

AUGUST 3, 2010

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON TUESDAY, AUGUST 3, 2010 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL/200 EAST KLEBERG AVENUE AT 11:30 A.M.

**CITY COMMISSION PRESENT:**

Sam R Fugate, Mayor  
Al Garcia, Commissioner  
Charles E Wilson, Commissioner  
Stanley Laskowski, Commissioner  
Arturo Pecos Commissioner – arrived at 11:43 A.M.

**CITY STAFF PRESENT:**

Carlos Yerena, City Manager  
Edna S Lopez, City Secretary  
Courtney Alvarez, City Attorney  
Yolanda Cadena, Health Director  
Mark Rushing, Finance Director  
Bill Donnell, Public Works Director  
Diana Gonzales, Human Resource  
Joe Casillas, Water Production Supervisor  
Al Lopez, Fire Chief  
Ken Clark, Director of Development Services  
Naim Khan, City Engineer  
Teresa Vasquez, Assistant Accountant II  
Caron Vela, Accounting Manager

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate called the meeting to order in the City Commission Chamber's at 11:32 A.M. and announced quorum as present, with four members present, and Commissioner Pecos absent.

**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 the consideration of the minutes of the regular meeting of July 26<sup>th</sup>, 2010. **Commissioner Laskowski made a motion to accept the minutes, as presented, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Garcia, Wilson, Laskowski voting "FOR". Pecos "ABSENT".**

**II. Public Hearing - (Required by Law).<sup>1</sup>**

**NONE**

**III. Reports from Commission & Staff<sup>2</sup>**

*"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."*

City Manager Yerena reported on the events of National Night Out scheduled for tonight.

Ms Alvarez reported on working on the next agenda and that the signed election order from the County was received and has been placed in front of them.

#### IV. Public Comment on Agenda Items<sup>3</sup>

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.

Mayor Fugate called for consideration of the items in the Consent Agenda, Items 1-3. Commissioner Laskowski made a motion to approve the consent agenda, as presented, seconded by Commissioner Wilson. The motion was passed and approved by the following vote: Fugate, Garcia, Wilson, Laskowski voting "FOR". Pecos "ABSENT".

#### V.

##### Consent Agenda

1. ORDINANCE NO. ORD 2010-25 Motion to approve final passage of an ordinance amending the Zoning Ordinance by changing the Zoning Map in reference to 2.93 acres out of the Henrietta Heights Subdivision, Block 1, Lots 1-16, W/2 28-32; Chamberlain Place Subdivision, Block 11, Lots 17-32, from "C-2", Retail Commercial District and "R-3" Multi Family Residential District to "MU" Mixed Use District. (Director of Development Services).
2. ORDINANCE NO. ORD 2010-26 Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter VII, Article 5, Traffic Schedules; providing for a new school zone for the Santa Gertrudis Independent School District's new Elementary and Intermediate School and the installation of school zone signs. (City Engineer).
3. Motion to approve out-of-state travel for Interim Task Force Commander and two agents to attend the 20<sup>th</sup> Annual Motor Vehicle Criminal Interdiction Conference in New Orleans, Louisiana on August 16<sup>th</sup> – 20<sup>th</sup>, 2010. Funds used will be reimbursed by DIAP/EPIC. (City Manager).

##### REGULAR AGENDA

##### CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

#### VI. Items for consideration by Commissioners.<sup>4</sup>

4. RESOLUTION NO. R2010-35 Consider resolution ordering the City of Kingsville Special Election for a City Charter Amendment Election, ordering said Special Election be held as a Joint Election with Kleberg County, Designating Voting Precincts, Designating Polling Places, Establishing Election Procedures and Appointing Early Voting Clerk. (City Secretary).

(Considerar la resolución que ordena Elecciones Especiales en la Ciudad de Kingsville para unas Elecciones de Enmiendas del Fuero de la Ciudad; que ordena que dichas Elecciones Especiales se realicen como elecciones conjuntas con el Condado de Kleberg; que designa distritos electorales, establece procedimientos electorales y nombra a la Secretaria de Votación Anticipada). (Secretaria Municipal).

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

5. Discuss revenue, capital outlay, debt service capacity, water & wastewater rate model & study, and other budget items. (City Manager).

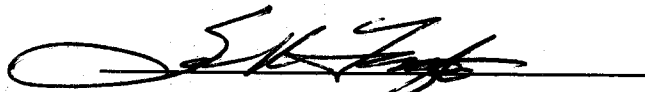
Mr. Grady Reed, HDR Engineering addressed the Commission and provided information of a handout on the 2011 update of the water & wastewater rates for the City of Kingsville. He touched on initial findings of the update; forecasting assumptions; and projected water CIP. He added that the city maintains approximately a 3 months reserve in the City's Utility Fund. He stated current and future expenditures were input into the

model and assumptions were made regarding projected rate of inflation, growth rate, etc. He added that current rates were adjusted so that during the five year planning period, the City would have at least three months reserves and meet a debt coverage requirement of 1.25. He provided information on fiscal year 11 recommendations: Scenario 1 – would have a 3.5% water rate increase and a 7% wastewater rate increase. Scenario 2 – would have a 2% water rate increase and a 4% wastewater rate increase. Mr. Reed provided information on future rate increases and comparison to other cities (residential & commercial). In summary, either scenario will allow the City to maintain a well over 3 months reserve of available funds, will allow the city to adequately fund the planned capital improvements program, and rates should be adjusted every year based upon any changed conditions such as changes in the CIP, increased operational expenses, etc.

Ms Anne Entrekin, First Southwest, addressed the Commission and complimented the Commission and Staff stating that Kingsville is one of the top cities she works with relative to the level of comprehensive approach that they offer. She provided information on an initial capacity analysis. She explained the Tax Supported Debt, existing debt service and projected tax rate. She stated the City has had growth in the AV which is good. In the Debt Profile Utility System Revenue Debt, she stated the debt is paying off over time. She explained the information regarding the Aggregate Debt Service. In the Capital Improvement Program, she explained the CIP costs grouped by useful life. In option 1 scenario, the tax rate drops but immediately goes up the following year. Regarding tax levy, she stated in each ordinance of currently outstanding bonds, the City adopted language related to the levy of taxes: During each year while any of the Issues are outstanding, the issuer shall compute and ascertain a rate and amount of ad valorem tax sufficient to pay interest and to provide and maintain a sinking fund adequate to pay the principal thereof as such principal matures (and targeting not less than 2% of the original principal amount). She provided information on a calculation of 2% per issue for each bond issuance. She provided information on Market Update.


#### VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 12:27 P.M.



Sam R. Fugate, Mayor

ATTEST:



Edna S Lopez, TRMC, CMC  
City Secretary