointment of Lupita Perez to the Historical Development Board for a three-year term. (Downtown Manager).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

2. Consider a resolution authorizing Professional Service Provider selection for Community Development Block Grant-Mitigation (CDBG-MIT) programs through the Texas General Land Office (GLO).
3. Consider authorizing staff to move forward with a waterline extension proposal for TAMUK on West Escondido, with them paying expenses. (Public Works Director).
4. Consider introduction of an ordinance amending the FY19-20 Budget to accept and expend the DEAAG Grant reimbursement for land purchased near NAS Kingsville. (Finance Director).
5. Consider a resolution authorizing the sale of a restrictive use easement on the City's approximately 9.40 acres of land near NAS Kingsville. (City Manager).
6. Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter VII, Article 6, Traffic Control Devices, providing for a University Residential Parking District. (Director of Planning & Development Services).

VII. Adjournment.

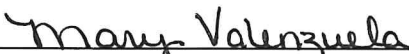
1. No person's comments shall exceed 5 minutes. Cannot be extended by Commission.
2. No person's comments shall exceed 5 minutes without permission of majority of Commission.
3. Comments are limited to 3 minutes per person. May be extended only with 5 affirmative Commission votes. The speaker must identify himself by name and address.
4. Items being considered by the Commission for action. No public comment at this point.

NOTICE

This City of Kingsville and Community Room are wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 361/595-8002 or FAX 361/595-8024 or E-Mail mvalenzuela@cityofkingsville.com for further information. Braille Is Not Available. The City Commission reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Section 551-071 (Consultation with Attorney), 551-072 (Deliberations about Real Property), 551-073 (Deliberations about Gifts and Donations), 551-074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551-086 (Certain Public Power Utilities: Competitive Matters), and 551-087 (Economic Development).

I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board located at City Hall, 400 West King Ave, of the City of Kingsville, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time:

July 9, 2020 at 11:30 A.M. and remained so posted continuously for at least 72 hours proceeding the schedule time of said meeting.



 Mary Valenzuela, TRMC, CMC, City Secretary
 City of Kingsville, Texas

This public notice was removed from the official posting board at the Kingsville City Hall on the following date and time: _____

By: _____
 City Secretary's Office
 City of Kingsville, Texas

**MINUTES OF PREVIOUS
MEETING(S)**

JUNE 8, 2020

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JUNE 8, 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
Derek Williams, IT
Ricardo Torres, Police Chief
Deborah Balli, Finance Director
Rudy Mora, Engineer
Diana Gonzalez, Human Resources Director
Janine Reyes, Tourism Director
Uchekukwu Echeozo, Director of Planning & Development Services
Juan Adame, Fire Chief
Manny Salazar, EDC Director
Ron Lee, Fire Marshall

STAFF PRESENT VIA CONFERENCE CALL OR VIDEOSTREAM

Bill Donnell, Public Works Director
Emilio Garcia, Health Director
Susan Ivy, Parks & Recreation Director

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)

NONE.

****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).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, 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 reported that collective bargaining meetings have begun. He further thanked all who participated in the Black Lives Matter march. McLaughlin continued by introducing Mr. Juan Adame, newly hired Fire Chief for Kingsville.

Mrs. Courtney Alvarez, City Attorney reported that the next City Commission meeting is scheduled for June 22nd with a deadline for staff to submit their agenda items by Jun 11th.

Commissioner Hinojosa stated that he read an article in the newspaper over the weekend having to do with EDC adequate funding. He stated that the city does contribute money to this funding and give tax abatements and sales tax as well as the County. Compared to other cities such as Seguin, Hutto and San Benito which are cities that have 4A and 4B which give them the ability to do this. But Kingsville would require an election to impose some of the sales tax to the 4A or 4B.

Mayor Fugate commented that through the years when the EDC has come to the city to do different projects, the city has always accommodated them. He further stated that as everyone is accessing impact fees, the city is cutting ad valorem taxes.

Commissioner Leubert commented that with regards to the protest, she was a marcher as well and thought that the march went very well. The march had a lot of passion and respect was paid to the city, county and to all law enforcement by the speakers.

Mayor Fugate read a proclamation for Ms. Sarah Mendez who organized the H.M. King High School graduation parade.

IV. ****Public Comment on Agenda Items.**³

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

No comments received via email or made virtually.

V.

Consent Agenda

Notice to the Public

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

1. Motion to approve final passage of an ordinance amending Fiscal Year 2019-2020 budget to accept and expend reimbursements from FEMA and Insurance Recovery Claims. (Finance Director).

2. Motion to approve final passage of an ordinance amending the Fiscal Year 2019-2020 Budget to set up a budget to complete the ADA sidewalk project near El Pastel Bakery (7th Street and Richard Ave). (City Engineer).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

3. **Presentation by County and discussion of County's request for support of OEA Grant involving JK Northway and potential new interlocal agreement to change to management of JK Northway. (City Manager).**

Mr. Rudy Madrid, Kleberg County Judge gave a presentation to the City Commission regarding the OEA Grant. Judge Madrid stated that he looked at the entire project which was under the watch of the previous City Manager, Jesús Garza and put in conjunction with some of the counties families that were interested to see the JK Northway expand on the rodeo arena and horse show opportunities. He further stated that he has the conceptual models that were sent to him which they will honoring those original

designs. The one thing they didn't receive in the conceptual models was a real time price on what it would cost to build it. Madrid stated that he had his architects and engineers look at these models when he first starting looking at this grant opportunity. The price for this is about \$24,000,000.00 to get this entire project done. This would intel the JK Northway, the addition to the horse stables, barn, outdoor rodeo arenas, and all the outside facilities. He stated that what they decided to do is to break it down into four phases to make it simpler and affordable for the community. Madrid stated that phase one is already paid for with the grant the sphere headed and with the assistance from the City contributing some of the match money. The first EDA grant will secure a lot of the restoration to the existing JK Northway to include a Regional Emergency Operation Center, Regional Law & Fire Operation Center, Rescue Training Facility, and EDC Business Incubator. He further stated that the last instruction he received from the City Commission was that the County needed to have a better working relationship with the City. He further stated that he carried on those marching order and met with the City Manager, which he has been a part of all the working groups and keeping Mayor Fugate updated on what is going on and has kept the other Commission members apprised as well. Madrid stated that he didn't realize that this agenda item was going to be a discussion item only as he requested for the item to be a discussion and action item. The reason that this is a concern for him is that he is on a time crunch as the deadline to submit his application is June 26, 2020. But in order to get the complete package ready, he needs the city's support prior to that as he is also asking for the Governor's support as well. He commented that he already has Congressman Vela's support which is why his representative is present at this meeting. He is also looking at getting Senator Cornyn's and Senator Lucio's support and already has JM Lozano's support. He stated that these are letters of endorsement that he would like to have signed and ready to submit with the grant application. He stated that this is going to be a very competitive grant application as it is available to everyone nationwide, but he thinks that the he has a very good chance on acquiring this money which is a grant for \$10,000,000.00. Madrid stated that Governor Abbott has appointed him to the State of Texas Military Support Committee. One of the Committee's goals is to support the State of Texas and make the quality of life for the service members and veteran's so that when they retire from the military, they return to their last duty station. He further stated that the quality of life grant is broken down into three tiers. It's a grant that the DoD is putting together and calling it an infrastructure grant which is afforded to communities that home military bases. Madrid stated that after meeting with the City Manager he then went to meet with the Commanding Officer and his entire team of experts from NAS Kingsville where they discussed this grant opportunity and are endorsing this project 100%, which was a requirement in order to submit the grant. The project had to show three things to the Navy in order for the Department of Defense to support it. They were looking for an infrastructure project where you had to meet one of the criteria's which are: quality of life, if the grant is awarded how will it benefit the quality of life for active duty service members, their dependents and DoD. If the quality of life was not able to be met, the second criteria was resiliency, how can this grant show resiliency for the military. If this category was not met, the third criteria was military value; what military value would this add to your local military base. Madrid commented that they were able to answer all three tiers as all three criteria were able to be met and in its order. He further stated that these funds were released May 8th with the deadline for submittal on June 26, 2020. Judge Madrid commented that when they looked at quality of life, they looked at several things. The examples that were given were recreation, will this provide recreation for the military and their dependents. With this being a multi-million-dollar state of the art recreational building, no different than their FEMA Domes which is a gymnasium or cafeteria, come natural disaster it becomes a FEMA Dome. He again repeated that this will be a multi-million-dollar recreation center which will hold concerts, church festivals, 4H FFA Livestock shows, rodeos, show barn and multimillion-dollar horse shows, but he decided to take up a notch. The recreation they

war looking for is there, so he decided to through in some education into the project. He reached out to Texas A&M Agri-life and the Healthy South Texas Initiative. He stated that there is now a training facility that will support learning classrooms for Law and Fire Rescue for both the City and County. He stated that he would also like to have a learning Agri-life research lab dedicated to the children in KISD, SGISD, Ricardo ISD and Riviera ISD of which house military children. Madrid further spoke about resiliency. Madrid commented that the city and county have a COVID-19 testing regional facility that is still in operation at this time, which shows everyone how a city and county can work together. He further moved on to the third tier, military value. He stated that he has a law and fire rescue facility that will be taking place. This is a facility that will accommodate the active duty military for real time training. Judge Madrid commented that there is a \$10,000,000.00 grant application; worst case scenario, if we have to come up with 50% match money which would be \$5,000,000.00. He stated that he has already researched the venue tax that the voters approved, which was ear tagged for the JK Northway, it can be used for that and if it can't be used for the grant, he will figure it out. He commented that he will find the money to do this project, as he can't pass up this opportunity for Kleberg County. He further commented that if for some reason the governing bylaws of the venue tax say they can't legally finance a federal grant going into a bigger project, he states that he will reduce his grant amount then the city can tell him which part the city would like to do. The city can ear tag it with its venue money and he will take it out of the grant this way there is no intertwining and he will lower his grant amount and the County will pick up the tab on the match money, the rest of it. Madrid commented that what we need to remember is that the voters approved the venue tax and this is what the public wants. Madrid also stated that with regards to the interlocal agreement he has been working with the City Manager on this and have he has agreed with everything. The County has agreed with the animal shelter. They took the 180 days and they are going to support the City in whatever they want to do. As for the Public Library, the county will make up the difference on the \$300,000 that the city is pulling out of the public library. Madrid commented that they are going to pay for this, the county will make up that difference, because at a time of pandemic and at the time where we have a struggling school district and with KISD talking about the possibilities of having their next school year virtually, it will make it difficult for those students to be able to afford a computer to get their education. Madrid stated that the Public library is the only outside education resource that our children have, should the schools go virtual. He stated that the County will pick up the deficit, the \$300,000 that the city will be pulling out of. He further stated that but moving forward, the interlocal agreement that needs to be discussed is the JK Northway. He said that if he can look at his constituents and his Commissioners, they will take general fund money and secure the match money on this grant the county has to have ownership of it. It is being asked that ownership go back to the County and they will take care of it. He stated that he guarantees \$100,000 just for signing the deal, he will be saving the city's budget \$100,000. He stated that it will be more than that amount, because when the M&O is figured out and the JK Northway is complete, it will increase the M&O, which the County can take of it as the county is financially strong. He stated that the County will take on the risk and liability and at the same time they will support the City of Kingsville because he thinks that the Visitor's Center has done an amazing job out there and the Visitor's Center will continue to run the JK Northway and advertise it as the county wants to put heads in beds at our hotels and eat at our restaurants which the City will be getting all the money from the sales tax, as the city always does. He further stated that all the county will get out of it is the operational fees that come to the JK Northway, which as the city knows has barely paid the bills. Madrid commented that the County will take on that risk and the cost. He further stated that there are two things that are going to happen, he needs the interlocal agreement approved and he needs it quick so that he can move forward. He also stated that he needs us to figure out a way to make the revenue tax work and if it doesn't work the way it is worded then we need to pick a

project separately as he needs to move forward with this and make decisions in the next couple of days on how he will move forward on this grant application, as he is going to do it anyway.

Mayor Fugate commented that he appreciates all that Judge Madrid does for Kingsville. Fugate further asked Judge Madrid how the County would come up with its match money for this grant.

Judge Madrid responded that he has been working with Congressman Vela's office for the last few years and they have a few things brewing at this time. He stated that one thing that they have is what is called GOMESA money which is offshore oil money that they have been assured of. He stated that they recently won some big grants which last year he received about \$460,000. He further stated that he went and asked for additional money from Senator Cornyn's office which they have told him if he continues to do what he is doing, County can have this money for the next 30 years. He commented that Kleberg County will be under construction for the next 20 to 30 years so long as he has this money coming in and continue to show that it is being used, he will continue to have that leverage. Madrid stated that he has that leverage where he doesn't have to spend that money on a project, he can leverage it and take out a \$2.5 million dollar loan if needed to go towards this project.

Mayor Fugate asked if the County can use this money to pay for the loan? Madrid responded that it can be used to secure the loan. Madrid further stated that the County will be going out for a sales tax increase in the county. The county did not realize that they didn't meet the 8.25% threshold like most municipalities and county have. They are only at 6.25% or 6.5%. The county is taking this to the voters this year for their approval.

Judge Madrid commented that when he thinks of the JK Northway, he thinks of it as the public library and parks. There is some quality of life things that are needed within our community that you cannot put a price tag on. He further commented that by the County taking over the JK Northway, it will not affect any new money for the County, the county tax payers will not come out of pocket any new money for the County doing this. He states that the County has other angles on how they will pay for this and balance their budget without costing the tax payers any additional money.

Mayor Fugate commented that it is the intent of this commission that the venue tax was designed for the JK Northway. He also commented that it is his understanding that the city would pick a project which the city's bond counsel has stated that the city would need to do something separate from the county in order to make it legal. He further asked Mrs. Alvarez if this was correct. Mrs. Alvarez responded yes. Mayor Fugate asked Judge Madrid if he has spoken to the City Attorney and City Manager about the city's bond counsel.

Judge Madrid responded that he has spoken with the City Manager and asked for some clarification so that he can do some research prior to this meeting, but he didn't get a response. Madrid further stated that he asked the City Manager why there wasn't an action item on the agenda and received a response from the City Manager stating that the City Attorney had found some potential issues with securing the venue tax. He further stated that he had requested for the information to be shared with him, but didn't receive anything.

Mayor Fugate commented that there is an issue as the Commission's counsel is telling them that we can't use the venue tax as a cash match for this grant. Fugate further commented that this information was just provided to the Commission today at 4:23 p.m.

Judge Madrid commented that he was under the assumption that the City was still trying to do some research on this and assumed that if there was any hesitancy that it cannot

be used for a match. He further stated that his counter offer is for the city to pick a project, whether it's the cattle barn or show barn for the 4H/FAA, pick a project that the city can use its venue tax and he will lower his grant request amount which will make him more competitive for this grant and he will secure the other one which has the County's name on it.

Mayor Fugate commented that the city can pick out a project but because the City Commission received this information today, he hasn't had the opportunity to discuss this with the City Attorney or bond counsel. Fugate further stated that the other issue is the JK Northway interlocal agreement where the city turns it over to the county, there are a couple of issues that need to be addressed. He then asked Mrs. Alvarez if there could be a modification to the agreement.

Mrs. Alvarez responded that the city could do a modification to the existing agreement to pull out the JK Northway. She further stated that she has prepared a draft and shared it with the City Manager so that they could discuss it and get it to a position that it could be shared with others. The agreement that the county proposed to the city is a partial rewrite of the existing agreement and it contains some terms that bond counsel has advised against, which were also brought to the county's attention, but this Judge and several of the other commissioners were not on the Commissioners' Court back in 2014 when that agreement went through. They wouldn't be aware as to why some of the terms on the existing agreement are there and why they are needed, especially with regards to the language about the city currently being the only one that can give 180-day notice to terminate the existing parks agreement. The County does not have that reciprocal right and there was a ligament reason for that which was presented to Commissioners' Court back in 2014, reason being that the City had intended to and had since borrowed a significant sum of money through certificates of obligation to invest in county owned parks that are within the city limits. She further stated that according to the conversations with the County at that time, in 2014, it was necessary for the city to be able to retain the assets in those county owned parks that the city was going to be investing in for and enough time to expend the useful life of those assets, so as not to break the law. Alvarez further stated that the city did follow through and borrowed a lot of money in 2016 for certificates of obligation and many investments have been made in county own parks within the city, so the agreement that was presented to the city would allow each party, the city or county to have 180 days' notice to terminate which is something that the city can do given the amount of CO funds that have been invested in the county parks, especially within the last two years. Alvarez stated that she reiterated that when she and the City Manager had a conference call with bond counsel today and he reconfirmed that we need to have the agreements for those parks to be in place as long as the debt service for that issuance is in place or for as long as the useful life of those assets is in place, so long as we recoup monies. She further stated that this is just one of the items, so we could either have an interlocal agreement that just carves out the JK Northway which is what she has prepared to discuss with the City Manager before sharing with others or we can do a lot of revisions to the proposal that was presented to us to try and make it more palatable.

Commissioner Hinojosa asked which would be easier? Mr. McLaughlin responded that part that took a few days to get this wrapped up was understanding the proposal that Roxanne and the County staff prepared, it was realized that if the city didn't do something with the original parks agreement and we adopted the county's proposal we would essentially have two parks agreement as we would have the old one and the JK Northway which has parks stuff in it that contradicts what is in the original parks agreement. McLaughlin further stated that what would be the simplest way that all is needed is two changes in the park's agreement. One being the change in the funding that the county wants to give the city to run the parks and needs one sentence in the

agreement that says the parks include all of this minus the JK Northway, see JK Northway interlocal agreement.

Mayor Fugate then asked Judge Madrid if this would satisfy his grant. Judge Madrid responded that when he talks about JK he uses the word fairgrounds also as he needs the parking lot as part of his Emergency Operation Center for a FEMA staging ground and heavy equipment. He would like to make sure this is part of it as well, and stated that they would maintain it as it's only a parking lot and the grass.

Mayor Fugate commented that we can make this work, to include the grounds. He also asked how this would affect the city's venue tax issue.

Mrs. Alvarez commented that the draft that staff proposed used some of their language with regards to the JK Northway Coliseum and Fairgrounds which should assist the County to move forward with their grant. Once the city would potentially carve that out and give it back to the county as of October 1, 2020, it would essentially be theirs and the city would have nothing else to do with that venue. Unless the city was to decide on a particular project and if we were to decide on a particular project that still within the JK Fairgrounds that is separate and apart from what the county is working on, then bond counsel advised they could assist us with a very detailed document for that particular project. If we are not going to have ownership or management rights to that property, then we need a very detailed concrete agreement with whomever is going to be owning or managing the venue which we would be making an improvement on with the venue tax dollars. She further stated that there is one agreement to separate the JK Northway from the existing parks agreement that can be done as soon as a meeting can be called and so long as the Commission is comfortable with the language. The second item, if we were to consider still moving forward with a venue project, it would require a separate agreement that would take a lot more time to do, but it could be done and bond counsel would have to assist us as they would need to make sure that it also gets approved through the Attorney General's Office and they want all those things done in a comfort levels achieved with the other States offices.

Mayor Fugate stated that what it sounds like the City Attorney is stating is that because of the deadlines that the County has, it would be simple to just give them back the JK Northway Coliseum and Fairgrounds to them. He further commented that in the future when the city decides which project, we would like to do then the city would need the County's assistance to get us in a position where the city can expend funds out there.

Mr. McLaughlin stated that bond counsel did tell staff that even if the city gave the JK Northway back to the County completely, the venue tax can still be applied to that as long as it is separate and apart from all of the EDA Grant projects. He further stated that this is very doable, but staff knows that we cannot use the venue tax for the grant match.

Mayor Fugate commented that he would like to see the plan and see the city's project and where we are heading on phase one.

Judge Madrid commented that they have a timeline that they are still on track, regardless of the pandemic we are in at this moment, which was shared with the City Manager. He further stated that he has met with the Tourism Director, Janine Reyes today, which he will have to meet with her again to make sure that they are not infringe on anything that she already as planned, as she has upcoming things at the site. He further stated that they are about to start putting shovels in ground pretty soon, which he has not started until approval from the city is received and the interlocal agreement has been changed.

Commissioner Leubert asked for the timeline on the payback on the matching, the 50%, \$5,000,000.00? Judge Madrid responded that they will be requesting a 20 year note for the County. Leubert further asked if this was for the \$5,000,000.00 match. Judge

Madrid commented that he was hoping he didn't have to come up with the whole \$5,000,000.00. He further stated that if at all possible, if the City Manager identifies a project that the city is going to work on, then he can take that project off his grant proposal and cut his grant application amount, then his match money changes.

Commissioner Leubert asked Judge Madrid if he was asking the city of half of the \$5,000,000.00? Judge Madrid responded that he was only asking whatever the venue tax would cover and the county would pick up the rest of the amount for phase 2. Leubert further commented that we need to remember that the county taxpayers, the majority of them live within the city, so it wouldn't be fair for them to be paying double for this, which is what happens most times. She further stated that with the County wanting for the City's Tourism Director to handle all scheduling for the JK Northway, it would be impossible for the Director to focus on her job as the City's Tourism Director. Leubert further commented that the County would need to hire an Events Coordinator to be able to handle the busy schedule for the JK Northway, as the Tourism Director is a city employee. She further stated that the Tourism Director can still advertise and help with the venue tax, but the City's Tourism Director shouldn't be responsible for all the events that occurred at the JK Northway. The County needs to look into hiring someone to attend to this.

Judge Madrid commented that this would be 100% up to the City Commission. This was a piece pipe gesture he through in as he knows that Janine Reyes and Alicia Tijerina have done an amazing job out there and he didn't want to take away what they have worked so hard to accomplish. He wanted to be able to say that nothing will change, they can continue business as usual. He further commented that at the end of the day, the venue tax is being paid by individuals that stay within our hotels. The idea is that the you pay it back to those hotels by putting heads in beds at those hotels.

Commissioner Leubert commented that the Tourism Department will work well with the County's Event Planner.

Judge Madrid commented that he is totally comfortable in creating an Events Planner position. He further stated that if the city chooses a project, then he can remove that project from his application and lower his amount request. He further stated that when he speaks with Governor Abbott and other representatives, he would want to be able to tell them he has it covered, one way or the other.

Mayor Fugate commented that he remembers the Commission discussing the project for the JK Northway, it was that the city would do the outdoor arena.

Commissioner Hinojosa asked who would be managing the arena and will be a burden to Janine Reyes, Tourism Director.

Commissioner Leubert commented that this is why she stated earlier that the County will need to hire an Events Coordinator for the JK Northway.

Judge Madrid commented that one of his County Commissioners had mentioned this already, but he wasn't going to make any changes and give the city the first right of refusal if the city felt it was too much for the Visitor's Center to manage, then the Count would be in the position to hire an Events Coordinator.

Commissioner Hinojosa asked how soon can the city identify what project the city will be doing and notify the County of the project.

Mayor Fugate commented that the City Manager has direction from the City Commission.

Mr. McLaughlin commented that bond counsel has stated that when the EOC is strapped on to the eastside or westside of the bunker, which is the JK Northway and it

gets rebuilt on the inside, venue tax can be used for stuff in the bunker if it makes sense that it is a venue issue.

Commissioner Leubert stated that when the city is making their payments for the money we put up for the EDA Grant, she would like to see how that money was used for.

Commissioner Hinojosa stated that his has some concerns as far as the bidding going out as far as who will get that grant or the architect. He asked how this would affect the city. With the city taking their project out of the grant, the county's engineers will not be part of the city's project. He asked who will be in charge of the city's project?

Mrs. Alvarez responded that the city would have to go out for RFP's for the contractors and RFQ's for the engineers to do the city's project for the city's venue tax.

4. Discussion of health insurance options and direction to staff on potential future health insurance plan changes. (Human Resources Director/City Manager).

Mayor Fugate asked if there isn't any objection, he would like to move agenda item #5 before taking agenda item #4. No objections were made.

Mrs. Diana Gonzalez, Human Resources Director made a PowerPoint presentation on health insurance options. She stated that this is only going over some possible options and not making any type of decisions. She showed the total expenses from the past few years which is not the income generated from the city's premiums from both the employee/employer, these are total monies out of the plan. In Fiscal Year (FY) 2016-2017 total expenses was \$3,657,936.14; FY 2017-2018, \$4,243,947.73; FY 2018-2019, \$4,084,476.06; and FY 2019-2020 up to April 2020, \$2,162,803.05.

Commissioner Hinojosa asked what has attributed to administrative fees going down? Mrs. Gonzalez responded that page 9 in the presentation, the chart will show what makes up the administrative fees.

The PowerPoint presentation will be a part of these minutes labeled as "EXHIBIT A" as staff does not discuss some of the charts within the presentation, rather just mentions the page number of the presentation that would answer a question being asked.

Mrs. Gonzalez continued with her presentation starting with page 2 of the presentation. She stated that on this page it shows the city's funding as it is at this time for FY 2019-2020. This shows the monthly employee contributions as well as the employer's contributions. With each different scenario that is being presented, on the right side of page 2, it shows the percentage that is being paid by the employee and the percentage by the employer. As it currently stands, 9% to 13% is being paid by the employee and 88% to 91% is paid by the employer. Gonzalez stated that based on what we have now, she has taken a snapshot in time, which she used the snapshot of June 2020 for the numbers that Entrust has for employees in different classifications, employee only, employee/child, Employee/Spouse, and Employee/Family. Based on June 2020 numbers, there are 254 employees on the plan. By category, it shows what the employee pays per year and how much the employer pays. Employee only pay \$53 monthly which totals \$626 per year. Overall, all employees within this category (Employee only) contribute \$4,717 per month; Employer pays, total annual cost per coverage type, the employer pays \$564.12 per month, annually it pays \$6,6769.44 for employee only type. Per month, for employee covered under employee only, the employer covers \$50,206.88. Annualized, the estimated contributions are \$3.2 million dollars. Budgeted contributions of \$3.4 million dollars. For this fiscal year, the city budgeted \$3.4 million dollars in expenses. She stated that we are only contributing employee/employer \$3.2 million dollars. She also referred to information that is on page one of Exhibit A and stated that based on this information and looking at a breakeven of \$4,125,000.00, the plan will be short \$694,983.00. She continued to state that there is \$1 million dollars in the fund balance as of the end of last fiscal year. By taking that

fund balance minus what is projected is what is going to be the negative at the end of this year.

Commissioner Hinojosa asked if this has anything to do with administrative fees. Mr. McLaughlin responded that it is all calculated in there, yes. Mrs. Gonzalez also responded that this includes everything, all expenses.

Mrs. Gonzalez further stated that the city will be able to sustain this one more year but there has to be some changes done. She continued the presentation with options that will be available to the employees. This is not stating that the city would want to limit just one plan to its employees, it wants to give the employee the option to choose a plan that will work best for them and their families. Exhibit A, page 3, will show the scenarios that Mrs. Gonzalez referred to as options. Gonzalez further stated that based on some of the preliminary information received from Entrust, there will be a percentage increase which could range from 4% to 12% increase. There is also a different percentage increase for Stop Loss and claims. She further commented that in this model, 11% is what is being used which is shown page 3 of Exhibit A. She also stated that the city can still maintain a family monthly deductible plan and offer calendar year deductibles. The city can offer multiple type of co-insurance such as the 85%/15%, 100% or any variation. Employees are still interested in a monthly deductible which at this time includes all individuals in a family unit and also have the calendar year deductible which are per person up to two times per family unit per year. Mrs. Gonzalez further stated that staff is looking at multiple options so that we can try and fit the needs of our employees. Scenario A1 of page 3 of Exhibit A, if the city continues the monthly deductible at \$350 per month, after the deductible it is at 85%/15% the employee only has a premium of \$80 per month; employee/child is \$180; employee/spouse \$280; and employee/family \$380. Gonzalez stated that for each scenario you will have the dollar amount that the employee will be contributing. She also stated that this is subject to change as we don't know what the city's final quote will be as the stop loss does not come in until 60 days out before renewal. If stop loss numbers go down, premiums, this would affect everything. This is only a snapshot in time with the projection at an 11% increase across board. There are no proposed changes to physician office visits which is at \$25.00. On page 3.1 shows a breakdown of FY 20-21 projections, if no change to employee premiums. This will show that if no change is made, the employer would need to contribute \$3.5 million dollars. According the Finance Director calculations, the city was contributing \$3.3 million dollars which based on the projection, it will be short \$195,000. This in addition to what the plan would need to be self-sufficient of \$4.125 million dollars, the city would be short \$418,000. Increasing the employee contributions, which in this scenario if the city wants to continue to contribute the \$3.4 million dollars the employee's contribution would have to increase, which is a dramatic increase. Employee only will go up to \$150; employee/child \$230; employee/spouse \$265; and employee/family \$387. Gonzalez stated that with this scenario, the city's funding it will match the city's expenses. She further commented that this is only a snapshot in time with an 11% increase across the board but everything is subject to change.

Mr. McLaughlin commented that he asked Mrs. Gonzalez to show these numbers because if this current plan continues and the city wants to break even next year and the city doesn't want to put any more money in the plan as its already putting \$3.4 million dollars into it, it pretty much doubles the employees contribution. He further stated that the rest of the presentation will show ways to spread it out and allow the employee to choose a scenario that fits their budget and the risk they are willing to take.

Commissioner Leubert commented that she is impressed by this, the city can't keep going on or the city will not be able to maintain its employees. Even with the high numbers, if you look at this and compare it to insurance every else, this is the best plan that anyone can get. Just regular insurance for someone on the outside ranges up four

times the cost from this cost. They are high numbers but given the employee the options to choose from, it is very reasonable as compared to outside insurance.

Mrs. Gonzalez continued with her PowerPoint presentation and stated that in one of the scenarios you can see that the employee is picking up 18% to 19% compared to 8% to 12% as to the way the city's current plan is. This distribute out where the city pays 80% of the cost and the employee pays 20%. As for options, with the 11% increase, the city will be paying \$686 for employee only, that's employer and employee, and up to \$1,915 per month for employee/family. She further discussed the breakdown which is page 3.1 of the Exhibit A. This shows that the city would have to come up with \$171,000 as with this scenario it comes out to \$3.5 million dollars with the city only budgeting \$3.3 million dollars and the plan would be short and estimate of \$400,000. Mrs. Gonzalez stated that with combinations of employee/employer contributions it will be at \$3.9 million dollars. In contributions we would have \$4,022,000.00 which is must close to what the city is doing now. She further went on to the next scenario stating that this is the \$350,000 with 100% co-insurance. If there is no fund balance, the city would have to be able to support the plan. Entrust did multiple calculation and looked at FY 18-19. If all the claims that went in in FY 18-19 had been under these types of plans, they will let the city know what the savings could have been. She moved forward to discuss Scenario 1 on page 6 of Exhibit A. This is a \$500 calendar year deductible paid at 85/15. The employee's contributions in Scenario 1 match what is in the summary on page 3 of the exhibit. Overall, the plan, with employee and employer contributions would be \$3.9 million dollars. This means the city will be contributing \$3.5 million dollars. Based on the fiscal year 18-19 spreadsheet from Entrust, shows that if everyone had been on this plan and processed all the claims under this particular plan, the plan would have had a saving of \$493,000. If this had been the case, the plan would total contributions would have been \$4.2 million dollars. Gonzalez commented that the plan would have been able to pay for its self.

Commissioner Leubert commented that this was a monthly and not a yearly. Mrs. Gonzalez commented that this was a calendar year.

Mr. McLaughlin commented that Scenario 1 and Scenario 2 continued the monthly deductible. Calendar year deductibles are a cheaper plan than monthly deductibles.

Mrs. Gonzalez commented that each scenario has two options 85/15 and 100. The calendar year 500 with 100 co-insurance, after the person meets the deductible, it is covered at a 100% for the year, whereas the A options which are per month. Gonzalez commented that if this was done, the plan would bring in \$3.9 million dollars and if everyone was to be on this plan Entrust projected a savings of \$292,000.00. The plan would be at \$4.1 million dollars in revenues to cover all the expenses, it would pay for itself.

Commissioner Leubert asked if the city will be allowing each employee pick their own plan and not across the board for everyone?

Mr. McLaughlin responded yes, but also commented that this is the hard part. If the Commission agrees on this, the employee will have the option to pick the plan that works best for them. McLaughlin further commented that the more plans you offer, the more the cost to administrate the plan.

Commissioner Hinojosa asked if all the scenarios that have been presented are based on 11% increase? Mrs. Gonzalez responded that this was correct. Hinojosa recommended that workshops are offered to employees to understand the plan and see which scenario will work best for them.

Mr. McLaughlin commented that both Carlisle and Entrust will be having workshops for the employees.

Commissioner Lopez asked if currently the city is on a monthly deductible.

Mrs. Gonzalez responded that this was correct. Gonzalez stated that when the last survey and workshops were done with the Committee regarding insurance, everyone was interested in wanting a family monthly deductible. She further stated that the problem is having a monthly deductible limits the city's options when it goes out for bids. The city is on its third year with Entrust with its Party Administrator but they are able to work with the city where the city can offer its employees more plans and depending on the final number of plans the cost can increase from \$.50 to \$4.00 per person per month.

Commissioner Hinojosa commented that the biggest administrative cost is when we pay for the medicines. He asked if the city can be self-insured on the medicines because if the city can be self-insured on the medical, why can't we be self-insured in the medicine. He stated that the city is paying \$240,000 on administrative cost for the medicines.

Mrs. Gonzalez responded that we have paid a certain amount per person per month it doesn't matter how much they expend in generic drugs; we would just pay a certain amount. At this time the city pays \$38 employee only; \$87.08 employee with dependent on the capitation. This year Entrust is looking at the numbers and it may be beneficial not to capitate them, which means the cost of the prescription would come out of the plan, which is what is happening. The city will be receiving reports on this information.

Mayor Fugate commented that he didn't feel that the Commission was ready to give staff direction as to which way to go. This is a lot of information that has been presented and the Commission would need some time to further review.

Commissioner Lopez asked that the employees be educated on their options to choose.

5. Presentation by EDC Director on the state of the Economic Development Council and related activities and discussion related thereto. (City Manager).

Mr. Manny Salazar, EDC Director gave a presentation to the City Commission. Economic growth is critically important for the growth of the City of Kingsville, but it cannot happen without a strategic and funded plan. The Kingsville Chamber of Commerce is positioned to partner with the City to execute new programs designed to create new job growth. The best way to get families out of poverty is with a job. The poverty rate in Kingsville currently sits at 29.7% with the state average of 14.9%. The median household income in Kingsville is \$38,343 with the state average at \$59,570. The benefits of Economic Development are to create new jobs, support local business, improve local business, increased property tax base/revenue, increased sales tax base/revenue, and improved quality of life for residents. Commercial and Industrial Development, we would need to identify potential sites for development; assess and install necessary infrastructure on identified sites, potentially create industrial park, create lead generation for recruitment targets, attend targeted trade shows and create incentive programs. Some recruitment targets based on EDC strategic plan are distribution centers, supply chain, inbound call centers, aerospace, manufacturing, and pharmacy, biomedical and agriculture facilities. Local business development: develop a robust business retention and expansion program to assist local businesses with growth, identify and mitigate issues to growth. Utilize partnership with TAMUK College of Business to assist with development of tailored small business plans. Develop small business development workshops and training. Create a small business incubator and create networking opportunities for local businesses to increase their customer base and develop small business incentive programs. The proposal contractual agreement is the Kingsville Chamber of Commerce will ask the City of Kingsville to enter in to a contractual agreement to provide economic development services on behalf of the City. Through this agreement, the City of Kingsville will be asked to allocate \$423,360 or

0.125% of the previous year's sales tax annually to the Chamber of Commerce to execute economic development programs. City Commission and Chamber Board will negotiate terms of the contract including, accountability measures, economic development programs and services, deliverables, and other terms and conditions as agreed to by both entities. City of Kingsville sales tax collections increased at a rate of 2.7% over the last 4 years. This rate of return provides some flexibility for the city to increase funding for economic development. Other funding sources are as followed: economic development fund, the city could utilize the funds received from Celanese to reduce the impact to other areas funded by general revenue; funding from Kleberg County, Chamber staff has reached out to Kleberg County Judge to discuss the possibility of an increase in the county's annual investment; and funds from private sources, the Chamber will continue to fund membership based programs from revenue raised from membership dues which are estimated at \$100,000 annually. To date, the Chamber has raised \$55,000 of that goal. In summary, the Kingsville Chamber of Commerce is proposing a contractual agreement with the City of Kingsville through which the Chamber will execute economic development services and programs on behalf of the City. The City may fund economic development efforts through the Kingsville Chamber of Commerce at a rate of 0.125% from sales tax annually. Economic development programs include but not limited to: small business development and assistance; business retention and expansion; commercial and industrial development recruitment; community marketing for business expansion; incentive programs; and retail recruitment. Each of these are designed to create jobs, retain jobs, increase property tax base, increase sales tax, reduce leakage and improve the quality of life for residents of Kingsville and Kleberg County.

Commissioner Hinojosa asked if there were any grants that can be used for this? Mr. Salazar responded that because the Chamber owns the building its housed in and it is making revenue off the building, they are not eligible for grants. Salazar further commented that they are in talks with the University about potentially moving out of the building and moving into the Wilson Building located downtown. If they are able to move into that building, then the opportunity is there to apply for grants. But as for this time, because the Chamber building is producing income, they are not eligible for grants. Commissioner Hinojosa asked what the value of the grant would be. Mr. Salazar responded that he would apply for the most money he possibly could.

Commissioner Leubert asked what the EDC would use the \$423,000 that is being requested.

Mr. Salazar responded that the money would be used for the hiring of staff. The other thing it would be used for is the business retention expansion. Cultivating the local businesses is most cost-effective way to do it and the most responsible way to do it. He would also focus on the infrastructure for commercial development. He would identify sites and purchase those sites or have agreements in place for the purchase by a separate entity and do lead generation as well as continue with the retail's efforts.

Commissioner Hinojosa asked if Mr. Salazar could identify some of the sites, would these sites be inside the city limits or outside the city limits.

Mr. Salazar responded that primarily they would be inside the city limits somewhere in the northside of town as there is some developed land in that area. But there may be projects that are outside the city limits as well.

Mrs. Alvarez asked that in the summary sheet it talks about an agreement between the City and the Chamber, would this be in addition to the what the City currently has with the EDC or would it be replacing the agreement that the City has with the EDC.

Mr. Salazar responded that this would probably be replacing it. He further stated that there is one now that outlines this in a nutshell, but he feels that we need to get specific

on it. He further commented that by having more specific plan it can provide more accountability for the Chamber as well for the EDC. If we are talking about using tax dollars, we need to build those accountability measures in as a safeguard to our community and our tax payers.

Commissioner Hinojosa commented that he was under the impression that this was an additional agreement due to the way the presentation was made.

6. **Consider introduction of an ordinance amending the FY19-20 budget to accept and expend funding provided by the Department of Health and Human Services C.A.R.E.S. Provider Relief Fund for the purchase of medical supplies. (Fire Marshall).**

Mr. McLaughlin stated that the Fire Department will be repurchasing first aid items.

Introduction item only.

7. **Consider introduction of an ordinance amending the FY19-20 Budget to setup the budget for in-kind engineering services for the TXCDBG Grant #7219192. (Finance Director).**

Mr. McLaughlin stated that there is a correction to the budget amendment. The amendment shows \$18,000 but should be \$36,000, which staff will make the correction when the finalization of the ordinance returns to the Commission at the next meeting.

Introduction item only.

8. **Consider introduction of an ordinance amending the FY19-20 Budget to setup the budget for the expenditure on the JK Northway Coliseum for the City's half of County's EDA Grant to Reyna Network for pre-grant services. (Finance Director).**

Introduction item only.

9. **Consider introduction of an ordinance amending the FY19-20 budget to accept and expend grant funds received from the State Homeland Security Program. (Police Chief).**

Mr. Ricardo Torres, Police Chief stated that this money has already being utilized. This is only for finance purposes. he stated that there is a \$100 difference which is for shipping.

Introduction item only.

10. **Consider accepting a donation from Kleberg Bank for a welcome sign in the Downtown District. (Downtown Manager).**

Motion made by Commissioner Leubert to approve the acceptance of a donation from Kleberg Bank for a welcome sign in the Downtown District, seconded by Commissioner Pecos. The motion was passed and approved by the following: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".

11. **Consider introduction of an ordinance amending the FY19-20 Budget to accept and expend the donation from Kleberg Bank for a welcome sign for the Main Street District. (Downtown Manager).**

Introduction item only.

12. **Consider accepting a donation from Kleberg County for half of a new pumphouse motor for the golf course. (Parks Director).**

Motion made by Commissioner Pecos to approve the acceptance of a donation from Kleberg County for half of a new pumphouse motor for the golf course, seconded by Commissioner Lopez and Commissioner Leubert. The motion was

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

13. Consider introduction of an ordinance amending the FY19-20 Budget to accept and expend the donation from Kleberg County for half the cost of a new pumphouse motor for the Golf Course. (Parks Director).

Introduction item only.

14. Consider a resolution authorizing the submission of an application to the Texas Water Development Board for Flood Infrastructure Fund for Apply drainage grant-Flood Infrastructure Fund for City drainage projects. (City Engineer).

Motion made by Commissioner Pecos to approve the resolution authorizing the submission of an application to the Texas Water Development Board for Flood Infrastructure Fund for Apply drainage grant-Flood Infrastructure Fund for City drainage projects, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Pecos, Lopez, Hinojosa, Leubert, Fugate voting "FOR".

15. Discuss possible application to the Community Development Block Grant-Mitigation (CDBG-MIT) grant programs administered by the Texas General Land Office for drainage grant. (City Engineer).

Mr. McLaughlin commented that this is an administration grant that came from Hurricane Harvey. The minimum application is about \$3 million dollars for a project. He further stated that we will be going out for more drainage so that the city doesn't have to do another bond. The match for this grant is at 1%. McLaughlin stated that if the city is awarded this grant and the previously voted grant, staff will have to figure out how to fund the first one as it is at a 50% match and this one being a 1% match, staff will figure out a way to get the nine major projects areas in the city that have drainage problems.

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:13 P.M.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, TRMC, CMC, City Secretary

HEALTH INSURANCE PLAN UPDATE
June 8, 2020

	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-April 2020
Total Expenses	\$ 3,657,936.14	\$ 4,243,947.73	\$ 4,084,476.06	\$ 2,162,803.05
Claims	\$ 2,622,381.93	\$ 3,063,364.55	\$ 3,126,026.88	\$ 1,534,614.36
Stop Loss	\$ 492,675.10	\$ 526,233.46	\$ 506,113.20	\$ 371,802.31
Admin. Fees	\$ 542,859.11	\$ 654,349.72	\$ 452,243.18	\$ 252,271.38
Misc. Fees	\$ 20.00	\$ -	\$ 92.80	\$ 4,035.00
	\$ 3,657,936.14	\$ 4,243,947.73	\$ 4,084,476.06	\$ 2,162,723.05
	\$ -	\$ -	\$ -	\$ (80.00)

"Exhibit A"
For Agenda Item #4

Plan Design Scenarios for FY 20-21		SCENARIO A1	SCENARIO A2	SCENARIO B1	SCENARIO B2	SCENARIO C1	SCENARIO C2	SCENARIO D1	SCENARIO D2
	Existing								
Deductible	FMD \$350	FMD \$350	FMD \$350	500 CYD	500 CYD	750 CYD	750 CYD	1000 CYD	1000 CYD
Co-Insurance	100%	85/15	100%	85/15	100%	85/15	100%	85/15	100%
EE - Monthly Premium (Employee)	53	80	100	75	125	59	100	38	40
EC - Monthly Premium (Employee)	104	180	200	125	150	115	125	84	100
ES - Monthly Premium (Employee)	145	280	300	170	185	128	175	130	160
EF - Monthly Premium (Employee)	191	380	400	200	250	212	225	178	200
Maximum Out-of-Pocket Individual	6600	8150	8150	8150	8150	8150	8150	8150	8150
Maximum Out-of-Pocket Family	13200	16300	16300	16300	16300	16300	16300	16300	16300
Lifetime Maximum Benefit	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Physician's Office Visit	25 Co-pay then covered at 100% to maximum of \$200 per visit then 100% after deductible	25 Co-pay then covered at 100% to maximum of \$200 per visit then 85/15% after deductible	25 Co-pay then covered at 100% to maximum of \$200 per visit then 100% after deductible	25 Co-pay then covered at 100% to maximum of \$200 per visit then 85/15% after deductible	25 Co-pay then covered at 100% to maximum of \$200 per visit then 100% after deductible	25 Co-pay then covered at 100% to maximum of \$200 per visit then 85/15% after deductible	25 Co-pay then covered at 100% to maximum of \$200 per visit then 100% after deductible	25 Co-pay then covered at 100% to maximum of \$200 per visit then 85/15% after deductible	25 Co-pay then covered at 100% to maximum of \$200 per visit then 100% after deductible
Preventative Care	100%	Same	Same	Same	Same	Same	Same	Same	Same
Convenience Care Clinic	\$10 Co-pay then covered at 100% up to \$100 per visit	Same	Same	Same	Same	Same	Same	Same	Same
Urgent Care Clinic and Physician Services	35 co-pay then covered at 100%	35 co-pay then covered at 85/15%	35 co-pay then covered at 100%	35 co-pay then covered at 85/15%	35 co-pay then covered at 100%	35 co-pay then covered at 85/15%	35 co-pay then covered at 100%	35 co-pay then covered at 85/15%	35 co-pay then covered at 100%
Outpatient Diagnostic Testing, Laboratory, and/or Radiology	15 co-pay then covered at 100% to maximum benefit of \$150 per visit then deductible and coinsurance apply	15 co-pay then covered at 100% to maximum benefit of \$150 per visit then deductible and	15 co-pay then covered at 100% to maximum benefit of \$150 per visit then deductible and	15 co-pay then covered at 100% to maximum benefit of \$150 per visit then deductible and	15 co-pay then covered at 100% to maximum benefit of \$150 per visit then deductible and	15 co-pay then covered at 100% to maximum benefit of \$150 per visit then deductible and	15 co-pay then covered at 100% to maximum benefit of \$150 per visit then deductible and	15 co-pay then covered at 100% to maximum benefit of \$150 per visit then deductible and	15 co-pay then covered at 100% to maximum benefit of \$150 per visit then deductible and
Emergency Room	250 Co-pay then covered at 100% (if admitted copy is waived and deductible will apply)	250 Co-pay then covered at 100% (if admitted copy is waived and deductible will apply)	250 Co-pay then covered at 100% (if admitted copy is waived and deductible will apply)	250 Co-pay then covered at 85/15% (if admitted copy is waived and deductible will apply)	250 Co-pay then covered at 100% (if admitted copy is waived and deductible will apply)	250 Co-pay then covered at 85/15% (if admitted copy is waived and deductible will apply)	250 Co-pay then covered at 100% (if admitted copy is waived and deductible will apply)	250 Co-pay then covered at 85/15% (if admitted copy is waived and deductible will apply)	250 Co-pay then covered at 100% (if admitted copy is waived and deductible will apply)
Surgery	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Hospital Service - Inpatient/Outpatient	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Direct Contract Facilities (facility charges only)	Covered at 100% (deductible waived)	Same	Same	Same	Same	Same	Same	Same	Same
Skilled Nursing Facility	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Home Health Care (100 Visit Limit per calendar year)	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Hospice Care	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Durable Medical Equipment	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Prosthetics/Orthotics (excluding orthopedic shoes and other devices for support of feet)	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Outpatient Physical Therapy	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Outpatient Occupational Therapy	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Outpatient Speech Therapy	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Maternity Services (employee and spouse only)	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category
Outpatient Chemotherapy/Radiation/IV Therapy	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Mental Health/Substance Abuse	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category	Benefits same as stated under each covered service category
Chiropractic/Spinal Manipulation Services	50% up to \$500 maximum per calendar year	Same	Same	Same	Same	Same	Same	Same	Same
Ambulance Services	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Dialysis Services	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Routine Vision Benefits	50% up to \$500 maximum per calendar year (not limited to network providers)	Same	Same	Same	Same	Same	Same	Same	Same
Brand Name Prescription Drugs (Preferred/Non-Preferred Brand Name)	35%	Same	Same	Same	Same	Same	Same	Same	Same
Specialty Drugs (Specialty Network)	35%	Same	Same	Same	Same	Same	Same	Same	Same
Generic Prescription Drugs	15 Co-pay (30 Day Supply)	Same	Same	Same	Same	Same	Same	Same	Same
ACA Required Preventative Medications	0 Co-pay	Same	Same	Same	Same	Same	Same	Same	Same
All Other Covered Services	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible	85/15% after deductible	100% after deductible
Out-of-Network	Reference Based Pricing	Reference Based Pricing (subject to 85/15% coverage)	Reference Based Pricing	Reference Based Pricing (subject to 85/15% coverage)	Reference Based Pricing	Reference Based Pricing (subject to 85/15% coverage)	Reference Based Pricing	Reference Based Pricing (subject to 85/15% coverage)	Reference Based Pricing

Breakdown - FY 20-21 Projections (IF NO CHANGE TO EMPLOYEE PREMIUMS)	Employee	Monthly Employees Cost		Total Annual Employee PREMIUMS By Coverage Type		Monthly Employee Cost Per Coverage Type (All Employees)		Annual Employee Cost per Coverage Type (All Employees)		Premium Change Compared to FY 19-20 Rates	% Premium Breakdown
		Monthly Employees Cost	Monthly Employees Cost	Monthly Employee Cost Per Coverage Type (All Employees)	Monthly Employee Cost Per Coverage Type (All Employees)	Annual Employee Cost per Coverage Type (All Employees)	Annual Employee Cost per Coverage Type (All Employees)				
Employee Only		\$ 53.00	\$ 652.00	\$ 4,717.00	\$ 56,604.00						8%
Employee Child		\$ 104.00	\$ 1,248.00	\$ 4,784.00	\$ 57,408.00						9%
Employee Spouse		\$ 145.00	\$ 1,740.00	\$ 5,655.00	\$ 67,860.00						11%
Employee Family		\$ 191.00	\$ 2,292.00	\$ 15,280.00	\$ 183,360.00						10%
				\$ 30,436.00	\$ 365,232.00				\$ (23,196.00)		
EMPLOYER		Monthly EMPLOYER Cost Per Employee	Total Annual EMPLOYER Cost By Coverage Type - Per person Coverage Type - (All Employees)	Monthly EMPLOYER Cost Per Coverage Type (All Employees)	Annual EMPLOYER Cost per Coverage Type (All Employees)						
Employee Only		\$ 650.82	\$ 7,809.80	\$ 57,922.71	\$ 695,072.56						92%
Employee Child		\$ 1,103.93	\$ 13,247.22	\$ 50,780.93	\$ 609,371.90						91%
Employee Spouse		\$ 1,197.88	\$ 14,374.53	\$ 46,717.21	\$ 560,606.53						89%
Employee Family		\$ 1,741.15	\$ 20,895.85	\$ 139,292.33	\$ 1,671,507.94						90%
		\$ 3,536,558.97	\$ 56,325.40	\$ 294,713.25	\$ 3,536,558.97				\$ 195,104.97		
									\$ 171,908.97		
									\$ 3,706,686.00		
Budgeted Employee											
EMPLOYER		\$ 386,428.00									
		\$ 3,341,454.00									
		\$ 3,729,882.00									
with added amount to bring income to 41250000											
Breakdown - FY 20-21 Projections		Monthly Employees Cost	Total Annual Employee PREMIUMS By Coverage Type	Monthly Employee Cost Per Coverage Type (All Employees)	Annual Employee Cost per Coverage Type (All Employees)						
Employee Only		\$ 150.00	\$ 1,800.00	\$ 13,350.00	\$ 160,200.00						19%
Employee Child		\$ 230.00	\$ 2,760.00	\$ 10,580.00	\$ 126,960.00						18%
Employee Spouse		\$ 265.00	\$ 3,180.00	\$ 10,335.00	\$ 124,020.00						19%
Employee Family		\$ 397.88	\$ 4,654.56	\$ 31,030.40	\$ 372,364.80						19%
				\$ 65,295.40	\$ 783,544.80				\$ 395,116.80		
EMPLOYER		Monthly EMPLOYER Cost Per Employee	Total Annual EMPLOYER Cost By Coverage Type - Per person Coverage Type - (All Employees)	Monthly EMPLOYER Cost Per Coverage Type (All Employees)	Annual EMPLOYER Cost per Coverage Type (All Employees)						
Employee Only		\$ 628.82	\$ 7,545.84	\$ 55,864.98	\$ 671,579.76						81%
Employee Child		\$ 1,033.93	\$ 12,295.18	\$ 47,536.78	\$ 570,177.36						82%
Employee Spouse		\$ 1,117.88	\$ 13,414.56	\$ 43,597.32	\$ 523,167.84						81%
Employee Family		\$ 1,632.15	\$ 19,585.80	\$ 130,577.00	\$ 1,566,864.00						81%
		\$ 3,331,788.96	\$ 52,941.36	\$ 277,649.08	\$ 3,331,788.96				\$ (9,665.04)		
									\$ 4,115,333.76		
									\$ 9,665.04		
									\$ 4,124,998.80		
Budgeted Employee											
EMPLOYER		\$ 386,428.00									
		\$ 3,341,454.00									
		\$ 3,729,882.00									

FY 20-21 Projections	ENTRUST - Monthly EMPLOYER Cost Per Employee			ENTRUST - Total Annual EMPLOYER Cost By Coverage Type - Per person		ENTRUST - Monthly EMPLOYER Cost Per Coverage Type (All Employees)		ENTRUST - Annual EMPLOYER Cost per Coverage Type (All Employees)		Premium Change Compared to FY 19-20 Rates	% Premium Breakdown	
Employee Only	\$	686.76	\$	8,743.08	\$	61,121.37	\$	733,456.48		\$	61.32	9%
Employee Child	\$	1,190.87	\$	14,290.50	\$	54,780.23	\$	657,362.78		\$	110.00	6.00
Employee Spouse	\$	1,325.82	\$	15,909.81	\$	51,706.87	\$	620,482.50		\$	150.00	9%
Employee Family	\$	1,915.09	\$	22,981.13	\$	153,207.53	\$	1,838,490.34		\$	200.00	11%
	\$	5,118.54	\$	61,422.52	\$	320,816.01	\$	3,849,792.09	\$	567,241.77		10%
Breakdown - FY 20-21 Projections includes ENTRUST projected 11% increase												
Premiums	Employee	Monthly Employee Cost	Total Annual Employee PREMIUMS By Coverage Type	Monthly Employee Cost Per Coverage Type (All Employees)	Annual Employee Cost per Coverage Type (All Employees)							
Employee Only	\$	61.32	\$	735.84	\$	5,457.48	\$	65,485.76		\$	61.32	8.32
Employee Child	\$	110.00	\$	1,320.00	\$	5,050.00	\$	60,720.00		\$	110.00	6.00
Employee Spouse	\$	150.00	\$	1,800.00	\$	5,850.00	\$	70,200.00		\$	150.00	9%
Employee Family	\$	200.00	\$	2,400.00	\$	16,000.00	\$	192,000.00		\$	200.00	11%
	\$	642.50	\$	7,705.84	\$	32,367.48	\$	388,409.76	\$	(18.24)		9.00
EMPLOYER	Monthly EMPLOYER Cost Per Employee	Total Annual EMPLOYER Cost By Coverage Type - Per person	Monthly EMPLOYER Cost Per Coverage Type (All Employees)	Annual EMPLOYER Cost per Coverage Type (All Employees)								
Employee Only	\$	642.50	\$	7,709.96	\$	57,182.23	\$	686,186.80		\$	642.50	78.38
Employee Child	\$	1,097.93	\$	13,175.22	\$	50,504.99	\$	606,059.90		\$	1,097.93	188.69
Employee Spouse	\$	1,192.88	\$	14,314.53	\$	46,522.21	\$	558,266.58		\$	1,192.88	180.62
Employee Family	\$	1,732.15	\$	20,785.85	\$	138,572.33	\$	1,662,867.94		\$	1,732.15	337.15
	\$	3,513,381.21	\$	55,985.56	\$	292,781.77	\$	3,513,381.21	\$	171,927.21		90%
					Overage - above budgeted \$	\$	3,901,790.97	\$	171,906.97			
							\$	(171,927.21)		\$		
Budgeted Employee EMPLOYER	\$	368,428.00				ENTRUST FY 18-19 Comparison (Savings Projection based if ALL employees had been in designated Plan)		\$	3,729,863.76			
	\$	3,341,454.00				Initial Plan Funding Shortage	\$	4,125,000.00				
	\$	3,729,887.00				EXPENSE Projection	\$	395,136.24				
						Additional Required (PLAN SHORTAGE)	\$					

SCENARIO D1 Premiums	CYD 1000 85/15	Total Annual Employee PREMIUMS By Coverage Type			Monthly Employee Cost Per Coverage Type (All Employees)			Annual Employee Cost per Coverage Type (All Employees)			ENTRUST FY 18-19 Comparison (Savings Projection based if ALL employees had been in designated Plan)	Contributions		Premium Change Compared to FY 19-20 Rates		% Premium Breakdown																						
		Employee Only	Employee Child	Employee Spouse	Employee Family	Employee Only	Employee Child	Employee Spouse	Employee Family	Employee Only		Employee Child	Employee Spouse	Employee Family	Employee Only		Employee Child	Employee Spouse	Employee Family																			
		\$ 38.00	\$ 84.00	\$ 130.00	\$ 178.00	\$ 3,382.00	\$ 3,854.00	\$ 46,368.00	\$ 60,840.00	\$ 170,880.00	\$ 318,672.00	\$ (69,756.00)	\$	\$ 38.00	\$ 84.00	\$ 130.00	\$ 178.00	\$ (15.00)	\$ (30.00)	\$ (13.00)	5%	7%	10%	9%														
		W/ % Estimated INCREASE																																				
		Monthly EMPLOYER Cost																																				
		\$ 655.82	\$ 1,169.93	\$ 1,212.88	\$ 1,754.15	\$ 59,257.98	\$ 53,816.78	\$ 47,302.32	\$ 140,332.00	\$ 300,709.08	\$ 3,927,180.56	\$ (568,799.00)	\$	\$ 655.82	\$ 1,169.93	\$ 1,212.88	\$ 1,754.15	\$ 301.70	\$ 260.69	\$ 200.62	\$ 359.15	95%	93%	90%	91%													
		Total Annual EMPLOYER Cost By Coverage Type - Per person																																				
		\$ 7,989.84	\$ 14,093.16	\$ 21,049.80	\$ 57,633.36	\$ 711,095.76	\$ 645,801.36	\$ 567,627.84	\$ 1,693,986.00	\$ 3,608,508.96	\$ 3,660,126.00	\$ 568,799.00	\$ 4,228,925.00	\$	\$ 7,989.84	\$ 14,093.16	\$ 21,049.80	\$ 57,633.36	\$ 645,801.36	\$ 567,627.84	\$ 1,693,986.00	\$ 3,608,508.96	\$ 3,660,126.00	\$ 568,799.00	\$ 4,228,925.00	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
		Overage - above budgeted \$																																				
		ENTRUST FY 18-19 Comparison (Savings Projection based if ALL employees had been in designated Plan)																																				
		SCENARIO D2 Premiums																																				
		Monthly EMPLOYER Cost																																				
		\$ 40.00	\$ 100.00	\$ 160.00	\$ 200.00	\$ 3,560.00	\$ 4,600.00	\$ 55,200.00	\$ 74,880.00	\$ 192,000.00	\$ 3,927,180.56	\$ (568,799.00)	\$	\$ 40.00	\$ 100.00	\$ 160.00	\$ 200.00	\$ 301.70	\$ 260.69	\$ 200.62	\$ 359.15	6%	8%	12%	10%													
		Total Annual EMPLOYER Cost By Coverage Type - Per person																																				
		\$ 7,989.84	\$ 14,093.16	\$ 21,049.80	\$ 57,633.36	\$ 711,095.76	\$ 645,801.36	\$ 567,627.84	\$ 1,693,986.00	\$ 3,608,508.96	\$ 3,660,126.00	\$ 568,799.00	\$ 4,228,925.00	\$	\$ 7,989.84	\$ 14,093.16	\$ 21,049.80	\$ 57,633.36	\$ 645,801.36	\$ 567,627.84	\$ 1,693,986.00	\$ 3,608,508.96	\$ 3,660,126.00	\$ 568,799.00	\$ 4,228,925.00	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
		Overage - above budgeted \$																																				
		ENTRUST FY 18-19 Comparison (Savings Projection based if ALL employees had been in designated Plan)																																				

Enrollment		* Based on ENTRUST Quote FY 19-20 with Projected 11% increase & Budget					
Employee/Only	89	FY 19-20 CURRENT Plan		FY 20-21 Renewal Projected Estimates		Difference	
Employee/Child	46					Estimated FY 20-21 from Current	
Employee/Spouse	39	PLAN FIXED COSTS					
Employee/Family	80	Reinsurance Premiums					
	254	Aggregate Premium					
		Employee/Only	\$ 5.66	\$ 6,044.88	\$ 6.28	\$ 6,709.82	\$ (664.94)
		Employee/Child	\$ 5.66	\$ 3,124.32	\$ 6.28	\$ 3,468.00	\$ (343.68)
		Employee/Spouse	\$ 5.66	\$ 2,648.88	\$ 6.28	\$ 2,940.26	\$ (291.38)
		Employee/Family	\$ 5.66	\$ 5,433.60	\$ 6.28	\$ 6,031.30	\$ (597.70)
		Specific Premium					
		Employee/Only	\$ 93.94	\$ 100,327.92	\$ 104.27	\$ 111,363.99	\$ (11,036.07)
		Employee/Child	\$ 165.62	\$ 91,422.24	\$ 183.84	\$ 101,478.69	\$ (10,056.45)
		Employee/Spouse	\$ 187.13	\$ 87,576.84	\$ 207.71	\$ 97,210.29	\$ (9,633.45)
		Employee/Family	\$ 281.06	\$ 269,817.60	\$ 311.98	\$ 299,497.54	\$ (29,679.94)
		Plan Administration	\$ 16.00	\$ 48,768.00	\$ 20.00	\$ 60,960.00	\$ (12,192.00)
		Plan Compliance	\$ 1.95	\$ 5,943.60	\$ 1.95	\$ 5,943.60	\$ -
		Broker Fee	\$ 4.40	\$ 13,411.20	\$ 4.40	\$ 13,411.20	\$ -
		ACA Global Program	\$ 7.00	\$ 21,336.00	\$ 7.00	\$ 21,336.00	\$ -
		Christus Spohn Network	\$ 3.50	\$ 10,668.00	\$ 3.50	\$ 10,668.00	\$ -
		Ask-a-Nurse/Utilization Review	\$ 2.50	\$ 7,620.00	\$ 2.50	\$ 7,620.00	\$ -
		HealthiestYou	\$ 6.25	\$ 19,050.00	\$ 6.25	\$ 19,050.00	\$ -
		Interface EAP	\$ 2.55	\$ 7,772.40	\$ 2.55	\$ 7,772.40	\$ -
		Generic Drug Carveout					
		Employee/Only	\$ 38.00	\$ 40,584.00	\$ 42.18	\$ 45,048.24	\$ (4,464.24)
		Employee/Child	\$ 87.08	\$ 48,068.16	\$ 96.66	\$ 53,355.66	\$ (5,287.50)
		Employee/Spouse	\$ 87.08	\$ 40,753.44	\$ 96.66	\$ 45,236.32	\$ (4,482.88)
		Employee/Family	\$ 87.08	\$ 83,596.80	\$ 96.66	\$ 92,792.45	\$ (9,195.65)
		Claims Fee Estimate	\$ 14.76	\$ 45,000.00	\$ 14.76	\$ 45,000.00	\$ -
		Aggregate Factors					
		Employee/Only	\$ 436.95	\$ 466,662.60	\$ 485.01	\$ 517,995.49	\$ (51,332.89)
		Employee/Child	\$ 770.35	\$ 425,233.20	\$ 855.09	\$ 472,008.85	\$ (46,775.65)
		Employee/Spouse	\$ 870.41	\$ 407,351.88	\$ 966.16	\$ 452,160.59	\$ (44,808.71)
		Employee/Family	\$ 1,307.36	\$ 1,255,065.60	\$ 1,451.17	\$ 1,393,122.82	\$ (138,057.22)
		Budgeted		\$ 3,513,281.16		\$ 3,892,181.48	\$ (377,002.63)
		Expense Projection		\$ 4,125,000.00		\$ 4,125,000.00	\$ -
		Expense Minus (-) Plan Budget		\$ (611,718.84)		\$ (232,818.52)	\$ (378,900.32)
		Quote/Estimate Breakdown					
		Fixed					
		Employee/Only	\$ 196.51	\$ 209,876.72	\$ 215.65	\$ 230,313.96	
		Employee/Child	\$ 317.27	\$ 175,135.13	\$ 349.69	\$ 193,030.75	
		Employee/Spouse	\$ 338.78	\$ 158,550.81	\$ 373.57	\$ 174,830.52	
		Employee/Family	\$ 432.71	\$ 415,405.23	\$ 477.83	\$ 458,718.51	
		Claims Costs					
		Employee/Only	\$ 436.95	\$ 466,662.60	\$ 485.01	\$ 517,995.49	
		Employee/Child	\$ 770.35	\$ 425,233.20	\$ 855.09	\$ 472,008.85	
		Employee/Spouse	\$ 870.41	\$ 407,351.88	\$ 966.16	\$ 452,160.59	
		Employee/Family	\$ 1,307.36	\$ 1,255,065.60	\$ 1,451.17	\$ 1,393,122.82	
				\$ 3,513,281.16		\$ 3,892,181.48	\$ (378,900.32)

Notes

ENTRUST TPA Services

-- FY 2020-2021 will be 3rd year of administrative services agreement

Stop Loss

-- ENTRUST continues with providing stop loss quotes from their available sources

Generic Carve-out

-- Pharmacy generic carve-out fee to be evaluated

-- cost of medications may now be less than the monthly per person fee

Broker Carlisle

--preparing RFP for Stop Loss (will allow City to view best options from either source)

City Plans

-- Multiple plan options available to Employees

\$350 Family Monthly Deductible	85/15 - Coinsurance
\$350 Family Monthly Deductible	100% - Coinsurance
\$500 Calendar Year Deductible	85/15 - Coinsurance
\$500 Calendar Year Deductible	100% - Coinsurance
\$750 Calendar Year Deductible	85/15 - Coinsurance
\$750 Calendar Year Deductible	100% - Coinsurance
\$1000 Calendar Year Deductible	85/15 - Coinsurance
\$1000 Calendar Year Deductible	100% - Coinsurance
Exploring \$1500 Deductible with HSA option	85/15 - Coinsurance
Exploring \$1500 Deductible with HSA option	100% - Coinsurance

-- Retiree

Pending Further Review -----Possible Option Available to Retirees with 20 years of City Service only

JUNE 22, 2020

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JUNE 22, 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
Hector Hinojosa, Commissioner
Dianne Leubert, Commissioner
Arturo Pecos, Commissioner

CITY COMMISSION ABSENT:

Edna Lopez, Commissioner

CITY STAFF PRESENT:

Mark McLaughlin, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Derek Williams, IT
Ricardo Torres, Police Chief
Deborah Balli, Finance Director
Janine Reyes, Tourism Director
Juan Adame, Fire Chief
Cynthia Martin, Downtown Manager

STAFF PRESENT VIA CONFERENCE CALL OR VIDEOSTREAM

Bill Donnell, Public Works Director
Emilio Garcia, Health Director

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 5:00 p.m. with four Commission members present. Lopez being absent.

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 - May 26, 2020

Motion made by Commissioner Leubert and Commissioner Pecos to approve the minutes of May 26, 2020, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, 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).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, 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 reported that the scheduled Trash-Off Day for this upcoming weekend has been cancelled. This event will be re-scheduled for a day in the Fall. He further reported that he and the Finance Director have been working diligently on the budget for the upcoming fiscal year and getting it prepared for budget meetings that are to occur in the next few weeks. McLaughlin further reported that Kleberg County has approved a facemask order that will be in effective at midnight tonight and will be in effect for 10 days.

Mrs. Courtney Alvarez, City Attorney reported that the next City Commission meeting is scheduled for July 13th. Deadline for staff to submit their agenda items is scheduled for July 2nd, as July 3rd is a City Holiday.

Mayor Fugate read and presented a proclamation and the Key to the City to NAS Kingsville Commanding Officer Capt. Kevin Spitzer for all his hard work at NAS Kingsville and for the community.

Commissioner Leubert commented that she is proud of Kleberg County Judge for standing up to the mandate for mask and businesses wanted this to be put in place.

Mayor Fugate commented that he intends in supporting the Kleberg County Judge on the mask order. The City will be putting the same order into place this evening as well as it is important for the community to protect themselves.

Commissioner Hinojosa commented that he was present at the County meeting and Kleberg County Judge Madrid did a great job on explaining why the mask order is important to our community.

IV. **Public Comment on Agenda Items.³

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

No comments received via email or made virtually.

V.

Consent Agenda

Notice to the Public

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

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

Mayor Fugate remove agenda item 3 and placed the item under the regular section of the agenda for more discussion.

Motion made by Commissioner Pecos to approve amended consent agenda approving only items 1, 2, 4, 5, & 6 as presented, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Leubert, Pecos, Hinojosa, Fugate voting "FOR".

1. **Motion to approve final passage of an ordinance amending the FY19-20 budget to accept and expend funding provided by the Department of Health and Human Services C.A.R.E.S. Provider Relief Fund for the purchase of medical supplies. (Interim Fire Chief).**
2. **Motion to approve final passage of an ordinance amending the FY19-20 Budget to setup the budget for in-kind engineering services for the TXCDBG Grant #7219192. (Finance Director).**
3. **Motion to approve final passage of an ordinance amending the FY19-20 Budget to setup the budget for the expenditure on the JK Northway Coliseum for City's half of County's EDA Grant to Reyna Network for pre-grant services. (Finance Director).**

This item was placed under the regular section of the agenda for further discussion.

Mr. McLaughlin stated that this is a payment that the City made at the beginning of this fiscal year for \$43,000 for partial payment to Petra Reyna for administrative services. He further stated that this item is basically paperwork to catch up with it all.

Mayor Fugate asked if this had already been paid. Mr. McLaughlin responded that it had been invoiced and paid.

Commissioner Hinojosa commented that he doesn't agree with this, but it's already done.

Commissioner Leubert commented that even though this has already been paid, she would have liked to see more information on what the city is paying for. The information only states that the city pays \$43,000 for professional services, but she would like to see a breakdown of those services. Leubert further asked that before the city pays anymore money, she would like to see more details of the services that the city will be paying for.

Mayor Fugate asked if the Commission had already voted on this to approve payment.

Mrs. Alvarez responded that the Commission had approved Resolution 2019-64.

Mayor Fugate commented that if the Commission needs more time on this item, he suggests not taking any action on the item and bring it back for a future meeting.

Commissioner Leubert commented that she is ok paying this, as it had been voted on in a previous meeting, but for future items such as these, she would like to see more detailed information as to what the city is paying for, what type of services.

Commissioner Hinojosa commented that the item was approved on September 30 and received an invoice on October 1st and the City paid for it. He further stated that as Commissioner Leubert stated, the invoice was a generic invoice and did not give a timeline on how this was all spent. He also stated that we shouldn't pay any expenses prior to the grant being awarded.

Mayor Fugate asked for staff to get more information and bring this item back at a July meeting.

Commissioner Hinojosa asked Mayor Fugate if he would be taking a vote on this item.

Mayor Fugate responded that the Commission will not be taking action on this item at this meeting. He further asked the rest of the Commission if they any objections to this and stated that this will give staff some time to get the information that the Commission is requesting.

Commissioner Leubert commented that she doesn't mind voting on this now, but in the future, she would like to see a breakdown of what is being spent and how.

Motion made by Commissioner Pecos to approve final passage of an ordinance amending the FY19-20 Budget to setup the budget for the expenditure on the JK Northway Coliseum for City's half of County's EDA Grant to Reyna Network for pre-grant services, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Leubert, Pecos, Fugate voting "FOR". Hinojosa "AGAINST".

4. **Motion to approve final passage of an ordinance amending the FY19-20 budget to accept and expend grant funds received from the State Homeland Security Program. (Police Chief).**
5. **Motion to approve final passage of an ordinance amending the FY19-20 Budget to accept and expend the donation from Kleberg Bank for a welcome sign for the Main Street District. (Downtown Manager).**
6. **Motion to approve final passage of an ordinance amending the FY19-20 Budget to accept and expend the donation from Kleberg County for half the cost of a new pumphouse motor for the Golf Course. (Parks Director).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

7. Consider waiver of late fees, disconnect fees, and lock fees from March 19, 2020-August 31, 2020 due to COVID-19 event. (Finance Director).

Mr. McLaughlin stated that the city suspended all lockouts of utility accounts, the city didn't terminate services due to the pandemic. Accounts still accrued late fees, as this is an automatic action done by the software. The city has put out a statement in the utility billing that if the customer is paid up by August 31st close of business or you come in an arrange for a payment plan, the city will waiver all the late fees from the pandemic. If customers who have not caught up on their account completely or setup a payment plan by end of day August 31st, will see all waived late fees dated back to March 19th added to their account on September 1st.

Commissioner Leubert commented that she supports staff in doing this as the city has been very forthcoming and letting everyone know many times the options that were put in place to assist our citizens with their water accounts. She further commented that this is a tough time we are in, but feels that the city did its due diligence therefore she supports this item.

Motion made by Commission Leubert to approve the waiver of late fees, disconnect fees and lock fees dated back to March 19, 2020 so long as citizens have either caught up with the utility account or have made a payment arrangement with the city for their utility account by end of business day on August 31, 2020; if full payment or payment arrangements have not been made by end of day on August 31st, all late fees, disconnect fees, and lock fees will be added to their account on September 1, 2020. Motion was seconded by Commissioner Pecos and Commissioner Hinojosa. The motion was passed and approved by the following vote: Pecos, Leubert, Hinojosa, Fugate voting "FOR".

8. Consider a resolution authorizing participation in Southwest Border Rural Law Enforcement Information Sharing and Interdiction Assistance Grants FY2020 with the US Department of Justice (DOJ) Bureau of Justice Assistance (BJA) for software and equipment for the Kingsville Police department; authorizing the Chief of Police to act on the City's behalf with such program. (Police Chief).

Mr. Ricardo Torres, Chief of Police stated that the Police Department is applying for another grant that allows for \$150,000 in expenditures. He stated that he is trying to capture of bit of that and is applying for \$149,829.54. This will be for the purchase of two cameras ALPR Message Board Trailer including associated hardware, software, shipping and services for a total cost of \$61,184.77; Rapiscan Systems for a total cost of \$21,963.11; 2 Ranger Crew XP 1000 Premium, Steel Blue-49 State for a total cost of \$59,610.54. Torres further stated that there is no cash match but there will be some recurring cost associated with the equipment. The Intelligence Led Policing Package which includes commercial data and the CLK fees for each camera for a recurring cost of \$13,325.00

Motion made by Commission Leubert to approve the resolution authorizing participation in Southwest Border Rural Law Enforcement Information Sharing and Interdiction Assistance Grants FY2020 with the US Department of Justice (DOJ) Bureau of Justice Assistance (BJA) for software and equipment for the Kingsville Police department; authorizing the Chief of Police to act on the City's behalf with such program, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Fugate voting 'FOR'.

9. Consider a resolution supporting the Preliminary Financing and Project Plan for Tax Reinvestment Zone Plan #1. (Downtown Manager).

Mrs. Cynthia Martin, Downtown Manager stated that this is the same plan as before. The updated plan has added street repairs to the project and updated all the financial data. This was presented to the County Commissioner Court about a year ago, but was lacking a draft agreement before proceeding to present this again to the County.

Motion made by Commissioner Pecos to approve the resolution supporting the Preliminary Financing and Project Plan for Tax Reinvestment Zone Plan #1, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Leubert, Pecos, Hinojosa, Fugate voting "FOR".

10. Consider a resolution authorizing the Mayor to enter into an Amended Interlocal Agreement between Kleberg County and the City of Kingsville for the parks within the city limits. (City Manager).

Mr. McLaughlin stated that this item will remove the JK Northway from the Parks agreement. He stated that the County drafted an agreement and the City countered which this is the counter to our counter which are small changes. He further stated that between the County Judge Attorney and our City Attorney, most changes were minor. There are three big things that the County has agreed to which are as followed: City gets three set aside dates for the city to use, Ranch hand Breakfast, Meet the Blue Angels, and the third would be one that the City would like to do in the future. In the County's counter, the big thing was the money. McLaughlin stated that the city asked that anything that the city books for the JK Northway will be in next fiscal year that the city gets to keep the profits from those bookings to which the County Judge agreed to. He further stated that there is a caveat that any excess revenue from above and beyond that the city budgeted for is to be sent to a non-profit organization. The City's attorney doesn't believe that the city could give anything to a non-profit organization without being under a contract, so if there is anything that is above and beyond the city will split it 50/50 with the County. Mr. McLaughlin commented that Judge Madrid agrees with this. He also stated that the original 2014 Parks Agreement calls for the allocation of funds from the County to the City in the amount of \$550,000. The County Judge requested that this be lowered to \$450,000 since the County was taking back the JK Northway, but the city countered at \$500,000, then the County countered at \$465,000 which is an amount that he feels that the city should agree to. He further stated that exhibit 4 which the city has to have a legal description of the JK Northway which will be inserted in the document once it is received. McLaughlin further stated that where the JK Northway sits now, all the grass and parking lots around it, to make it really simple so that everybody knows where the dividing lines are between the JK Northway Coliseum and Fairgrounds and the rest of Dick Kleberg Park, will be the roads that are in the park. So, you will have the curved road coming in from Escondido Road that comes in, that will be the western boundary. The southern boundary will be the new road that comes off of I-69 frontage road, whenever that gets put in which is already in the plans. This road will be the dividing line to the south and the property boundary with TxDOT to the east and Escondido Road to the north. This makes it is easy for city staff when doing maintenance work in this area. McLaughlin stated that these are the changes to the counter proposals and he agrees with those changes.

Commissioner Leubert asked who will be maintaining the roads? Mr. McLaughlin responded that they were proposing that the roads stay in Dick Kleberg Park because if the city is going to maintain the roads in the park, it would be ridiculous to stop right at the JK Northway when the road continues. He further stated that it's the edge of pavement on the inside closes to the JK Northway property line switches to Dick Kleberg Park. The roads in the park system are in the park and not in the JK Northway. Commissioner Leubert commented that as time goes by with heavy equipment going

in and out of the JK Northway, it will cause some damage to the roads. She further asked if the County is willing to assist in the maintenance of those roads.

Mr. Rudy Madrid, County Judge commented that the County will work with the City Manager on the road maintenance.

Commissioner Hinojosa asked that whatever facility that we decide to build in the future, who will be in charge of the maintenance and operation of that facility. He also commented that his main concern is the insurance on this.

Mrs. Alvarez commented that if the Commissioner is talking about the proposed new venue tax project, with regards to that, once the city is at a point to move forward with that, bond counsel has advised that they would help the city in drafting an agreement between the city and the county that would meet all the parameters needed to maintain compliance with the proposal that went before the voters and also keep the State happy. She further commented that in that, she anticipates it would spell out who would be responsible for maintenance and operations of the facility, as well as insurance. At this present time, nobody will have an answer to that, since it hasn't been drafted yet.

Judge Madrid commented from his seat, that if bond counsel allows it, the county will take over the maintenance and operation and insurance.

Mayor Fugate commented that this is a question he had as well, how it would work since the county was going to take possession of the property and with the city having their project out there as well.

Mrs. Alvarez commented that according to bond counsel there would be a separate agreement, separate and apart from this one, that the city and county, with the assistance of bond counsel would draft for that specific area and project to make sure that all covenants are maintained.

Motion made by Commissioner Hinojosa to approve this resolution with the amended agreement that the City Manager handed out and the latest proposals from the County, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Pecos, Hinojosa, Leubert, Fugate voting "FOR".

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:36 P.M.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, TRMC, CMC, City Secretary

CONSENT AGENDA

AGENDA ITEM #1

**City of Kingsville
Planning Department**

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Cynthia Martin, Downtown Manager/HPO
DATE: July 2, 2020
SUBJECT: Reappointment of Lupita Perez to the Historical Development Board

Summary: Mrs. Lupita Perez is seeking reappointment to the Historical Development Board.

Background: Mrs. Lupita Perez is a long-time resident of Kingsville. Mrs. Perez is a realtor with Coldwell Banker Homestead Properties here in Kingsville. This would be her fifth term on the Historical Development Board. She has been a wonderful resource to the board as a local historian and advocate for preserving your city's built heritage.

Financial Impact: NA

Recommendation: The Historical Development Board recommended that Lupita Perez be reappointed to the Historical Development Board for a three year term.



REGULAR AGENDA

AGENDA ITEM #2

**City of Kingsville
Engineering Dept.**

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Rutilio P. Mora Jr, P.E., City Engineer

DATE: July 13, 2020

SUBJECT: Consider and Act on Resolution designating an administration service provider for the 2020 Community Development-MIT Program application and project implementation administered through the Texas General Land Office.

Summary:

An RFP Bid #20-12 for Grant Administration Services was advertised in the local paper and an email was sent to 8 Grant Administrators on June 18, 2020. The last day to receive RFP's was July 2, 2020 at 2:00 pm. One RFP was received by GrantWorks Inc.

The City is eligible to apply for a minimum of \$3 million and a maximum of \$10 million under the 2016 Floods Mitigation (for declared counties) and eligible to apply for a minimum of \$3 million and a maximum of \$100 million under the Hurricane Harvey Mitigation (for declared counties). Damage did not need to occur to be eligible since this is to mitigate any future disasters.

Staff recommends designating GrantWorks Inc. as the administration services provider and negotiating an Administration Services Contract later. The General Land Office has placed a cap of 8% for Grant Administration Services based on the amount requested. The General Land Office will provide 99% of the funds for Administration, Engineering, and Construction. The City is only required to meet the 1% match.

Designating the administrative services provider as GrantWorks Inc. would not cost any money until the City receives an award from the GLO and has a contract in place. The Grant Administration Fee is grant eligible and there is no fee to prepare the application.

Background:



**City of Kingsville
Engineering Dept.**

The Texas General Land Office (GLO) is administering over \$4.2 billion in Community Development Block Grant Mitigation funds (CDBG-MIT) for communities declared in the 2015, 2016, and/or Harvey disasters. Each program offered has unique requirements and funding is expected to be highly competitive. This funding does not require a tie-back to the disaster events, only that projects submitted must address mitigation to avoid future damage to facilities and improvements.

The minimum grant in both funding categories is \$3 million, with a 1% match contribution of the amount requested to receive points under this scoring factor. Each project must meet 51% LMI benefit to receive maximum points under this scoring factor. The City of Kingsville's city-wide LMI is 52.19%, which means the City could apply for a project that has a city-wide benefit.

The City Commission adopted a Master Drainage Plan in 2018 for nine locations City-wide. These locations were ranked in priority and will be used in submitting applications.

Financial Impact:

The CO 2013 Drainage Funds have allocated funds of \$839,200.00. (Under Account No. 068-5-3050-31400 there is \$30,000.00 and under Account No. 068-5-3050-53100 there is \$809,200.00.)

Recommendation:

Staff recommends approval of the agenda item as presented.

Attachments:

2018 Master Drainage Plan

Resolution No. _____

CDBG-MIT HUD and State MID Areas



CDBG-MIT HUD and State MID Areas

PLEASE NOTE: Hazard Mitigation: Supplemental, Regional, and Coastal Resiliency Counties are TBD. If you believe you may qualify, please check the box for that program.

County	2015	2016	Harvey	County	2015	2016	Harvey
Anderson	-	State MID	-	Jack	State MID	-	-
Angelina	State MID	State MID	-	Jackson	-	-	State MID
Aransas	-	-	HUD MID	Jasper	State MID	State MID	HUD MID
Archer	State MID	-	-	Jefferson	-	-	HUD MID
Atascosa	State MID	-	-	Jim Wells	State MID	-	State MID
Austin	State MID	State MID	State MID	Johnson	State MID	-	-
Bandera	-	State MID	-	Jones	State MID	State MID	-
Bastrop	State MID	State MID	State MID	Karnes	-	-	State MID
Baylor	State MID	-	-	Kaufman	State MID	-	-
Bee	-	-	State MID	Kendall	State MID	-	-
Blanco	State MID	-	-	Kleberg	-	State MID	State MID
Bosque	State MID	State MID	-	Lamar	State MID	State MID	-
Bowie	State MID	-	-	Lavaca	-	-	State MID
Brazoria	State MID	HUD MID	HUD MID	Lee	State MID	State MID	State MID
Brazos	-	State MID	-	Leon	State MID	State MID	-
Brown	State MID	State MID	-	Liberty	State MID	State MID	HUD MID
Burleson	State MID	State MID	State MID	Limestone	-	State MID	-
Caldwell	State MID	State MID	State MID	Lubbock	State MID	-	-
Calhoun	-	-	State MID	Lynn	State MID	-	-
Callahan	State MID	State MID	-	Madison	State MID	State MID	State MID
Cameron	State MID	-	-	Marion	-	State MID	-
Cass	State MID	State MID	-	Matagorda	-	-	State MID
Chambers	-	-	HUD MID	McLennan	State MID	-	-
Cherokee	State MID	State MID	-	Milam	State MID	State MID	State MID
Clay	State MID	-	-	Montague	State MID	-	-
Coleman	-	State MID	-	Montgomery	State MID	HUD MID	HUD MID
Collingsworth	State MID	-	-	Nacogdoches	State MID	-	-
Colorado	State MID	State MID	State MID	Navarro	State MID	State MID	-
Comal	State MID	-	State MID	Newton	State MID	HUD MID	HUD MID
Comanche	State MID	State MID	-	Nueces	State MID	-	HUD MID
Cooke	State MID	-	-	Orange	State MID	State MID	HUD MID
Coryell	State MID	State MID	-	Palo Pinto	State MID	State MID	-
Dallas	State MID	-	-	Parker	State MID	State MID	-
Delta	State MID	-	-	Polk	State MID	State MID	State MID
Denton	State MID	-	-	Real	State MID	-	-
DeWitt	State MID	-	State MID	Red River	State MID	State MID	-
Dickens	State MID	-	-	Refugio	State MID	-	HUD MID
Duval	State MID	-	-	Robertson	State MID	-	-
Eastland	State MID	State MID	-	Rusk	State MID	-	-

County	2015	2016	Harvey	County	2015	2016	Harvey
Edwards	State MID	-	-	Sabine	State MID	State MID	State MID
Ellis	State MID	-	-	San Augustine	State MID	State MID	State MID
Erath	State MID	State MID	-	San Jacinto	State MID	State MID	HUD MID
Falls	-	State MID	-	San Patricio	-	-	HUD MID
Fannin	State MID	State MID	-	Shelby	State MID	State MID	-
Fayette	State MID	State MID	HUD MID	Smith	State MID	State MID	-
Fisher	-	State MID	-	Somervell	State MID	State MID	-
Fort Bend	State MID	HUD MID	HUD MID	Starr	State MID	-	-
Frio	State MID	-	-	Stephens	-	State MID	-
Gaines	State MID	-	-	Tarrant	State MID	-	-
Galveston	State MID	-	HUD MID	Throckmorton	State MID	State MID	-
Garza	State MID	-	-	Tom Green	State MID	-	-
Gillespie	State MID	-	-	Travis	HUD MID	State MID	-
Goliad	-	-	State MID	Trinity	State MID	State MID	-
Gonzales	State MID	-	State MID	Tyler	State MID	State MID	State MID
Grayson	State MID	-	-	Upshur	-	State MID	-
Gregg	-	State MID	-	Uvalde	State MID	-	-
Grimes	State MID	State MID	State MID	Van Zandt	State MID	State MID	-
Guadalupe	State MID	-	State MID	Victoria	State MID	-	HUD MID
Hall	State MID	State MID	-	Walker	State MID	State MID	State MID
Hardin	State MID	State MID	HUD MID	Waller	State MID	State MID	State MID
Harris	HUD MID	HUD MID	HUD MID	Washington	State MID	State MID	State MID
Harrison	State MID	State MID	-	Wharton	State MID	State MID	HUD MID
Hartley	State MID	-	-	Wichita	State MID	-	-
Hays	HUD MID	-	-	Willacy	State MID	-	-
Henderson	State MID	State MID	-	Williamson	State MID	-	-
Hidalgo	HUD MID	State MID	-	Wilson	State MID	-	-
Hill	State MID	-	-	Wise	State MID	-	-
Hood	State MID	State MID	-	Wood	-	State MID	-
Hopkins	State MID	-	-	Young	State MID	-	-
Houston	State MID	State MID	-	Zavala	State MID	-	-

Harvey HUD Most Impacted and Distressed (MID) Zip Codes

75979 77320 77335 77351 77414 78934 77423 77482 77493 77979

Coastal Resiliency Counties
Based on the 2019 Coastal Resiliency Master Plan

Coastal Resiliency Counties

Aransas	Jackson	Orange
Brazoria	Jefferson	Refugio
Cameron	Kenedy	San Patricio
Chambers	Kleberg	Victoria
Galveston	Matagorda	Willacy
Harris	Nueces	



City of Kingsville City-Wide

Drainage Master Plan

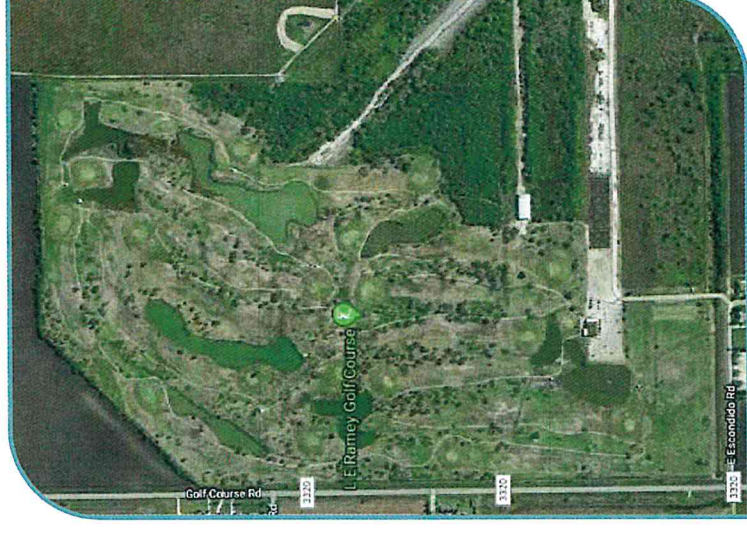
September 24, 2018

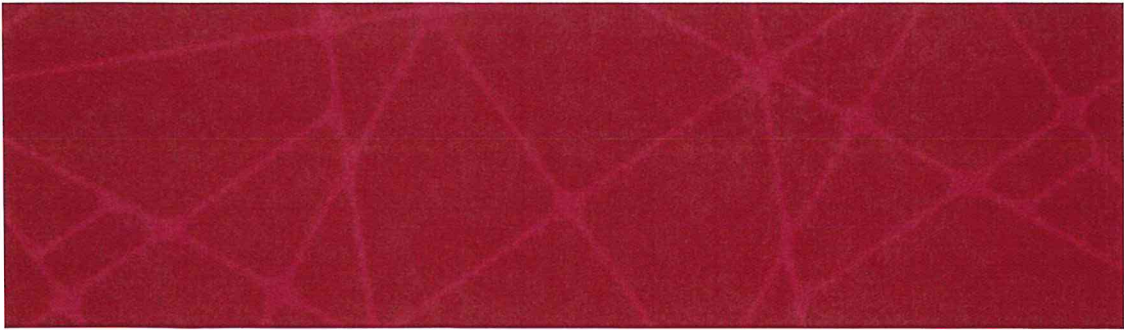


Kimley»»Horn

Kingsville's Drainage Master Plan

- **Phase I – Conceptual Drainage Improvements to the L.E. Ramey Golf Course**
 - Completed August 2017
- **Phase II – Conceptual Drainage Improvements for 9 specific locations City-wide**
 - Commencing January 2018
 - Completion date of August 2018
 - Presentation date – September 2018





Opinions of Probable Construction Cost

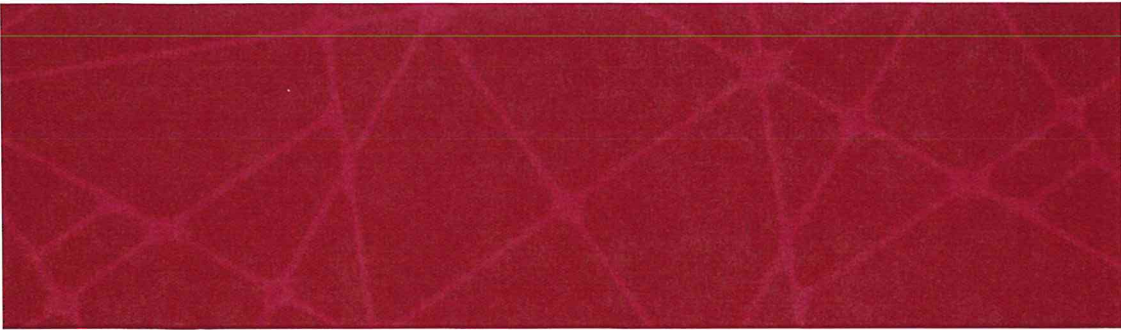
Location 1	\$ 1,388,016
Location 2	\$ 1,352,544
Location 3	\$ 1,509,807
Location 4	\$ 1,890,123
Location 5	\$ 1,950,640
Location 6	\$ 223,060
Location 7	\$ 1,419,236
Location 8	\$ 695,936
Location 9	\$ 5,552,983



Opinions of Probable Construction Cost

Location 2 Downstream Improvements	\$	2,232,067
Location 3 Downstream Improvements Option 1	\$	6,613,029
Location 3 Downstream Improvements Option 2	\$	20,165,400
Location 4 Downstream Improvements Option 1	\$	24,815,034
Location 4 Downstream Improvements Option 2	\$	17,204,284
Location 5 Downstream Improvements	\$	5,753,496
Location 7 Downstream Improvements Option 1	\$	6,992,136
Location 7 Downstream Improvements Option 2	\$	9,805,637
Location 9 Downstream Improvements Option 1	\$	19,684,116
Location 9 Downstream Improvements Option 2	\$	21,871,719





TxDOT Projects

Location	City Project	TxDOT Coordination	TxDOT Project
1	X	X	
2	X		
Downstream 2	X	X	
3	X		
Downstream 3	X	X	
4	X		
Downstream 4		X	X
5	X	X	
Downstream 5	X		
6	X	X	
7	X	X	
Downstream 7		X	X
8	X	X	
9	X	X	
Downstream 9		X	X



Prioritization

- **Prioritization of projects based on multiple factors**
 - Capacity of existing infrastructure – 35%
 - Potential for structural flooding – 40%
 - Impacts on mobility – 25%



Prioritization

Project Location	Category			Total
	1	2	3	
9	7	4	5	5.3
2	7	4	2	4.55
6	7	2	5	4.5
1	7	2	4	4.25
4	7	3	2	4.15
5	7	3	2	4.15
7	7	1	4	3.85
3	7	2	2	3.75
8	6	1	2	3



RESOLUTION #2020-_____

A RESOLUTION OF THE CITY OF KINGSVILLE, TEXAS AUTHORIZING PROFESSIONAL SERVICE PROVIDER SELECTION FOR COMMUNITY DEVELOPMENT BLOCK GRANT-MITIGATION (CDBG-MIT) PROGRAMS THROUGH THE TEXAS GENERAL LAND OFFICE (GLO); REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kingsville intends to apply for a Community Development Block Grant-Mitigation (CDBG-MIT) program administered by the Texas General Land Office seeking funding for drainage improvements;

WHEREAS, participation in CDBG-MIT programs requires implementation by professionals experienced in the administration of federally-funded projects;

WHEREAS, in order to identify qualified and responsive providers for these services a Request for Proposals (RFP) process for administration services has been completed in accordance with the GLO requirements;

WHEREAS, RFP Bid #20-12 for Grant Administration Services was advertised in the local paper and an email was sent to eight Grant Administrators on June 18, 2020; the last day to receive RFP's was July 2, 2020 at 2:00 pm; and, one RFP was received which was from GrantWorks Inc.;

WHEREAS, the proposals received by the due date have been reviewed by the Selection Committee to determine the most qualified and responsive providers for each professional service giving consideration to ability to perform successfully under the terms and conditions of the proposed procurement, integrity, compliance with public policy, record of past performance, and financial and technical resources;

WHEREAS, the City desires to hire a grant administrator to assist with grant compliance for this project with funding for such services coming from the grant;

WHEREAS, after complying with the State's solicitation process and scoring requests for proposals for grant administration services, City Staff recommends the RFP (#20-12) for professional grant administration services related to grant management for the Community Development Block Grant-Mitigation (CDBG-MIT) program administered by the Texas General Land Office project be awarded to the firm/applicant scoring the highest in the RFP process, which was GrantWorks, Inc.;

WHEREAS, the City and GrantWorks, Inc. will work to prepare a contract for Grant Administration Services between the City of Kingsville and GrantWorks,

Inc. for drainage improvements through the 2020 CDBG-MIT program and the parties will then bring the proposed contract to City Commission for approval.

BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT GrantWorks, Inc. is selected to provide application and project-related administration services for CDBG-MIT program(s) for the City of Kingsville, Texas.

II.

THAT any and all project-related services contracts or commitments made with the above-named service provider are dependent on the successful negotiation of a contract with the service provider.

III.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

IV.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the _____ 13th day of July, 2020.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #3

City of Kingsville
Public Works Department

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: William Donnell, Director of Public Works
DATE: June 25, 2020
SUBJECT: West Escondido Water line extension TAMUK

Summary:

This item authorizes acceptance of funds from Texas A&M University Kingsville (TAMUK) to extend a city water line west on West Escondido 1,300 feet.

Background:

TAMUK is requesting water for their South Pasture to fill and maintain 1000 gallon water tanks that provide water sources for deer, to provide water to vegetation plots (which can be up to 4000 feet from the water pipe being installed), and have fast water available to fill a 500 gallon pumper truck during prescribed fires.

Financial Impact:

There is minimal financial impact as TAMUK is willing to pay all extension costs including material, equipment and labor, project is estimated at \$51,509.20.

Recommendation:

Staff is recommending approval for the water extension payed for by TAMUK.





Project Cost Estimate

Project Location
W Escondido

Project Title
W Escondido Line Ext - 8 Inch

Material Estimates Item Description	Quantity		Material Cost	
	Amount	Unit	Unit Cost	Total
8 In C900 Pipe	1300	ft	\$ 7.05	\$ 9,165.00
6 In Gate Valve	2		\$ 498.50	\$ 997.00
Wedge Gland pk	8		\$ 43.50	\$ 348.00
2pc Valve Box	4		\$ 43.50	\$ 174.00
8 x 6 In Swivel Tee	2		\$ 138.17	\$ 276.34
6 In PVC Gasket Pack	2		\$ 43.50	\$ 87.00
Cushion Sand	150	tons	\$ 14.00	\$ 2,100.00
4 Ft Hydrant	2		\$ 2,164.81	\$ 4,329.62
Pipe Lubricant	4	gal	\$ 19.50	\$ 78.00
UG Water Detectible Tape	2	rolls	\$ 21.50	\$ 43.00
Granular Chlorine	3	bkts	\$ 19.50	\$ 58.50
8 In Gate Valve	2		\$ 817.50	\$ 1,635.00
8 In Foster Adpt	1		\$ 167.74	\$ 167.74
Material Total:				\$ 19,459.20

Equipment Estimates Item Description	Quantity		Material Cost	
	Amount	Unit/hr	Unit Cost	Total
Backhoe	1	150	\$ 50.00	\$ 7,500.00
Utility Truck	1	120	\$ 35.00	\$ 4,200.00
Dump Truck	1	40	\$ 40.00	\$ 1,600.00
1/2 Ton Truck	1	120	\$ 25.00	\$ 3,000.00
Skid Steer	1	150	\$ 40.00	\$ 6,000.00
Equipment Total:				\$ 22,300.00

Estimated By Bill Donnell	Project No.	Date Prepared May 12, 2020
------------------------------	-------------	-------------------------------

Labor Estimates Job Description	Quantity		Labor Cost	
	Amount	Unit/Hr	Unit Cost	Total
Operator III	1	150	\$ -	\$ -
Operator II	1	150	\$ 20.00	\$ 3,000.00
Utility Worker	2	150	\$ 17.00	\$ 2,550.00
Labor Total:				\$ 4,200.00

Other Services Description	Quantity		Material Cost	
	Amount	Unit	Unit Cost	Total
		ea		\$ -
		ea		\$ -
Other Services Total:				\$ -

Grand Totals	Quantity		Material Cost	
	Amount	Unit	Unit Cost	Total
Material				\$ 19,459.20
Labor				\$ 9,750.00
Equipment				\$ 22,300.00
Total				\$ 51,509.20
SUB-TOTAL				\$ 51,509.20
Other Services				\$ -
Grand Total:				\$ 51,509.20

AGENDA ITEM #4

**City of Kingsville
Finance Department**

TO: Mayor and City Commissioners
CC: Mark McLaughlin, City Manager
FROM: Deborah Balli, Finance Director
DATE: June 16, 2020
SUBJECT: DEAAG Grant Fund Land Purchase Reimbursement

Summary:

The City of Kingsville received a DEAAG Grant for land purchases around the NAS Kingsville.

Background:

This fiscal year, the city received the final reimbursement in the amount of \$34,078.

Financial Impact:

This budget amendment is for the acceptance of the grant reimbursement for the final land purchase.

Recommendation:

Staff recommends the approval of the budget amendment to cover the land purchase with the grant reimbursement.



ORDINANCE NO. 2020-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2019-2020 BUDGET TO ACCEPT AND EXPEND THE DEAAG GRANT REIMBURSEMENT FOR LAND PURCHASED NEAR NAS KINGSVILLE.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2019-2020 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
FUND 084 – DEAAG Grant Fund					
<u>Revenues – 4</u>					
0000	Non Dept	State Grants	72010	(\$34,078)	
<u>Expenditures - 5</u>					
1030	City Special	Land Purchase	71405	\$34,078	

[To amend the City of Kingsville FY 19-20 Budget to accept and expend the DEAAG Grant reimbursement for land that was purchased by the City near NAS Kingsville pursuant to the DEAAG grant.]

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission

that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

INTRODUCED on this the 13th day of July, 2020.

PASSED AND APPROVED on this the 27th day of July, 2020.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #5



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND SOUTHEAST
JACKSONVILLE, FL 32212-0030

11011
Ser AM1/0063
June 24, 2020

Mr. Mark McLaughlin
City Manager
City of Kingsville
400 W. King Street
Kingsville, TX 78363

Dear Mr. McLaughlin,

The Department of the Navy has been authorized to acquire property rights for a parcel in the Clear Zone of Runways 17/35 at Naval Air Station (NAS) Kingsville, Kingsville, Texas. A search of the public records and a title records search indicates that The City of Kingsville Home Rule Municipal Corporation, a Texas corporation, is the owner of record of a 9.40 +/- acre parcel located south of East Gertrudis Street and adjacent to the northern boundary of the air station and further identified as Parcel Number 2-900-013-02200-192. The Navy wishes to acquire a Restrictive Use Easement (RUE) interest in the property as part of the Navy's efforts to limit encroachment of the installation.

Enclosed is a statement pursuant to Public Law 91-646, which identifies your property and sets forth the method of establishing the amount of just compensation (fair market value) for the restrictive use easement on the property. This statement constitutes the Government's offer to purchase the property described therein for the just compensation of **\$44,100.00**.

The proposed Agreement for Purchase of Real Property is enclosed for your review. If you are satisfied with the proposal, please sign the Agreement and return three copies to us by July 24, 2020. Once the Agreement has been signed on behalf of the Government, a fully executed copy will be returned and you will be advised of a date for closing.

Additionally, enclosed are the U.S. Department of Transportation, Federal Highway Administration's pamphlets "Acquisition – Acquiring Real Property for Federal and Federal-Aid Programs and Projects" and "Relocation – Your Rights as a Displaced Person Under Federal Relocation Assistance Program" that all Federal agencies are required to include in their initial offer letters. I would request that you review these pamphlets.

11011
Ser AM1/0063
July 24, 2020

If you should have any questions or would like to meet to discuss the agreement, please contact Mr. Ferd Salomon at Ferdinand.salomon@navy.mil or via phone at (904) 542-6820.

Sincerely,

A handwritten signature in black ink that reads "Michael A. Brooks". The signature is written in a cursive style with a large, stylized initial "M".

MICHAEL A. BROOKS
Supervisory Realty Specialist
Real Estate Contracting Officer

- Enclosures:
1. Public Law Statement 91-646
 2. Purchase Agreement
 3. Acquisition and Relocation Pamphlets

STATEMENT PURSUANT TO PUBLIC LAW 91-646

OWNER: The City of Kingsville Home Rule Municipal Corporation, a Texas corporation

PARCEL ID NUMBER: 2-900-013-02200-192

Public Law 91-646, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, provides in part that each owner of property to be acquired by the Government be furnished a written statement of, and summary of the basis for, the amount established as just compensation.

Federal courts have long held that market value is normally the measure of just compensation, defined as:

“The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither compelled to buy or sell, giving due consideration to all available economic uses of the property.”

In preparing the appraisal, the appraiser considered the highest and best use for which the property was adapted. His conclusion was that the highest and best use of your property is for agricultural and recreational uses.

The law is well established that if only a part of the property is taken, the just compensation must include not only the value of the part taken, but also any diminution in the value of the remainder caused by its severance from, and the use to be made of, the part taken.

It is well established that the law permits offsetting benefits, in partial takings, that are due to a public project. Benefits to the remaining property because of a public improvement are deductible from the entire compensation for the acquisition to the extent that they actually increase the market value of the remaining property immediately after the acquisition.

Your property has been appraised by an independent contract appraiser who is well qualified to prepare the appraisal. He is knowledgeable of the local real estate market conditions and has made a thorough investigation of sales of comparable properties. The appraisal has been reviewed by qualified staff personnel. Based upon all factors, the amount established as just compensation for the purchase of your property is

\$44,100.00

The following is a summary of the appraised values for your information.

Project: Restrictive Use Easement (RUE) acquisition

Parcel: 2-900-013-02200-192

Value Before (Entire Property) \$63,000.00

Value After (Remainder) \$18,900.00

Value of RUE Acquisition \$44,100.00

Broken Down as Follows:

Value of Part Taken \$44,100.00

Severance Damages \$0.00

Total: \$44,100.00

RESOLUTION #2020-_____

A RESOLUTION AUTHORIZING THE SALE OF A RESTRICTIVE USE EASEMENT ON THE CITY'S APPROXIMATELY 9.40 ACRES OF LAND NEAR NAS-KINGSVILLE.

WHEREAS, the City of Kingsville owns approximately 9.40 acres of land off the south side of East Santa Gertrudis and adjacent to the northern boundary of Naval Air Station Kingsville further identified as parcel Number 2-900-013-02200-192;

WHEREAS, the land was acquired in 2019 as part of the DEAG Grant to prevent encroachment around the air station;

WHEREAS, the land is undeveloped and the City has no future plans for the land;

WHEREAS, the United States government through the Department of the Navy proposes to acquire a restrictive use easement on the property and pay the fair market value for such easement; and

WHEREAS, staff has reviewed the proposal and has no objections to proceeding with the sale of the restrictive use easement on this property for the stated price; and

WHEREAS, the City Manager now needs authority from the City Commission to execute an Agreement for Purchase of Restrictive Uses Easement on Real Property and to take actions necessary to sell the restrictive use easement on the identified property; and

NOW THEREFORE, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the City Commission of the City of Kingsville authorizes and directs the City Manager as an act of the City of Kingsville, Texas to execute an Agreement for Purchase of Restrictive Uses Easement on Real Property and to take actions necessary to complete the sale of a restrictive use easement on the City's approximately 9.40 acres of land off the south side of East Santa Gertrudis and adjacent to the northern boundary of Naval Air Station Kingsville further identified as parcel Number 2-900-013-02200-192 in Kingsville, Texas.

II.

THAT any expense related to the sale and any outstanding liens or encumbrances should be paid for out of the sale proceeds.

III.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

**AGREEMENT FOR PURCHASE OF
RESTRICTIVE USE EASEMENT ON REAL PROPERTY**

by and between **The City of Kingsville Home Rule Municipal Corporation**, a Texas Corporation, hereinafter called the “**Vendor**,” and the **United States of America**, hereinafter called the “**Government**.”

THE VENDOR AGREES TO SELL, AND THE GOVERNMENT AGREES TO PURCHASE, for the consideration of **forty four thousand one hundred Dollars and no cents (\$44,100.00)** the real property interest described below, subject to the terms, conditions, and general provisions set forth on this page and on the following pages and to the additional provisions, if any, incorporated into this Agreement for Purchase of a Restrictive Use Easement on Real Property (this “Agreement”) by exhibit or reference as set forth below.

- 1. DESCRIPTION AND LOCATION OF REAL PROPERTY INTEREST.** Restrictive use easement interest in approximately **9.40** acres of land located in Kleberg County, Texas, as described in **EXHIBIT “A”** attached hereto and made a part hereof, hereinafter called the “Property.”
- 2. PERMITTED ENCUMBRANCES AND THIRD PARTY RIGHTS OTHER THAN SPECIFIED IN PARAGRAPH (A) OF THE GENERAL PROVISIONS.** See attached **EXHIBIT “B”**.
- 3. RIGHTS RESERVED BY THE VENDOR.** Fee Simple.
- 4. NOTICES TO VENDOR.** Any Notice or other Correspondence to the Vendor, including the executed copy of the Agreement for Purchase of Restrictive Use Easement on Real Property, shall be mailed to:

The City of Kingsville Home Rule Municipal Corporation
Attn: Mr. Mark McLaughlin, City Manager
400 W. King Avenue
Kingsville, TX 78363

- 5. NOTICE TO GOVERNMENT.** Any Notice or other Correspondence to the Government shall be delivered by U.S. Postal Service or by an express mailing service as follows:

Commanding Officer
NAVFAC Southeast
Attn: Real Estate Contracting Officer
Box 30, Bldg. 903, AM11
Jacksonville, FL 32212-0030

- 6. TIME IS OF THE ESSENCE.** The Government is desirous of completing this transaction in a timely manner and requires a written response to this Agreement for Purchase of a

Restrictive Use Easement on Real Property on or before July 24, 2020, upon which date the terms and consideration offered in this Agreement shall expire.

7. GENERAL PROVISIONS

A. CONDEMNATION. The Vendor agrees that the Government may, at its election, acquire title to said property or any portion thereof or any interest therein, by condemnation or other judicial proceedings, in which event the Vendor agrees to cooperate with the Government in the prosecution of such proceedings, and also agrees that the consideration hereinbefore stated shall be the full amount of the award of just compensation inclusive of interest for the taking of said property and that any and all awards of just compensation that may be made in the proceeding to any defendant for any other interests in the property, shall be payable and deductible from the said amount, and that said consideration shall also be in full satisfaction of any and all claims of the Vendor for payment for the possession provided for hereinbefore.

B. DESCRIPTION. The above description of the property is subject to such modifications as may be necessary to conform to the survey (if any) made by the agents of the Government.

C. OFFICIALS NOT TO BENEFIT. No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

D. GRATUITIES.

(1) The Government may, by written notice to the Vendor, terminate the right of the Vendor to proceed under this Agreement if it is found, after notice and hearing, by the Secretary of the Navy or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Vendor, to any officer or employee of the Government with a view toward securing an agreement or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such agreement; provided, that the existence of the facts upon which the Secretary of the Navy or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

(2) In the event this Agreement is terminated as provided in paragraph (1) hereof, the Government shall be entitled (a) to pursue the same remedies against the Vendor as it could pursue in the event of a breach of contract by the Vendor, and (b) as a penalty, in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary of the Navy or his duly authorized representative) which shall not be less than three nor more than ten times the costs incurred by the Vendor in providing any such gratuities to any such officer or employee.

(3) The rights and remedies of the Government provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

E. COVENANT AGAINST CONTINGENT FEES. The Vendor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Vendor for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this Agreement without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

F. NUMBER. Wherever the context thereof requires, the singular number as used herein shall be read as plural.

G. REPRESENTATIONS. All terms and conditions with respect to this Agreement for Purchase of a Restrictive Use Easement on Real Property are expressly contained herein and the Vendor agrees that no representative or agent of the Government has made any representation or promise with respect thereto not expressly contained herein.

H. INSPECTION PERIOD AND CLOSING.

(1) Government and its agents shall have the right to enter upon the Property to inspect, examine and investigate the Property prior to closing.

(2) TERMINATION. Government shall have the right at any time to terminate this Agreement upon written notice to Vendor, for any reason or no reason. Upon delivery of written notice of termination to Vendor, this Agreement shall terminate and the parties shall be relieved of all further obligations under this Agreement which do not specifically survive its termination.

(3) CLOSING. Government and Vendor shall make every effort to consummate the purchase of the Property on or before ~~July 24, 2020~~ (the "Closing" or "Closing Date"). The Closing shall take place at the office of the closing agent or at such other place as may be selected by Government and Vendor. *August*

(4) VENDOR WILL PROVIDE COPIES OF CURRENT AGREEMENTS. Vendor agrees to provide to the Government at the time of execution of this Agreement copies of any existing agreements or contracts for use of the Property by a third party(ies). The Government shall not promulgate or record any provided agreements or contracts.

(5) DOCUMENTS TO BE DELIVERED AT CLOSING. On or before Closing, Vendor shall deliver to Government the following documents:

(i) A Restrictive Use Easement in a form substantially similar to **EXHIBIT "C"** attached to this Agreement; and

(ii) A closing statement to be executed by both parties.

(iii) An executed Affidavit of Non-Production, attesting that there has not been oil and gas production on the property while under Vendor's ownership, to the best of his / her knowledge.

(6) CLOSING COSTS. Vendor shall be responsible for payment of Vendor's documentary stamp taxes, if applicable, and Vendor's attorney fees. Government shall be responsible for payment of closing costs, title insurance, and recording costs.

(7) VENDOR'S RESPONSIBILITIES.

(i) At Closing, Vendor agrees to convey to the Government a Restrictive Use Easement on the Property free and clear of any encumbrances or third party rights other than the Permitted Encumbrances and Third Party Rights listed in **Exhibit B** to this Agreement or approved in writing by the Government. If any additional third party rights (not described below or listed in **Exhibit "B"**) that constitute clouds on title are discovered prior to Closing, the Government will inform the Vendor of such third party rights, and the Vendor agrees to work with the Government to resolve such title matters prior to Closing.

(ii) Vendor agrees to cooperate with the Government to obtain or provide such documents, instruments, mortgage subordination, releases, and agreements which are reasonably necessary or appropriate in order to complete the Real Property interest conveyance described in this Agreement.

I. VENDOR'S COVENANTS PENDING CLOSING. Following the execution of this Agreement and at all times prior to the Closing:

(1) Vendor shall not transfer, sell, assign or otherwise dispose of or pledge, mortgage, hypothecate or otherwise encumber or lease or sublease all or any portion of the Property or any interest in the Property.

(2) Vendor shall not take any action which would cause any of the representations and warranties in this Agreement to be inaccurate or untrue in any respect, and Vendor agrees to keep Government informed of the occurrence of any event which comes to its attention which may cause such representations and warranties to be materially inaccurate or untrue.

(3) Vendor will not take any action or omit to take any action which action or omission would cause a material breach by it of any material contract, commitment or obligation with respect to the Property or amend or terminate any such contract, commitment or obligation without the prior written consent of Government.

(4) In the event that there shall be any notices of violations of law, ordinances, orders, protective covenants, development order, development standards, requirements or regulations issued subsequent to the date both parties sign this Agreement, but prior to the Closing by the Vendor or any federal, state, county, municipal or other governmental or quasi-governmental department, agency or authority relating to the Property, Vendor will provide written notice thereof to the Government, and Vendor will cause the same to be complied with, at Vendor's sole cost and expense prior to the Closing, or Vendor shall escrow sufficient funds at Closing or make such other

arrangements as may be possible to reasonably satisfy Government of Vendor's compliance therewith.

J. GOVERNING LAW. The parties hereto expressly agree that the terms and conditions hereof, and the subsequent performance hereunder, shall be construed and controlled in accordance with Federal law applying the laws of the State of Texas.

K. ENTIRE AGREEMENT. This Agreement contains the entire Agreement between the parties hereto and no statement or representation of the respective parties hereto, their agents or employees, made outside this Agreement, and not contained in this Agreement, shall form any part hereof or be binding upon the other party hereto. This Agreement shall not be amended, changed or modified except by written instrument signed by the parties hereto.

L. ASSIGNMENT. This Agreement shall not be assigned by either party.

M. INTERPRETATION. Should any of the provisions of this Agreement require interpretation, the party or parties interpreting or construing the same shall not apply a presumption that the terms herein shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agents prepared the same, it being agreed that the agents of all parties participated in the preparation hereof.

N. WAIVER. The waiver by one party of the performance of any covenant or condition herein shall not invalidate this Agreement, nor shall it be considered to be a waiver by such party of any other covenant or condition herein. The waiver by either or both parties of the time for performing any act shall not constitute a waiver at the time for performing any other act or any identical act required to be performed at a later time. No waiver hereunder shall be effective unless it is in writing.

O. COUNTERPART EXECUTION. This Agreement may be executed in a number of identical counterparts, each of which for all purposes is deemed an original, and all of which constitute collectively one (1) agreement, but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

P. ADDITIONAL PROVISIONS. Additional provisions incorporated by attachment or reference and forming a part of this Agreement.

- (1) EXHIBIT "A" – Legal Description of Property
- (2) EXHIBIT "B" – Permitted Encumbrances and Third Party Rights
- (3) EXHIBIT "C" – Restrictive Easement

8. EXECUTED BY VENDOR.

The City of Kingsville Municipal Home Rule Corporation, a Texas corporation
Acting by and through its City Manager

By: Mr. Mark McLaughlin
City Manager

By: _____
Printed Name and Title Entered Here Signature Date

IF VENDOR IS A CORPORATION, CERTIFICATION BY SECRETARY OR ASSISTANT SECRETARY: I certify that the person who signed this agreement on behalf of the Vendor was then the Officer indicated and this agreement was duly signed for and in behalf of said Corporation by authority of its governing body and is within the scope of its corporate powers.

Name
and
Title _____ *Signature* _____ *Date* _____

9. EXECUTED BY THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE DEPARTMENT OF THE NAVY.

Michael A. Brooks
Real Estate Contracting Officer

Date

10. NAVY IDENTIFICATION AND ACCOUNTING DATA.

A. Name and address of Naval Facility

Commanding Officer
Naval Air Station Kingsville
554 McCain Street, Suite 310
Kingsville, TX 78363-5054

B. Government Representative

Commanding Officer, NAVFAC
Attn: Real Estate Contracting Officer
Box 30, Bldg. 903, Rm. 160
Jacksonville, FL 32212-0030

C. Payment to be made by:
DFAS Cleveland

D. Contract No. N69450-20-RP-00057

E. Accounting Data (Administrative data to be entered by the Government)

AA 1701804 52FA 320 00520 056521 2D FPPGFG 24120RC036TT

Funding document: N6024120RC036TT

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY
PARCEL NO. 2-900-01302200192

9.40 Acres out of Farm Lot Two (2), Section Thirteen (13), of the Kleberg Town and Improvement Company Subdivision, as recorded in Cabinet 1, Envelope 18 of the Plat Records of Kleberg County, Texas, and being described by metes and bounds as follows:

BEGINNING at a 5/8" rebar with cap found in the West line of said Farm Lot Two (2) at a point of intersection with the South line of F. M. Road 2045;

THENCE N 87Deg-22Min-14Sec E with said South Right-of-Way a distance of 51.77 feet to a 5/8" rebar found at a point of curvature to the right;

THENCE continuing with the South Right-of-Way of F. M. 2045 with said curve to the right with a radius of 1392.50 feet, a chord bearing of S 79Deg-48Min-11Sec E, a chord length of 534.84 feet for an arc length of 538.19 feet to a 5/8" rebar with cap found for corner;

THENCE S 1Deg-56Min-49Sec E with the more Northerly West line of an unrecorded Survey of that certain Tract of land conveyed to Kingsville Area Industrial Development Foundation by a Tax Resale Deed dated August 20, 2009, and recorded in Volume 419, Page 371 of the Official Records of Kleberg County, Texas, said unrecorded Survey called to contain 29.808 Acres, for a distance of 631.92 feet to a 5/8" rebar with cap found for corner;

THENCE S 88Deg-55Min-17Sec W with the more Westerly North line of said 29.808 Acres a distance of 586.69 feet to a 5/8" rebar with cap inscribed, "1963" found in the West line of said Farm Lot Two (2);

THENCE N 1Deg-00Min-46Sec W with said West line a distance of 735.02 feet to the POINT OF BEGINNING and containing 9.40 Acres.

All Bearings are Grid Bearings based on the Texas Plane Coordinate System for the South Zone, 1983 North American Datum.

Date: March 24, 2019

SF047-19



William Douglas Dove
Registered Professional Land Surveyor
Texas Registration No. 4143
Firm No. 10078300



EXHIBIT B

PERMITTED ENCUMBRANCES AND THIRD PARTY RIGHTS

1. Pipeline Right of Way dated March 26, 1965 with South Texas Crude Gathering Co. recorded in Vol. 196, Page 491, Deed Records, Kleberg County, Texas.
2. Overhead electric line shown in 60' Opened road adjacent to Lot 2
3. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.
4. NOTICE is hereby given to the Buyer(s) or Lessee(s) that this property may be located in the vicinity of Naval Air Station (NAS) Kingsville and may be impacted by noise, odors, flight safety hazards, frequency interference and other potential compatibility issues relating to installation operations.
5. Rights of Parties in Possession.
6. Exception will be made to the terms of the Restrictive Use Easement from each record owner to the Naval Facilities Engineering Command and will be recorded in the County records.
7. Exception to the fee simple interests of each of the fee simple owners and rights of underlying fee simple owner to use the property in any way not inconsistent with the terms of the Restrictive Use Easement.
8. Lack of legal access by unopened County Road. Access is by deeded undivided interests in easements.

Exhibit C

Space Above This Line for Recording Data

Prepared By:

Matthew B. Kurek, Esq.
Department of the Navy, Real Estate Counsel
Naval Facilities Engineering Command Southeast
P.O. Box 30, Building 903
Jacksonville, FL 32212-0030
(904) 542-6648

Return To:

Naval Facilities Engineering Command Southeast
Director, Real Estate (AM1)
P.O. Box 30, Building 903
Jacksonville, FL 32212-0030
(904) 542-6726

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

STATE OF TEXAS
COUNTY OF KLEBERG

RESTRICTIVE EASEMENT

THIS GRANT OF EASEMENT is made this ____ day of _____, 2020, by the **City of Kingsville Home Rule Municipal Corporation**, a Texas corporation, having an address of 400 W. King Avenue, Kingsville, TX 78363, hereinafter referred to as the "**Grantor**," to the **United States of America and its Assigns**, acting by and through the Department of the Navy, Naval Facilities Engineering Command Southeast, having an address of P.O. Box 30, Building 903, Jacksonville, FL 32212-0030, hereinafter referred to as the "**Grantee**" or "**Government**."

WITNESSETH:

WHEREAS, Grantor is the sole owner of the fee simple interest in certain real property located in Kleberg County, Texas, comprising approximately 9.40 acres, more particularly described in **Exhibit "A"** and depicted in **Exhibit "B"** attached hereto and incorporated by this reference (the "**Property**");

WHEREAS, the Property is in the immediate vicinity of Naval Air Station Kingsville, Texas (the "Installation") which is owned, operated and used by the Grantee for military purposes;

WHEREAS, the protection of the Property helps to ensure the continued safe operation of NAS Kingsville, a mission crucial to the safety and freedom of the American people;

WHEREAS, pursuant to its authority under 10 U.S.C. §2663(c), Grantee has requested a restrictive easement from the Grantor to limit development or use of the Property which would otherwise be incompatible with the mission of the Installation; and

NOW THEREFORE, in consideration of **Forty four thousand one hundred Dollars and no cents (\$44,100.00)**, the receipt and sufficiency of which is hereby acknowledged by Grantor, and the mutual covenants, terms, conditions and restrictions contained herein, Grantor hereby grants, sells and conveys to the Grantee a restrictive easement (the "**Easement**") in perpetuity over the Property described in **Exhibit "A"** of the nature and character and to the extent set forth herein. The acquiring Federal agency is the Department of the Navy. Grantor's commission meeting minutes from their meeting on _____, agenda item number _____ memorialize that the motion to accept and approve the final offer from the Navy for the purchase of this Easement was approved unanimously.

1. Purpose. It is the purpose of this Easement to prevent any improvement, development, or use of the Property that would otherwise be incompatible with the military mission of the Installation.

2. Definitions. The Grantor and the Grantee agree that the following terms used throughout this Easement shall be defined as and have the following meanings:

a. "Grantor" shall be defined as the original Grantor of this Easement, or upon any change in fee simple ownership of the Property, then subsequently as his, her, its, or their personal representatives, heirs, successors, assigns, and subsequent owners.

b. "Grantee" shall be defined as the United States of America, or upon assignment/transfer of this Easement, then subsequently as its successor(s) and assign(s).

c. "Aircraft" shall be defined as any and all types of aircraft, to include, but not limited to, jet aircraft, propeller driven aircraft, civil aircraft, military aircraft, commercial aircraft, helicopters and all types of aircraft or vehicles now in existence or hereafter developed, regardless of existing noise levels, for the purpose of military training, and/or transporting persons or property through the air by whomsoever owned or operated.

3. Restricted Uses and Development Rights. Any activity or use of the Property inconsistent with the Purpose of this Easement as set forth herein is prohibited. Without limiting the generality of the foregoing, and except as specifically permitted by the Government, the following activities and uses are expressly prohibited or restricted:

a. Activities. All activities, development, or use of the Property that would encumber, impede, limit or otherwise be incompatible with military air operations and the mission of the Installation.

b. Human Habitation. The Property may not be used for human habitation, including but not limited to temporary accommodations such as cabins, trailers, RVs, and tents.

c. Recreational Use. The Property may not be used for recreational use, including but not limited to hunting, fishing, hiking, bird watching, and horseback riding.

d. Construction. The erection, construction or installation, whether public or private, of any structure, building, antenna, tower, wire or other man-made obstruction, whatever its nature is prohibited.

e. Livestock. The Property may not be used for the raising or grazing of livestock. The Property may not be used for poultry or livestock production.

f. Birds or Waterfowl. Any use of the Property which would unnecessarily attract birds or waterfowl, such as, but not limited to, operation of sanitary landfills, water impoundment areas, maintenance of feeding stations, or the growing of certain types of vegetation or activities attractive to flocks of birds or waterfowl is prohibited.

4. **Rights of Grantor**. The following uses of the Property by the Grantor are allowable:

a. Agricultural Use of the Property, which is defined as improved or unimproved land that is devoted to or available for the production of crops and other products of the soil, e.g., fruits and timber, including the planting, cultivation, cutting and harvesting of trees and other agricultural products, provided such trees and other agricultural products are less than thirty (30) feet above ground level.

b. Wildlife management, including controlling predatory and problem animals on the Property, may be permitted under conditions authorized in writing by the Government.

c. Naturally occurring water features (e.g., rivers, lakes, streams, wetlands) are compatible.

d. Undeveloped or raw land, which is defined as land on which no improvements have been made; land in its natural state before grading, construction, subdivision, or the installation of utilities.

e. Such other uses as may be approved and authorized in writing by the Government provided such uses are not inconsistent with the Purpose of this Easement.

5. **Rights of Government**. To accomplish the Purpose of this Easement, the following rights obtained by the Government include:

- a. The right to require the removal of any non-complying development or uses of the Property.
- b. The right to make low and frequent flights over said land and to generate noises associated with: (a) aircraft in flight, whether or not while directly over said land; (b) aircraft and aircraft engines operating on the ground at the Installation; and (c) aircraft engine test/stand/cell operations at the Installation.
- c. The right to regulate or prohibit the release into the air of any substance which would impair the visibility or otherwise interfere with the operations of aircraft, such as, but not limited to, steam, dust and smoke.
- d. The right to regulate or prohibit light emissions, either direct or indirect (reflective), which might interfere with pilot vision.
- e. The right to prohibit electromagnetic and radio frequency emissions that would interfere with aircraft, aircraft communications systems, or aircraft navigational equipment.
- f. The right to top trees, shrubs, or brush which are more than thirty (30) feet above ground level.
- g. The right to disapprove and/or prohibit land uses not in accordance with the stated Purpose of this Easement as set forth herein.
- h. The right to erect and maintain signs or other appropriate markers in prominent locations on the Property, visible from a public road, bearing information indicating the Property is protected, the nature of the protection, and that public access is prohibited.
- i. The right to enter upon the Property in a reasonable manner and at reasonable times in order to monitor the Grantor's compliance with the terms of this Easement or at any time upon an event of non-compliance with the terms of this Easement to enforce the terms of this Easement.

6. Enforcement and Remedies. In the event of breach by Grantor of any terms, conditions, or obligations created by this Easement, the Grantor shall be afforded ten (10) days from the receipt of Government's notice of non-compliance to cure the subject breach, except where irreparable harm may result from any delay in curing a breach. An example of such irreparable harm resulting from a delay in curing is the presence of persons such as hunters, hikers, etc. on the Property due to the imminent danger of personal injury posed during training operations. In this case, the Government may immediately contact local law enforcement authorities without prior notification to Grantor and request such local authorities to remove those persons from the Property. The Government may grant a reasonable extension of time to complete the cure if it is determined by the Government to be necessary. In the event that the non-compliance is not cured within the ten (10) day time frame, or extension of time if granted by the Government, the Government may:

a. take necessary actions to correct the non-compliance and upon request by the Government, in which event the Grantor shall reimburse the Government for its reasonable costs incurred to correct the non-compliance, including but not limited to attorney's fees; and/or

b. institute mediation or other alternative dispute resolution strategy that is agreed to by the parties; or

c. Institute suit to enjoin any breach or enforce any term by injunction.

The Government's remedies shall be cumulative and shall be in addition to any other rights and remedies available to the Government at law or equity. Enforcement of the terms of this Easement shall be at the discretion of the Government. No failure on the part of the Government to enforce any term hereof shall discharge or invalidate such term or any other term hereof or affect the right of the Government to enforce the same in the event of a subsequent breach or default.

7. Costs and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership and maintenance of the Property. Government will not assume any liability or responsibility for any existing contamination on the underlying property.

8. Noise and Other Effects of Air Operations. Grantor does hereby fully waive, remise, and release any right or cause of action which Grantor may have due to such noise, vibrations, fumes, dust, and other deposits of particulate matter which may be caused by the Grantee's use of the Easement as described herein. Grantor represents and warrants that any lease of the Property will contain such waiver of claim by the lessee. Grantor specifically does not waive but retains all rights to causes of action, claims and rights to damages for any aircraft mishap affecting the Property or persons thereon.

9. Subsequent Transfers. Grantor agrees to reference and incorporate the terms of this Easement in any deed or other legal instrument by which Grantor divests itself of any interest in the Property, including a leasehold interest. Grantor further agrees to give written notice to the Government of the transfer at least thirty (30) days prior to the date of transfer.

10. Perpetual Easement. The Grantor and the Grantee hereby intend that this Easement, together with all rights, restrictions and remedies described herein, shall be binding upon Grantor, his, her, or its personal representatives, heirs, successors, assigns, and subsequent owners, and shall run with the land in perpetuity.

11. Notices. Except as otherwise specified, any notice, approval or communication that either party is required to give in writing may be served personally or mailed to:

To Grantor: The City of Kingsville Home Rule Municipal Corporation
Attn: Mr. Mark McLaughlin, City Manager
400 W. King Avenue
Kingsville, TX 78363

To Grantee: Department of the Navy
Naval Facilities Engineering Command Southeast
Attn: Real Estate Contracting Officer
P.O. Box 30, Building 903, AM11
Jacksonville, FL 32212-0030

Local Department of the Navy Representative:
Naval Air Station Kingsville
Attn: Public Works Officer
201 Nimitz Avenue, Bldg. 4711F
Kingsville, TX 78363

or to such other address as either party may designate by written notice to the other.

12. Grantor Warranty. Grantor HEREBY WARRANTS and represents that the Grantor is seized of fee ownership in the Property and has good right and title to grant and convey this Easement; that the Property is free and clear of any and all encumbrances, except existing easements of record and prescriptive easements, if any; and that the Grantee shall have the use of and enjoy all of the benefits derived from and arising out of this Easement.

[Signatures on next page]

IN WITNESS WHEREOF, Grantor has caused this instrument to be effective the day and year first written above.

GRANTOR:

The City of Kingsville Home Rule Municipal Corporation, a Texas corporation
Acting by and through its City Manager

By: Mr. Mark McLaughlin, City Manager

State of Texas County of Kleberg

This instrument was acknowledged before me on _____ by Mr. Mark McLaughlin, City Manager, The City of Kingsville Home Rule Municipal Corporation, a Texas corporation, on behalf of said corporation.

(Personalized Seal)

Notary Public's Signature

Signed and delivered in the presence of _____ and _____

WITNESSES:

Print Name

Print Name

Signature

Signature

Exhibit A
LEGAL DESCRIPTION OF THE PROPERTY
ENCUMBERED BY THE RESTRICTIVE EASEMENT

Metes and Bounds Description - PARCEL NO. 2-900-01207205192

9.40 Acres out of Farm Lot Two (2), Section Thirteen (13), of the Kleberg Town and Improvement Company Subdivision, as recorded in Cabinet I, Envelope 18 of the Plat Records of Kleberg County, Texas, and being described by metes and bounds as follows:

BEGINNING at a 5/8" rebar with cap found in the West line of said Farm Lot Two (2) at a point of intersection with the South line of F. M. Road 2045;

THENCE N 87Deg-22Min-14Sec E with said South Right-of-Way a distance of 51.77 feet to a 5/8" rebar found at a point of curvature to the right;

THENCE continuing with the South Right-of-Way of F. M. 2045 with said curve to the right with a radius of 1392.50 feet, a chord bearing of S 79Deg-48Min-11 Sec E, a chord length of 534.84 feet for an arc length of 538.19 feet to a 5/8" rebar with cap found for corner;

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All Bearings are Grid Bearings based on the Texas Plane Coordinate System for the South Zone, 1983 North American Datum.

Date: March 24, 2019

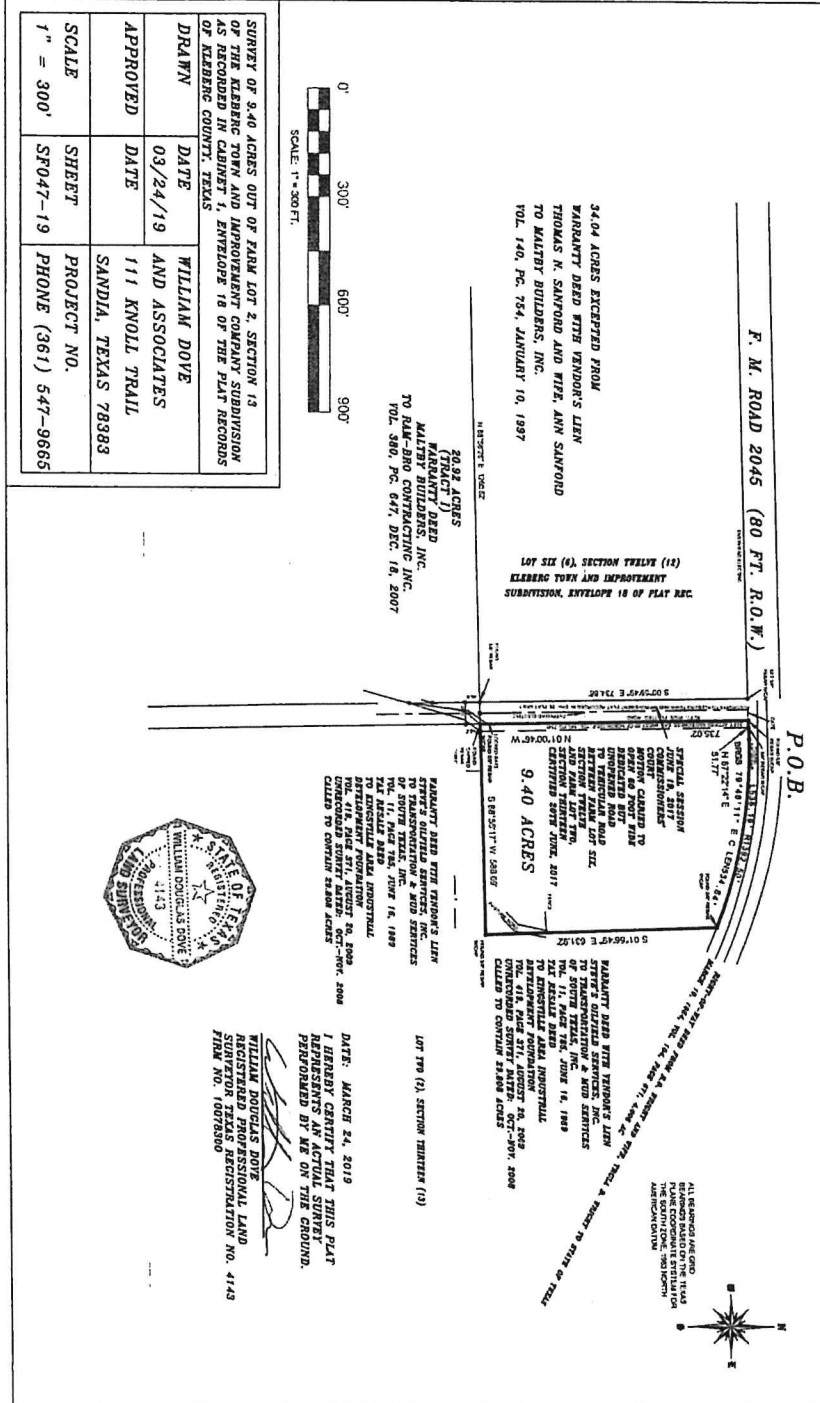
SF047-19



William Douglas Dove
Registered Professional Land Surveyor
Texas Registration No. 4143
Firm No. 10078300



Exhibit B BOUNDARY SURVEY



AGENDA ITEM #6

City of Kingsville
Planning and Development Services Department

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Uche Echeozo, Director

DATE: July 7, 2020

SUBJECT: Amending the City of Kingsville Code of Ordinances Chapter VII, Article 6, Traffic Control Devices; Providing for a University Residential Parking District.

Summary: To amend the ordinance at Schedule II of Article 6 to provide for residential parking permits in the restricted parking area on streets within the University Residential Parking District. The ordinance is intended to provide for resident permit stickers for the residents, and parking placards to be hooked onto rearview mirror units for the visitors. This ordinance is designed to give residents a better chance of finding an on-street parking space in their neighborhood. Currently, there is a “No Parking” sign on almost all the affected streets (except Richard Street) and that prevents residents or their visitors from on-street parking during certain hours on certain days.

Background: An initial reading on the subject was carried out in January 2020 proposing to add parking permits in the restricted parking area on residential streets around the University. It was felt there was a need to provide protected on-street parking for residents in that area. The Commission wanted additional information on the modalities, so the vote on the matter was postponed until a plan could be put together.

The Plan: The Plan would be known as the City of Kingsville University Residential Parking Permit Program. The modalities towards implementing the program would be:

1. Create an overlay on the zoning map thereby establishing the University Residential Parking District.
2. Create and approve an application form for the parking permits .



City of Kingsville
Planning and Development Services Department

3. Draft a sample letter to residents within the University Residential Parking District notifying them about the permit process.
4. Create awareness by notifying the public via publication on City website, Facebook and the Local Newspaper. Send out letters to affected residents also.
5. Allow for about 45 days for notifications and schedule effective kick-off date for Monday, August 31, 2020.
6. After 12 months, look towards making the visitor hangtags (placards) a paid item with a suggested price tag of \$10.00.

Financial Impact: Anticipated that 1,000 resident permit stickers estimated at \$2,500 together with 1,000 visitor hangtags estimated at \$500 making a total of \$3,000.

Note: There are about 60 properties within the District.

Recommendation: To adopt the ordinance as amended thereby providing a permit process for residents within the restricting parking area known as the University Residential Parking District.



ORDINANCE NO.2020-_____

AMENDING THE CITY OF KINGSVILLE CODE OF ORDINANCES CHAPTER VII, ARTICLE 6, TRAFFIC CONTROL DEVICES; PROVIDING FOR A UNIVERSITY RESIDENTIAL PARKING DISTRICT; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING FOR AN EFFECTIVE DATE AND PUBLICATION.

WHEREAS, this Ordinance is necessary to protect the public safety, health, and welfare of the City of Kingsville.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

I.

THAT Schedule II of Article 6: Parking Schedules of Chapter VII, Traffic Code, of the Code of Ordinances of the City of Kingsville, Texas, shall be amended to read as follows:

...

Sec. 7-6-2. Schedule II, Parking Restricted on Certain Streets.

SCHEDULE II. PARKING RESTRICTED ON CERTAIN STREETS.

It shall hereafter be unlawful for any person to park or leave standing any vehicle on the following streets:

...

Sec. 7-6-3 University Residential Parking District.

(A) Definitions. The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

- a. Director of Planning & Development Services means the Director of Planning & Development Services for the City of Kingsville, Texas, or his/her designee.
- b. University Residential Parking District means the area comprised of the following public streets and all residential lots abutting or immediately adjacent to said streets: Richard Ave. from Armstrong to Wells; Ella Ave. from Armstrong to Wells; Nettie Ave. from Armstrong to Wells; Avenue C from Armstrong to Wells; Avenue D from Armstrong to Wells; Mesquite from Armstrong to Wells; Avenue A from Armstrong to 300 feet east of Armstrong; and Avenue B from Armstrong to 300 feet east of Armstrong.
- c. Motor vehicle means every vehicle which is self-propelled.

(B) Offenses.

- a. No person shall park any motor vehicle on any public street in the University Residential Parking District during the hours restricted for

that street, without displaying a valid residential parking district permit or a valid temporary visitor's permit.

- b. An individual commits an offense if he displays a permit issued pursuant to this section on a motor vehicle other than the motor vehicle for which the permit was issued.
- c. A person commits an offense if he falsely represents himself as being eligible for a residential parking district permit or a temporary visitor's permit, submits false documents, or otherwise makes a false statement of material fact on an application for a permit.

(C) Penalties.

- a. Any vehicle parked in a residential parking district, during times when parking is restricted and without displaying a valid permit issued under this section, may be issued a citation or be subject to immediate towing and impoundment.
- b. A person who commits any other violation against the provisions of this section is subject to the penalties provided for in Section 1-1-99.

(D) Exceptions.

- a. Motor vehicles that are parked in a driveway, parking lot, or other authorized and appropriate area designed for parking motor vehicles;
- b. Motor vehicles that are stopped temporarily while the operator or a passenger is making deliveries to a location within the residential parking district;
- c. Motor vehicles that are used in transporting individuals, equipment, and goods necessary for making improvements and repairs, providing labor, and performing other services at a location within the residential parking district;
- d. Motor vehicles that are stopped temporarily for loading or unloading passengers or goods; or
- e. Motor vehicles that are stopped temporarily for necessary emergency repairs.

(E) Residential Parking District Permits.

- a. All residents of a designated residential parking district who register with the director of the department of Planning & Development Services, or his/her designee, shall be issued, free of charge, three permits for the residence (for a vehicle owned and kept by the resident at the premises located within the residential parking district). The residential parking permits must be placed in the front windshield of the motor vehicle.
- b. Each permit issued to a resident will be assigned to a specific vehicle, and will only be valid for the particular vehicle to which it is assigned. No permit may be transferred to any other individual or used for a different vehicle other than the one to which the permit is assigned.

- c. All residents applying for a permit or permits must use the application developed by the Director of Planning & Development Services.
- d. The director, shall upon receiving a completed application, issue a residential parking district permit to any individual that is eligible for the permit. An individual is eligible to obtain a permit if the individual:
 - i. Owns a motor vehicle
 - ii. Resides within the residential parking district; and
 - iii. Has no outstanding parking citations issued by the City.
- e. The individual's application for a permit must contain the following information:
 - i. The name, address, and Texas Driver's License Number of the owner of the motor vehicle to be parked in the residential parking district;
 - ii. The make, model, registration, and license plate number of the motor vehicle to be parked in the residential parking district; and
 - iii. Any other information the Director of Development Services determines to be necessary to the enforcement and administration of the terms of this section.
- f. The applicant for a permit must submit the following information at the time application is made for a residential parking district permit:
 - i. A valid Texas Motor Vehicle Registration for the motor vehicle which is the subject of the permit application; and
 - ii. A valid Texas Driver's License of the applicant showing the applicant's current home address, or a residential utility bill acceptable to the Director of Planning & Development Services showing the applicant's home address.

(F) Temporary Visitor Parking District Permits.

- a. Temporary visitor permits shall be issued, free of charge, for persons visiting in the area, at the written request of any person living within the University Residential Parking District.
- b. No more than three-four temporary visitor permits shall be issued per residence.

(G) Miscellaneous.

- a. When a motor vehicle is parked in a residential parking district during times when parking is restricted, the permit must be conspicuously displayed in the front windshield of the motor vehicle.
- b. A permit issued pursuant to this section, and properly displayed, authorizes the permittee's vehicle to be parked in a residential parking district when otherwise prohibited by this section. A permit does not authorize the permittee's motor vehicle to be parked in a manner or location that is prohibited or otherwise governed by

regulations, ordinances, statutes, or laws other than provided for in this section.

- c. A permit is not transferable from one motor vehicle to another.
- d. A lost or stolen permit may be replaced. The permittee must submit a signed affidavit stating that the permit was lost or stolen and not transferred to another vehicle, nor given or conveyed to another individual.

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall be codified and become effective on and after adoption and publication as required by law.

INTRODUCED on this the 13th day of January, 2020.

PASSED AND APPROVED on this the 13th day of July, 2020.

Effective Date: _____

Sam Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney