

JUNE 19, 2000

A SPECIAL MEETING OF THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS WAS HELD MONDAY, JUNE 19, 2000 AT 6:00 P.M. IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS, 200 EAST KLEBERG AVENUE.

CITY COMMISSION MEMBERS PRESENT:

Stanley Laskowski, City Commissioner
 Rene "Mr. V" Villarreal, City Commissioner
 Filemon "Phil" Esquivel, Jr., Mayor
 Arturo Pecos, City Commissioner
 Al Garcia, City Commissioner

CITY STAFF PRESENT:

Hector M. Hinojosa, City Manager
 Diana F. Valadez, City Secretary
 Ruben Perez, City Attorney
 Dora Byington, Director of Purchasing
 Stanley Fees, Director of Planning
 Estella Garcia, Director of Collections
 Victor Salas, Director of Finance
 Ricardo Guzman, Director of Public Works
 Maria Robles, Accountant
 Artemio Alvarez, Risk Manager

I. PRELIMINARY PROCEEDINGS.

OPEN MEETING:

Mrs. Dora Byington, Director of Purchasing, led the Commission and members of the audience in an invocation. Immediately thereafter, Mr. Dick Messbarger, Executive Director of the Economic Development Council led the Pledge of Allegiance.

MINUTES OF PREVIOUS MEETING(S) - REQUIRED BY LAW.

There were no minutes available for approval.

Mayor Filemon "Phil" Esquivel, Jr., stated that last week he had an opportunity to travel to Washington, D.C. and to Seattle, Washington. He stated that he made some accomplishments during these two meetings, and thanked the members of the City Commission that authorized him to travel out-of-state. Mayor Esquivel stated that Congressman Ruben Hinojosa is sponsoring a day in Capitol Hill on June 27th and 28th. He stated that it is very important that someone from the City Commission attend this meeting. He urged the Commission to approve the agenda item relating to the out-of-state travel.

II. PUBLIC HEARING - (REQUIRED BY LAW).

1. None.

III. PETITIONS, GRIEVANCES, AND PRESENTATIONS.

1. UPDATE FROM STAFF ON FOLLOWING QUESTIONS AT THE REQUEST OF THE MAYOR AND COMMISSIONERS.

A. PRESENTATION BY CITY ATTORNEY REGARDING CURRENT STATUS OF CALLING SOLUTIONS PROJECT WITH RESPECT TO TEXAS CAPITAL FUND, KINGSVILLE ENTERPRISE ZONE, PURCHASE OF BUILDING, LEASE TO CALLING SOLUTIONS, APPLICATION FOR TAX ABATEMENT. (CITY ATTORNEY).

B. REPORT BY THE KINGSVILLE INDUSTRIAL FOUNDATION ON CURRENT STATUS OF PROPERTY, COMPLETION OF CONSTRUCTION, PRESENT LEASE ARRANGEMENT WITH CALLING SOLUTIONS. (DICK MESSBARGER).

C. PRESENTATION BY KIM LACEY, MUNICIPAL DEVELOPMENT SERVICES REGARDING CONTRACT AMENDMENT REQUEST FOR THE TEXAS CAPITAL FUND, REPAYMENT AGREEMENT, LEASE AGREEMENT BETWEEN THE CITY OF KINGSVILLE AND CALLING SOLUTIONS. (CITY ATTORNEY).

Mr. Ruben Perez, City Attorney, briefed the Commission on the current status of the application to the Texas Department of Economic Development regarding Calling Solutions. He stated that on October 25, 1999, application for funding was made to the Texas Department of Economic Development. He stated that on the 15th of November, the Commission entered into a sale and purchase agreement with the Kingsville Industrial Development Foundation for the property previously known as King Bowl located in Southgate Mall. Mr. Perez stated that the City also entered into an agreement with Municipal Development Services for professional services to provide management and administrative assistance in the administration of a Texas Capital Fund Grant from the Texas Department of Economic Development.

Mr. Perez stated that the items on the agenda today would authorize the request for funding of \$710,000 for the purchase the building, authorize \$21,825 for administrative services, authorize an amendment in the grant application from \$700,000 to \$710,000 for the building, and waiving certain guarantees.

There was some discussion regarding the tax abatement agreement and the repayment to the City as well as the interest being paid by Calling Solutions.

Mr. Dick Messbarger, Executive Director of the Economic Development Council briefed the Commission regarding the operations of Calling Solutions. He stated that the entire project with Calling Solutions has been a community effort.

Mr. Perez stated that the loan for \$750,000 was approved contingent upon the City buying the building. The City did increase the contribution to the EDC by \$100,000 to acquire the building.

IV. PUBLIC COMMENT ON AGENDA ITEMS.

No comments made at this time.

V. ITEMS FOR CONSIDERATION BY COMMISSIONERS.

1. CONSIDER AWARDING CONTRACT FOR RENOVATIONS AND REPAIRS TO THE COLLECTIONS AND MUNICIPAL COURT OFFICES LOCATED AT CITY HALL. (BID #20-52). (DIRECTOR OF PURCHASING).

Mr. Hector M. Hinojosa, City Manager stated this item authorizes the execution of a contract for renovations to the Collections and Municipal Court offices.

Mrs. Dora Byington, Director of Purchasing, stated this action will expend \$63,555 and funds are included in this year's annual budget. She recommended the bid be awarded to Maltby Builders from Kingsville.

There was a discussion regarding the type of bullet proof glass and the security features that will be part of the renovations. There was also a discussion regarding the air conditioning system in the City Hall building.

A motion was then made by Commissioner Rene "Mr. V" Villarreal and seconded by Commissioner Arturo Pecos to award the contract for renovations and repairs to the Collections and Municipal Court Offices as recommended by staff. The motion passed by a unanimous vote.

It was the consensus of the Commission to discuss and approve agenda item number 2, 3, 4, and 5 at the same time.

2. CONSIDER RESOLUTION APPROVING A COMMUNITY AND BUSINESS AGREEMENT FOR TEXAS CAPITAL FUND REAL ESTATE DEVELOPMENT PROJECT (CONTRACT #719242) BY AND BETWEEN THE CITY OF KINGSVILLE AND CALLING SOLUTIONS, INC; AND AUTHORIZING THE MAYOR TO EXECUTE SUCH AGREEMENT. (CITY ATTORNEY).

3. CONSIDER RESOLUTION APPROVING A CONTRACT REPAYMENT AGREEMENT (CONTRACT NUMBER 719242) BY AND BETWEEN THE CITY OF KINGSVILLE AND THE TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT; AND AUTHORIZING THE MAYOR TO EXECUTE SUCH AGREEMENT. (CITY ATTORNEY).

4. CONSIDER RESOLUTION AUTHORIZING THE SUBMISSION OF CONTRACT AMENDMENT #1 REQUEST FOR THE TEXAS CAPITAL FUND REAL ESTATE DEVELOPMENT PROJECT BENEFITING CALLING SOLUTIONS, INC. BETWEEN THE CITY OF KINGSVILLE AND THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS. CONTRACT NUMBER 719242. (CITY ATTORNEY).

5. CONSIDER RESOLUTION AUTHORIZING THE SUBMISSION OF A REQUEST FOR ADVANCE OR REIMBURSEMENT - REQUEST #1 BENEFITING CALLING SOLUTIONS, INC. BETWEEN THE CITY OF KINGSVILLE AND THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS. CONTRACT NUMBER 719242. (CITY ATTORNEY).

Mr. Perez recommended approval of all four resolutions. He stated that the proposed resolutions authorizes the contract repayment, approves a community and business agreement, amends the contract amount from \$700,000 to \$710,000, and authorizes the payment for management services.

A motion was then made by Commissioner Al Garcia and seconded by Commissioner Stanley Laskowski to approve Resolution #200023, #200024, #200025, and #200026 as recommended by staff. The motion passed by a unanimous vote.

6. CONSIDER RESOLUTION AUTHORIZING THE SUBMISSION OF A CONTRACT AMENDMENT REQUEST WAIVING PERSONAL AND CORPORATE GUARANTIES FOR THE TEXAS CAPITAL FUND REAL ESTATE DEVELOPMENT PROJECT BENEFITING CALLING SOLUTIONS, INC. BETWEEN THE CITY OF KINGSVILLE AND THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS.

Mr. Perez recommended approval of the proposed resolution.

Upon a motion by Commissioner Villarreal and second by Commissioner Garcia, the Commission unanimously approved Resolution #200027, authorizing the submission of a contract amendment request waiving personal and corporate guarantees for the Texas Capital Fund Real Estate Development Project benefiting Calling Solutions, Inc.

7. CONSIDER OUT-OF-STATE TRAVEL FOR MAYOR ESQUIVEL AND MEMBERS OF THE CITY COMMISSION TO ATTEND A REGIONAL LEADERS ISSUES CONFERENCE, "A DAY ON CAPITOL HILL" IN WASHINGTON, DC. (MAYOR ESQUIVEL).

Mayor Esquivel stated that he requested this item be placed on the agenda. He stated that if the Commission does not allow him to attend, he believes it is very important that member of the Commission to attend. He urged the Commission to approve this request.

Upon a question raised by Mayor Esquivel, Mr. Hinojosa responded that there is approximately \$1,500 remaining in the City Commission travel budget.

Commissioner Garcia stated that the Commission needs to be responsible in spending the funds that are allocated in the budget and also keep their expenses down to a minimal.

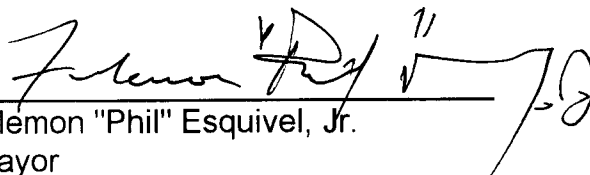
A motion was then made by Commissioner Pecos and seconded by Mayor Esquivel to approve the out-of-state travel for the Mayor and members of the City Commission. The motion failed due to a 2/3 vote. Mayor Esquivel and Commissioner Pecos voted for the motion, and Commissioner's Laskowski, Villarreal, and Garcia voted against the motion.

8. CITY MANAGER'S REPORT. (CITY MANAGER).

There was a discussion regarding the status of the landfill expansion project and the financing for the project.

VI. ADJOURNMENT.

The meeting then adjourned at 7:28 p.m.


 Filemon "Phil" Esquivel, Jr.
 Mayor

ATTEST:


 Diana F. Valadez, City Secretary