

JANUARY 26, 2009

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JANUARY 26, 2009 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
Al Garcia, Mayor Pro-tem
Charles E 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
Bill Donnell, Public Works Director
Dora Byington, Purchasing Director
Yolanda Cadena, Health Director
John Garcia, Interim Risk Manager
Robert Rodriguez, Library Director
Jennifer Vela, Code Enforcement Officer
Diana Gonzales, Human Resource Director
Susan Ivy, Park Director
Frank Garcia, Wastewater Supervisor
Al Lopez, Fire Chief
Dianne Leubert, Solid Waste Superintendent
Grace Garcia, Asst. Task Force Commander
Ricardo Torres, Police Chief

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chambers at 6:00 P.M. and announce quorum as present.

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 regular meeting of January 12th, 2009. **Commissioner Laskowski made a motion to accept the minutes, as presented, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Pecos, Wilson, Garcia, Laskowski voting “FOR”.**

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

1. Public Hearing for an alcohol variance application for the Kwik Pantry #2 located at 730 W Corral. (City Secretary).

Mayor Fugate opened the public hearing at 6:05 P.M.

City Secretary Lopez stated there was no opposition for this variance.

Mayor Fugate closed the public hearing at 6:07 P.M.

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.”

Mayor Fugate presented a “Because You Care Award” to Mr. Rudy Galvan and Ms Velma Veliz.

Mayor Fugate presented a proclamation for “Catholic Schools Week”.

City Manager Yerena congratulated Commissioners Garcia and Laskowski for a job well done on the Roast and Toast Mayor Fugate event; reported on the next KWOP program, 26 addresses and 30 structures; and announced that the City received a federal grant for JLUS implementations. He stated Entrust representatives would provide a presentation. Mr. Jerry Bravenec and Mr. Rick Medrano addressed the Commission. A power point presentation was presented by Mr. Medrano. He explained the Aggregate Report, Paid Claims by Type, PPO Savings by Claim Type, PPO Utilization, Paid Claims by member type, Top 10 Providers, Aggregate Claim Loss Ratio, and PPO Savings Trends. He stated that the next presentation should be more detailed.

Ms Alvarez reported on working with City Staff on getting the ordinance for the Certificates of Obligation ready. She thanked Ms Anne Burger Entrekin for all her help. City Manager Yerena also thanked her. Ms Alvarez stated the City received an overall “A” rating.

Commissioner Laskowski asked City Manager Yerena for a response to some concerns he had with the S&P letter.

Commissioner Garcia thanked Mayor Fugate for his participation at the Roast and Toast. Mayor Fugate stated he enjoyed it and thanked everyone involved; congratulated the City Manager and his staff for the JLUS Grant and announced several events being held in the City.

IV. Public Comment on Agenda Items ³

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.

Mayor Fugate called for consideration of the items in the Consent Agenda. **Commissioner Laskowski made a motion to accept the Consent Agenda, as presented, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Wilson, Pecos, Garcia, Laskowski voting “FOR”.**

V. Consent Agenda Notice to the Public

1. Motion to approve of the City’s participation in sponsorship of the Annual Ride on the Wild Side charity bike tour on the King Ranch on April 18, 2009 in conjunction with the Kingsville Convention and Visitors Bureau and the Kingsville Noon Lions Club; and other matters related thereto. (City Attorney).
2. RESOLUTION R2009-02 Motion to approve a resolution providing for the adoption of revised City of Kingsville Policies and Procedures Manual, Policy No. 750.00 Family Medical Leave. (Human Resource Director).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

3. Consider approval of alcohol variance for Kwik Pantry #2 located at 730 W Corral. (City Secretary).

Mayor Fugate called for a further comments or a motion. Commissioner Pecos made a motion to approve the variance, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Garcia, Laskowski, Wilson, Pecos voting "FOR".

4. Consider introduction of an ordinance renaming a portion of Second Street for Martin Luther King, Jr. (Mayor Fugate).

Mayor Fugate stated this ordinance will rename a portion of 2nd Street. Ms Lopez stated letters were sent out and three responses were received in opposition; one citizen who works in the area responded in favor of the name change; and a preliminary estimate to change the signs on Second Street was \$1,200 not including labor.

Upon a question from Commissioner Pecos, Ms Alvarez replied that the reason for changing only a portion is because that was what the petition called for. Commissioner Pecos suggested including the entire street. Mayor Fugate explained that the street would be named MLK instead of Martin Luther King, Jr. to try to eliminate confusion because King Street crosses 2nd Street. Commissioner Wilson echoed Commissioner Pecos comment. He stated that once the streets are chopped, it will mess up the City plan. He stated he received calls expressing a concern about the renaming of the street and that there has been no cost associated of what it would take to rename the street. He added he also received calls in opposition and some calls about why not give the street the entire name, Martin Luther King, Jr. Avenue. He added this requires a little more thought and be respectful to all the citizens. Commissioner Garcia stated that along with Commissioner Laskowski, they had met with an elderly citizen who voiced his concerns about all documents that would need to be changed.

There was lengthy discussion on renaming another street Martin Luther King, Jr. Commissioner Pecos suggested adding the name of Martin Luther King, Jr. onto the street signs located on 2nd Street. Commissioner Laskowski stated the City of McAllen added a new name to the same sign and put it in parenthesis. Mayor Fugate stated this is a working process, but the City would like to honor the man.

INTRODUCTION ONLY

5. Consider awarding bid for Carriage Park Subdivision Storm Drainage Project to Ram-Bro Contracting of Robstown, Texas in an amount of \$271,776.00. (Purchasing Director).

Ms Byington stated this item authorizes the drainage work to Carriage Park. The requested bid was for removing and installing 18", 24", 30", 36" and 42" drainage pipe. Three (3) 60" concrete junction boxes will be installed along with grading a ditch along the west side of Shelly Street and filling the dip with asphalt at Shelly and Palm Street. Staff is recommending that Ram-Bro Contracting of Robstown, Texas be awarded the bid. This action will expend \$271,776.00. Mayor Fugate stated he would like to see speed bumps installed in that area.

Commissioner Laskowski made a motion to award the bid to Ram-Bro Contracting, for \$271,776.00, seconded by Commissioner Garcia and Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Pecos, Garcia, Wilson, Laskowski voting "FOR".

6. Consider authorizing a separate MBIA Account for the Solid Waste Designated Revenue as a result of the rate increase. (Finance Director).

Mr. Rushing stated this is a housekeeping issue in order to contract individually and discretely the revenue being generated.

Mayor Fugate called for any questions or comments; and a roll call vote. **Commissioner Garcia made a motion to approve setting the account, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Wilson, Laskowski, Garcia, Pecos voting "FOR".**

7. ORDINANCE ORD2009-02 Consider final passage of an ordinance amending the Fiscal Year 2008-2009 budget for the City of Kingsville to set up a fund for Certificates of Obligation 2009 for various General Fund capital projects. (Finance Director).

Mr. Rushing stated this would set up the appropriations to allocate funds from the issuance of a Certificate of Obligation for 2009 for General Fund capital outlay purchases. He explained information on an email that he sent out on Friday. He stated the monies from the increase in rates would be utilized from the CO 2007-08, the Solid Waste rate increase, \$114,247.33 as of 9/30/08; the half click on the first full year in 2008-09, \$22,187.23; the second half click for 6.75 months, \$144,396.61. He added that the subtotal was \$480,831.17. He explained that the subtotal amount was backed out from the needs assessment. He stated he looked at the ability of adding this amount to the CO 2009 issue. He offered information on a couple of changes regarding the landfill closure, the new cell construction, and the litter fence. He stated that given the market conditions the amount is now back to \$4,263,965 needs assessment. He stated the bond issue is for \$4,270,000.

Mayor Fugate called for questions or comments. Upon several questions from Commissioner Laskowski on how the city went from \$4.2M to \$4.6M, Mr. Rushing provided a lengthy explanation. Mr. Rushing explained that the scraper was added back into the needs assessment, saying that funds 001 would not be utilized for dept 170. He explained that CO 2001 monies are being utilized and an explanation will be provided in the item for reallocation. He stated that a portion of roll-outs will be purchased from the CO 2001 reallocation. Commissioner Wilson explained Commissioner Laskowski is using the information that was emailed on Friday the amount was \$4,213,000 and that the new information given to them shows an amount of \$4,263,00 and difference of \$50,000 and that Commissioner Laskowski is trying to get a handle on, at what point the increase of \$50,000 occurred. Commissioner Laskowski stated that the scraper was put back in, when a different fund was being used. Mr. Rushing provided an explanation. Commissioner Laskowski asked why the scraper was added into this calculation; and why monies paid by citizens are not being used. Mayor Fugate replied that the recommendation was made by the City's financial advisor. He added that the financial advisor stated the City was receiving a very good rate on the interest that they did not want to put the money back in. City Manager Yerena stated that the money will be set aside specifically for any needs within that area. Mayor Fugate stated that the numbers changed just today and that this was not done by City Staff without the advice from the bond people and Financial Advisor. Mayor Fugate stated that the City needs to move forward and that he trusts Staff that the numbers are right.

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

8. Consider introduction of an ordinance amending the Fiscal Year 2008-2009 Budget for the City of Kingsville to allocate an increase in revenues from various sources for expenditures in the Sanitation Collection Department in the General fund. (Finance Director).

Mr. Rushing stated this ordinance utilizes where monies can be spent, current year. He stated that the roll-out dumpsters are part of the \$21,000. He added that this ordinance will have to be amended to reflect what was just passed as far as the utilization. He stated that this ordinance would be revisited depending upon the CO 2009 information.

INTRODUCTION ONLY

9. Consider reallocation of Certificates of Obligation 2001 funds for the Solid Waste Department. (Finance Director).

Mr. Rushing stated this blends in with what was discussed previously. The allocation would be for the dozer \$275,000; 96 gallon carts \$72,960; and 40 dumpsters \$24,000 for a total of \$371,960.

Commissioner Pecos made a motion to reallocate the Certificates of Obligation 2001 funds for the Solid Waste Department, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Wilson, Laskowski, Garcia, Pecos voting "FOR".

10. ORDINANCE ORD 2009-03 Consider passage of an ordinance authorizing the issuance of City of Kingsville, Texas Certificates of Obligation, Series 2009 and approving all other matters related to the issuance of the Certificates of Obligation. (City Manager).

Ms Entrekin addressed the Commission and provided a power point presentation on the market. She provided information with regard to the Bond Buyers Index of 20 Municipal Bonds, the AAA Municipal Yield Curve, the BBI, Fed Funds, and SIFMA, Municipal Bond Insurance.

Ms Entrekin provided information on the Standard and Poor's the City received an "A". She complimented City Manager Yerena, Ms Alvarez and Mr. Rushing in their representation of the City of Kingsville during a conference call to focus on the highlights and positives of the community. She stated that the overall rating for the City is an "A", but the committee gave serious discussion to an "A+". She stated that the areas that really brought their focus to an "A+" was City Management, the policies, practices, and financial strength that the City has in place. She stated the reason for the City not receiving an "A+" was the economic factor in the area, the wealth and income levels in the City are low. The "A" rating has received a positive impact in the market. She further explained the projects of December 2008 and the actual of January 26th, 2009. She stated that the City has received a True Interest Cost of 2.621% for the bonds which were down from the 5.679% that had been proposed in December. She provided market comparables with the City of Chambersburg Boro, PA. She stated her company feels very comfortable with the recommendation being made to the City.

Mayor Fugate called for questions or comments. Commissioner Garcia asked about the number reported for growth. Ms Entrekin replied 3.63 is the actual calculation, but they used 0. Commissioner Wilson asked if there was an option to issue less tonight. Ms Entrekin replied the bid is for \$4.27M, but the City has the option to reject the bid. Mayor Fugate stated the decision was made to borrow the monies upon her recommendation. Ms Entrekin replied it's the business decision of the City. She stated that she had told Staff that borrowing less than what was being considered in December, she believed, that rational and that strategy should warrant the consideration of the City.

Mayor Fugate called for further questions or comments. Mayor Fugate thanked Ms Entrekin for all her help with acquiring the 2.6% interest. Ms Entrekin stated she has never seen a 12 year bond issue at a 2.62% and added this is a different issue from December. Mayor Fugate thanked City Manager Yerena and staff for all their hard work. Ms Entrekin thanked the underwriting syndicate of Morgan Keegan and Estrada Hinojosa.

Mayor Fugate called for a motion. **Commissioner Garcia made a motion to authorize the issuance of Certificate of Obligations for the amount recommended, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Fugate, Wilson, Pecos, Garcia voting "FOR". Laskowski 'AGAINST'.**

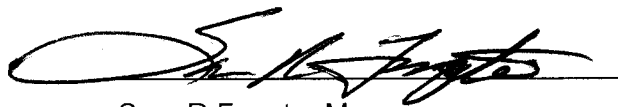
11. Consider final plat of Serenity Estates No. 2 Subdivision, Mr. Melvin A. Schoech, applicant. (Public Work Director).

Mr. Donnell provided information on the location, a 19.35 acre subdivision which consists of 13 lots. The lots have water and lots are on septic systems. The Planning and Zoning Commission has approved this plat. Mr. Donnell stated there will be three streets lights installed which are indicated on the preliminary plat.

Mayor Fugate called for a roll-call vote. **Commissioner Laskowski made a motion to approve the final plat, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Garcia, Pecos, Wilson, Laskowski voting "FOR".**

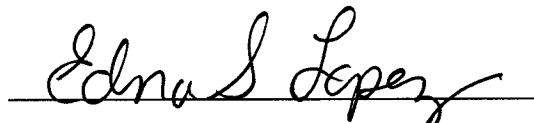
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 8:00 P.M.



Sam R Fugate, Mayor

ATTEST:



Edna S Lopez, TRMC, City Secretary