

DECEMBER 13, 2010

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, DECEMBER 13, 2010 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

CITY COMMISSION ABSENT:

- Stanley Laskowski, Commissioner

CITY STAFF PRESENT:

- Courtney Alvarez, Interim City Manager
- Edna S Lopez, City Secretary
- Mark Rushing, Finance Director
- Naim Khan, City Engineer
- Ken Clark, Director of Development Services
- Al Lopez, Fire Chief
- Bill Donnell, Public Works Director
- David Mason, Purchasing Director
- Diana Gonzales, Human Resource Director
- Willie Vera, Task Force Commander
- Robert Rodriguez, Library Director
- Bob Trescott, Downtown Manager
- Yolanda Cadena, Health Director
- Frank Garcia, Wastewater Supervisor
- Gary Fuselier, Landfill Supervisor
- Marco Jimenez, Water Supervisor
- Ricardo Torres, Police Chief
- Arturo Perez, Garage Superintendent
- James Creek, Firefighter
- Joe Casillas, Water Production Supervisor

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, with Commissioner Laskowski absent.

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 Monday, November 22, 2010. **Commissioner Pecos made a motion to approve the minutes, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Garcia, Wilson, Pecos voting "FOR". Laskowski "ABSENT".**

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

NONE

III. Reports from Commission & Staff²

"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, Keep Kingsville Beautiful, 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, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project. No formal action can be taken on these items at this time.”

Interim City Manager Alvarez reported there were two presentations. Mayor Fugate presented the certificate for the Main Street designation to Downtown Manager Bob Trescott and a certificate of appreciation for her 48 years of service to the City to Ms Dora Byington. Interim City Manager Alvarez reported on attending a Coastal Bend Council of Government meeting; on the Library receiving a grant for updates to computer system so the Library will be closed for Staff training a couple of days this week; and on Street Department projects. She reported the next regular City Commission meeting will be on January 10th. The sale of the CO will be on January 24th which will give Staff more time to work on list. She thanked all the volunteers who worked on the Safety Banquet and announced the Employee of the Year, Mr. Gary Fuselier, and receiving honorable-mention, were Mr. Eddie Flores and Mr. Naim Khan.

Commissioner Garcia congratulated and thanked Ms Byington for her service to the City. Commissioner Wilson echoed Commissioner Garcia's comments and stated Ms Byington's mission was to save the City of Kingsville money. Mayor Fugate stated it would be interesting to see how much money she has saved the City of Kingsville. Commissioner Pecos wished Ms Byington well.

Mayor Fugate reported he attended a TML meeting in Austin with regard to proposed legislature matters. Commissioner Wilson reported on the Commissions' recent trip to National League of Cities in Denver, Colorado. He stated that while attending tabletop workshops he found it is amazing how far ahead the City of Kingsville really is. He stated Texas is well represented, nationally. He stated he will be meeting with Ms Ivy, Parks Director to inform her of some information he received while attending the conference. Commissioner Pecos stated he attended two workshops that had two hot topics, Reform Immigration and Military Installations. Commissioner Garcia stated he attended a non-profit organization workshop which coincides with what the City is trying to do in the downtown area.

Mayor Fugate commented against allowing wind farms to move into the Kingsville area if they are going to impact the Naval Base.

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, Items 1-4. **Commissioner Pecos made a motion to accept the Consent Agenda, as presented, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Garcia, Wilson, Pecos voting "FOR". Laskowski "ABSENT".**

V. Consent Agenda

1. **RESOLUTION NO. R2010-62 Motion to approve resolution authorizing the release of Chapter 59 Funds of the South Texas Specialized Crimes and Narcotics Task Force for donation to the Kingsville Boxing Club. (Task Force Commander).**
2. **RESOLUTION NO. R2010-63 Motion to approve resolution authorizing the release of Chapter 59 Funds of the South Texas Specialized Crimes and Narcotics Task Force for donation to Communities in Schools for a Drug and Alcohol Prevention program. (Task Force Commander).**
3. **ORDINANCE NO. ORD2010-42 Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Section 15-1-64, providing for removal of a requirement that wiring be enclosed in conduit. (Director of Development Services).**

4. RESOLUTION NO. R2010-64 Motion to approve resolution authorizing the Mayor to execute a Certificate of Adopting Resolution and 2010 Health Care Reform Provisions Amendment to the City of Kingsville Sec. 125 Premium Only Plan to reflect certain provisions of the Affordable Care Act of 2010. (Human Resources Director).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

5. Consider appointment to the Zoning Board of Adjustments. (Director of Development Services).

Mr. Clark stated the ZBA was expanded to seven (7) members; Mr. Wayne Quandt has expressed an interest to serve. He stated there is one more vacancy if Mr. Quandt is appointed. This board considers variances.

Commissioner Wilson made a motion to appoint Mr. Wayne Quandt to the board, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Fugate, Pecos, Garcia, Wilson voting "FOR". Laskowski "ABSENT".

6. RESOLUTION NO. R2010-65 Consider resolution of the City of Kingsville, Texas suspending the January 7, 2011, effective date of Centerpoint Energy Entex and Centerpoint Energy Texas Gas South Texas Division requested rate change to permit the City time to study the request and to establish reasonable rates; Approving Cooperation with other Cities in the Centerpoint South Texas service area to hire Legal and Consulting Services and to negotiate with the company and direct any necessary litigation and appeals; Authorizing intervention in GUD No. 10,038 at the Railroad Commission; Authorizing Legal Representation; Requiring reimbursement of Cities' Rate Case Expenses; Finding that the meeting at which this Resolution is passed is open to the public as required by law; Requiring notice to this Resolution to the Company and Legal Counsel. (Interim City Manager).

Interim City Manager Alvarez stated the City received a copy of the proposed rate increases from Centerpoint Energy. Shortly after, the City was notified that other cities in the service area were also getting copies of this rate increase. She stated the last rate increase was five years ago and at that time the City received a similar resolution suspending the rate increase until the recommended changes could be studied and legal counsel could be hired. She stated the legal counsel will not be an expense for the City. She explained that at the Railroad Commission there's no consumer advocate to look out for the consumer's interest with regard to proposed rate changes. At this point and time, the Cities and the abilities that the cities have to suspend rates and hire someone at the expense of the utilities to examine and make sure that it is a fair and reasonable rate structure is the only to make sure to safeguard the consumer's rights. She added this was done in 2005 and Staff is asking the Commission for the same authority this year.

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

7. RESOLUTION NO. R2010-66 Consider resolution authorizing the Mayor to enter into an extension of the Water Pass Through Contract with the South Texas Water Authority which is set to expire on December 31, 2010 and setting a revised rate. (Interim City Manager).

Interim City Manager Alvarez stated in September the Commission took no action and asked Staff to ask someone to reexamine the pass-through charge or the rate that is set per thousand gallons because it hadn't been looked at in roughly ten year. She stated that after the contract for engineering services with LNV was approved the City asked them to take a look at that. They were provided with a

copy of HDR's study that was done to setup the initial rate. Mr. Robert Viera, LNV Engineer and Staff worked on this with regard to updating the pass-through rate calculation. Based on the information they found, the amounts that the City is budgeting and the expenses that the City has for operating the water system, the rate would go up to \$0.1484 per thousand gallon. Interim City Manager Alvarez stated Staff is asking the Commission to approve the extension of the water pass-through contract with STWA that is set to expire on December 31st, 2010. She added that the Ricardo Water Supply Corporation is in process of financing and constructing a 12" water line that will directly connect them with the STWA facilities on Sage Road. Once that line is in place they will no longer be using the city's water lines and the pass-through agreement will not be necessary.

Mayor Fugate asked Mr. Viera if this is a fair and reasonable rate. Mr. Viera replied he believed so, and what he did, he took the water expenditures for 2010 and used those numbers and formula that was provided.

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

8. Discuss projects and equipment list for Certificates of Obligation series 2011. (Interim City Manager).

Interim City Manager Alvarez stated handouts were passed out with updated information. She thanked Staff for paring down their list, the CO requests are down by \$2,000,000 then the previous time presented. The main cost savings came from the removal of a few years of the drainage plan on the General Fund side. She added that year one was left in because that was the highest priority based on the City Engineer's recommendation. Staff will be working on an RFQ for storm water rate study. Bond Counsel has advised the study can be paid through the debt. The study takes six to nine months or closer to a year which will cost \$80,000. She stated Staff is present if there are any questions.

Mr. Rushing provided information on the handouts. He stated the summary recap of how much is to be deposited if the City goes with this scenario. In the Construction Fund for purchase of assets for doing product projects that number on November 22nd was \$12,356,688 of which General Fund was \$7,582,916 and the Utility Fund was \$4,773,772. He added that this is the summary that has the cuts that Staff made. He reviewed the cuts since the last meeting of November 22nd. The General Fund was cut \$1,304,812, the bulk coming from drainage. The drainage net effect was \$1,120,000, in which fiscal year 2011-12 was cut half million dollars, and fiscal year 2012-13, \$700,000 was cut. He stated \$80,000 was added for the storm drainage study. The net effect is \$1,120,000. The other cut was in the Fire Department equipment. The cost for the self-contained breathing apparatus had to be added back in; the Chief's vehicle was pared back by \$10,000; the dormitory cost was cut back \$34,000. The net effect in the cuts for the Fire Department alone was \$184,813,000, combined with the drainage at \$1,120,000 was the \$1,304,813.

Upon Mayor Fugate's request, Fire Chief Lopez provided information on the need for a new pumper. Chief Lopez stated they have no backup and they would be getting rid of a 1994 vehicle. He stated that two ambulances were replaced, but the one that wasn't replaced is old and they can't get equipment for it anymore. He added that the ambulance is 13 years old. Upon a question from Commissioner Garcia, Firefighter Creek replied this is an addition to Station 2, and a bedroom would be added so that the public doesn't walk into their bedroom. Mr. Rushing stated the cost per square footage was adjusted and was reduced down by \$34,000. In the Utility Fund, monies were moved from debt finance to cash finance. Mayor Fugate stated he is not interested in buying a sand bag machine for \$13,000 and making the City and citizens pay interest on this. Upon a question from Commissioner Garcia, Mr. Rushing stated costs are being shared with the County for items being purchased for the Health department. The recap from First Southwest overall debt service presented last time is .0347 and now the new number is .0333 which is .0014, this is impacted in the overall debt service.

Mayor Fugate stated the renovations on the old high school (New City Hall) have begun. The City is getting a new city hall for a one-third match. Mr. Rushing stated there is \$2,000,000 allocated for that project.

For clarification, Mayor Fugate stated the sand bag should be taken out, but the fire pumper and the ambulance are to be kept.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:10 P.M.



Sam R Fugate, Mayor

ATTEST:



Edna S Lopez, TRMC, CMC

City Secretary