

MARCH 25, 2013

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, MARCH 25, 2013 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 6:00 P.M.

CITY COMMISSION PRESENT:

Sam Fugate, Mayor
Dianne Leubert, Commissioner
Noel Pena, Commissioner
Al Garcia, Commissioner
Arturo Pecos, Commissioner

CITY STAFF PRESENT:

Vincent J. Capell, City Manager
Courtney Alvarez, City Attorney
Mark Rushing, Finance Director
Mike Kellam, Director of Planning & Development Services
David Mason, Purchasing/IT Director
Bill Donnell, Asst. Public Works Director
Emilio Garcia, Health Director
Ruthie Valdez, Interim Library Director
Willie Vera, Task Force Commander
Rose Morrow, Municipal Court Manager
Melissa Perez, Risk Manager
Joey Reed, Fire Chief
Diana Medina, Collections Manager
Diana Gonzales, Director of Human Resources

I. Preliminary Proceedings.

OPEN MEETING

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

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

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

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Special Meeting – February 27, 2013
Speical Meeting – March 4, 2013
Regular Meeting – March 11, 2013

Mayor Fugate asked for a motion to approve the minutes as presented. Commissioner Pecos and Garcia stated that due to their absences on March 11, 2013 they would like to vote on the minutes separately. No objections were made by the Comission.

Mayor Fugate asked for a motion to approve the minutes for February 27, 2013. Motion made by Commissioner Pena to approve the minutes for February 27, 2013 as presented, second by Commissioner Pecos. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena and Fugate voting "FOR".

Mayor Fugate asked for a motion to approve the minutes for March 4, 2013. Motion made by Commissioner Pecos to approve the minutes for March 4, 2013 as presented, second by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena and Fugate voting "FOR".

Mayor Fugated asked for a motion to approve the minutes for March 11, 2013. Motion made by Commissioner Pena to approve the minutes for March 11, 2013 as presented, second by Commissioner Leubert. The motion was passed and approved by the following vote: Leubert, Pena and Fugate voting "FOR". Garcia and Pecos "ABSTAINED".

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, Tourism, 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."

Mr. Vincent Capell, City Manager stated that he will be on vacation the week of April 1st-5th, 2013.

Mayor Fugate asked for an update on the Bigger Event that took place on Saturday, March 23rd. Mr. Mike Kellam, Director of Planning and Development Service commented that the event was a success. There was a higher count of volunteers this year than last years event and thanked all those that were involved in this event.

Mrs. Courtney Alvarez, City Attorney reminded staff that the deadline for submitting agenda items for the April 8th Commission meeting is Thursday, March 28th. She further stated that with regards to the EDA agreement with Zarsky Development, the recital on the first page will be modified to show that Mr. Stiffie will file an application for Zarsky Development.

Mayor Fugate presented two proclamations, one for Professional Social Work Month and one to Genaro Alejandro Deleon for Eagle Scout.

Commissioner Pena thanked the Boys Scouts Troop #186 for their Community Service in repainting the fire hydrants.

IV. Public Comment on Agenda Items³

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

V.**Consent Agenda****Notice to the Public**

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

Mayor Fugate asked for a motion to approve the consent agenda as presented. Commissioner Pecos made a motion to approve the consent agenda as presented, second by Commissioner Leubert. The motion was

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

1. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 Budget for Fund 054 Utility Fund Capital Projects Fund and Solid Waste Capital Projects Fund 087 to utilize Fiscal Year 2011-2012 unexpended funds. (Finance Director).

2. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 Budget for Certificate of Obligation Capital Project Fund Budgets for various Public Works Departments to utilize Fiscal Year 2011-2012 unexpended funds. (Finance Director).

3. Motion to approve a resolution authorizing the release of Chapter 59 Funds of the Kingsville Police Department for donation to the Palmer Drug Abuse Program (PDAP). (Police Chief).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

4. Consider conditional approval of Preliminary Plat for Wildwood Trails Subdivision located in the 1600 Block of Carlos Truan Blvd as per staff and P&Z recommendations. (Director of Planning & Development Services).

Mr. Kellam stated the the Planning and Zoning Commission met on March 13, 2013 and recommends conditional approval. The conditions are as follows: 1) Full construction plans must be submitted which include installation of monuments, streets and street lights, sanitary sewers, storm sewers, sidewalks/hike & bike trails, water lines, and other improvements required in Article V of the Subdivision regulations; 2) In the upcoming construction plans and final plat the street currently named Park Drive needs to be changed to a dissimilar name, as a Park Drive already exists within the City's street network; 3) The preliminary plat drawings show the trees on the outer edge of the boulevard, closest to the property line. This placement is incorrect. On the forthcoming construction plans the trees will need to be moved inside the sidewalks, within the grass parkway between the sidewalk and the back of curb. The 11' area the trees are currently within are to be reserved for utility placement. A typical section was provided and is attached to further clarify the needed revision; 4) The area that connects from Laurel Street to the common area/walking trail needs to be labeled as common area/open space. Currently it is not labeled as such. This shall be included in the construction plan drawings and also the final plat; 5) The Caesar ditch culvert will be reviewed further once the construction plans are submitted to ensure the design can accommodate the off-site flow plus the flow from the site. The design should include the culvert, wingwalls, concrete rip-rap along the bottom and the banks and guard rails; 6) The Codes, Covenants and Restrictions (CCR's) requiring the ongoing maintenance of the common areas and open space to be carried out by the CCR's and the Homeowners Association, among other things, shall be filed with Kleberg County, which clearly state this, and a copy shall be provided to the City for their records. The applicant is agreeable to the conditions and stated its willingness to comply.

Commissioner Garcia opposed a question regarding the Caesar egest having a culvert within the area. Mr. Kellam stated that it will be off on both sides. Comissioner asked if there would only be one access from Caesar. Mr. Kellam responded there will be one access off of Caesar Street and Carlos Truan which is sufficient for fire protection.

Motion made by Commissioner Garcia to consider conditional approval of preliminary plat for Wildwood Trails Subdivision located in the 1600 block of Carlos Truan, second by Commissioner Pecos. The motion was passed

and approved by the following vote: Garcia, Leubert, Pecos, Pena and Fugate voting "FOR".

5. Consider variance request from Economic Development Agreement Guidelines for minimum square footage in The Parks section of the Wildwood Trails Subdivision. (Director of Planning & Development Services).

Mr. Kellam stated that the Economic Development Guidelines which were adopted by Commission, establishes a minimum square footage within a single family residence development to be 1300sqft, in order for it to be eligible for Economic Development incentives. The current plan shows 950sqft, the developer has agreed to increase to 1100sqft which include 2 car garages.

Commissioner Leubert opposed a question to Mr. Kellam as to why change from 1300sqft to 1100sqft.

Mayor Fugate asked Ms. Ricki Cunningham to address the Commission as to the change of square footage.

Ms. Ricki Cunningham 1210 Cypher, local real estate broker and represents the developer of Paulson Falls. She stated that the Frank Dodds Act requires borrowers to make their minimum credit scores higher. The medium house price in Kingsville range from \$110,000 to \$115,000. Homes over \$150,000 will sell and homes that are under \$150,000 are people who buy these homes within this price range and are locked out of being able to get financed. Homes that are 1100sqft will sell for about \$114,000.

Commissioner Leubert asked how many beds and baths are these homes. Ms. Cunningham stated that they will be 3 bedrooms with 2 baths and 2 car garage. Commissioner Leubert stated Kingsville is losing Navy Personnel to Corpus Christi due to housing shortage. There is a high demand for homes in Kingsville.

Mr. Capell stated that the average size of homes will be 1200sqft and larger.

Commissioner Pena made a motion to approve the variance with a minimum 1100 square feet and two car garage, second by Commissioner Leubert. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena and Fugate voting "FOR".

6. Consider resolution authorizing the Mayor to enter into an Economic Development Agreement with Zarsky Development Company, L.L.C. (for Wildwood Trails Subdivision). (Director of Planning & Development Services).

Mr. Kellam explained the terms of the Economic Development Agreement between the City of Kingsville and Zarsky Development Company, LLC. He stated that the Commission approving the variance of 1100 square feet within The Parks of the Wildwood Trails Subdivision, 1400sqft within the Estates and 2200sqft within the Grande. The road construction and re-construction are to be done by Zarsky Development Company, LLC within the Wildwood Trails Phase I, II, III, & IV in Kingsville, Texas. This agreement is for a 5 year term with the option to extend for an additional 5 years upon the request of the developer. The agreement meets Economic Development Agreement Guidelines that were adopted by the City Commission in January 2013. The terms of the agreement are for a total incentive package of \$820,750 through the City of that being \$300,000 in cash with the combination usage of reimbursements of money over what could be a ten (10) year period, but may payout quicker depending on the rate of development equaled to the M&O portion of the ad valorem city taxed paid on real property. The combination of cash and monetary incentives are never to exceed \$820,750 for a term no longer than ten (10) years. The City will pay \$300,000 cash upon verification of final plat recording and full financing of the development is shown. This will insure that the City is the last partner and safeguard tax payers funds. The reimbursement of monetary incentives will be disbursed once each year on March 1st for the term of the agreement, equal to that of the M&O portion of the city paid advalorem taxes provided by the new homes constructed within the development area. This will be paid out annual based on the number of homes that are built. The city will provide labor and equipment for the final overlay of the streets in Phases I, II, III, & IV of the

Wildwood Trails Subdivision subject to certain conditions. These conditions are that the developer will pay for compaction and core sample testing of the roads in Phase I, II, III, & IV and will provide all of the materials needed for infrastructure assistance, the city will only be providing the labor. City Engineer will determine the location for all of the road testing done in Wildwood Trail Phases I, II, III, & IV. The City Engineer will be provided with a copy of the core sample testing and compaction testing results. At that time the City Engineer must be satisfied that the subgrade and base meet the City's road construction standards before any final overlay is placed on the roads in Phase I, II, III, & IV. Caliche based will only be allowed if a geotechnical engineering report states the acceptable specifications for use of a caliche base, instead of the preferred limestone base, and those specifications are followed. If the geotechnical report does not allow for a caliche base, or if the report does allow for a caliche base but the specifications are not followed, then in either case a limestone base will be used for roadways in the subdivision. A homeowners association must be created to carry out the codes, covenants, and restrictions throughout the subdivision, which must include but not limited to maintenance of the common areas, boulevard landscape/trees, and the detention pond. The developer shall be responsible for carrying out the codes, covenants, and restrictions shall be submitted to the City for review and approval prior to application for final plat/or recording of the plat. City will assume responsibility for the water cost for drip irrigation in the medians of the main boulevard of the subdivision until homeowner occupancy reaches 60% of the 184 lots or until December 31, 2018, whichever comes first, at which time the homeowners association shall assume responsibility for said water costs, maintenance of the boulevard landscape/trees. City will look into possible methods of ensuring conformance with maintenance of the common areas that are to be addressed in the codes covenants, and restrictions in the event the homeowners association fails to perform them. Should Kleberg County decide not to participate in any economic incentives with Zarsky Development Company, LLC for the Wildwood Trails Subdivision, then the City will also not provide any incentives for the project.

Commissioner Garcia asked if Kleberg County has agreed to this incentive agreement. Mr. Kellam stated that there has been some discussion with the County but no agreement has been formally made.

Mr. Capell commented that Kleberg County has not taken an official action on this issue.

Mayor Fugate asked what fund the \$300,000 would be coming from. Mr. Capell responded from Fiscal Year 2012 additional budget savings. Mayor Fugate asked how much money will be used on streets for the next paving period. Mr. Capell stated that \$900,000 will be used for four miles of work.

Mr. Kellam stated that the City will receive additional revenue once the subdivision is constructed.

Commissioner Pena stated that by allowing the City to partner with the developer, does this set precedence to other developers to come in and expect the City to use tax payers money for any future development within the City of Kingsville.

Mr. Kellam responded that it will depend on the economic activity of our city. Although we are a city government, the city is still in a competitive business and that would be to attract developers to come into our city and develop. As the development occurs, and demand catches up with the supply, the Commission has the opportunity to determine what is needed and how public funds should be used.

Mrs. Alvarez stated that the Commission has the flexibility to offer it or not. Its market driven and there would not be anything in the guidelines specifically stating that because it's done for one does not mean it will be done for the next.

Mayor Fugate stated that in the past it has been hard to bring in developers to come into Kingsville to build homes without the City and County getting involved. There are some citizens that don't understand as to why the City is getting into this partnership. The biggest problem that Kingsville has is shortage of homes which makes us loose citizens to our neighboring cities. There are benefits from

having this development done in Kingsville. This will give our city more water connections, sales tax revenue and have citizens that will come into our community that will get involved in projects and possibly serve on boards.

Motion made by Commissioner Leubert to authorize the Mayor to enter into an Economic Development Agreement with Zarsky Development Company, LLC, second by Commission Pena. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena and Fugate voting "FOR".

Mayor Fugate called for a five minute recess at 7:12 P.M.

Mayor Fugate called the meeting back into session at 7:20 P.M.

7. Consider resolution authorizing the Mayor to enter into a contract for Municipal Court Fines & Fees Collection Services with Linebarger Goggan Blair and Sampson, LLP (RFP# 13-07). (Director of Purchasing & IT).

Mr. David Mason, Purchasing/IT Director reported that this item will approve the contract for municipal court collections with Linebarger Goggan Blair & Sampson, LLP. Approval was given to negotiate the contract at the March 11, 2013 Commission meeting. The only difference in the contract is the effective date, which will be April 1, 2013.

Commissioner Pena asked if there had ever been a contract in the past for Municipal Court.

Mrs. Alvarez commented that there had been a contract in place back in in 2002 or 2003 that lasted for one or two years but since then, there has not been one in place.

Motion made by Commissioner Garcia to authorize the Mayor to enter into a contract for Municipal Court Fines & Fees Collection Services with Linbarger Goggan Blair and Sampson, LLP, second by Commissioner Pena. The motion was passed and approve by the following vote: Garcia, Leubert, Pecos, Pena and Fugate voting "FOR".

8. Consider resolution authorizing the Mayor to enter into a Pre-Event Contract for Disaster Recovery Services with AshBritt, Inc. for emergency debris removal services. (Director of Purchasing & IT).

Mayor Fugate asked if this was the same contract as previously done in 2008. Mrs. Alvarez stated that this contract is a bit different but the terms are the same.

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

9. Consider authorizing the purchase and installation of trees in the medians on West Santa Gertrudis corridor landscaping project (between Seale Street and Hwy. 141) by Border Link, LLC as per staff recommendation. (Director of Purchasing & IT).

Mr. Mason reported that this item will approve the purchase and installation of fifty-eight (58) Cedar Elm trees to be evenly planted in the median on West Santa Gertrudis between Seale Street and Highway 141. Quotes were requested on or about February 18, 2013. A total of eleven (11) requests for quotes were sent to potential vendors locally and regionally. One quote was received, that of Border Link, LLC for a total \$36,930.00. It is recommended the corridor landscaping contract be awarded to Border Link, LLC, 1409 N. Stuart Place Rd., Suite A, Harlingen, TX 78552. This contractor provided and planted the palms along General Cavazos Boulevard and has a successful track record with the City of Kingsville. Along with the quote amount of \$36,930.00 we are requesting an additional ten percent (10%), in the amount of \$3,693.00, to serve as a contingency amount which brings the total request to \$40,623.00 for the project. These funds will come from surplus for Fiscal Year 2011-2012.

Commissioner Leubert asked if this is the best time to plant new trees due to the drought conditions.

Mr. Kellam stated that fall is the best time nationwide but after talking to the contractor, these types of trees can be planted in a drought condition but must

have a proper watering schedule which is in place already. Some research has been done on Cedar Elm trees which are a native tree and drought tolerant.

Commissioner Leubert stated that these trees will enhance the corridor within this area.

Commissioner Garcia asked what the canopy radius and asked for the height of these trees.

Mr. Kellam stated they are 40ft wide and 50ft in height at full maturity and in perfect condition.

Motion made by Commissioner Pecos to authorize the purchase and installation of trees, second by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena and Fugate voting "FOR".

10. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 Budget for Community Appearance to fund the purchase and installation of trees for the West Santa Gertrudis corridor landscaping project. (Finance Director).

Mr. Rushing stated that this budget amendment corresponds with agenda item 9.

Introduction item only.

11. Consider introduction of an ordinance amending Section 15-1-56, adopting the 2011 Edition of the National Electric Code, & Section 15-1-62, repealing owners permits. (Director of Planning and Development Services).

Mr. Kellam stated that this is an update to the National Electric Code that was adopted by the City in 2005. There are certain design standards in the 2011 code that were not in 2005 regarding safety features. The current code language allows for untrained residents to take an electrical exam administered by the City in order to perform electrical work within their own home. This section is proposed to be removed from the ordinance due to several safety concerns and problems that were arising in the field such as incorrect and unsafe installation of electric service by the home owners causing extreme fire hazards if not detected by the inspectors during installation. The effective date in which we will begin utilizing the aforementioned NEC Code will be April 8, 2013.

Commissioner Leubert stated that her concerns are, that if an individual passes the electrical exam provided by the city they are allowed to perform their own electrical work within their home. If the city removes this section, the homeowner will be required to hire an electrical contractor which could cost the homeowner more money.

Introduction item only.

12. Consider authorizing award of Dumpster Enclosures Project Phase 2 to Mendez Welding & Contracting as per staff recommendation. (Bid #13-09). (Director of Purchasing & IT).

Mr. Kellam stated that this phase is the remainder of the dumpster project that is in a major thoroughfare which includes 121 dumpsters that will be enclosed. The enclosure is a three sided enclosure for all dumpsters.

Commissioner Leubert asked for the dollar breakdown for each dumpster enclosure. Mr. Kellam responded around \$525.

Mr. Mason stated that due to the estimates being over \$50,000, the City advertised for sealed bids on February 24, 2013 and March 3, 2013 as well as posting on our website. Three companies responded with bids as referenced in the bid tab. The apparent low bidder, Olivarez Parking Lot Striping Co. did not include a Bid Bond, so it is recommended the Bid be awarded to Mendez Welding & Contracting for the base project price of \$63,749.00.

Motion made by Commissioner Garcia to authorize award of Dumpster Enclosures Project Phase 2 to Mendez Welding & Contracting as per staff recommendation, second by Commissioner Pecos. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena and Fugate voting "FOR".

13. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the Planning Department's Community Appearance Division to fund the second phase of the Dumpster Enclosure Project utilizing FY12 Fund Surplus. (Director of Finance).

Mr. Rushing stated that this ordinance corresponds with agenda item 12 which will be paid from fiscal year 2012.

Commissioner Pecos asked about painting the dumpster enclosures.

Mr. Capell stated that a letter was mailed to all customers with a dumpster to not alter the dumpster and enclosure.

Mr. Kellam stated that notification will be sent to customers stating that it is their responsibility to keep the area clean and dumpster enclosures are not to be altered.

Introduction item only.

14. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 Certificate of Obligation Capital Project Funds budgets for various Public Works Departments to utilize Fiscal Year 2011-2012 unexpended funds & General Fund to utilize auction revenues. (Director of Finance).

Mr. Rushing reported that \$186,153 was appropriated for last fiscal year fund 091 and initially there was \$269,378 of which \$80,000 was spent leaving a balance of \$189,093 last year. This fiscal year \$186,153 is needed to finish Ailsie Street. Second portion that is also coming from fund 091 is relating to the welding shed \$22,822 and for the canopy \$24,537 for a subtotal of \$47,359. Money was appropriated last year on the welding shed that had \$23,080 budgeted and expended only \$257.12. Projects from 062 fund budget remaining for the influent valve is \$20,000 which expended only \$10,000 of that money. In the building maintenance of the shed roof, \$8,000 and blower building repairs of \$18,200 for a subtotal of \$56,200 to finish those projects that were initially setup for last year that would need to be completed this fiscal year. In the general fund where assets were sold that relate to street, sanitation and landfill, what staff is doing is budgeting those original revenues in appropriating additional expenditures correspondingly with those departments which will be \$30,000 on vehicle maintenance for the street department, \$5,525 for rollouts, extended warranty on the compactor is \$16,877 for a subtotal of \$52,402.

This item is an introduction item only.

15. Consider authorizing the construction of a new pump house for Water Well #19 (RFP# 13-08) by Rusty Van Fleet Construction as per staff recommendation. (Director of Purchasing & IT).

Mr. Mason reported that this item will authorize the construction of the new pump house for Water Well #19. The design of the current pump house with below grade location of the pump allows for the submersion of the pumps in flood or near flood conditions. Preliminary analysis done by Ferrell/Brown Architects in January 2012 estimates the cost to restore the pump house to bring the pumps, piping, fittings, electrical, etc. These costs are estimated to be at least \$100,000 or more. Also, Well #19 is the best well in terms of water quality and quantity capable of pumping 900gpm. For these reasons it was decided to seek bids on a new well house complete with new pumps, piping, fixtures, electrical, etc. Also, this allows for possible adaptive reuse of the building by the Volunteer Fire Department to park the antique La France Fire Truck as well as other uses consistent with the surrounding area's features such as the garden and park. The City of Kingsville was assisted in the design and bid process by Mr. Homero Castillo, P.E. of Alpha Engineering in this project. Advertisement for this proposal was done on January 13, 2013 and January 20, 2013, as well as posting the information on the City of Kingsville website. A prebid meeting was held Tuesday, January 29, 2013 at 10:00 a.m. with site visitation. A total of eleven persons including City staff attended the meeting. It is recommended the bid be awarded to local contractor, Rusty Van Fleet Construction. As viewed on the attached bid tabulation, Rusty Van Fleet is low bidder at \$287,000. This will expend \$287,000 from fund 054, Capital Projects. Fund 54 capital projects are cash funded from utility revenues.

Motion made by Commissioner Pecos to authorize the construction of a new pump house for Water Well #19, second by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Luebert, Pecos, Pena and Fugate voting "FOR".

16. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for Water Departments to fund well house #19. (Director of Finance).

Mr. Rushing stated this budgetment is in two sections. The first section is restoring the fund balance of \$200,000 appropriated in FY 2013 in error. This occurred on 2 different line items as follows, 054-5-600.2-720.19 Water Well for \$200,000 and 054-5-600.2-720.20 Well House for \$200,000. This error occurred when using the new budget listing Incode software and turnover in the Accounting Manager position.

Introduction item only.

17. Consider resolution authorizing the City Manager to enter into a Marketing Agreement with Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America ("SLWA"). (Commissioner Garcia).

Brian Davis, National League of Cities Service Line Warranties of America Program stated that this program will benefit the citizens of Kingsville. The program offers external sewer and external water line warranties at a 12% discount from its standard rates to the citizens of the City of Kingsville. Homeowners can take advantage of this service line warranty for a little less than \$8.00 per month for sewer line and less than \$6.00 for water line. The discount is offered at a low rate due to the City not opting to take the 12% royalty and would rather pass the discount to their citizens. There is a 30 day wait period after citizens register into the program. The coverage is for \$4,000 per incident for citizens that register into this program.

Commissioner Leubert asked if NLC or the City sent any letters to the citizens notifying them of this service and what is the average cost per resident.

Mr. Davis stated that no letters have been sent out on behalf of NLC. The average cost is \$5.50 per month for water line and \$7.50 per month for sewer line.

Mayor Fugate asked how this company is associated with the National League of Citites.

Mr. Davis stated that NLC has an exclusive partnership program with 5 or 6 companies for this type of program and his company is one of them.

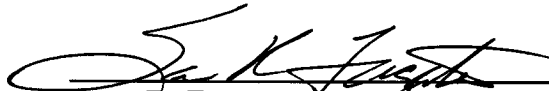
Commissioner Garcia asked if this coverage is offered to all property owners.

Mr. Davis responded that only owner occupied households and for any rental properties that the occupants may want to sign up for the program.


Motion made by Commissioner Garcia to authorize the City Manager to enter into a Marketing Agreement with Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America, second by Commissioner Pecos. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena voting "FOR". Mayor Fugate voting "AGAINST".

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 8:27 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, City Secretary