

JUNE 25, 2012

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JUNE 25, 2012 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS, CITY HALL/200 EAST KLEBERG AVENUE AT 5:00 P.M.

CITY COMMISSION PRESENT

Al Garcia, Mayor Pro-tem
Noel Pena, Commissioner
Arturo Pecos, Commissioner
Dianne Leubert, Commissioner

CITY COMMISSION ABSENT

Sam R Fugate, Mayor

CITY STAFF PRESENT

Vincent J Capell, City Manager
Edna S Lopez, City Secretary
Courtney Alvarez, City Attorney
Robert Rodriguez, Library Director
Naim Khan, City Engineer/Public Works Director
Mark Rushing, Finance Director
Roel Carrion, Interim Fire Chief
Bill Donnell, Asst Public Works Director
Diana Medina, Collections Supervisor
Gary Fuselier, Landfill Supervisor
Willie Vera, Task Force Commander
Mike Kellam, Director of Development Services
Caron Vela, Accounting Manager
Yolanda Cadena, Health Director
Joe Casillas, Water Production Supervisor
Diana Gonzales, Human Resource Director
Arturo Perez, Garage Supervisor
Marco Jimenez, Water Supervisor

I. Preliminary Proceedings.

OPEN MEETING

Mayor Pro-tem Garcia called the meeting to order in the Commission Chambers at 5:00 P.M., and announced quorum as present with only Mayor Fugate and Commissioner Pecos absent.

CONVENE INTO REPORTS FROM COMMISSION & STAFF – ITEM III- PRESENTATION BY HDR ENGINEERING REGARDING STORM WATER RATE STUDY.

Mr. Grady Reed, HDR representative reported on a storm water management study. He explained the Historical Overview of Storm water Management, Increasing Storm water Challenges facing Communities, Questions that must be Answered to guide the Process, Storm Water Rate and Fee Structures, Kingsville Storm water Data Development, Kingsville Storm water Rate Model, Phase II – Implementation Support and Future Schedule.

Commissioner Pecos arrived at 5:10 P.M.

Mr. Reed stated that several months ago the City engaged HDR Engineering to examine the possibility of creating a storm water utility for the City of Kingsville. He provided background information on what storm water is and how cities have been doing it. Storm water is a service just like providing water and wastewater. The idea behind the water and wastewater rate system is that the City is charging its customers based on the amount of that service that they consume and storm water would be no different. The storm water drainage system and utility system conveys runoff, alleviates flooding and the more that people use that system or the more runoff that people create, the idea is, generally, the more that they should be charged. He added if funding is within the General fund you are basically levying a storm water charge based upon their appraisal value or taxable value of a piece of property, which is not necessarily related to the amount of runoff that that property generates. He provided information on the challenges that communities are facing with storm water. Most cities pay for drainage work or maintenance out of their own general operating budgets which is not enough for the magnitude of work storm water management requires. Mr. Reed stated that when this process (the study)

was started, they sat down with City staff and worked through all questions that guided not only how the fee was designed but how updates to the fee would be designed. He explained that impervious cover is defined as anything that water cannot soak into. Included in the impervious calculation are buildings, sidewalks, driveway, and parking lots. Developing a storm water utility is very data intensive because a whole new data set must be generated for every single parcel within the city limits. The impervious coverage has to be determined for each parcel and decide who to bill. Normally, the property owner is billed and in some cases someone other than the property owner has to be billed especially when there are five parcels together. In the city's case, a data limitation was that the Appraisal District does not keep information on what is on a structure if it is a tax exempt property. Regarding who and how to charge, Mr. Reed stated this is where feedback from the Commission is needed. State Statute states you have to exempt institutions of higher education and state property. The City has the discretion to exempt, for example: the School district, city, and the county. The trade-off is the more customers exempted the higher the rate is for the remaining customers. HDR worked with Staff to develop a policy manual. The ordinance will address appeals for impervious calculation. He stated the rates are being set that are both fair and equitable while maintaining administrative feasibility. There will be two number of customer classes, residential class, which they all get billed the exact same rate, and a non-residential class, which are billed based upon their actual number or value of impervious square feet. As for the rate/fee policy issues, the question is, does the City want to have exemptions or low income relief. Mr. Reed stated that HDR has developed a draft storm water rate model for the City. The number of Equivalent Residential Units (ERUs) for each parcel type was determined based upon the average impervious cover of a single-family residential parcel. Storm water fees will only be used to pay for new storm water related debt issued after October 2012. He added they are not going to go back and take previous debt that has been issued for storm water, draft that and try to pay for it with the new fee. Anything previously issued will continue to be paid for through the General fund. No Operations and Maintenance cost were included in the revenue requirements. The draft storm water rate developed would be: \$1.25/ERU/month (\$15.00/year) for FY 13 through FY 15; \$1.63/ERU/month (\$19.56/year) for FY16; and \$2.11/ERU/month (\$25.32/year) for FY17. Those draft rates may change slightly depending on the final customer list. The rates above assume that no property types are exempt from the fee.

As for Phase II – Implementation Support, Mr. Reed stated this includes a fully developed customer billing database. At this point it is really complete and all they need to know is whether or not to charge this fee to any of the proposed exempt properties. Draft ordinances have been developed and submitted to City staff for review and comment. A storm water utility manual is nearing completion. As for ordinances, he stated the City must pass an ordinance that creates the utility before passing an ordinance that establishes the rates for that utility. He stated the last thing they are working on is the implementation coordination/public outreach. They have created a draft list of FAQs which has been submitted to City staff for review and comment.

Mr. Reed provided information on future schedule for publishing notices, ordinances introduction and passing, and implementation date.

City Manager asked if no one is exempt what would be the annual revenue generated by the City for storm water utility. Mr. Reed replied the first year would generate about \$250,000 in revenue, it is anticipated that the first year debt service is only about \$40,000 per year.

Mr. Reed called for questions from the Commission.

Commissioner Pena asked if this is delayed, in terms of the City's infrastructure what were some future implications. Mr. Reed replied this is not necessarily a question he can answer, but the point of creating a storm water utility is that it does provide a dedicated revenue source to pay for storm water projects. If delayed, this creates competition whenever the City goes out for storm water project which is competing for funds within every other General fund activity. City Manager Capell stated the real choice would be that this amount of money could not be taken out of the General fund because it is just not there. He added that Mr. Khan, City Engineer/Public Works Director's has provided a list of five-year projects for \$4.3 million/ The City would have to issue substantial bonds to get that done. City Manager Capell stated the fifteen months he has been here, he has heard a lot about the storm water concerns.

With regard to the 2012-2013 Proposed 5-Yr Drainage Projects, Commissioner Pecos stated this is mandated from the Federal government. He stated this is something that has to be done whether we like it or not, it has to be done for the welfare and quality of life of our citizens.

Mr. Reed stated the \$1.25/month ERU is the lowest fee he has since; the fee typically averages \$2.00/\$3.00 per month in other cities. He stated even after several years of going through the

five-year storm water plan and funding those sources, the City still isn't approaching a very high fee.

For clarification, Commissioner Leubert stated that the rate is \$1.25/month with no exemptions but if the City adds exemptions now the rates go higher per resident.

Mr. Reed stated if they exempt the City they almost have to exempt the County at the point. Commissioner Pecos stated that the City should not exempt anyone, maybe only the elderly who are on a fixed income.

Mayor Pro-tem Garcia asked if the process is approved who will keep up with it. Mr. Reed explained they have created a manual that addresses and lays out some processes in a really simple form. He added the City has a building permit process and as part of that process the customer would have to fill out information on square footage of a structure or parking lot, etc. The form would get routed to the Utility Billing department and as the utility account is created the values can be taken from the form put into the billing system. The same is true for any properties that get redeveloped.

City Manager Capell stated the City Commission probably wants more time and he gets the sense that this needs to be discussed a little more. He asked that they forward to him specific questions they may have and he would try to answer them. Ms Alvarez reminded the City Manager Capell that could not be done outside of an Open Meeting.

Commissioner Pecos stated the City is looking at close to about \$1 million for the funding FY 2012-2013 for two projects. He asked if that amount of money could be generated within one year. City Manager Capell replied the City will need to borrow monies.

Commissioner Pena stated they would probably have to spend some ample time explaining impervious cover which will take quite some time to explain to the residents. Mr. Reed stated they would create a simple half page bill insert that would go out to the customers that would list high points.

Mayor Pro-tem Garcia called for a five (5) minute break at 5:58 P.M.

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

Mayor Pro-tem Garcia called the meeting to order at 6:08 P.M.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

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

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Mayor Pro-tem Garcia called for consideration of the minutes of the regular meeting of Monday, June 11th. **Commissioner Pecos made a motion to accept the minutes, as presented, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Garcia, Pena, Leubert, Pecos voting "FOR". Fugate "Absent".**

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

None.

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.

City Manager Capell thanked and acknowledged Mr. Gary Fuselier, Landfill Supervisor for all his hard work and service to the City. Mr. Fuselier will be leaving the City.

Ms Alvarez reported the next regular meeting of the City Commission will be on Monday, July 9th, deadline for agenda items is Friday, June 29th by 5:00 P.M., due to some scheduling the agenda should be posted Tuesday, July 3rd as Wednesday, July 4th, the regular posting date is a City holiday. City offices will be closed on Wednesday, for the July 4th holiday. She reminded Staff that time sheets are due this Friday by 11:00 A.M. Ms Alvarez announced that Commissioner Laskowski had previously sat on City's Investment Committee, so there's an opening on that committee. She asked that they think about who might want to serve.

Commissioner Pecos reported that he has received complaints from citizens that on Armstrong Street from Kenedy and King Street are extremely bumpy.

IV. Public Comment on Agenda Items³

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

Mayor Pro-tem Garcia called for comments on all agenda and non-agenda items.

Mr. Oscar DeNicolas, Manager at Holiday Inn Express thanked the Commission about the improvements made in Kingsville and that visitors to his hotel have increased.

Dr. Miguel Martin, 723 S 12th, spoke of a magazine which features a story of the King Ranch.

Mr. Eleazar Garcia, 1323 E Yoakum, asked for consideration of agenda item #11.

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

V. Consent Agenda

1. **ORDINANCE NO. 2012-29 Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Water, providing for a water rate for Naval Air Station Kingsville. (Finance Director).**
2. **RESOLUTION NO. 2012-29 Motion to resolution authorizing the City Manager to enter into an Interlocal Cooperation Agreement between the City of Kingsville and Texas A&M University-Kingsville relating to historical survey & inventory of the Historic District of Kingsville, Texas. (Downtown /Special Projects Manager).**
3. **RESOLUTION NO. 2012-30 Motion to resolution authorizing the City Manager to enter into Maintenance Agreement with Vista Com for the Kingsville Police Department dispatch recorder system. (Police Chief).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

4. **Consider providing direction to consultant on storm water rate study issues. (Director of Finance).**

Mr. Rushing stated the presentation from HDR was previously heard. The main element was a decision on if the Commission would like to move forward with this study.

Commissioner Pecos made a motion to approve, seconded by Commissioner Pena.

Mayor Pro-tem Garcia called for questions or comments. Commissioner Pecos stated there's no question the City needs to go forward because this is a mandate from the Federal government and is tremendously overdue. Even if this is implemented the City still needs more money to complete the two projects in FY2012-2013. He asked if the City would be asking for Certificates of Obligation to make up the difference. Mr. Rushing replied if the Commission moves forward and adopts a rate a revenue stream, then the City would commit those revenues to pay the bonds, it would be self-sustained

and the City would have the revenue stream to finance those bonds. The timing, the cash flow does not coincide with the projects timeline. The timeline to do a Certificate of Obligation would be a January or February event. To be bank qualified it caps off at \$10,000,000. Commissioner Pecos asked for the amount of time left on paying off previous CO's. Mr. Rushing explained there's a blending process in trying to keep the debt service constant and that the city fills those in. Previously, the City has financed for the expected useful life of the assets. Total amount for FY2013-2017 is approximately \$4 million. Commissioner Pecos asked if the CO's would be for the entire amount. Mr. Rushing stated the City has some arbitrage issues. He added that the City doesn't want to borrow more than three or four years if the City isn't going to spend those monies within that time period.

The motion was passed and approved by the following vote: Garcia, Leubert, Pena, Pecos voting "FOR". Fugate "ABSENT".

5. Consider accepting the Comprehensive Annual Financial Report of the City of Kingsville for Fiscal Year 2010-2011. (Finance Director).

Mr. Rushing stated Mr. Luke Womack is present to provide information on the CAFR report. Mr. Womack stated the City has been a recipient of the Certificate of Achievement for Excellence in Financial Reporting for seventeen years. Last year, the city had a tremendous year, cash reserves were up and everything is moving forward. In the General fund, the total assets have gone from \$12,057,000 of last year to, now, up to \$13,559,000, up about \$1.5 million. One major item that moved is cash, from \$6.1 million to \$7,325,000. At the end of year, another big move is due from other funds that have money, but they just haven't been moved. The General fund lend out about \$2.2 million to bring them to where they need to be. Payables were somewhat flat, liabilities were \$3.3 million last year and this year they were \$3.1 million. The fund balance has \$10,418,583 which is a substantial increase from last year about \$1.6 million. The Sanitation Landfill which continues to increase is at \$3,624,829. When this was started, years ago, it was a very good move because the City has now utilized the people who took advantage of the landfill and paid for the utilization. This will come due because one day the landfill will need to be closed and substantial money will be needed. As for unassigned, this is at \$5,917,128, this is what funded several projects of about \$1.5 million spending budget that were presented by the City Manager and Staff for good stuff around town. The City is leaving a very substantial and respectable fund balance. The Police Forfeiture and Task Force fund is at \$4,825,904, with liabilities at \$2,316,128, giving a fund balance of \$2,509,776, both are very strong. Debt service has assets of \$1,057,078, current liabilities of \$402,414, leaving a fund balance of \$654,664 which represents about .10 cents of tax which is a good fund balance. The Capital Improvement fund is at \$5,031,247 primarily due to the bond monies brought in last year, liabilities were at \$681,781, with a fund balance committed of \$4,349,466. All the funds are capitalized have adequate monies and cash flow to carry forward.

Mr. Womack stated that revenues are up; the General fund revenues went from \$13,625,000 to \$15,190,000. Primarily, sales tax jumped substantially and property tax was up due to a rate increase and many other services were increased for almost a \$2 million enhancement. Expenditures were flat, last year's was \$14,234,000 and this year is at \$14,310,134. Excess revenue is at \$880,548, last year this number was at a deficit. The total other financing sources amount was \$817,064, the total combined net increase revenue over expenditures is \$1,697,612, those are the dollars that are funding your spending projects when added to \$8,720,971, brings the total to \$10,418,583. The Police Forfeiture fund brought in \$1,860,000 they spent \$1,503,535 which brought in an extra \$74,697 in additional monies. Their fund balance went from \$2,435,079 to \$2,509,776. As for the debt service brought in through taxes \$1,532,985, paid debt service of \$1,744,020, which actually shows a loss, but a fund is set up that is funding additional funds to contribute towards the debt which is \$432,936 resulting in a \$233,000 increase taking this fund up to \$654,664. As for Capital Improvements, Mr. Womack stated there was some interest income of \$31,810, expenditures of \$1,850,684, new bond debt at \$5,385,040, leaving about a \$3,657,401 increase. On the Utility side, the prior year was very wet, unlike the last year that was audited; therefore total revenues are up dramatically. Last year, the total assets were \$8,968,000 and this year it is \$13,904,355, this is as a result of a bond issue and operating cash flow coming in. Cash is up from \$3.4 million last year to \$4.2 million this year. There was \$1 million increase in fixed assets. There were a few more liabilities primarily due additions to fixed assets.

Mr. Womack stated the debt is up, last year total debt outstanding was \$10,680,000, this year it is \$14,997,000 as a result of bringing the \$4.5 million in bond debt. The investments and fixed assets are up to \$2.2 million to \$2.6 million. Between the Enterprise fund and the General fund, the City is up about \$2.6 million.

As for the revenue, total operating revenues were at \$8,000,951; personal services were flat at a \$1,927,295; and operating loss was a gain at \$2,362,896. Interest has been paid out at \$601,778; net income (loss) before transfers is \$1,772,869. Transferred out was the \$1,250,000, leaving an increase of \$522,869. He explained the \$1,179,631 depreciation and amortization.

Mr. Womack touched on the cash flow. He stated total cash from operation is \$3,285,466. The city spent \$973,519 from the total debt service. The proceeds from issuance of Bonds is \$4,574,287 and the City bought capital assets for \$1,072,143 resulting in additional cash increase of \$2,528,625. The total cash increase was \$4,796,591; the City had \$6,306,482 bringing the down to the total of \$11,103,073. Mr. Womack stated the City had an outstanding year in both the General Fund and the Utility Fund. He reported on the payment schedules for the Certificates of Obligation.

Mr. Womack stated that he needed to point out one finding, which has been here a while. He referred to page 132 of the CAFR. He stated the City has a tremendous amount of separation of duties and the accounting for this is staggering. He stated it takes an immense amount of effort and reconciliation. There has been major improvement; the cash and bank are now reconciled to the general ledger. Some accounts are not being reconciled on a consistent basis, primarily the inner funds. He stated that Mr. Rushing is working on this but he felt he needed to include it in his report. He added under the City Manager's new management, guidance and working with Mr. Rushing they are making some great strides. They have dealt with some issue throughout the City and they are in good shape and it is being reflected on the City's books, more and more.

Commissioner Garcia asked about the reconciliation. Mr. Womack replied Mr. Rushing is aware this has to be caught up, the problem is that it is very time consuming and the City has open doors and this takes a lot of concentration and effort because you are dealing with numbers but it has to be done.

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

6. Consider response to STWA on facilities at the Kingsville Pump Station. (City Engineer/Public Works Director).

Mr. Khan stated SWTA has currently one- 5 million gallon tank and three - 5000 gallon per minute pumps. They are proposing to replace the pump and the tank. They would like to replace the 5 million gallon tank to a 1 million gallon tank, and three-5000 gpm to three -1,500 gpm pumps. STWA is looking at the City for two things, (1) the downsizing and after the downsizing of these facilities the City's position to own the title of these facilities. City Staff's recommendation for downsizing the tank size is, it can be downsized and the City can still be able to meet contractual obligation. For the three pumps to be downsized, they can do that but not now, until the city has our own elevated storage tank to be built at the end of 2013 or 2014. As for the ownership, Staff believes that STWA can own the tank and the pump and they can own the pump until TCEQ tells the City that they are providing the water under direct pressure.

Commissioner Leubert made a motion to accept Staff's recommendation, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Garcia, Pena, Pecos, Leubert voting "FOR". Fugate "ABSENT".

7. Consider introduction of an ordinance amending the Fiscal Year 2011-2012 Budget for the Police Department State Forfeiture Fund for the purchase of computer hardware software for the Crimes Software Program. (Finance Director).

Mr. Rushing stated this budget amendment would assist with the conversion to the CRIME software and that the increase with Corpus Christi was significant.

Chief Torres stated his department was notified that the increase for the maintenance contract was increasing from \$15,000 per year to \$95,497.57 per year and he is not getting the service they deserve. The Crime software package through the Sam Houston State University is a good deal and the cost is zero dollars. The maintenance agreement is \$45,000 with a savings of \$50,497.57 per year. As for the infrastructure, they have been working on it but things are still needed. Chief Torres stated data storage is important so all video is stored in this software.

INTRODUCTION ONLY

8. Consider introduction of an ordinance amending the Fiscal Year 2011-2012 Budget for the CO Series 2011- General Fund Capital Projects for the Fire

Department expenses of remodeling and upgrading Fire Station 2. (Finance Director).

Mr. Rushing stated this is a budget amendment for \$100,000 to work on Station No. 2. City Manager Capell stated Firefighter James Creek will be here at the next meeting to further explain. Interim Fire Chief Roel Carrion explained they are looking at adding to the beautification of the city by remodeling Station No. 2. This fire station was built in the mid 1950's and hasn't been remodeled in years. The money being requested is \$60,000 to provide the exterior building enhancements, \$10,000 for upgrading electrical service, \$25,000 for a new roof, \$2,500 for landscaping, and \$2,500 for any unforeseen costs. The original electrical service is not equipped to supply the proper voltage for the new equipment that is being purchased. The roof is a flat, tar and rock style roof that has been patched and repaired over the last several years. The exterior of the station is now made out of two different types of cinderblock.

With regard to the building, Commissioner Pecos asked if the Historical Commission was contacted. Ms Alvarez replied it is outside the historical district, so no review is needed.

INTRODUCTION ONLY

9. Consider introduction of an ordinance amending the Fiscal Year 2011-2012 Budget for the General Fund for the Development Services Department Community Appearance Division to fund hauling of debris for nuisance abatement projects. (Finance Director).

Mr. Rushing stated this budget amendment is for \$10,000 to allow for additional fees for nuisance abatement. Mr. Khan stated the City is doing ten projects per month. The City employees and equipment are used for these projects; the only time a contractor is hired is when there is heavy concrete. The estimated cost to hire contractors for nuisance abatement is \$14,524. Staff is requesting additional funding in the amount of \$10,000 to cover expenses.

INTRODUCTION ONLY

10. Consider introduction of an ordinance amending the Fiscal Year 2011-2012 Budget for the General Fund for Solid Waste Department Sanitation Collection fuel and vehicle maintenance expenses. (Finance Director).

Mr. Rushing stated this budget amendment would help finance additional cost in motor, oil, & gas and vehicle maintenance. The amount is \$37,000 for motor, oil & gas and \$54,073 in vehicle maintenance, for a total of \$91,073. This would be financed from additional landfill fees, estimated revenues coming in stronger than what was initially anticipated.

INTRODUCTION ONLY

11. Consider request for water tap by Mr. Eleazar Garcia. (City Engineer/Public Works Director).

Mr. Khan stated Mr. Eleazar Garcia approached him about a water tap at the property located at 1324 E Yoakum. The City's Water Foreman searched the location for the water tap but did not find anything. The Collection Department does not have any records of a water tap at that location. Mr. Khan stated that Mr. Garcia brought Mr. Garza to his office. Mr. Garza is a previous tenant at that location in 1971. Mr. Garza claims he did have water at that location. Mr. Khan stated with the current information available, Staff is looking to the Commission for direction on whether to install the tap at the City's expense.

Commissioner Pecos made a motion to consider the request for a water tap at the City's expense, seconded by Commissioner Pena. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena voting "FOR". Fugate "ABSENT".

12. Discuss campaign signage regulations within the city limits of the City of Kingsville. (Commissioner Garcia).

Mayor Pro-tem Garcia stated he requested this because he was approached by residents stating that candidates have not removed their campaign signs. These are candidates that do not have a run-off election coming up. City Manager Capell stated after the election the City started receiving calls. He stated he looked at the City Code and TXDOT regulations on signage and found it not very helpful. The City Code states political signs must be removed within ten days after the election, but it does not indicate when they can be put back up. TXDOT language indicates, on their right-of-way signs can be erected ninety days before the election, but goes on to say the City may have their own rules, so check with the City. The bottom line is that clarification is needed in the City Code as to when signs can be put up and taken down. The ordinance is not

specific about timing and it doesn't make distinction between a primary and general election. City Manager Capell stated he made a decision to leave them up because the language is unclear and the City needs clarity.

Commissioner Pecos stated this is an awkward election year. The November election candidates will have their political signs up for more than 3 -4 months. In all fairness, he stated the City needs to modify the code with detailed instructions.

City Manager Capell stated that Staff could propose some regulations that would take effect next year.

Mr. Kellam stated the Missouri Code allowed for political signs to be erected ninety days before the election and removed a week after the election. He stated he will do some research to see what other Texas towns are doing.

Commissioner Pena stated he didn't understand why this is now an issue and why someone would be interpreting the law differently, a reasonable individual would read the ten day period which is very clear and they would take them down. He added there needs to be clarity.

City Manager Capell stated if the thinking was that he was letting those people who lost in the last election leave their signs up that not correct.

Commissioner Garcia stated the ordinance doesn't make a distinction to the type of election, but whether it is the primary, general or run-off election, they are all elections.

City Manager Capell stated he felt he did the fairest thing possible.

Commissioner Leubert suggested that the code include the removal of t-posts.

Mayor Pro-tem Garcia called comments from Ms Alvarez who stated there's been sufficient discussion and staff understands the direction the Commission would like to see.

13. Consider resolution of the City of Kingsville approving a transition planning process recommended by the City Manager for the Kingsville Convention and Visitors Bureau for continuation of tourism services to the City. (City Manager).

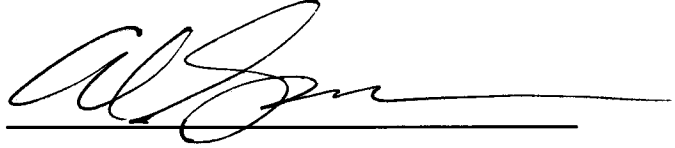
City Manager Capell stated the Commission is aware of the situation. Most of the Kingsville Convention and Visitors Bureau (KCVB) Staff are retiring, their retirement happens to correspond pretty closely to the end of the contract between the City and the KCVB. For those reasons and number of reasons, time is of the essence. The KCVB wants to terminate the contract early. Mr. Trescott is receiving phone calls about renewal of contracts for equipment. The City should be considering what type of options the Commission wants in terms of how these services should be provided in the future. On one end of the spectrum you have the current model which is the KCVB Board which hires the director and staff, and on the end of the spectrum there has been talk about perhaps bringing it under the City's umbrella where it would operate more like a City department. More under the direct policy control of the City Commission. In an effort to make sure that the Hotel/Motel tax dollars are spent effectively. We need to formally extend or revoke the contract by the 1st of August. More than likely the City will need to take it over if only for a little while because there is not enough time to hire replacements. The Commission needs to decide how this Commission wants for it to operate in the long term. Staff would come back at a later date with more information and assessments, but the City has to keep the doors open and the dollars flowing.

Commissioner Pena made a motion to approve the resolution, seconded by Commissioner Pecos. Commissioner Leubert asked if the Board was active. City Manager Capell replied a couple of Board members are not pleased with the transition. He added that the Board will be coming to the Commission with a request to terminate the contract and for funding for severance pay for some of the Staff that's retiring. Lengthy discussion followed. Commissioner Pena called for the question, seconded by Commissioner Pecos.

The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena voting "FOR". Fugate "ABSENT".

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:44 P.M.



Al Garcia, Mayor Pro-tem

ATTEST:



Edna S Lopez, TRMC, CMC

City Secretary