

AUGUST 27, 2012

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 27, 2012 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS CITY HALL/200 EAST KLEBERG AVENUE AT 4:00 P.M.

CITY COMMISSION PRESENT:

Sam R Fugate, Mayor
 Al Garcia, Commissioner
 Noel Pena, Commissioner
 Arturo Pecos, Commissioner – arrived at 4:12 P.M.
 Dianne Leubert, Commissioner

CITY STAFF PRESENT:

Vincent J Capell, City Manager
 Edna S Lopez, City Secretary
 Courtney Alvarez, City Attorney
 Mike Kellam, Director of Development Services
 Ricardo Torres, Police Chief
 Roel Carrion, Interim Fire Chief
 Diana Gonzales, Human Resource Director
 Robert Rodriguez, Library Director
 Frank Garcia, Wastewater Supervisor
 Willie Vera, Task Force Commander
 Robert Bennett, Landfill Supervisor
 Susan Ivy, Parks Director
 Mark Rushing, Finance Director
 Tony Verdin, Information System Technician
 Bill Donnell, Asst Public Works Director
 Melissa Perez, Risk Manager
 Rose Morrow, Municipal Court Supervisor
 Jose Valadez, Street Supervisor
 Arturo Moreno, Accountant II
 Marco Jimenez, Water Supervisor
 Teresa Vasquez, Interim Accounting Manager
 Joey Garcia, Information Technology Systems
 Luke Stevens, Sanitation Supervisor
 Joe Casillas, Water Production Supervisor

I. Preliminary Proceedings.

OPEN MEETING

Convene into III. **Reports from Commission & Staff.** - Review and discuss proposed fiscal year 2012-2013 budget for departments of the City of Kingsville. (City Manager).

Health Department – Ms Yolanda Cadena

Ms Cadena addressed the Commission and stated this budget was reduced due to two employees being transferred to the Community Appearance department. She stated she was very much in favor of this move.

Parks – Ms Susan Ivy

Ms Ivy addressed the Commission and provided historical information with regard to what the City provides the Parks, projects completed, pool repairs needed, information on grants, lightning for soccer field. She asked for funds - \$25,000 to be recommitted in order to continue with soccer field project. The ongoing support of the projects is important to the community. As for the neighborhood parks, they will start to move on that project, evaluations have taken place and the priorities have been set. There was lengthy discussion on improving the parks. The City provides \$46,000 in water trade and an additional \$200,000. Mayor Fugate suggested raising water trade to \$80,000 with understanding that the county has to use additional monies for infrastructure. Ms Ivy suggested the City and County meet to discuss and redo their Interlocal Agreement. City Manager Capell stated they can make decisions today or they can direct him to come up with some options. The Commission expressed their concerns about the parks.

Mayor Fugate called for Mr. Dick Messberger, EDC Representative to address the Commission and stated Kingsville is considered a defense dependent community. The economy is based on agriculture, oil & gas, education, retail and defense. What's going on right now, the Department of Defense will be leaner ten years from now than it is today. The deficit reduction act of last year cut the Department of Defense budget by half a trillion dollars. If Congress can't get together and adopt a budget then there automatic cuts that take place January 2, 2013 which is another half a trillion dollars. If this takes place this will basically be a back door BRAC. The Navy would go from 283 ships to 233 ships. This is monitored because it determines the amount of pilots needed. Through four rounds of base closures, Kingsville has been recommended by the Navy, three times for expansion and the fourth time by the base closure commission. A lot has to do because Kingsville has a unique training facility and the community has been proactive. In 1991 when Kingsville was added to the BRAC list, we were added for review. The City, County and business community got together and the first thing done was to contract with a consultant in DC. The first contract was for \$10,000 a month for one year, for a total of \$120,000. Following 1991, the consultant was kept on a lower consulting fee under contract and as a result Kingsville was recommended for expansion in 1993 & 1995. It's been announced that there will be another BRAC round in 2013 & 2015 but Congress said no way. The Under-Secretary of Defense appeared before the House Armed Services Committee and Congress said we will not approve it, and she said we don't need your approval; a base closure can be done. If Congress doesn't approve it there will not be any money to impact those communities that have their bases closed. There's no way for a 2012 BRAC because there isn't time, they are talking possibility of 2014. At this time what is being done to be proactive is that they have resurrected the South Texas Military Facility Task Force which came into being 1993. He referred to a handout with information that has been put together showing the unique assets in South Texas. If all combined assets are put together, you have 9- 8000 ft. runways with Kingsville owning six. The number one objective is to protect what we have, the second objective is to place NAS-Kingsville and South Texas in a position that they close, consolidate, realign, we are in a position to take on additional missions.

Mayor Fugate suggested budgeting \$20,000 for BRAC issues, providing monies in the Legal Department for professional service in case a lawsuit comes up in reference to wind farms and adding money for pothole patcher. City Manager Capell made some suggestions in order to get these things done.

Library – Mr. Robert Rodriguez

Mr. Rodriguez addressed the Commission and stated proposed core budget is lower than last year's budget. The roof has been repaired and air conditioning project is being worked on. The air condition repair will cost \$56,040 which is half the amount for each entity. City Manager Capell stated this is in the budget.

Mr. Joey Garcia, Information Technology Service addressed the Commission and provided information on present and future technology being used to attract patrons to the library. They have ongoing efforts to educate the public.

Volunteer Fire – Volunteer Fire Chief Rick Salinas

Mr. Salinas addressed the Commission and stated their mission is to help the Kingsville Fire Department in all aspects. The budget is basically the same, slight increase to utilities and motor gas & oil. There are twenty-three volunteers and capped out at thirty. There was discussion on the new pump house.

GO Debt Service, UF Debt Service, UF Capital Projects, Landfill Closure/Post Closure, GF Capital Projects, & GF & UF CO's –Mr. Bill Donnell and Mr. Mark Rushing

Mr. Rushing addressed the Commission and stated that Ms Ann Entekin, First Southwest had previously provided information on this item. The revenues projected is \$1,697,777, expenditures are at \$1,889,088 which would pull fund balance from \$838,340 down to \$647,091. Looking to try to maintain an average fund balance about half of the debt service schedule in relation to that about 25 -50% is the goal. Under the utility debt service, the starting fund balance for fiscal year 2013 is \$207,607, revenues are \$1,376,023, expenditures as per debt service schedule is \$1,374,823 which would increase fund balance \$12,000, an ending balance of \$208,897. He stated the City is proposing possibility of going out for CO's in January 2013. A resolution will be done to commit fund balance to issue within eighteen months in order to go on with the drainage projects this fall and they can be chargeable to the CO issue if done. The storm water drainage revenues would be matched with the debt service schedule.

Mayor Fugate stated he would like to revisit the drainage issue. City Manager Capell stated the storm water project are projects that the citizens want. Mayor Fugate stated there are some issues with the government on storm water drainage. City Manager Capell stated this would provide a separate source of funding to do these projects.

Mr. Donnell presented Fund 087 information stating that in previous years a garbage truck that could be used both ways for residential and commercial. There's a wheel loader that is on order and \$130,000 to complete landfill permit amendment. The remaining balance was used to purchase dumpsters.

In the Landfill closure fund, Mr. Rushing stated they are looking at doing a study in the amount of \$40,000 in order to look at the closure/post closure cost and at expenditures that the City might be incurring in the future. Currently going into fiscal year 2013, there \$3.9 built up in the closure/post closure. Revenue projected for next year is \$296,550, expenditures \$40,000, with an ending balance of \$4,163,888. This is a state mandate.

In the Fund 091, City Manager Capell stated this pertains to his budget message. Some numbers will be changed based on discussion. Mr. Rushing provided information on projects for monies left in the CO accounts.

There was discussion on finishing the budget workshop after tonight's regular meeting or coming back another day. Decision was made to come back another to discuss the budget. Mayor Fugate called for a recess at 5:55 P.M.

6:00 P.M. – Regular Session of the Agenda continues

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by Mr. Rushing followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Mayor Fugate called consideration of the minutes of the Special Meetings of Monday, August 20, 2012, Tuesday, August 21, 2012 and Wednesday, August 22, 2012. **Commissioner Leubert made a motion to approve the minutes, as presented, seconded by Commissioner Pena. The motion was passed and approved by the following vote: Fugate, Garcia, Pena, Leubert voting "FOR". Pecos "ABSENT".**

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

1. Public Hearing to consider ordinance for creation of a storm water utility. (City Manager).

Mayor Fugate opened the public hearing at 6:06 P.M. and announced if anyone wanted to speak on this subject, they could do so for 5 minutes by coming to the podium announcing their name and address.

Mr. Lance Hamm, 912 South Creek, concerned about how this will be paid and on the City spending the \$2 million of excess taxes on other things and now the engineering firm coming back that the drainage issues needed to be addressed and the citizens will be charged. He stated that the City had a bunch of money and could have been easily used but now taxing residents. He asked that they delay project for 8 months until the City has money to pay for it without taxing the residents.

City Manager Capell stated that points brought up by Mr. Hamm could be valid. Mayor Fugate stated any money that was spent is necessary to run the city. The citizens need to know why we need this done, there's flooding problems but the City streets drain. City Manager Capell stated the City needs several million dollars every year, the storm water utility provides a steady source of income for infrastructure. Commissioner Leubert stated she was under the impression this was a State mandated.

Mayor Fugate asked if there were infrastructure projects that are needed now and why are we doing this now?

Mr. Grady Reed, HDR Engineering representative stated according to State Statute the City does not need to have a storm water utility to fund those projects. A storm water utility does create a dedicated funding source because right now the City's storm water functions are competing for other thing out of the General Fund. Mayor Fugate stated this is not necessarily the flooding issue but the pollution issue. Other than 14th Street and King Street, he does not see a flooding issue. Mr. Reed stated citizens are paying for storm water through the taxes they pay. A storm water fee is charged based on how much runoff for each partial. Average homeowner rate based on five year, \$1.25 per equivalent residential unit for three year then about \$1.63. For commercial customers, the average cost is 9.6 times a \$1.25 per month. Once created a storm water utility may be dissolved after five years.

Mayor Fugate closed the public hearing at 6:25 P.M.

2. Public Hearing to rezone 1.99 acres out of KT&I Co., Block 22, Part of Lot 6 known as in the 1600 Block of East Trant Road from AG Agricultural district to C4 Commercial District. (Director of Development Services).

Mayor Fugate opened the public hearing at 6:25 P.M. and announced if anyone wanted to speak on this subject, they could do so for 5 minutes by coming to the podium announcing their name and address.

Mr. Kellam stated this application was denied by the Planning & Zoning Commission by a vote of 5-0. It wasn't consistent with the City's comprehensive plan.

Mayor Fugate closed the public hearing at 6:27 P.M.

3. Public Hearing regarding preliminary plat for Fred Kurth of Melden & Hunt, Inc. and providing for conditional approval of same, located at 1600 Block of Carlos Truan Blvd. (Director of Development Services).

Mayor Fugate opened the public hearing at 6:27 P.M. and announced if anyone wanted to speak on this subject, they could do so for 5 minutes by coming to the podium announcing their name and address.

Mr. Kellam stated this item was heard by the Planning and Zoning Commission. This is for ninety lots and seven streets which will connect Caesar and Carlos Truan. This has no bearing on the base. Staff reviewed and found some things that will need approval from TXDOT. Staff recommends conditional approval for the preliminary plat as drawn and presented, tonight.

Mr. Fred Kurt, Melden & Hunt provided a handout. Mr. Mark Dizdar, Developer addressed the Commission, stating their relationship with Kleberg Bank is good, as is with the City of Kingsville. He stated Kingsville is not well-deserved with housing. The Jalisco Ranch property will have a photo copy of University Blvd. There are 191 homes total build up value is \$35,000,000, which is about a 5% growth in taxable value.

Mr. Kurt explained the facts & agreement regarding the project.

Mayor Fugate closed the public hearing at 6:40 P.M.

4. Public Hearing on a proposed tax rate increase from \$.84220 to \$.88218 for Fiscal Year 2012-2013. (Finance Director).

Mayor Fugate opened the public hearing at 6:40 P.M. and announced if anyone wanted to speak on this subject, they could do so for 5 minutes by coming to the podium announcing their name and address.

Ms Alvarez announced the vote to adopt the City of Kingsville's 2012-2013 fiscal year tax rate will take place on September 17th, 2012 at a City Commission meeting at 6:00 P.M. in the Alcorn Commission Chambers, here at City Hall 200 East Kleberg, Kingsville, Texas. The second public hearing on the tax rate will take place on September 5th, 2012 at a special City Commission Meeting at 6:00 P.M. in the Alcorn Commission Chambers here at City Hall, 200 East Kleberg, Kingsville, Texas.

Mr. Rushing the budget as presented is based on the overall tax rate \$.84220 which is current tax rate of fiscal year 2012. The current M&O rate is \$.63752, and the current I&S rate is \$.20468, for subtotal of \$.84220. Next year's I&S rate will move to \$.17825 and the M&O rate would be \$.66395. At the last meeting it was approved to go right underneath rollback which gave versatility in the budget process to increase those rates, but the budget as presented is based on an overall total tax rate for fiscal year 2013 equal to overall total tax rate of \$.84220 which is fiscal year's 2012 tax rate.

Mayor Fugate closed the public hearing at 6:44 P.M.

III. Reports from Commission & Staff.² (City Manager's Staff Report Attached).

"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, Financial Advisor. No formal action can be taken on these items at this time.”

Ms Alvarez reminded Staff that agenda items are due on Friday, 31st for the meeting of September 10th, and there will be a special meeting on September 5th.

Mayor Fugate presented a Keep Kingsville Beautiful “BECAUSE YOU CARE AWARD” to the Boxing Club representatives Mr. Jaime Cantu and Mr. Lee Canales.

Mayor Fugate presented a Keep Kingsville Beautiful “BECAUSE YOU CARE AWARD” to the City of Kingsville Brush Crew.

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.

Mr. Lance Hamm, 912 South Creek spoke about the Nature's Own RV Park regarding the fence.

Mr. Ricardo Vega, 805 West Kleberg spoke about installing a sidewalk on Armstrong and King all the way to Memorial Middle School for the kids to use. He stated the sidewalk at the recycling center is being done with City money and is rarely used.

Mayor Fugate called for consideration of the items in the Consent Agenda, Items 1-3. **Commissioner Pecos made a motion to approve, Items 1 & 3, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Fugate, Garcia, Pena, Leubert, Pecos voting “FOR”.**

V.

Consent Agenda

1. RESOLUTION NO. 2012-48 Motion to approve resolution authorizing the City Manager to execute an amended Professional Services Agreement between the City of Kingsville and Imagine It Studios relating to City website. (Director of Development Services).

2. RESOLUTION NO. 2012-49 Motion to approve resolution authorizing participation in Union Pacific Foundation: Community Based Grant Program for four segways and miscellaneous equipment; Authorizing the Fire Chief to act on the City's behalf with such program. (Interim Fire Chief).

Commissioner Garcia asked how the segways would be used. Interim Fire Chief Carrion stated this would be used for parades and different events. This will help paramedics get through small spaces. There is no cash match.

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

3. RESOLUTION NO. 2012-50 Motion to approve resolution authorizing the City Manager to enter into an amendment to the revised Water Utility Supply contract (Gov. Contract #N69450-12-C-001) between the City of Kingsville, Texas and the Federal Government for Naval Air Station-Kingsville (to reflect water rate recently adopted by ordinance for NASK). (City Engineer/Public Work Director).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

4. Consider introduction of an ordinance granting a subdivision variance from the minimum lot grading requirements for Jalisco Ranch subdivision on property located in the 1600 block of Carlos Truan Blvd. (Director of Development Services).

Mr. Kellam stated this item was presented to Planning & Zoning Commission with lengthy discussion. Staff is requiring a minimum slope is a 1% slope, applicant request is .75. Staff's position is they follow City Codes. They have been working together but have not been able to come to an agreement, so subdivision variance was requested. There is question regarding the lot grading which will hinder the development and attempts to save a majority of the existing trees. Staff researched the issue and has found the grading can and should be done prior to the individual lot development to ensure proper drainage within the entire site. Additionally, the approval of the preliminary plat is dependent upon the granting of a subdivision variance from the minimum lot grading requirements as prescribed by the subdivision code. Staff recommended denial of subdivision variance request based on the researched and analyzed findings within the staff report. Planning & Zoning Commission recommended approval of the request with a 4/1 vote.

INTRODUCTION ONLY

5. RESOLUTION NO. 2012-51 Consider resolution accepting preliminary plat request for Jalisco Ranch Subdivision in the 1600 Block of Carlos Truan Blvd. from Fred Kurth of Melden & Hunt, Inc. and providing for conditional approval of same. (Director of Development Services).

Mr. Kellam stated staff recommends approval. There will be sidewalks and have great walk ability.

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

6. Consider introduction of an ordinance amending the zoning ordinance by changing the zoning map in reference to 1.99 acres out of KT&I Co., Block 22, Part of Lot 6 known as in the 1600 Block of East Trant Road from AG Agricultural District to C4 Commercial District; Amending the comprehensive plan to account for any deviation from the existing comprehensive plan; and providing publication. (Director of Development Services).

Mayor Fugate stated is will not work, this is a bad idea.

INTRODUCTION ONLY

7. Consider introduction of an ordinance of the City Commission of the City of Kingsville, Texas, amending Chapter V Public Works of the Code of Ordinances of the City of Kingsville, Texas by adding Article 6 entitled "Stormwater Utility System"; Article 1 "Stormwater Utility System Rules" to establish a Municipal Stormwater Utility System; Establish an administrative appeals process; Provide penalties and remedies for nonpayment; Exempt certain property from fees; and provide a process by which to discontinue the Stormwater Utility System; Providing a cumulative clause; providing a severability clause; Providing a savings clause; and providing an effective date. (City Manager).

Mayor Fugate stated this is something that needs to be done.

INTRODUCTION ONLY

8. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewer, Providing for an increase in sewer rates. (Finance Director).

Mr. Rushing stated this in accordance with the 5 year model, cost to increase by 3%.

INTRODUCTION ONLY

9. 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. (Finance Director).

Mr. Rushing stated this in accordance with the 5 year model, cost to increase by 1%.

INTRODUCTION ONLY

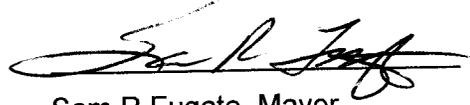
10. Consider introduction of an ordinance annexing the hereinafter described territory to the City of Kingsville, Kleberg County, Texas and extending the boundary limits of said City so as to include said hereinafter described property (Lot 9, Section 22, KT&I Subdivision) within said City limits, and granting to all the inhabitants of said property all the rights and privileges of other citizens and binding said inhabitants by all of the Acts, Ordinances, Resolutions, and Regulations of said City; and Adopting a Service Plan, Repealing all Ordinances in conflict herewith and Providing for an effective date. (Director of Development Services).

Mayor Fugate stated this will add \$30,000 in taxes and 200 citizens.

INTRODUCTION ONLY

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:30 P.M.


Sam R Fugate, Mayor

ATTEST:

Edna S Lopez, TRMC, CMC
City Secretary