

DECEMBER 22, 2008

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION ON MONDAY, DECEMBER 22, 2008 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL/200 EAST KLEBERG AVENUE 6:00 P.M.

CITY COMMISSION PRESENT:

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

CITY STAFF PRESENT:

Carlos Yerena, City Manager
Edna S Lopez, City Secretary
Courtney Alvarez, City Attorney
Mark Rushing, Finance Director
Robert Rodriguez, Library Director
Yolanda Cadena, Health Director
Dora Byington, Purchasing Director
Ricardo Torres, Police Chief
Diana Gonzales, Human Resource Director
Y I Hinojosa, Street Supervisor
John Garcia, Interim Risk Manager
Bill Donnell, Public Works Director

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the Commission Chamber at 6:03 P.M. and announced quorum as present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by City Manager Yerena, 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 regular meeting of December 8th, 2008. **Commissioner Laskowski made a motion to accept the minutes as presented, 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

Mayor Fugate announced there were no public hearings.

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, Convention and Visitor’s Bureau, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, and Texas Municipal League. Staff reports include the following: Building & Development , Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works- Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration – Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Entrust Health Insurance Fund Presentation, Texas A&M University-Kingsville on improvement project. No formal action can be taken on these items at this time.”

City Manager Yerena thanked Staff for helping with the Safety Incentive Banquet and reported on the dates for the closing of City Hall due to the holidays. He announced the date for the next City Commission meeting and congratulated City Secretary Lopez for her upcoming graduation from the Texas Municipal Clerk Certification Program at the University of North Texas on January 13th, 2009.

Ms Alvarez reported on the progress on the railroad quiet zone. She stated the City would have to bear the cost of the railroad crossings in any quiet zone which is a rather costly undertaking.

Commissioner Pecos congratulated and thanked Staff and City Manager Yerena for cleaning Tranquitas creek.

IV. Public Comment on Agenda Items³

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

Mayor Fugate called for comments on all agenda and non-agenda items. There were no comments made.

V. Consent Agenda

NONE

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. **Discuss and consider potential beautification project on City property at 6th Street and Yoakum. (Commissioner Laskowski).**

Commissioner Laskowski explained that a grant was awarded that would allow University students to get training on developing a beautification project. He stated that \$5,000 was received and part of the monies was earmarked for hiring a landscaper to come and teach the students how to design a beautification project. The students would be doing the work themselves, after doing the design. Commissioner Laskowski stated that with the remaining monies some of the plants could be purchased and that the City or Keep Kingsville Beautiful might be able to come up with additional funding. The concrete slab from the old jail would have to be broken up. He stated that they wanted a visible place and this is a good spot for a project to happen. City Manager Yerena stated this is a good project and would add to the downtown area.

Upon a question from Commissioner Pecos, Commissioner Laskowski replied there would not be a contract signed only an agreement to let them design a project for the location and to allow them to use the location.

Upon a question from Commissioner Garcia regarding the liability to the City, Commissioner Laskowski replied the class would be using Keep Kingsville's Beautification equipment. Ms Alvarez stated once the project installation work begins, one of their volunteer's can sign a waiver or the City can look into something else.

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

2. **Consider authorizing the Chief of Police to execute a cooperative working agreement with Crime Victim Services. (Police Chief).**

Chief Torres stated his department would like to enter into this agreement in order to disseminate information and to assist in providing services or to provide assistance and procure services.

Commissioner Laskowski made a motion to authorize the Chief to executive a cooperative working agreement with Crime Victim Services, seconded by Commissioner Garcia and Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Pecos, Garcia, Wilson, Laskowski voting "FOR".

3. Consider authorizing city financial advisor First Southwest to proceed with obtaining a bond re-rating for the city and matters related thereto. (Finance Director).

City Manager Yerena announced that Agenda Items #3 & 4 would be handled by Ms Ann Berger Entrekin. Mayor Fugate announced the Commission would take into consideration both agenda items at the same time. Ms Alvarez stated Agenda Item #4 is not an action item.

Ms Entrekin addressed the Commission and provided information on the timetable of events. She stated this is similar to the information discussed at a previous meeting. She stated she was asked to proceed with Option 2. She stated the bond sale would be done on January 26th. She explained the credit comparison for the City of Kingsville with the cities of Beeville and Port Lavaca; the cost analysis of Standard & Poor's rating; the Municipal Bond Insurers rating summary as of November 25, 2008; and the bond issue broken down into two components: \$229,059 Sanitation Fund Contribution and \$458,118 Sanitation Fund contribution. She stated the markets have been very volatile, but that Texas bonds are trading very well in the market.

Commissioner Laskowski voiced his concern about the landfill fees not being raised for out-of-town people, but fees being raised for the citizens of Kingsville. Mr. Rushing explained the consultant's recommendations that are being considered. A lengthy discussion followed. City Manager Yerena stated that Staff would provide different scenarios regarding this situation. Commissioner Laskowski requested a finalized list for all equipment that will be purchased.

A point of order was called by Commissioner Wilson regarding the discussion of garbage rates.

Commissioner Wilson made a motion to authorize the City financial advisors, First Southwest to proceed with obtaining a bond re-rating, seconded by Commissioner Laskowski. The motion was passed and approved by the following vote: Fugate, Garcia, Pecos, Laskowski, Wilson voting "FOR".

4. Discuss potential debt service and interest & sinking fund scenarios for the Certificates of Obligation series 2009. (Finance Director).

This item was considered with Agenda Item #3.

5. RESOLUTION R2008-31 Consider approving a resolution of the City of Kingsville adopting a policy addressing the need to establish and maintain an undesignated General Fund balance and an undesignated enterprise fund balance. (City Manager).

City Manager Yerena stated this policy would address an adequate undesignated General fund balance and an undesignated Enterprise fund balance reserve. He stated

this would make it more appealing to receiving a better bond rating. He stated that Staff is proposing one and a half (1 ½) month for the general funds undesignated reserves and two (2) months for the enterprise systems combined budget operating expenditures.

Commissioner Laskowski stated that the City already has a minimum of ninety days, in excess of ninety days. He asked why it would not be taken up to where it is now. City Manager Yerena explained that in terms of cash flow scenarios there might be instances where Mr. Rushing might be using monies that are available and thereby the City would not be meeting or complying with the policy. He added that in an effort to have greater flexibility the City is looking at this scenario. Mr. Rushing further explained the reasoning behind this decision. He stated that lowering the threshold helps with any noncompliance issues. He explained this is something that the bond raters look at. Upon a question from Mayor Fugate, Ms Entrekin replied that the rating agencies give you flexibility in setting your policy; they are very strict on your appearance.

Commissioner Laskowski recommended setting benchmark as high as it can be set without jeopardizing it and make those persons to have to go in front of the public to rescind it. Mayor Fugate stated that he understood, but this would probably be a policy that would be ignored. Commissioner Laskowski disagreed and stated that once this policy is adopted and bonds are issued they would be obligated and would be in breach if not followed. Mr. Rushing stated that this threshold can be changed. Ms Entrekin explained the rating agencies position on this. She stated with a policy it is a more formalized process which will be changed less often than if there wasn't a policy. Mayor Fugate called for further questions or comments.

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

6. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Section 5-1-55, providing for amendment of Residential and Commercial monthly garbage charges. (City Manager).

City Manager Yerena stated this ordinance will allow the last half of the revenue for the debt service. He stated that this was recommended by the consultants and this is the last hike.

Commissioner Wilson requested that the County provide prior documentation to the City for the need of the people before the county is allowed to dump at the landfill. He stated he would like to know when the County Commissioner is doing work in the corporate city limits. He added that he would like incorporated into this document, a rate increase for vendors who work within the City limits or outside that are using the landfill. He stated it is important to know to be able to make an informed decision how much revenue is currently generated with that mechanism. He added this would allow the Commission to make a decision as to whether or not to increase rates and take the risk of driving them away. He stated that if you lower your fees, more will come and your generation will be higher in revenue.

INTRODUCTION ONLY

7. Discuss and consider waiver of platting fees for Paulson Falls Phase III. (Mayor Fugate).

Mayor Fugate stated that housing is a problem and this project will provide approximately 95 lots to be developed and the amount to be waived is \$2,006.38. He stated the City should make sure the developers are welcomed. He stated this is the only viable developer. Commissioner Laskowski stated the City will incur engineering fees to review the plans since the City does not have an Engineer on Staff. Mayor Fugate stated that if the City wants to grow the City must do some things to accommodate the developers. Commissioner Garcia stated that the amount would not make a difference to the developer.

Commissioner Pecos made a motion to consider waiving the platting fees for Paulson Falls Phase III, seconded by Mayor Fugate. Mayor Fugate called for further questions or comments. Commissioner Wilson stated that past Commissions have been very inventive in the incentives that they have tried to give to the developers. He stated that in several occasions they have thought way outside the box and when they have expired they have extended them. He stated he knows the City is suffering from the lack of adequate housing. He added that the City has worked hard to create the environment to invite developers to come here. He stated the gentleman who provided the presentation never indicated that having to pay the platting fees which would be paid in any community would be a draw back for him to develop that property. Commissioner Wilson added that the gentleman had brought a program to be implemented on that property and that he would be willing to investigate further. He stated this program would be much better for the gentleman than the \$2,000. The program is a (TIF) a tax incentive zone in that area where the money that is generated in taxes goes back to that area for development. Mayor Fugate stated this is an ongoing process and that the platting fees could be waived and the TIF project could be looked at. He stated that the Commission has to be proactive and that this is something that needs to be done and if not it sends the wrong message. Mayor Fugate called for a roll-call vote. **The motion FAILED by the following vote: Fugate, Pecos voting "FOR". Garcia, Wilson, Laskowski voting "AGAINST".**

Mayor Fugate announced the Executive Session at 7:23 P.M.

8. Executive Session: Pursuant to Section 551.071, Texas Government Code, the City Commission shall convene into executive session to seek legal advice from the City Attorney regarding a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter. (City Attorney).

The City Commission reconvened into regular session at 7:39 P.M.

9. RESOLUTION R2008-32 Consider resolution authorizing the City Manager to enter into amendment to Article V of the Contract between the City of Kingsville and Kleberg County relating to the jail. (Mayor Fugate).

Mayor Fugate called for Ms Alvarez to explain the amendment. Ms Alvarez stated the resolution would authorize the City Manager to enter into an amendment to Article V of the contract between the City of Kingsville and Kleberg County relating to the jail. Mayor Fugate stated the amendment would be \$45.00 a day per prisoner up to 10 prisoners which would be \$450.00 per day, retroactive to October 2007.

Mayor Fugate called for a motion. **Commissioner Garcia made a motion to accept the amendment, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Wilson, Laskowski, Pecos, Garcia voting "FOR".**

VI. Adjournment.

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



Sam R Fugate, Mayor

ATTEST:



Edna S Lopez, TRMC, City Secretary