

AUGUST 8, 2005

A REGULAR MEETING OF THE CITY OF KINGSVILLE, TEXAS, CITY COMMISSION WAS HELD ON MONDAY, AUGUST 8, 2005 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS, CITY HALL / 200 EAST KLEBERG AVENUE AT 6:00 P.M.

CITY COMMISSION PRESENT:

Sam R Fugate, Mayor
Charles Wilson, Commissioner
Al Garcia, Commissioner
Stanley Laskowski, Commissioner
Arturo Pecos, Commissioner

CITY STAFF PRESENT:

Carlos Yerena, City Manager
Courtney Alvarez, City Attorney
Edna S Lopez, City Secretary
Caron Vela, Accounting Manager
Dora Byington, Purchasing Director
Jennifer Cantu, Director of Development Services
Robert Rodriguez, Library Director
Stanley Fees, City Engineer
Joe Casillas, Water Production Supervisor
Luke Womack, Auditor
Dianne Leubert, Solid Waste Superintendent
Al Lopez, Fire Chief
Macario Mayorga, Water Supervisor
Ricardo Torres, Police Chief

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chambers at City Hall at 6:00 P.M.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by Ms Dora Byington, followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Mayor Fugate called for consideration of the minutes of the Special Meetings of July 29, 2005, August 1, 2005, and August 3, 2005. Commissioner Laskowski made a correction to the minutes of the July 29th meeting. **Commissioner Laskowski made a motion to accept the minutes with corrections, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Garcia, Wilson, Pecos, Laskowski voting "FOR".**

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

1. NONE

III. Petitions, Grievances, and Presentations.²

1. Presentation by Hal Hamm on the Hotel/Motel Tax Fund for the John E. Conner Museum.

Presentation was postponed.

2. Workshop/Discussion with HDR Engineering, Inc. regarding final report on Water, Sewer, Pass-Through Rate Study. (City Manager).

Mr. Grady Reed from HDR Engineering provided a brief overview regarding the final report of the study. He pointed out information from a handout as to why rate increase is needed and how the proposed rates were developed. He provided information on water demand charge, water volume charge sewer charges, comparison to other cities (residential and commercial).

3. City Manager's Report. (City Manager).

Mayor Fugate called for the City Manager's report. City Manager Yerena reported on the recent visit to Reynosa, Mexico. Mayor Fugate provided detail information about the trip.

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

Mayor Fugate called for the City Attorney's report. Ms Alvarez reported on the Charter Review Committees' progress; the schedule change for Municipal Court; on a water negotiating team member meeting; on Wednesday's budget workshop; on the deadline for Health Fair heart study; on an I-69 meeting; and on her work schedule this week.

5. City Commission's Reports. (City Commission).

Mayor Fugate called for the City Commission's report. Commissioner Pecos reported on receiving complaints about a letter sent out to citizens regarding the cleaning of the alleys. Mayor Fugate reminded everyone to attend the I-69 meeting; and reported on the Governor's press conference regarding state's assistance in acquiring Oceana's assets. Mayor Fugate also requested the Commission turn in their evaluation forms.

IV. Public Comment on Agenda Items³

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

Mr. Frank Heifrin, 1700 George Bush Dr. East, College Station, Texas commented in regard to item #5.

Mr. Jack Culpepper, 1700 George Bush Dr. East, College Station, Texas commented in regard to item #5.

Ms Velma San Miguel, 1327 E Santa Gertrudis, Mall Manager for Southgate Mall, commented in regard to item #5.

V. Consent Agenda

NONE

REGULAR AGENDA **CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:**

VI. Items for consideration by Commissioners.⁴

1. Discuss and consider Resolution authorizing participation in a coalition of cities to take positions before regulatory agencies and courts related to Texas low emission diesel fuel rules (30 TAC Chapter 114) ; authorizing city and coalition participation in the TX LED Coalition; Authorizing employment of legal counsel, authorizing contribution toward legal fees and coalition expenses. (City Engineer).

Mr. Stanley Fees, City Engineer stated this resolution was in response to an email he received from Lloyd Gosselink, Attorney's at Law in Austin, Texas. He provided information related to new rules governing diesel fuel that could have adverse impact on many cities. The resolution explains the cost of participation is designed to reflect city population to encourage both small and large city participation. He stated that cities that join this coalition will work with TCEQ to come up with rules to allow cities to continue to function. The proposal to join the coalition is 10 cents per capita based upon the most recent TML population statistics or up to a cap of \$2,500 for a city with a population no greater than 25,000. Finally, he said this was being brought for their consideration and if resolution is adopted the City would have to appoint a liaison person.

Commissioner Laskowski stated that due to budgetary constraints he would like to hear the City Manager's comments. City Manager Yerena responded by asking Mr. Fees what happens if the city decides not to move forward with this. Mr. Fees replied the City would get the benefit but would not have first hand knowledge of what is happening.

City Manager Yerena stated that this is a worthy cause, but with or without the City they will push forward.

Mayor Fugate called for a motion.

The item died for lack of motion.

2. Discuss certification of 2004 excess debt collections and the certification of 2005 anticipated collection rate submitted by the Kleberg County Tax Assessor Collector, Melissa T. De La Garza. (City Manager).

City Manager Yerena stated the information provided is for housekeeping purpose only.

3. Consider final passage of an ordinance amending the zoning ordinance by granting a Special Use Permit for the placement of a Daycare Facility at 2104 Colorado, Lot 30, Block 15, Town and Country Subdivision. (Director of Development Services).

Ms Jennifer Cantu provided a brief overview. She stated that Ms Alicia Perez plans to operate a daycare from this residence, which is also her home. The property is currently zoned R-1, Single Family Residential. Twenty-nine letters were mailed to property owners, two responses were received opposing the special use permit. Ms Perez provided addresses for the names listed on the petition in favor of her daycare. The Planning and Zoning Commission recommended unanimous denial.

Commissioner Pecos made a motion to approve a special use permit for the daycare facility. Mayor Fugate called for a second. There was no second. The motion died for lack of second.

4. Consider approving a Resolution of the City of Kingsville authorizing employment of legal counsel and consultants for Centerpoint Energy Entex Gas Rate Case; Authorizing a steering committee with representatives from Laredo, Victoria, Edna, Kingsville and other interested cities to coordinate the work of legal counsel and consultants and to consider settlement offers and to issue rate recommendations to the City Commission. (City Engineer).

Mr. Fees provided information on a meeting he attended in Victoria concerning the rate hike proposed by Centerpoint. Basically, this allows to hire counsel and fees would be paid for by Centerpoint.

Commissioner Laskowski made a motion to approve the resolution of the City of Kingsville authorizing the employment of legal counsel and consultants, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Wilson, Pecos, Garcia, Laskowski voting "FOR".

5. Discuss tax abatement agreement with Alpha Lake, Ltd. as a qualified business in the Kingsville Enterprise Zone (#EZ291-122299-K). (City Manager).

City Manager Yerena stated that at the beginning of the meeting comments were made requesting tax abatement for the expansion of Beall's and for Burke's Outlet Store. He stated that they are asking for 10 year tax abatement. He provided information on the amount of people these two stores would employ. Anticipation is that sales tax revenue would increase by approximately \$330,000. Eligible improvements for the tax abatement would be approximately a million and a half. He added that this was a tough one for Staff, being that Staff is pro-business and would like to assist them. City Manager Yerena stated that the City has to be mindful of the current issue and the budget concerns of this year and upcoming years. Staff will not be able to recommend approval of this tax abatement for the reasons discussed.

City Manager Yerena stated that Staff worked based on a chart that was created by Commissioner Laskowski a couple of years ago. Commissioner Laskowski stated it was an ad valorem tax abatement guideline that would standardize the tax abatements that would be offered to new and existing businesses for expansion in order to have something.

Ms Alvarez stated that the abatement schedule being discussed is not a part of the tax abatement guidelines that were adopted in March 2005 and in making a recommendation to the City Manager those were the guidelines used.

City Manager Yerena stated that based on that chart, Staff recommends not more than one year.

Commissioner Garcia asked Mr. Culpepper if they were ever granted tax abatement by any other entity. Mr. Culpepper replied yes, for the Kingsville Mall and explained this was never awarded. Mr. Culpepper stated they are only asking for the increased value to be abated.

There was discussion on the awarded 1997 tax abatement.

Mayor Fugate suggested that the City look at what was passed three months ago. Ms Alvarez then explained the tax abatement guidelines that were passed three months prior and requested a recommendation from the Commission.

Ms Alvarez explained that the reason for discussion of this item was to get some guidance on the percentage and term to develop an agreement. Any tentative agreement contemplated by the Commission, entering into with the company needs to be sent to the other taxing entities at least seven days prior to agreement by the City.

There was discussion on the number of years. Recommendation was made to develop an agreement of not more than 5 yrs.

6. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Water, providing for an increase in Water Rates; repealing all ordinances in conflict herewith and providing for an effective date and publication. (City Manager).

Mayor Fugate stated there had been two workshops, and there would be a 5% increase to single family homes and a 20% increase in sewer rates.

Commissioner Laskowski requested Staff provide some comparative water bills and also information is made available for the news media.

Mayor Fugate stated that it is important that the average citizen can understand how this will impact them.

Mr. Luke Womack stated the chart can be enhanced.

INTRODUCTION ONLY

7. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinance Chapter V, Article 2, Sewers, providing for an increase in Sewer Rates; repealing all ordinances in conflict herewith and providing for an effective date and publication. (City Manager).

Mayor Fugate asked for comments on this item. There were none made.

INTRODUCTION ONLY

8. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinance Chapter IX, Article 4, Fair Housing, providing for additional protected classes. (City Attorney).

Ms Alvarez stated that during a close out interview on the Neesen and Yaklin Texas Capital Fund Projects, the auditor pointed out that two protected classes were not followed because they were not specifically listed on the City Ordinance. This amendment would allow for the two protected classes that will be looked at in future Texas Capital Fund projects to be included in the Fair Housing Ordinance.

INTRODUCTION ONLY

9. Consider removing from the table agenda items #10, 11, & 12, granting a Certificate of Public Convenience and Necessity to private ambulance services. (City Manager)

Commissioner Laskowski made a motion to remove from the table items #10, 11, & 12, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Wilson, Garcia, Pecos, Laskowski voting "FOR".

10. Consider granting a Certificate of Public Convenience and Necessity for private ambulance service to Star of Texas EMS Ambulance Service. (City Manager).

Ms Alvarez provided information on the agreement that was drafted. There are two applicants, item #10 & 11 that are requesting emergency service licenses, and item #12 is requesting a transfer license. She stated that it is the responsibility of the applicant owners' expense that the vehicles are equipped with the minimum levels of service that the City currently provides. Ms Alvarez read the proposed agreement.

Commissioner Garcia made a motion to grant a Certificate, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Laskowski, Garcia, Pecos voting "FOR". Wilson "AGAINST".

11. Consider granting a Certificate of Public Convenience and Necessity for private ambulance service to Gulf EMS L.L.C. Ambulance Service. (City Manager).

Commissioner Pecos made a motion to grant a Certificate, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Laskowski, Garcia, Pecos voting "FOR". Wilson "AGAINST".

12. Consider granting a Certificate of Public Convenience and Necessity for private ambulance service to Mid-Valley EMS Ambulance Service. (City Manager).

Commissioner Pecos made a motion to grant a Certificate, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Laskowski, Garcia, Pecos voting "FOR". Wilson "AGAINST".

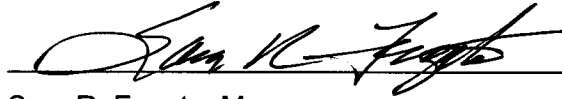
13. Consider reallocation of Certificates of Obligation 2001 for scale and concrete work at the Landfill. (Solid Waste Superintendent).

Ms Dianne Leubert stated she is trying to get the CO 2001 monies for the expansion of the Landfill finalized. She stated this was housekeeping to let the Commission know where the monies are going.

Commissioner Garcia made a motion to approve and include the guard rails and the second site software, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Wilson, Laskowski, Pecos, Garcia voting "FOR".

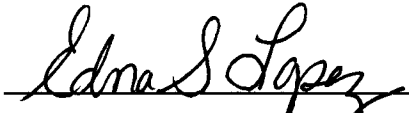
VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:40 P.M. on August 8, 2005.



Sam R. Fugate, Mayor

ATTEST:



Edna S. Lopez, City Secretary