

AUGUST 12, 2013

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 12, 2013 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 6:00 P.M.

CITY COMMISSION PRESENT:

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

CITY STAFF PRESENT:

Vince Capell, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
James Bryson, Accounting Manager
Bob Trescott, Downtown Director
Charlie Cardenas, Public Works Director/Engineer
Bill Donnell, Asst. Public Works Director
Mark Rushing, Finance Director
Emilio Garcia, Health Director
Ruthie Valdez, Interim Library Director
Robert Isassi, Director of Planning & Development Services
Diana Gonzales, Human Resources Director
Melissa Perez, Risk Manager
Cynthia Martin, Downtown & Volunteer Manager
Jennifer Bernal, Community Appearance Supervisor
Joey Reed, Fire Chief
Ken Starrs, Assistant Task Force Commander
Ricardo Torres, Chief of Police
Diana Medina, Collections Manager
Tony Verdin, Information Systems Technician
Manuel Buentello, Inspector

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the Robert H. Alcorn 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
Regular Meeting – July 22, 2013**

Mayor Fugate asked for a motion from the Commission to approve the minutes as presented.

Motion made by Commissioner Pecos to approve minutes as presented, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting “FOR”.

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

1. Public hearing regarding condemnation proceeding for structures located at 618 W. Fordyce, Kingsville, Texas. (Director of Planning & Development Services).

Mayor Fugate read and opened this public hearing at 6:02 p.m.

Robert Isassi, Director of Planning & Development Services reported that the building official has inspected the structure which is in severe disrepair. The walls are leaning with the roof and ceiling sinking. There are also signs of water damage and the wood support structure is rotting. The structure has had no utilities or power as of today. This structure was inspected in March, 2013 with a re-inspection on July, 2013 in which the inspector noticed no improvements made. A twenty day pre-notification letter was sent to property owner notifying them of this public hearing. All proper notices were mailed to the property owner as well as all necessary notices published in the newspaper and a placard has been placed on property. The property owner is behind seven years in taxes.

Mayor Fugate closed this public hearing at 6:04 p.m.

2. Public hearing regarding condemnation proceeding for structures located at 626 ½ W. Kenedy, Kingsville, Texas. (Director of Planning & Development Services).

Mayor Fugate read and opened this public hearing at 6:04 p.m.

Mr. Isassi reported that this structure has been signed over to the City of Kingsville on a voluntary demolition.

Mayor Fugate closed this public hearing at 6:06 p.m.

3. Public hearing regarding condemnation proceeding for structures located at 816 E. Doddridge, Kingsville, Texas. (Director of Planning & Development Services).

Mayor Fugate read and opened this public hearing at 6:06 p.m.

Mr. Isassi reported that this structure is unsecured and is in disrepair with dilapidated walls and roof and ceiling sinking. The structure was inspected in May, 2012 to which a notice of violation was mailed to the property owner in May, 2012 with a second notice mailed in June, 2012. A third notice was mailed in April 2013 and July 2013. The structure has not had utility services since September, 2008. The property owner is behind thirteen years in taxes. All proper notices were mailed to the property owner as well as all necessary notices published in the newspaper and placards were posted on property.

Mayor Fugate closed this public hearing at 6:08 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, 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."

Representatives of the Kingsville Independent School District (KISD) made a presentation to the City Commission regarding the Tax Ratification Election (TRE) on August 29, 2013. Ms. Karen Griffith, Assistant Superintendent for Support Services Kingsville Independent School District, 207 N. 3rd Street. Mr. Ed Blaha, Kingsville Independent School District Superintendent, 207 N. 3rd Street. Selind Sanchez, Public Relations Specialist, 207 N. 3rd Street.

Ms. Griffith and Mr. Blaha stated that Kingsville ISD wants to do a Tax Ratification Election (TRE). A TRE is where the voters are asked to authorize a tax rate set by the Board of Trustees. An election is required because the Board is proposing to raise the Maintenance & Operation (M&O) portion of the total tax rate. There will be no increase in the total tax rate proposed by the Board. The Board is proposing this action in order to maximize its revenues from the State under the Texas school finance system. The Board is attempting to meet student needs at the lowest possible cost to KISD taxpayers. She further explained why a TRE. She stated that the state cut approximately \$1.6 million for the 2012-2013 biennium. The state cut approximately \$433,840 in special programs, including funding for pre-kindergarten program, technology, pregnancy services and student success initiative programs. In return, Kingsville ISD cut library allocations, supply allocations, athletic expenditures, increased class size from 18/1 to 22/1 and in some cases 24/1. It has reduced elementary special area teachers (music, art & PE), reduced transportation expenditures, curtailed maintenance repairs and froze salaries. The possible uses are for employee salary increase, campus capital improvements, upgrade replacements for worn out buses, curriculum enhancements required by Legislature, dual credit – college/career readiness and technology upgrades such as using iPads. This election will not increase the current tax rate. KISD is

proposing to increase the M&O rate while reducing the I&S tax rate. Voting "FOR" the TRE will earn an additional estimated \$1.2 million dollars for Kingsville Independent School District per year without any additional tax burden to the KISD taxpayers.

Ms. Selinda Sanchez stated that the Kingsville Independent School District will be hosting its 2nd annual Community Fair Friday, August 16, 2013 from 6:00 p.m. to 8:00 p.m. in front of the KISD School Administration Building.

Mrs. Courtney Alvarez, City Attorney reported that the next Commission meeting is scheduled for August 26, 2013 with a prior budget workshop before the 6:00 p.m. meeting. She further reminded staff that the deadline for agenda items is Friday, August 16, 2013. Mrs. Alvarez also reported that there will be a budget workshop on August 27, 2013 and on September 3, 2013.

Mayor Fugate stated that there is a group in Kingsville that involves the County, City, KISD and other local industries that are looking into a campaign on how to market Kingsville. He further stated that he would like to see more families not only work in Kingsville but live in Kingsville.

Commissioner Pecos stated that with the new housing development coming into Kingsville, this may attract more citizens to our City.

IV. Public Comment on Agenda Items ³

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

Doris Pate, 242 Candlewood, stated that in August 2, 2013, she received a city citation for parking within 16 feet of a fire hydrant. The fire hydrant is located in her parent's front yard at 2001 S. 4th Street. She further stated that she, family and friends have been parking in the same location for the past 43 years. She feels that the citizens of the City should receive a warning that the City has decided to enforce citing citizens with a \$50.00 fine for parking within feet of a fire hydrant. She suggested to the Commission that a notice go out in everyone's water bill notifying them about the new enforcement of parking 16 feet within a fire hydrant.

Alfred Isassi, 213 W. Sage Road, stated that there will be a citizen group meeting within the next two weeks and would like to extend the invitation to the City Commission to hear citizens' concerns regarding street repairs. He further stated that the groups concern is the patching of a portion of Sage Road where there are potholes developing. He further stated that Young Drive is also as bad as Sage Road therefore they would like to see both streets repaved.

Jackie Guerrero, 321 W. Sage Road thanked the Commission and staff for patching up the potholes on W. Sage Road but would like to see the entire street repaved.

Joey Muniz, 203 W. Kenedy, stated that he is here today as a representative of his grandpa's estate located at 1221 E. Huisache. He is requesting for the City of Kingsville to rescind the order of demolition that was approved by Commission on July 22, 2013 for 1221 E. Huisache. He further stated that this property has been in his family for over two generations. He is asking for an opportunity to bring the house up to normal conditions where he can live and possibly raise a family of his own. He has already spoken to a contractor who is willing to work with him to bring the property back to livable conditions. He stated that the roof, walls and windows would be the first thing to be worked on. He further stated that if given the opportunity, he could have this home done within a year. He further apologized to the Commission on behalf of his family for not taken care of the situation at an early time.

Jesse Rodriguez, 221 W. Sage Road, stated that he moved from Corpus Christi to Kingsville and decided to purchase property on W. Sage Road. Mr. Rodriguez stated that he pays high taxes and would like to see his tax dollars spent on repairing roads.

Benjamin Barker, 1602 E. Huisache, stated that he is requesting for the City Commission to rescind the order of demolition that was approved by Commission on July 22, 2013 for property located 422 S. 18th Street. He stated that when this property came to Commission for condemnation, he was unable to attend the meeting as he was working out of town. Mr. Barker has spoken to contractors and has secured bids and would like to pull permits to start repairs.

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.

Motion made by Commissioner Leubert to approve consent agenda items #1-7 & 9, removing item #8 from consent agenda and placing it on the regular agenda, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia, Fugate voting "FOR".

1. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 budget of the General Fund for the City of Kingsville for the First Amendment to the Interlocal Agreement with Texas A&M University-Kingsville for engineering design work for Kleberg Avenue. (Director of Finance).

2. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 budget of the General Fund for City Secretary Certification and City Manager Travel and Training. (Director of Finance).

3. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 budget of the General Fund for City Commission Travel and Training. (Director of Finance).

4. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 Certificate of Obligation 2013 & 2011 Fund Budgets and Storm Water Utility Fund Budget for Street and Drainage Projects. (Director of Finance).

5. Motion to approve final passage of an ordinance amending the fiscal year 2012-2013 General Fund Budget for the City of Kingsville to accept a grant from the Union Pacific Foundation for Keep Kingsville Beautiful Program in conjunction with the Community Appearance Department. (Director of Finance).

6. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 General Fund Budget for Community Appearance to fund demolition projects through the remaining fiscal year. (Director of Finance).

7. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 Budget for the General Fund to assist with repair costs to the Equipment Barn at the L.E. Ramey/County Golf Course. (Director of Finance).

8. Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 General Fund budget for Community Appearance to purchase benches and litter/recycling receptacles for the downtown area. (Director of Finance).

Commissioner Leubert stated that she is not convinced about the litter/recycling receptacles that will be purchased if this ordinance is approved. Her concern is the amount of space that is needed for the existing cans already located downtown which fill up quickly. She further stated that with the new receptacles, having a section for recycling and a section for garbage, this container would not be adequate. She further stated that the double receptacle which has two attached containers would be more adequate for the downtown area. One container would be for garbage and the other for recycling items.

Motion made by Commissioner Leubert to amend the ordinance to fund benches only and wait on the litter/recycling receptacles for the downtown area, seconded by Commissioner Garcia.

Commissioner Pecos asked Commissioner Leubert why she states that there will be more garbage than recycling materials. Commissioner Leubert responded that if the City is serious about recycling, the City has to provide the containers for recycling.

Mrs. Cynthia Martin, Downtown & Volunteer Manager, stated that the city is going from eight receptacles to twenty-three receptacles which will give more capacity. She further

stated that she thought about using the split units first, which will take up less space on sidewalks. Mrs. Martin stated that by using these containers, for a small cost these containers can be converted for all trash or recycling by just purchasing a new liner. Commissioner Leubert stated that she feels that these containers would become all trash containers. She further stated that one of the reasons recycling doesn't work curbside is because citizens are given recycling containers, and the ones that do work are those that are given a 95 gallon container.

Mayor Fugate asked Mrs. Martin what staff would like to see purchased. Mrs. Martin stated that she would like to try the split and if this doesn't work then go to the other receptacles. Mayor Fugate asked Mrs. Martin if she would like to keep the ordinance for the purchase of benches and receptacles as proposed by staff. Mrs. Martin responded yes.

Commissioner Garcia asked if it would setback the City if only the benches were to be purchased and wait on the receptacles. Mrs. Martin responded it would be a problem.

Mr. Capell stated that he keeps hearing from the Commission about staff not making progress in the downtown area and feels that this is responsible proposal.

Commissioner Pecos asked what the cost will be for the receptacles. Mrs. Martin stated that an individual receptacle for trash only will cost \$725. The receptacle with the split liner with a special lid will cost \$925 and the double units are \$1335.

Motion "FAILED" by the following vote: Pecos, Pena, Fugate voting "AGAINST". Leubert, Garcia voting "FOR".

Mayor Fugate asked for a second motion to this item.

Motion made by Commissioner Pecos to approve this ordinance amending the Fiscal Year 2012-2013 General Fund budget for Community Appearance to purchase benches and litter/recycling receptacles for the downtown area, seconded by Commissioner Pena. The motion was passed and approved by the following vote: Pena, Pecos, Fugate voting "FOR". Leubert, Garcia voting "AGAINST".

9. Motion to approve certification of 2012 excess debt collections and the certification of 2013 anticipated collection rate, pursuant to Section 26.04(b) of the Texas Property Tax Code. (Director of Finance).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

10. Consider condemnation of structures located at 618 W. Fordyce, Kingsville, Texas. (Director of Planning and Development Services).

Motion made by Commissioner Pecos to condemn 618 W. Fordyce finding not able to repair building or structure is unsafe; and present condition is a violation of ordinances; and cannot be corrected without substantial reconstruction; then declare the building or structure to be a public nuisance and order its demolition by owner/agenda/person in charge within 30 days. (City shall abate in any manner it deems necessary and proper), seconded by Commissioner Garcia and Commissioner Pena. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

11. Consider condemnation of structures located at 626 ½ W. Kenedy, Kingsville, Texas. (Director of Planning and Development Services).

No action taken due to voluntary demolition signed by property owner.

12. Consider condemnation of structures located at 816 E. Doddridge, Kingsville, Texas. (Director of Planning and Development Services).

Motion made by Commissioner Pecos to condemn 816 E. Doddridge finding not able to repair building or structure is unsafe; and present condition is a violation of ordinances; and cannot be corrected without substantial reconstruction; then declare the building or structure to be a public nuisance and order its demolition by owner/agenda/person in charge within 30 days. (City shall abate in any manner it deems necessary and proper), seconded by Commissioner Garcia and Commissioner Pena. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia, Fugate voting "FOR".

13. Consider resolution abandoning and vacating all rights and interests within Farm Lot 15, Section 17 of the KT&I Co. Subdivision. (Director of Planning and Development Services).

Mayor Fugate stated that this item has been approved in the past by the Commission but the developer did not like the language that was used in the prior resolution. The developer has prepared a resolution which was submitted it to the City Attorney for review. Mrs. Alvarez, City Attorney has reviewed the resolution and has approved it for Commission's consideration. This easement is located directly behind IHOP.

Motion made by Commissioner Pecos to approve this resolution, seconded by Commissioner Pena.

Commissioner Garcia asked for clarity from the Mrs. Alvarez on the difference in both resolutions. Mrs. Alvarez stated that in the prior resolution it spoke about drainage easement as this was conveyed to staff. Once it was done and approved, the seller did not have problem with it but the buyer and their attorney had some concerns and basically wanted more of a blanket stating that any right that may potentially have been conveyed by the 1905 easement, for drilling or anything else, would be a way for taking away but the City would still have every other right, either by code, regulation or any other statute or anything else.

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

14. Consider out-of-state travel for the Mayor to travel to Washington, D.C. from September 8-10, 2013 for city business related to legislative and military issues. (Mayor Fugate).

Mayor Fugate stated that this trip is to meet and speak to new individuals that are at the Pentagon regarding NAS Kingsville. With BRAC round in 2015 and 2017, it is important to keep our name visible in Washington, DC.

Motion made by Commissioner Pecos to approve out-of-state travel for the Mayor to travel to Washington, DC from September 8-10, 2013 for city business related to legislative and military issues, seconded by Commissioner Garcia and Commissioner Pena. The motion was passed and approved by the following vote: Pena, Garcia, Leubert, Pecos voting "FOR". Fugate "ABSTAIN".

15. Consider resolution nominating certain person(s) as candidate(s) for election to the Board of Directors for the Kleberg County Appraisal District. (City Manager).

Motion made by Commissioner Pecos to nominate Commissioner Al Garcia as candidate for election to the Board of Directors for the Kleberg County Appraisal District, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

16. Consider accepting 2013 certified total appraised, assessed, and taxable values of all property and total taxable values of new property in the City of Kingsville as certified by the Kleberg County Appraisal District. (Director of Finance).

Mr. Mark Rushing, Finance Director reported that the appraised value this year has gone up to \$20,815,163. He further stated that if you average the past 6-7 years, the average is about a \$13 million increase sometimes up to \$15 million. He further stated that there was one year where it only increased by \$854,000 which was in the certified values that came out July 25, 2011.

Motion made by Commissioner Pecos to accept 2013 certified total appraised, assessed, and taxable values of all property and total taxable value of new property in the City of Kingsville as certified by the Kleberg County Appraisal District, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia, Fugate voting "FOR".

17. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewer, providing for an increase in sewer rates. (Director of Finance).

Mr. Rushing reported that surveys that were performed by HDR of the surrounding areas which show the City of Kingsville in the middle of the pact as far as the charges that is charged for sewer and water rates. The proposed increase which is in accordance to the model and rate study that was performed, it calls for an increase of 1% in water and 3% in wastewater.

Commissioner Pena stated that he has some concerns with regards to raising these fees especially with those families on a fixed income. This increase will only making it harder

for a family to live comfortably. He further stated that he is not in support of these increases at this time.

Commissioner Leubert stated that she agrees with Commissioner Pena and feels that the water and sewer rates should not be increased.

Commissioner Garcia stated that yes it is a burden to increase these rates, but if the increase is not done in small steps, the City will eventually have to increase the rates at a later time with at higher rate which could be more devastating to our citizens. He further stated that this is the third year for these types of increases and the model has kept the City where it needs to be.

Mr. Rushing reported that initially in the model, there were 14 months operating expenses and the design of the model is to pull down fund balance which is already scheduled in. Each year that fund balance gets pulled down to about 6 months operating, which was the target within the operation.

Mayor Fugate asked how much annually is pulled down from fund balance. Mr. Rushing responded around \$760,000, which is how much is subsidized for the 054 fund, Capital Projects.

Commissioner Pecos asked if this was the third year for this model. Mr. Rushing responded that this is the third year of a five year plan. He further stated that a moratorium on increasing between the previous model and the current model was factored in as well.

Commissioner Leubert asked what the total of increases amounted too. Mr. Rushing responded that 19% in wastewater with water not increasing too much.

Motion made by Commissioner Pecos to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewer, providing for an increase in sewer rates, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Pecos, Fugate voting "FOR". Leubert, Pena voting "AGAINST".

18. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Water, providing for an increase in water rates. (Director of Finance).

Motion made by Commissioner Pecos to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Water, providing for an increase in water rates, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Pecos, Fugate voting "FOR". Leubert, Pena voting "AGAINST".

19. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the Water Department to purchase production generators. (Director of Finance).

Mr. Rushing stated that this was originally budget in FY 2012 out of CO 2011 Utility Fund portion for \$480,000. In fiscal year 2012 only \$36,900 was expended with the remainder to be expended this year at \$375,000 which is for the six generators that have already been purchased and installed and the seventh would be for FY 2014 at \$68,100.

Introduction item only.

20. Consider a resolution authorizing the Mayor to enter into an Interlocal Cooperation Agreement between the City of Kingsville and Texas A&M University-Kingsville relating to usage of facilities and signage and economic development. (Mayor Fugate).

Mayor Fugate stated that the City is very fortunate in having the University here for many reasons. He further stated that it is time to do more for the University and feels that by given this money to the University it will improve our city.

Commissioner Leubert stated that she agrees with the Mayor, although not all students enrolled in the University are involved in athletics. She further stated that she understands that the University brings in lots of visitors to our community who spend their money in our stores and even in our hotels. But after speaking to citizens, she feels that this money can be utilized in other areas of the City.

Mayor Fugate stated that he feels that this is a great start in getting the City to work with the University because of what they do for us economically. Mayor Fugate asked for Mr. Scott Gines of Texas A&M University-Kingsville to speak to the Commission.

Mr. Scott Gines stated that sports are one of the three largest industries in all 50 states. He further stated that the University has filed for the intend to bid for four National Championships between 2015-2018 by last Friday. He further stated that the \$25,000 to

be donated by the city will help pay of an amortization schedule that will be a perpetual payment on synthetic surfaces on track and field. He further stated that there are four partners in this agreement which make up of two school public districts along with the institution, UIL and NCAA with only one partner missing, that being the City of Kingsville.

Commissioner Leubert stated that she is not here on her personal note as she is here on behalf of the citizens of the City.

Motion made by Commissioner Pecos to approve this resolution authorizing the Mayor to enter into an Interlocal Cooperation Agreement between the City of Kingsville and Texas A&M University-Kingsville relating to usage of facilities and signage and economic development, seconded Commissioner Pena. The motion was passed and approved by the following vote: Garcia, Pecos, Pena, Fugate voting "FOR". Leubert "AGAINST".

21. Consider a resolution authorizing the Police Chief to enter into an Operating Agreement between Commander, Navy Region Southeast and Naval Air Station Kingsville and the Kingsville Police Department Communications Bureau, Kleberg County, Texas relating to Managing Emergency ("911") calls for service at Naval Air Station Kingsville. (Chief of Police).

Mr. Ricardo Torres, Chief of Police stated that in the efforts to continue to work with the local Navy installation, an agreement is being proposed to work with the Commander of Navy Region Southeast. He further stated that NAS Kingsville will be moving their dispatch center to Jacksonville, FL. This is an agreement that if a 911 call originates within NAS Kingsville, and for some reason it gets transferred to the Kingsville Police Department, we will have the capability to move it over to Jacksonville, FL so they may respond to calls. He further stated that in the meantime if 911 should go down and receive calls, they can be directed to the local services security and fire department of NAS Kingsville.

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

22. Consider a resolution authorizing the City Manager to enter into an Agreement between the City of Kingsville and the Ed Rachal Foundation relating to the Petra Vela Kenedy House. (Director of Tourism).

Mr. Bob Trescott, Tourism Director stated that this item has been discussed at a previous meeting of the Commission. The City of Kingsville has been offered the Petra Vela Kenedy House from the Ed Rachal Foundation and has offered to pay the cost of moving the structure to Kingsville in amount of \$75,000. Mr. Trescott has proposed two possible sites where this structure can be located to, one being on 6th street next to the canopy and the second site being on the property located on 3rd & King Street near the proposed new City Hall. The Ed Rachal Foundation would like to close this agreement before the end of August as their budget year ends in August. Mr. Trescott reported that the value of this structure is \$10,000.

Commissioner Pena stated that he has some concerns with the historical ties of this structure with Kingsville. He further stated that the one location that has been proposed is not a good location. He further stated that he doesn't see this project as appropriate as we have some unfinished projects pending. He further stated that he is not in support of the structure to be moved to Kingsville.

Commissioner Pecos asked Mr. Trescott if he felt that the Ed Rachal Foundation will give any additional funding. Mr. Trescott stated that after meeting with the Ed Rachal Foundation they may want to work with the City.

Commissioner Garcia asked that if there is a time limit that this project would need to be completed. Mrs. Alvarez stated that there is no time limit.

Mayor Fugate stated that this is a great project but the timing is not right with all other projects that the City has pending.

Motion made by Commissioner Garcia to authorize the City Manager to enter into an Agreement between the City of Kingsville and the Ed Rachal Foundation relating to the Petra Vela Kenedy House, seconded by Commissioner Pecos. Motion "FAILED" by the following vote: Leubert, Pena, Fugate "AGAINST". Garcia, Pecos voting "FOR".

23. Consider a proposed tax rate; if proposed tax rate will exceed the effective tax rate or the rollback rate (whichever is lower), take record vote and schedule public hearings. (Director of Finance).

Mr. Rushing stated that the Commission will be setting the maximum amount of the tax rate.

Mayor Fugate explained to members of the audience that you set the tax rate below rollback and then come back and set the rate at to what it will be for the next year.

Mr. Rushing stated that right underneath rollback, the tax rate would be .90060.

Mayor Fugate stated that this will not be the adopted tax rate, but if it is set at .84220 and something happens between now and October, the City is pretty much stuck with this rate. This is why you set it just below rollback.

Mrs. Alvarez stated that this will allow the City to keep their options open until it's time to finalize the adopted tax rate. She further stated that once you set something too low, you can't go back to change it according to the Tax Code.

Mr. Rushing stated that I&S would be at the rate of .18816 that's if \$116,810 is utilized in Interest & Sinking fund balance. That would drop the rate down which will allow us more M&O rate. If the I&S fund balance \$116,810 would drop the projected fund balance to \$425,690 which will be 29.4% of the schedule for the next year. The range the City should be operating by which is recommended by the financial advisors is that the City operate between 25% which is the floor that the City can't go underneath based on its policy and about 1/3 of the schedule for next year's debt service.

Motion made by Commissioner Pecos to consider a proposed tax rate if the proposed tax rate will exceed the effective tax rate or the rollback rate whichever is lower, take record vote and schedule public hearings, seconded by Commissioner Pena.

Mrs. Alvarez stated that the rate would be .90060 that the Finance Director spoke of. Commissioner Pecos stated that this was correct.

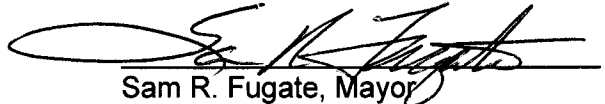
The motion was passed and approved by the following vote: Pena, Garcia, Leubert, Pecos, Fugate voting "FOR".

Mrs. Alvarez asked the Commission to vote on scheduled dates for the public hearings. Staff recommends the following dates and times, August 26, 2013 at 6:00 p.m. and September 4, 2013 at 6:00 p.m. Both public hearings are to be heard in the Robert H. Alcorn Commission Chambers.

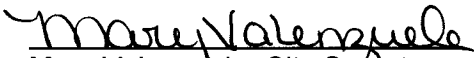
Motion made Commissioner Pecos to approve the hearings as proposed by the City Attorney, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 8:23 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, City Secretary