

October 13, 2003

A REGULAR CITY COMMISSION MEETING OF THE CITY OF KINGSVILLE, TEXAS WAS HELD ON MONDAY, OCTOBER 13, 2003 AT 5:30 P.M. IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL, 200 EAST KLEBERG AVENUE.

CITY COMMISSION MEMBERS PRESENT:

Filemon "Phil" Esquivel, Mayor
 Horacio "Hoss" Castillo, Commissioner/Mayor Pro-Tem
 Arturo Pecos, Commissioner
 Charlie Wilson, Commissioner
 Al Garcia, Commissioner

CITY STAFF PRESENT:

John Garcia, Interim City Manager
 Irene Ramirez, City Secretary
 Courtney Alvarez, City Attorney
 Sammy Maldonado, Utilities Superintendent
 Dora Byington, Director of Purchasing
 Diana Gonzales, Director of Human Resources
 Jennifer Detloff, Director of Development Services
 Joe Casillas, Water Production Supervisor
 Daniel "Danny" Almeida, Wastewater Supervisor
 Stanley Fees, City Engineer

I. Preliminary Proceedings.

OPEN MEETING

Mayor Pro-Tem Castillo opened the meeting at 5:37 p.m.

CONVENE INTO PETITIONS, GRIEVANCES, AND PRESENTATIONS-ITEM IV-#6/WORKSHOP SESSION-IDENTIFYING ITEMS FOR 12.5M OF CAPITAL EXPENDITURES AND WATER AND WASTEWATER IMPROVEMENTS.

Mr. Sammy Maldonado, Utilities Superintendent, addressed Mayor Pro-Tem, and Commissioners that this item has been discussed for about a year, and that the items being looked for are a Water tower at 2.2M, Wastewater Plants at 6.6M, Retention Tank at 500,000 , Meter Change Out Program, Water Well, Sewer Line, and other upgrades. Mr. Maldonado stated that the figures are pretty much set, and that he sees no reduction in figures. Mr. Maldonado stated that he has Mr. Robert Vierra from Smith, Russo and Mercer, Mr. Joe Casillas, Water Production Supervisor, and Mr. Danny Almeida, Wastewater Supervisor to answer any questions that they may have in regards to items for consideration.

Mayor Pro-Tem Castillo asked Mr. Maldonado to address the Water Tower for 2.2M. Mr. Maldonado stated that the South Side tank is estimated at \$475,000, and is broken up going from the inside to the outside, and that Mr. Casillas had the tank re-inspected the previous week and a report is still in the process of being put together, inspection done to make sure that the cost will still be covered at what is currently being proposed.

Commissioner Garcia asked if there was a scuba diver for this inspection. Mr. Casillas (background of audio) stated that there was one. Mr. Maldonado stated that the last time an inspection was done the tank was drained completely, and this is when they were able to get all the pictures, and all the information to be able to do the report.

Mr. Robert Vierra (Smith, Russo, and Mercer) (background of audio) stated that the proposed estimates are from 2 or 3 years ago tanks in Corpus Christi were rehabbed, and the average bid numbers are what he used to come up with the proposed estimates, and in conclusion that these numbers are well in range.

Commissioner Garcia asked if the tanks in Corpus Christi are identical to the ones here in Kingsville. Mr. Vierra stated that they are similar, and that there is a 500 thousand

gallon tank in Corpus Christi and 3 other M gallon tanks. State that what raises the price here is that they are low proximity tanks to residences and businesses, and the tank has to be covered, sandblasted, and painted inside which increases the cost of the work.

Commissioner Pecos asked if these figures are basically just estimates. Mr. Vierra stated that they are, and when put out into bids, that these numbers should be lower, and that the estimates are what they are so that way they would not have to come before the Commission again.

Mayor Pro-Tem Castillo asked if there are any letters citing the City for anything by TCEQ on any one of the tanks. Mr. Maldonado stated that there were no discrepancies, with their last inspection.

Commissioner Garcia asked if the City is considering any phone antennas for any of the towers, and how is that going to interfere with the work when it is ready to be done. Mr. Maldonado stated that Sprint was looking into installing one, and he has to date not heard anything in regard to the South Tower, and that this was previously mentioned to Ms Courtney Alvarez, City Attorney as a concern and to Mr. Vierra that if an antenna is installed, and then taken off, that the contracts with Sprint should state that upon the taking off of the antenna that the Tower is to be put back into the condition that it was in before he antennas were installed, or if they are going to do anything that the work be performed at the same time so that if any welding is done the contractor can paint over it. Mr. Vierra stated that it is better to have them do the work at the same time, because he would hate to have the tank rehabbed, and then for welding to occur afterwards would mess up the paint outside and inside the tank.

Commissioner Wilson asked if Sprint is aware of any problems that may arise. Ms Alvarez, stated that she spoke with a Sprint representative about ten days prior to this meeting by telephone, and the representative advised that they had an optimum site (Plan A) that was being evaluated to that time, and that our South Water Tower would be the second choice site (Plan B), and once assessment is completed they would notify the City if they were still interested in pursuing anything with us on the South Tower. Stated that she has not heard anything back from the Representative prior to this meeting, and that she believes that when they talked the representative was suppose to have the evaluation from their Plan A site back Wednesday or Thursday prior to this meeting. Stated that she will call Wednesday or Thursday, and follow up with the Representative, but she did let him know that work was going to be doing work on the tower, and that the engineer was concerned with how that would work together with the plan that the City currently has.

Mr. Maldonado stated that he also has a concern in reference to anybody going to set up the antenna on the Tower is that they are going to have access to that Tower and that the only way to get up to the tower is by going into the tower, and up the ladder, and that they are looking into having Assessment Program, which has to be in place by the first part of 2004, and giving anybody having access to Kingsville's water system poses as a concern. Mr. Vierra added that the City of Corpus Christi is no longer allowing anyone to put antennas on their towers anymore, due to issues of terrorism. Mr. Maldonado stated that he would prefer someone advertising on the towers.

Mayor Pro-Tem Castillo asked Mr. Maldonado if there can be controlled access to tower. Mr. Maldonado stated that he has spoken to Ms Alvarez, if it was possible to conduct background checks, ID's, etc. to any individuals requiring access to towers. Mr. Maldonado stated that he has thought about putting an isolation fence for the tower, and that this needs to be really looked into.

Mayor Pro-Tem Castillo asked Mr. Maldonado about the Wastewater treatment plants. Mr. Maldonado responded that he is looking at \$6.6 million. He added that since the time the report was put together, his staff has done some work including mechanical bar screens and after fine-tuning, they can comfortably drop the amount to \$5.5 million including engineering and inspection fees.

Commissioner Pecos inquired about the \$3.2 million on the north wastewater plant and Mr. Maldonado said that after the cuts, this amount would be \$2.9 million.

Commissioner Pecos asked how much a wastewater plant like the north one would cost. Mr. Vierra said that at four to five dollars per gallon, it would cost \$8-10 million. Since the structure was already there, this would only involve gutting out the old one and rehabbing. Mr. Maldonado added that the old one had been built at one dollar per gallon in 1977.

Mayor Esquivel asked what the going interest rate on the Certificates of Obligation is and stated that the bottom line is what the interest rate is that the City will get and what the life of the equipment is. He also stated that he wants to get rid of short-term things and that capital improvement dollars can be used for short-term items. Mr. Vierra said that the life of the wastewater treatment plant is twenty years and the water tanks is fifteen years and he also recommended that money be set aside for maintenance for keeping up with equipment, which could extend the life of the plant to twenty-five to thirty years with just a little money spent on maintenance each year.

Mayor Esquivel asked how this can be tied in with the EDA grants on the infrastructure on the highway. He said that if it could be proved that it is going to create more demand for the capacity of the wastewater units, that grant dollars can be used rather than paying interest on borrowed funds. Mr. Vierra pointed out that part of the EDA money is for retention of jobs and the City can easily sell job retention within the City of Kingsville.

Mayor Esquivel asked staff to research what economic development projects are happening on the north side and south side. He suggested they speak with Fil Garcia about possible project that are coming up that may create more demand on the wastewater treatment system and stated that it is very important the City partner with the private sector.

Commissioner Pecos inquired about the demand on the wastewater plant being 50%. Mr. Maldonado said that the most you can go without any improvements is 75%. Mr. Almeida said that demand at north plant is 30% and south plant is at 50%. Mayor Esquivel asked if the C.O. would get it to 100% and Mr. Vierra responded that the purpose was not to increase capacity but to replace existing equipment to ensure that the equipment can properly treat the waste water. Mayor Esquivel again urged Mr. Maldonado, Mr. Garcia and Ms Detloff to get to work on doing their homework. Mr. Vierra stated that even with EDA grant dollars, it is only going to cover a portion of the wastewater treatment plant improvements and recommended that if they want to go after C.O. money, to go ahead and then possibly tie in the EDA grant, then use the C.O. money for something else or pay back the note. Mayor Esquivel said he would prefer reducing the amount of money borrowed by the amount of the EDA grant.

Mayor Esquivel then asked Mr. Maldonado about looping water systems. Mr. Maldonado stated that it is true that some water systems around town need to be looped. He said that he would definitely like to complete from West Escondido back to Pan American and back into town with a 12" main and that it should be easy to plug in numbers for the cost of doing this. Mayor Esquivel said that the City may as well loop the water systems. Mr. Maldonado agreed that having a complete looped system is an advantage but did not involve missing ground water and STWA water. Mayor Esquivel asked that if mixing is not an advantage, what is. Mr. Maldonado responded that the advantage is pressure control and better distribution. He gave the example of West Escondido. He said there is one line going directly to that point. A break in the system would leave the whole system without water. On the other hand, if the system is looped and there is a problem at one point, you can isolate that one area and continue service. Mayor Esquivel requested a cost analysis for looping the neighborhood for presentation on annexation.

Mayor Esquivel then stated that since it was 6:00pm, they would take a break and continue after the Pledge.

INVOCATION/PLEDGE OF ALLEGIANCE (Mayor Esquivel)

Mrs. Dora Byington led the invocation. Mayor Esquivel asked Sandra to lead the Pledge of Allegiance and Commissioner Castillo led the Texas Pledge.

Water and wastewater workshop continued.

Mr. Maldonado stated that \$500,000 was needed for a sewage retention tank at the 1mgd plant. They are looking into building a bigger lift station at 1717 to alleviate the problem there, but they need to put sewage into a detention tank then pump it back into the treatment plant.

On the meter change out program, Mr. Maldonado stated that \$1.2 million was needed for a touch read system including meters and change out. Mayor Esquivel asked for input from Mr. Vierra and he responded that on the project at the City of Sinton, they currently have a 15-18% water loss and the loss is expected to drop by 5%.

Ms Courtney Alvarez asked what amount of money needed to be set aside yearly and Mr. Vierra stated he would put together some numbers.

Commissioner Garcia asked if one company is doing replacements or is one company selling the meters. Mr. Vierra stated that when it goes out for bids, three or four will bid on change out portion and one or two will bid on the entire thing. Commissioner Garcia also asked if there would be a timeline replacing the meters, and Mr. Vierra said the City can set the timeline. Mr. John Garcia asked what would happen to the old meters. Mr. Vierra said that the City can keep them, they can sell them or they can let the contractor keep them and reduce the cost by the amount he expects to receive for them.

Commissioner Garcia asked how long it would take to replace all the new equipment for the wastewater project. Mr. Vierra said that for design, bidding and construction, it would take one to one and a half years and this could be specified in the bid process.

Mayor Esquivel asked that staff look into project and place priority on those with the highest rates of return. Mr. Vierra stated that another option was replacing motors, blowers and clarifier at May Street lift station and the Central lift station which would cost \$4.5 million and would save \$40,000 – 50,000 per year on electrical costs.

Mayor Esquivel asked Mr. Maldonado if the City would be doing the work and he responded that the work would be sub-contracted.

Mayor Esquivel then inquired about the Caterpillar backhoes and if they were mandatory. Mr. Maldonado said that they are looking for two replacement backhoes for the Water Department to and explained that currently there are three backhoes in the Water Department but during that construction can easily tie up two. There is also one in the Wastewater Department. Commissioner Pecos asked how old the backhoes that need to be replaced were and Mr. Maldonado said he was unsure of the year model, but they were purchased in the '80's.

Mayor Esquivel asked Mr. Maldonado if the painting on the water towers was included. He said that it was and that they were looking at going with they High School and seeing what they want on the high school side of it, and then approaching A&M University to see what they would want and what cost the City would incur and if they want to pay up front. For the tower in the middle of town he thought about doing the same as what is up there or having someone come and advertise and charge them for it. Mayor Esquivel said no because he whatever goes on the tower needs to be nice because that is in the heart of Kingsville. He suggested maybe giving the people of Kingsville an opportunity to come up with a slogan. He also asked if while they are up there, is there anything that can be set up to add antennas up there because Mrs. Alvarez is in the process of creating an ordinance that will allow wireless and microwave signals to go up on our towers. He feels that if we can invest money to add eight or ten antennas up there at \$2,000 each, some good revenue can be created. Mr. Maldonado voiced his concern about giving someone access to the tower. Mr. Vierra stated that control measures can be taken to work around that. Mayor Esquivel then said that the security issue should be turned over to John Garcia and the Interim Chief of Police.

Commissioner Castillo asked if the amount was now 11.5 instead of 12.5 million. Mr. Vierra said it was now down to 11.4 million and said that he would come back and prioritize the items and see what cost savings or revenues can be generated by the other items as soon as possible as well as getting together with EDA to see if some of the C.O. funds can be used for the match for the EDA. Mayor Esquivel pointed out that

there was a new apartment complex had been built on the north side of town along with Bill's Dollar Store and that there is a possibility of a hotel coming up on the north side of town as well so that EDA partnering is important. He then asked how the borrowed money will be paid back. He then asked for a presentation next meeting on how it will be paid for.

Mr. Garcia asked what was included in the regularly scheduled maintenance. Mr. Vierra explained that they were not really maintenance and that in 1999 there was a company that had come in and drained the tanks and addressed sanitary and safety issues and also items that they considered maintenance. These costs address all the items so that it can all be done together rather than having to go back every couple of years and addressing small items.

Mayor Esquivel then moved forward to reading of proclamations.

IV. Petitions, Grievances, and Presentations.²

1. Proclamation designating October 19, 2003 as National Catholic Daughters Day.

Mayor Esquivel asked members of the Catholic Daughters to come to the front and then he read the proclamation.

2. Proclamation designating October 23 – 31, 2003 as Red Ribbon Week.

Mayor Esquivel asked for representatives to come forward. He asked Sonny to make a brief presentation. Sonny advised that Ms. Sandra Camarena, sister of the late Enrique Camarena, would be the guest speaker this year. Mayor Esquivel then read the proclamation. Sonny then invited everyone to the Red Ribbon Kick Off block party at 5:00pm at the Sheriff's Office.

3. Proclamation designating October 2003 as Fire Prevention Month.

Mayor Esquivel asked for members of the Kingsville Fire Department to come forward and then read the proclamation. He also read a news release and presented the Kingsville Fire Department with the 2002 Life Safety Achievement Award by the Residential Fire Safety Institute.

4. Proclamation designating October 2003 as National Domestic Violence Awareness Month.

Mayor Esquivel asked Ms Michelle Perez to come forward and brief the community on the awareness. He then read the proclamation.

5. Kid's Café.

Mayor Esquivel recognized member of the community who made a difference. Commissioner Pecos said that the Douglas Youth Center has been direct by Mr. Henry Jones and his board members. They started participating with Kid's Café and were able to help 50 – 60 kids in the summer and used grant to get computers fir after school program and the City donated three computers rather than sending them to auction. He added that the City had been cooperative with cleaning the area. Henry Jones then said they are interested in working with 7 – 15 year olds in teaching them lessons in English, Math, and History which seem to be some of the problem. They are trying to get kids to enjoy school. A&M – Kingsville and KISD are working with them, and they are trying to get to be able to handle fifty kids with tutoring and provide a full meal in the afternoon.

Mayor Esquivel commended fellow commissioners because with the budge this year, they approved several expenditures for improving quality of life for our children. He then presented a check of \$5,000 on behalf of the City of Kingsville and the citizens of Kingsville.

MINUTES OF PREVIOUS MEETING – Required by Law

Ms Courtney Alvarez recommended the following changes:

Page 1 – Change time to 12:00pm instead of 6:00pm and on City Staff present change “Cpl. Gonzalez” and add “Juan” and instead of “PD” change to “KPD” or “Kingsville Police Department.”

Page 2 – Instead of “Cpl. R. Gonzalez” should be “J. Gonzalez”

Item #2 – City Attorney’s Report – Last sentence “she was not aware of any hindering cases in municipal court” should read, “she was not aware of her schedule impeding or hindering the filing of any cases in municipal court.”

Page 3 V Item 1 – “Ms. Alvarez stated this item is introduction” revise to “this item is for introduction only.”

Sentence#2 “She stated when Lowe’s decided to come to Kingsville over a year ago, hey agreed to be designated as an enterprise project.” Change to, “and the City agreed to do that.”

Sentence #3 “Public hearing scheduled for Monday, October 13 as advertised in the Record” insert “Kingsville” in front of Record.

Mayor Esquivel pointed out to Ms Alvarez that she is staff appointed by the City Commission and instructed her to review minutes prior to presenting them to the Commission. He asked that she, Mr. Garcia and Ms Ramirez review them to make sure they that the minutes are to the satisfaction of all three.

Motion was made by Commissioner Castillo and seconded by Commissioner Pecos to approve the minutes as amended. Motion carried, 5/0.

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

1. **Public Hearing to receive comments and input regarding designating an area of the city as a state designated enterprise zone and reinvestment zone, discuss tax incentives to be offered within the proposed zone, and discuss nomination of Lowe’s Companies, Inc. as an Enterprise Project. (City Attorney).**

Ms Kim Lacy addressed the Commission and stated that a few years ago, the City of Kingsville had designated an area of the city as an enterprise zone. During the last legislative session, changes were incorporated and one is that there will no longer be an enterprise zone designation process. So when the City of Kingsville’s enterprise zone expires, the City will not have to re-designate an enterprise zone unless further legislative session wants to go back to the old way. From now on, each year the State will automatically designate any block group within a census track that has 1 ½ time the state unemployment rate as an enterprise zone. Another change is that any business that locates within the State of Texas can be located in an enterprise zone. If located in one of those designated block groups, businesses will only have to have 25% low to moderate or economically disadvantaged individuals. If outside the block group, they need to hire 35%. This allows more businesses to be designated as enterprise projects; however, since only 85 projects are allowed at state level, they can use it up the 85 in a year.

Ms Lacy explained that Lowe’s had asked to be designated as an enterprise project and in order for this to occur, there needs to be a public hearing and discuss that there will be certain packs or incentives given to businesses. The ordinance for tonight says that the following incentives may be offered in the Kingsville enterprise zone, but that is on a case by case basis. Commissioner Pecos asked who designates the enterprise zone and Ms. Lacy responded that the Governor’s office does. Mayor Esquivel asked about the 25% disadvantaged individuals. Ms. Lacy explained that that it was an easy program for cities, because once resolution is passed, the City does not have to be involved again, and Lowe’s will have to do all paperwork and prove they have 25%.

No further comments. Mayor Esquivel said the hearing had started at 7:00pm.

The Public Hearing was closed at 7:13 P.M.

2. **Public Hearing to rezone 13 acres of land from AG, Agriculture to MH Mobile Home District on Section 20, Lot 1, K.T. & I. Also known as CR 1030 South. (Director of Development Services).**

Ms Jennifer Detloff stated that this is a request by the Tiffees to make a mobile home subdivision. It was brought before City Commission for special use permit and also for ½ acre of light industrial rezoning in same area. She pointed out that mobile home subdivisions fall under all the regulations that an ordinary subdivision does.

She also stated that at the last meeting, Commissioner Garcia requested research by staff on how much it would cost to run existing sewer line south to this area. She reminded the Commission that they do not want urban area to start allowing subdivisions with septic tanks, but this area is so far away from sewer so it is not feasible for property owners to run the line down there. Stanley Fees estimated a cost of \$80,500 to run sewer from the north where the existing line ends.

Mayor Esquivel mentioned that Jay Vee had no sewer and therefore it will be hard to develop area east of the tracks with no sewer infrastructure. He asked what the property owner's share would be to run sewer to the mobile home park and what it would cost for anyone to tie in to the sewer line before they tie in. Ms. Detloff said they can work up an agreement as to how much their share and the City's share would be. She also said there is no ordinance saying they have to hook on and if the City does get that type of ordinance, the property owners who have septic cannot be forced to tie on until their system starts to fail. At that point they cannot get a new; they would have to tie on at that time. This could be done by a revision to the subdivision regulations.

Mayor Esquivel stated that if there is no infrastructure there, the area won't develop so if there is an opportunity to lay it, and they are willing to pay some of the cost rather than putting septic system in a 13 acre mobile home park.

Ms. Detloff said they are only going for ten acres. The Tiffees want to divide into smaller lots but the offer was not available when they came up with this. Staff has discussed that one way to actually provide sewer for this project and others is to use money from capital improvement fund which will be subsidized by 8-liner money and use money for this and other areas where not having sewer is prohibiting development.

Mayor Esquivel asked for numbers to see what can be done and if it can be tied in with a grant. Ms. Detloff said it could be. Ms. Lacy added that housing infrastructure grant fund is available through the Office of Rural and Community Affairs for housing and that she would get Ms. Detloff information on it. Grants are for up to \$500,000.

Mayor Esquivel asked Mr. Fees whether it was gravity feed or lift station. Mr. Fees responded it is gravity feed. Mayor Esquivel voiced his concern about what type of mobile home park this would be because of the condition of other mobile home parks in need of cleaning. Ms. Detloff reminded him that it would fall under every requirement that every other subdivision meets. It will need to have sidewalks, people will own the lots and mobile homes, and it will be like an ordinary subdivision except that instead of houses, it will have mobile homes.

Commissioner Wilson commented that they would have to comply with any other brand new subdivision and asked what timeline the property owners were considering. He noted that if they are ready to do it now, time does not allow to do it for the first ten units but possibly for the rest of the subdivision which they can take advantage of as they continue to develop. Ms. Detloff responded that she would meet with them before the next meeting to ask if the City applies for funding would they be willing to hold off on this project and if not it can be brought back for the next meeting. Mayor Esquivel said the bottom line is to see what the Tiffees want to do, and that he would also like to see how many property owners could benefit from wastewater infrastructure via grant paid and forecast by doing this line what type of economic development it would create. Ms. Detloff said she could handle that.

- 3. Public Hearing to rezone .1607 acres of land from R-1, Single Family District, to C-2, Retail Commercial District on Lot 17 & 18, Block 10, Original Townsite also known as 430 East Alice. (Director of Development Services).**

Ms Detloff stated that this is a request to rezone two lots that are currently undeveloped. Staff sent out 21 letters to surrounding property owners and received no comments, no responses and no one attended P&Z meeting. Development of this will not have any significant impact on any existing city facilities and it is assumed that proposed commercial property will generate new sales tax. Applicant proposes making a drive-thru tamale shop.

Commissioner Garcia asked for physical location. Ms. Detloff said it is at corner of Alice and 9th Street. Mayor Esquivel said it was commercial at one time. Ms. Detloff said is currently zoned residential. Mayor Esquivel stated he wants to make sure wastewater lines don't get clogged. Ms. Detloff said she would coordinate with Health Department inspector and Plumbing Inspector to make sure that doesn't happen.

4. Public Hearing to rezone 1.082 acre tract of land from AG, Agriculture, to C-2, Retail Commercial District on Lot 3, Block 22, K.T. & I. located at General Cavazos and South U.S. Hwy 77 Bypass. (Director of Development Services).

Ms. Detloff said that this is a request by Chili's Restaurant to rezone proposed commercial property located just south by existing Whataburger. Access will be off frontage road, surrounding property is currently undeveloped and maintained as agriculture. Property does not have water and sewer services and applicant is aware of their responsibility to provide these services. The City has no financial obligation concerning this property and development of this facility will increase sales tax, new jobs and property taxes. P&Z recommended approval.

A Civil Engineer representing Chili's then state that the structure would be approximately 4,000 square feet and parking area would have 85 spaces. The main access would be off US 77 and there would be a drive connecting from rear to General Cavazos and can be extended for future development on either side that will belong to the existing property owner. He added that there is water service along US 77 and along General Cavazos and they are extending sewer through easement which will also be a utility easement along the rear. In response to Mayor Esquivel's question, Ms. Lacy said that water and sewer can only be extended to Chili's regarding the grant. The Chili's representative added that they would leave a stub out for future extension. After discussion on getting grant to pay for a new lift station, it was decided that it was not feasible due to application deadlines.

5. Public Hearing for a special use permit to place a mobile home on 303 West General Cavazos Blvd. (Director of Development Services).

Ms. Detloff advised that this was brought to staff's attention by enforcement of inspectors. The mobile home was placed there without going through the proper channels. When the property owner was red-tagged, he came in and was told that the zoning was illegal and that they needed a special use permit under the hardship clause and he stated that neither he nor his family could afford the \$250 application fee. After speaking to the City Manger they reached an agreement giving the applicant time to come up with the funds, and Mr. Gonzalez was told the matter would be before the P&Z on September 16. P&Z did not recommend approval of special use permit and voted 7 to 1 to deny. Mayor Esquivel said he could not understand that and asked applicant Luis Gonzalez to explain what had happened. Mr. Gonzalez stated he had inquired about a permit when he was already in the process of getting the mobile home and when the trailer was delivered early, he allowed them to place it on the property. He then went and asked about the permit. He explained that the trailer was for his mother who had been in the hospital and had since been released and is living with someone else until they get her a place to stay since she needs hourly care. Mayor Esquivel asked why he missed the meeting and he responded that he thought it was scheduled for the 17th instead of the 16th. Mayor Esquivel asked if he had told Ms. Detloff that he had no control over the early delivery of the trailer. Commissioner Castillo said that they had issued special use permits in the past for that area. Ms. Jennifer said that the process had not been held up in any regard. The issue had to go before the City Commission and this is when it was scheduled to go before the Commission. The problem was not an issue with regards to zoning. She added that it just was not done with format and staff does not have authority to go against process.

Commissioner Garcia asked if utilities were hooked up or if anyone was living there on September 30. He read from a letter to the Mayor from Mr. Gonzalez. He responded, "No." Commissioner Garcia stated that the company who delivered the trailer must have known he needed a permit and then asked about the living situation for his mother before this and Mr. Gonzalez responded that she had been living in Driscoll, but has since had a stroke and is unable to care for herself.

Mayor Esquivel asked Ms. Detloff what information had been presented to P&Z and she stated that a staff report had been submitted. She said that applicant should have started the process in a timely fashion and P&Z did not believe his story. She stated that her staff report was based on the impression that the planning administrator had gotten and defended the planning administrator.

Commissioner Garcia asked about the special use permit limitations. Ms. Detloff responded that it was indefinite and he just needs to renew once a year. Commissioner Wilson clarified the limitations noting that once the trailer is no longer used for the hardship case, it must be removed. Commissioner Wilson stated that since it is not an action item, his suggestion is to consult with P&Z for their read. Mayor Esquivel said he would like the matter expedited and asked Ms. Detloff to get it on the agenda. Commissioner Garcia asked that limitations of special use permit be clarified.

III. Public Comment on Agenda Items.³

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

None

IV. Petitions, Grievances, and Presentations.²

6. Presentation by Mrs. Carola Serrato on the current contract vs. proposed contract with South Texas Water Authority. (Commissioner Pecos).

Ms. Carola Serrato covered highlights of the long-term water supply contract. She stated that the four main components focused on in the contract were monthly minimum and capacity demand, debt service minimum, cost of delivered water and guaranteed purchase volume. She also felt it was important to review the depreciation reserve fund, fixed vs. variable costs and the term of the contract. Oscar Castillo also addressed the Commission and stated that the main goal is to have water flow through the pipeline. He said that this new contract would reduce City portion by \$200,00 and once debt service is removed, it allows a decrease in tax rate which is currently 11.5 and will go to 5.5 next year and can go down to 5 cents for following year.

Commissioner Wilson asked if other municipalities are going to be bound by this same contract. Mr. Oscar Castillo responded that they chose to start negotiations with City of Kingsville because it is going to establish pattern of the contracts for the others and added that provisions will be the same.

Commissioner Garcia asked about the 25% recommendation that was mentioned and Mr. Oscar Castillo said that budgetary amount brought up by staff seemed to tie what they are going to work out with STWA and the Certificates of Obligation together. He said they need to look carefully at CO's amount because CO's are not going to be priority over STWA contract. They need to reach an agreement that they will be able to work with in the future and voiced his concern about setting priority with CO and then having to cut everything else out. Mayor Esquivel stated that that is why it is important to have a workshop.

8. Presentation by the Utilities Superintendent identifying items for \$12.5M of capital expenditures and water and wastewater improvements to be funded by new issues of certificates of obligations. (Utilities Superintendent).

This item was discussed in workshop prior to meeting.

6. Interim City Manager's Report. (Interim City Manager).

Mr. Garcia said the City has been asked to assist La Posada in their preparation for this coming year and they will try, weather permitting. He also made a reminder about the BRAC meeting in Austin on October 23rd. Mr. Garcia said that he had been contacted by TXDOT regarding improvements to two railroad crossings at Kleberg and Richard. They will meet on October 22nd. He then mentioned that there would be an electrical appeal committee meeting.

7. City Attorney's Report. (City Attorney).

Ms Alvarez stated that she had been surprised to learn of special meeting scheduled for Thursday. She said she had never been advised of the meeting and had never been asked to review the agenda and was quite offended to find out about it tonight along with the rest of staff. She added that she wanted to go on the record to let them know she was not involved in that and had nothing further to report.

8. Mayor and City Commissioner's Report. (City Commission).

Commissioner Garcia commented concerning agenda items he put on. He said that regarding number 6, the information had been sent out some time ago. He happened to talk to a board member for the Appraisal District who asked if they had a nominee and he told them he was not aware of it. He then checked and found out that information was sent to entities on August 28th so he had it put on at the last minute. He also stated that on the nomination of City Manager he wanted to go on record that he would continue to support Gil Rodriguez for City Manager.

Mayor Esquivel asked for communication with Mrs. Alvarez on meetings. He also commended the King Ranch on the 150th Birthday Celebration. He then talked about the South Texas Military Task Force in Washington DC. He said they met with admirals and generals. They also had presentations by the acting Secretary of the Navy, Chairman of Military Readiness Committee and Armed Services Committee.

Mayor Esquivel also talked about how excited he was about the growth in Kingsville. He said that after having seen the 1973 Master Plan he was pleased to see that about 50% of the goals listed had been met.

Mayor Esquivel also said that regarding the City Manager selection, he wants second interviews and will also be visiting a city tomorrow for more in-depth information. He also commended Mr. Garcia for doing a good job in responding to complaints.

V.. Items for consideration by Commissioners.4

- 1. Consider final passage of an ordinance ordaining the City's participation in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Act, Chapter 2303, Texas Government Code, providing tax incentives, designating a liaison for communication with interested parties, and nominating Lowe's Companies, Inc. to the Office of the Governor Economic Development and Tourism (EDT) through Economic Development Bank as an Enterprise Project. (City Attorney).**

Ms Alvarez said that they were given this ordinance by Ms Lacy and is necessary for Lowe's to be designated as enterprise project. The ordinance is coming before Commission for second reading. It had been discussed with Lowe's and they were relying on it when they made the commitment to come to Kingsville.

Motion made by Commissioner Garcia, seconded by Commissioner Castillo to approve item. Motion carried 5/0.

- 2. Consider award of proposal for Management Services under the Texas Capital Fund to benefit Eddie Yaklin and Neessen Chevrolet Dealerships. (Proposal #23-47). (Director of Purchasing).**

Mr. Garcia stated that Ms. Detloff had asked Ms Byington to go out on bids for this but doesn't know what to use for a base line for this and therefore did not know what kind of

recommendation to make and is leaving it up to the Commission. There was only one bid.

Motion was made by Commissioner Garcia to approve Ms Lacy, seconded by Commissioner Castillo.

Commissioner Wilson stated that he wanted to make sure that with both projects that they be informed of any tax advantages that the City may offer. Ms. Lacy said the fund does not address tax or any incentive the City offers, only the infrastructure improvements.

After discussion, Commissioner Garcia changed motion contingent on execution of state funding.

It was then decided to withdraw motion and then restate it.

Commissioner Castillo moved to award managing services contract to Kim Lacy for Yaklin and Neessen projects contingent on state funding. Seconded by Commissioner Garcia. Motion carried 5/0.

3. Consider awarding bid for Las Palmas Sewer Extension Project. (Bid #23-48). (Director of Purchasing).

Ms Byington stated that bids were opened on October 7th. Two bids were received. She stated that this action will expend \$20,760 which is within City Engineer's estimated budget. It is recommended the bid be awarded to James Chapman Construction Company for \$20,670.

Motion was made by Commissioner Garcia, seconded by Commissioner Pecos. Motion carried 5/0.

4. Consider authorizing the Purchasing Director to schedule an On-Line Internet based surplus auction for the city's surplus equipment. (Director of Purchasing).

Ms Byington this was another option for auction which is authorized by House Bill 81. She added that there would be an 8% fee for items sold only and the City can list unlimited number of items free of charge. There would be no contract to sign and no upfront fees. She liked this because instead of waiting until warehouse yard is full then schedule auction, the City can place items on the internet immediately. Continuous auctions are better because they allow departments to get rid of surplus items when they are ready without having to wait. It would also eliminate overtime that is paid on Saturday auctions.

Motion was made by Commissioner Garcia and seconded by Commissioner Wilson. Mayor Esquivel said he would like to see a starting bid listed on these items as well as on items in the traditional auctions. Motion carried 5/0.

Motion was made Commissioner Wilson, seconded by Commissioner Garcia to move item #15 before #5. Motion carried 5/0.

15. Consider approval of final plat for Chili's Restaurant. (Director of Development Services).

Ms. Detloff said this was approved by P&Z. There were no problems with it. The rezoning will be approved at next meeting.

Motion made by Commissioner Pecos, seconded by Commissioner Garcia to accept the plat. Motion carried 5/0.

5. Consider final passage of an ordinance amending Chapter III, Article 7, Personnel Policies providing for the adoption of the job classification and compensation plan for FY 2003-2004. (Director of Human Resources).

Ms Diana Gonzales stated that this ordinance was first introduced on September 29 and it is here now for approval. It reflects changes approved in budget for this year. Commissioner Wilson asked if there were any changes from when they had last seen this document. She said there was not. Commissioner Garcia asked if this was a true representation of what they had approved and she responded that it was. Mayor Esquivel said he wanted to change the maximum for the City Manager to \$84,200. Commissioner Wilson pointed out that the Commission had specifically taken an action as a group to make this \$70,000. Mayor Esquivel asked if they had a full-time City Manager at the time and said that he just felt it would increase opportunity.

Mayor Esquivel made motion to accept the compensation plan with the change of City Manager's income from a minimum \$48,900, medium \$66,660 and maximum \$84,200.

Commissioner Garcia asked if change from \$70,000 affect anything since it had been advertised at \$70,000. Ms Alvarez stated that there was no legal problem with that.

Motion carried 5/0.

6. Consider resolution nominating certain person(s) as candidate(s) for election to Board of Directors for the Kleberg County Appraisal District. (Commissioner Garcia).

Mayor Esquivel stated that a nominee was needed. Commissioner Garcia had been representative before. Commissioner Garcia stated that this position is charged with making decisions on Appraisal District on overall operation and they meet once every three months. Commissioner Pecos volunteered.

Commissioner Garcia made motion to nominate Commissioner Arturo Pecos for the Board of Directors, seconded by Commissioner Castillo. Motion carried 5/0.

Commissioner Garcia stated that the word Kleberg needs to be corrected on the resolution.

7. Consider removing from table consider authorization of identifying items for 12.5M of capital expenditures and water and wastewater improvements to be funded by new issue of certificates of obligations. (Utilities Superintendent).

Due to no motion, moved on to item #9.

8. Consider authorization of identifying items for 12.5M of capital expenditures and water and wastewater improvements to be funded by new issue of certificates of obligations. (Utilities Superintendent).

Discussed in workshop prior to meeting.

9. Consider appointment to the Planning and Zoning Commission to fill a vacancy. (Director of Development Services).

Ms. Detloff stated there is one vacancy on the board. At least meeting Pecos recommended another applicant. Mr. McCreight also submitted a letter, along with Mrs. Fees and Marcelino Lopez there are four applicants.

Commissioner Wilson made motion to appoint Robert McCreight, seconded by Commissioner Garcia. Motion failed 2/0 with Commissioner Pecos, Commissioner Castillo and Mayor Esquivel casting the dissenting votes.

Motion made by Commissioner Pecos to appoint Lucy Salinas-Contreras, seconded by Commissioner Wilson. Motion carried 5/0.

10. Consider introduction of an ordinance changing the zoning map in reference to 13 acres out of Farm Lot 1, Section 20, K.T. & I. Subdivision from "AG", Agriculture District to "MH" Mobile Home District. (Director of Development Services).

Ms. Detloff said she would get with the Tiffees with regard to the option of filing for grant for the sewer. Mayor Esquivel said that hopefully they will like to and that it would be good for Kingsville as a whole.

11. Consider introduction of an ordinance changing the zoning map in reference to .1607 acres out of Farm Lots 17 & 18, Section 10, Original Townsite from "R-1", Single Family District to "C-2" Retail Commercial District. (Director of Development Services).

No further discussion.

12. Consider introduction of an ordinance changing the zoning map in reference to 1.082 acres out of Farm Lot 3, Section 22, K.T. & I. Subdivision from "AG", Agriculture District, to "C-2", Retail Commercial District. (Director of Development Services).

No further discussion.

13. Consider introduction of an ordinance granting for a Special Use Permit to place a mobile home on a .35 acre tract out of a 1 acre tract of land on Farm Lot 1, Section 20, K.T. & I. Subdivision. (Director of Development Services).

Commissioner Pecos pointed out that this had already been discussed. Mayor Esquivel asked Ms. Detloff to place this on the agenda, the sooner the better. She said she would make sure it gets on the next meeting.

14. Consider introduction of an ordinance amending Chapter VII, Article 7, Traffic Calming Devices; providing for authority to install, definitions, and project eligibility requirements and design of traffic calming devices. (City Engineer).

Mr. Stanley Fees stated these are better known as speed humps and that he had done research on design criteria. He said there is a procedure for neighborhood groups to bring petition to the City and if it meets the guidelines, then it can be considered to be constructed. Mayor Esquivel asked if there is a way to get this out to the public. Mr. Fees said he will get with Bob Odem and the Kingsville Journal. Commissioner Garcia asked about State maintained streets and Mr. Fees responded that this would be handled through TXDOT. He added that he already had received two requests for this, one on Lott and one on 13th Street.

15. Consider appointment of a temporary Municipal Court Judge for the City of Kingsville for cases in which the sitting Municipal Court Judge for the City of Kingsville recuses himself. (City Attorney).

Ms Alvarez stated that the memo speaks for itself. Mr. Vincent Gonzales of Corpus Christi is a former prosecutor here at the District Attorneys Office. Commissioner Castillo asked if he would need to abstain and Ms Alvarez responded that it would be the prudent thing to do since he has a family member who has a case pending that this judge would be sitting on.

Motion was made by Commissioner Garcia, seconded by Commissioner Wilson. Motion carried 3/0 with Commissioner Castillo and Mayor Esquivel abstaining.

16. Executive Session : Under Section 551.074 of the Texas Open Meetings Act, the City Commission shall convene in Executive Session to deliberate the appointment, employment of applicants for the position of City Manager. (Mayor Esquivel).

Commission convened in Executive Session.
Reconvened at unknown time.

17. Consider appointment of City Manager. (Commissioner Garcia).

Mayor Esquivel told Ms Diana Gonzales they would like another interview with the candidates and stated they would be going out of town to do some research. He asked that she omit Albert Uresti. Commissioner Castillo asked Mayor if he was making a motion. Commissioner Garcia said they should not omit anyone. Mayor Esquivel then said to include all three. He instructed Ms Gonzales to brief the candidates on where they are. She asked him to give her a date and time and he said he would let her know. Ms Gonzales said she would send out letters. Mayor Esquivel said it would be in the next two weeks. Ms Alvarez recommended that they schedule interviews for next week because the next meeting is October 27th so if they want to come to conclusion by then they need to do it next week.

IV. Adjournment.

Motion made by Commissioner Pecos to adjourn, seconded by Commissioner Garcia. Adjourned at unknown time.

Filemon "Phil" Esquivel, Jr., Mayor

ATTEST:

Irene Ramirez, City Secretary

PRESENTED and ADOPTED by the Kingsville City Commission on this 24th day of May, 2004.

Charles E Wilson, Presiding Officer

ATTEST:



Edna S Lopez, Interim City Secretary