

AUGUST 26, 2013

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 26, 2013 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 3:30 P.M.

CITY COMMISSION PRESENT:

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

CITY STAFF PRESENT:

Vince Capell, City Manager
Mary Valenzuela, City Secretary
James Bryson, Accounting Manager
Bob Trescott, Downtown Director
Courtney Alvarez, City Attorney
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
Diana Gonzales, Human Resources Director
Melissa Perez, Risk Manager
Cynthia Martin, Downtown & Volunteer Manager
Joey Reed, Fire Chief
Willie Vera, Task Force Commander
Ken Starrs, Assistant Task Force Commander
Ricardo Torres, Chief of Police
Tony Verdin, Information Systems Technician
Robert Isassi, Planning & Development Services Director
Avelino Valadez, Street Supervisor
Marco Jimenez, Water Supervisor

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the Robert H. Alcorn Commission Chamber at 3:30 p.m. and announced quorum as present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

1. Review and discuss proposed fiscal year 2013-2014 budget for departments of the City of Kingsville. (City Manager).

Mr. Capell, City Manager addressed the Commission and stated that he would like to thank staff for their assistance in preparation of Fiscal Year 2013-2014 budget. He further spoke about budget in general. He mentioned that budgets are more than one year budget, it has to balance and pays for certain expenses and has certain revenues. He further stated that the decisions made this year will be looked at for 10 years ahead. One project is the Wildwood Trails Development where the City had to pull \$300,000 for this project. This development will pay larger dividends eight to nine years from now. The City will receive \$300,000 plus per year in additional property tax revenues. He further stated that the City may begin planning as to how to use these revenues in the future. He further stated that he characterizes the budget as truth and budgeting. He further stated that the City does not use one time money to pay for annual ongoing expenses, He further stated that staff does not ask Commission to appropriate what he calls contingencies. These are things that might happen or have a remote possibility of happening. He further stated that in the past, Commission has approved funds for particular projects, those projects don't get done and funds are expended in other ways. Mr. Capell mentioned that there is one thing that is being done today that will help in the future. The City puts money aside for obligations that are being created today but won't actually be paid until years from now. A couple of those examples are employee pensions, liabilities for medical claims for future retirees, and post closure of the landfill. He further stated that this budget includes numerous and significant investments in capital equipment, and infrastructure projects. This budget continues to improve employee compensation by including scheduled compensation increases for general and civil service employees under the City's Comprehensive Plan and recommending a 1.5% Cost of Living Adjustment for the City's general employees. This budget also provides employees with the proper equipment that is

needed to on day to day projects. It also provides health insurance to employees at no charge for employee-only coverage. Mr. Capell stated that this budget also helps with Fire Station upgrades. He further stated that this budget will also assist with the renovation of the old high school which will become the new City Hall. In this budget, it also includes a document imaging software where ordinances, resolution, minutes, contracts, and long term agreements can be kept for the life of the document. The budget continues to make investments in our streets, storm-water drainage, and in Community Appearance activities. He further stated that he would like to use property and sales tax for the non-fee services as fire service, and police service. This budget also maintains minimum fund balances in general fund, utility fund, assets seizure fund, tourism fund, which are maintain minimum fund balances which is important for emergencies which will allow us to pay for the cost. Mr. Capell further stated that the proposed annual budget for fiscal year 2013-2014 is complete except with respect to changes, if any, made by the City Commission.

Police Department – Ricardo Torres, Chief of Police

Chief Torres addressed the Commission with regards to the Police Departments budget. The Police Department's commitment is to provide quality police service and citizen interaction with an emphasis on integrity, fairness and professionalism. The Police Department value human life and strive to perform their duties with integrity and uphold the laws embodied by our constitution at the federal, state, and local level. The Police Department is committed to the City and hold themselves accountable to both each other and the citizens they serve. He further stated that they strive to treat the citizens with respect, while protecting their right to live in a safe environment. He further stated that the new Information Technician, Tony Wilson has been working on major project in installing COBAN server/client software, getting the videos. He also provides video support and editing as well as assisting officers in pulling security camera footage. Mr. Wilson has mapped out high crime areas for a period of time and looking for patterns in specific crimes and locating nearby offenders that fit the MO. The Kingsville Police Department has several social media sites that provide information regarding crimes that occur in the city which is shared with Kingsville citizens. Chief Torres stated that the command staff, sergeants, corporals and patrol officers have completed all necessary training in NIMS. Chief Torres moved forward in reviewing his department's budget which requires some increases in certain line items. Division 210.1 – Administration there are some increases for motor gas & oil from \$3,955 to \$4,232, training and travel from \$3,718 to \$4,780. Divisions 210.2 – Patrol, increased their motor gas and oil from \$102,812 to \$115,000 with a decrease in training and travel \$36,500 to \$25,000. Division 210.3 increased their supplies from \$3,187 to \$5,215, motor gas & oil increased from \$750 to \$1,318 with a decrease in minor equipment decreased from \$3,015 to \$1,800, and travel & training decreased from \$3,136 to \$1,500. He further reviewed the increases and decreases for Division 210.4 & 210.5. He touched on the utilization of State Forfeiture Funds and Federal Forfeiture Funds for fiscal year 2013-2014. He further reported that Operation Stonegarden for 2013 has not been funded. Operation Border Star for 2013-2014 does not have additional funding available. He further stated that the Kingsville Police Department is always committed to excellence.

Commissioner Leubert asked how many dispatchers are employed at this moment. Chief Torres responded that at this time there twelve dispatchers employed. Mr. Capell stated that the Chief has requested for two additional dispatchers for the new fiscal year.

Fire Department – Joey Reed, Fire Chief

Chief Reed reported that the Fire Department operates 24/7 with 10 employees assigned to each of the (3) 24 hour shifts. Due to vacations, sick, and other types of leave, the department tries to keep at least 7 personnel on duty. The 7 personnel operate out of 2 fire stations and attempt to staff 3 ambulances, 2 fire engines, 1 rescue vehicle, 1 brush truck, 1 aerial ladder truck, and 1 emergency response trailer. They do this by changing vehicles depending upon the type of call and number of personnel available. He further stated that the personnel has adapted to the new Fire Chief and changes that have been implemented. Chief Reed reported that there average response time for fire calls are within the national average of eight minutes, but only arrive with half the personnel recommended. The response times with EMS calls are within the eight minutes for advance life support for the ambulance service but do not meet the four minute response time for first responder service. He further touched on the Fire Department needs such as proper PPE for personnel to operate in various hazard conditions per State and NFPA standards, proper inspection and cleaning tools for PPE per state requirements. Also needed is dishwasher, washer, and dryers per NFPA standards, upgrades to facilities to improve working conditions, upgrades to apparatus for safety and response issues. A vehicle maintenance and replacement program is also needed. He further stated that a third fire station is needed to reduce response times to the south side of the City. An exhaust removal system in both stations is also needed and will be seeking a grant for the \$98,000 project. He further stated that the Fire Department is asking for additional increase in the following line items; overtime, uniforms, chemicals, minor equipment, medical, computers, communications, postage, training and travel,

memberships, medical treatments, subscriptions, and vehicle maintenance. He further touched on Capital item requests are the following, commercial extractor washing machine needed to clean firefighting PPE, restroom renovation for Fire Station #1 upstairs and downstairs, exterior improvements, exterior improvements, interior remodel improvements for Fire Station 2, and clean up electrical room wiring for Fire Station 1 and improve fire dispatch center.

Mayor Fugate called for a recess at 5:15 p.m.

6:00 P.M. – Regular Session of the Agenda continues. Mayor Fugate announced that they are only four Commission members present with Commissioner Leubert coming in late for the second part of this meeting.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Regular Meeting – August 12, 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 Pena. The motion was passed and approved by the following vote: Garcia, Pecos, Pena, Fugate voting “FOR”. Leubert “ABSENT”

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

1. Public Hearing to consider rezone of 1.43 acres of Lot 1-10, Block 1 of the Escondido Park 4 Subdivision from R3-Multi-Family District to R1-Single-Family District, also known as 800 Escondido Road, Robert Garza applicant. (Director of Planning & Development Services).

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

Mr. Robert Isassi, Director of Planning & Development Services, stated that this request was unanimously approved by the Planning & Zoning Commission on July 17, 2013. The petitioner is requesting the zoning change to construct nine single-family garden homes with a gated entrance and privately maintained cul-de-sac road. The developer will be working with the City on the construction and layout of these homes to meet City ordinances once the subdivision is re-zoned.

Commissioner Garcia asked if drainage has been discussed. Mr. Isassi stated that drainage has not been discussed.

Mayor Fugate closed this public hearing at 6:08 p.m.

2. Public Hearing to consider rezone of 2.0 acres of Farm Lot 10, Block 2 of the Kleberg Town & Improvement Co. Subdivision from AG-Agricultural to R1-Single-Family District, also known as 102 W. Sage Road, Hoss Castillo applicant. (Director of Planning & Development Services).

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

Mr. Robert Isassi, Director of Planning & Development Services, stated that this hearing is to consider changing the zoning ordinance of a 2.0 acre tract located at 102 W. Sage Road from AG-Agricultural to R1-Single Family. The request was unanimously approved during a meeting of the Planning & Zoning Commission on July 17, 2013. The petitioner is requesting a zoning change so that the owner, Mr. Zaragosa can construct his single family home on the proposed rezone.

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

3. Public Hearing to consider rezone of Lot 1, Block 7, Retama Park Subdivision from R2-Two Family District to C2-Retail District, also known as 808 S. 13th, Linda Franklin applicant. (Director of Planning & Development Services).

Mayor Fugate announced and opened this public hearing at 6:08 p.m.

Mr. Isassi stated that this request was made by Linda Franklin to rezone the Southeast corner of 13th and Doddridge from a two-family R2 District to a Commercial C2 District at Retama Park. He further reported that this request was approved by a unanimous vote of the Planning & Zoning Commission on March 9, 2008 but was not immediately submitted to Commission for approval. The owner may be selling the property soon and wishes for the re-zoning to be finalized. The lot is currently a vacant lot next to HomeSmart and Remco. The Planning Department has evaluated the request and can find no issues with it. It is within the Master Plan concept and should continue to promote commercial growth in the area.

Mayor Fugate closed this public hearing at 6:10 p.m.

4. Public hearing on a proposed tax rate increase from \$.084220 to \$.90060 for Fiscal Year 2013-2014. (Finance Director).*

Mayor Fugate announced and opened this public hearing at 6:10 p.m.

Mrs. Courtney Alvarez, City Attorney read the following required statement:

The vote to adopt the City of Kingsville's 2013-2014 fiscal year rate will take on Monday, September 16, 2013 at a City Commission meeting at 6:00 p.m. in the Alcorn Commission Chambers here at City Hall, 200 E. Kleberg Ave., Kingsville, TX. The second public hearing on the tax rate will take place on Wednesday, September 4, 2013 at a Special City Commission meeting at 6:00 p.m. in the Alcorn Commission Chambers here at City Hall, 200 E. Kleberg Ave., Kingsville, TX.

Mayor Fugate closed this public hearing at 6:12 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."

Mrs. Alvarez reported that school is back in session and would like to remind everyone to be extra careful while driving in school zones. Mrs. Alvarez reminded everyone about the Kingsville Independent School District Tax Ratification Election on August 29, 2013.

Commissioner Pecos reminded everyone that the use of a cell phone device on a school zone is a violation in which a traffic citation can be issued.

Mayor Fugate commended staff for working and helping new developers in making our City a better place to live in.

IV. Public Comment on Agenda Items³

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

Jean Claire Turcotte, 3730 Andron, reported that the Kleberg County 100th birthday celebration is this weekend. She further stated there will be a parade and a rededication of the Kleberg County Courthouse.

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 Pecos to approve the consent agenda item as presented, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Pecos, Pena, Garcia, Fugate voting "FOR". Leubert "ABSENT".

1. **Motion to approve final passage of an ordinance amending the Fiscal Year 2012-2013 budget for the Water Department to purchase production generators. (Director of Finance).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

2. Consider awarding bid for City's self-funded group health insurance (RFP 13-14). (Director of Purchasing and IT).

Mr. Rushing stated that the self-insurance fund that has been utilized by the City for the past decade has turned out to benefit the City in containing cost. Advertisement for this proposal was done on June 24, 2013 and July 10, 2013, as well as posting the information on the City of Kingsville's website and the Public Purchase website. Three proposals were submitted by ENTRUST, Inc., GPA and Humana. The City's consultants, Carlisle Insurance Agency, Inc., reviewed all proposals in which each proposal was broken down for easier review and comparison. On August 5, 2013, a recommendation was submitted suggesting for the City of Kingsville to continue with ENTRUST, Inc., as the Third Party Administrator using Security Standard as the stop-loss carrier. This action will incur \$436,717.80 in Stop-Loss Premiums and \$93,513.60 in Administration Cost and annual fees of \$4,000 totaling \$534,231.40 in total annual fixed costs. The total expected plan costs is \$2,680,746.60 which includes the above fixed cost of \$534,231.40, pre-paid claims expenses totaling \$258,150.60, variable expected claims totaling \$1,823,364.60 and \$65,000 aggregating specific. Staff recommends the contract be awarded to ENTRUST, Inc. of Houston, TX.

Mr. David Jacobson, Vice President of Sales & Marketing stated that over the past 12 years, the City of Kingsville has maintained a very competitive benefit offering for employees and their eligible dependents. He further reported that last year in 2012, slight benefit changes were presented in an attempt to control rising costs of out-of-area medical claims, generic and brand prescription expense, and stop-loss insurance premium costs. The approved changes in prescription drugs resulted in claims saving of \$202,449 this year and should continue to offer annual savings of around \$88,079. He further stated that the main reason they continue to be able to offer an attractive benefit program is the stability of medical expenses when utilizing Christus Spohn Health Network providers. In the past four years, the plan has experienced a trend increase in costs when utilizing providers outside the Christus Spohn Health Network service area. Entrust and Carlisle Insurance Agency is suggesting that the City of Kingsville consider slight changes to their current program. The change being suggested is making out of area providers subject to a flat percentage of Medicare. Outside of local EPO networks, many employers are starting to define what their benefit plans allow as a reimbursement to providers for services rendered. Local providers represent approximately 97% of the services rendered and approximately 78% of medical costs, limiting the amount that the plan will only impacts a small number of plan participants. Mr. Jacobson further stated that providers are not required to accept reimbursement of payment in full resulting in balance billing to patient. The projected savings to the plan by implementing this change totals \$137,532 annually assuming the current increased usage of out-of-area providers. In the cash-pay incentive, the City of Kingsville would offer a savings on the deductible in the event the cash price achieved a savings over a pre-determined benchmark price. The pro on this is that the participants could save on deductibles. The con is that providers may not agree to the price. The projected savings to the plan by implementing this change totals \$46,886 annually assuming the current increased usage of out-of-area providers. He further spoke about changing the copay for generic prescriptions from \$5 to \$10. Changing the copay could result in lower utilization in excess prescription patterns. The projected capitation savings totals \$23,900 based on the renewal offered. Mr. Jacobson spoke about the elimination of Plan B. Currently, the City of Kingsville has one individual on Plan B. Plan B has been offered since inception to allow employees to purchase a benefit option that is traditional in design and similar to what was offered twelve years ago. He further stated that since inception, Plan A has been the preferred plan with very little participation, if any, on Plan B. He further stated that the City may want to consider eliminating this plan option. He touched on the premium savings. The claims savings offered with the 130% of Medicare Plan Allowable Option, the stop-loss premium expense would reduce by approximately 10% if this option was selected. The projected premium savings totals \$43,672 based on renewal premiums offered. Mr. Jacobson spoke with regards to the patient support services. In order to assist plan participants with the medical claims cost-savings option being presented, the use of a patient support program is recommended. Patient support services would vary in cost based on whether the program was voluntary or mandatory. The projected additional cost on a voluntary basis totals \$4,500 annually and on a mandatory basis totals \$13,500 annually. He further stated that overall cost was \$700,000 less than the previous year. The City generally averages about \$2.2 million a year over the course of twelve years. He stated that if the City wants to maintain stable cost in the future, the only spikes tend to be when individuals seek services in Houston, San Antonio, or within the Valley areas.

Mr. Capell asked Mr. Rushing if when the Commission is asked to approve this, do they have to select which one they choose to go with. Mr. Rushing responded yes. Mr. Capell further asked that for budgeting purposes we would assume number 2 and number 5, patient support services. Mr. Jacobson stated that it would save money because now, there is an hourly rate on every health plan that is charged by nurses that get involved after the fact. He further stated that there would be savings if people called in advance as opposed in getting them involved afterwards.

Commissioner Leubert stated that she would like to for City employees to receive some type of training in using the support services. Mr. Jacobson stated that the hardest thing is getting individuals to speak with their providers about medical pricing.

Mr. Rushing stated that the recommendation of staff would be to go with Cash Pay Incentive with a projected savings of \$46,886 and the Elimination of Plan B with a projected savings of \$457 and also the Patient Support Services with a projected savings of \$13,500, it would cost us the additional \$4,500. This is staff's recommendation. Mrs. Alvarez stated that this would be through an award to Entrust, Inc.

Commissioner Pena stated that he is concerned with the level of care that employees would receive. He further stated that with the options that would be available, he feels that the quality of care would suffer through this plan. He further stated that he personally will be looking for the best doctor verses the best deal.

Mr. Rushing stated that these are voluntary options to the employee. If the employee goes to the cash pay, the employee would save their deductible. The Patient Support Services is an option that the employee can utilize, only if they choose to do so. He further stated that there is not a negative in this recommendation. This is an alternative that is available that has no penalty to the employee, but that can utilize it if they choose to do so.

Commissioner Pecos asked how many retirees receive health insurance from the City. Diana Gonzales responded nine retirees are still caring our health insurance.

Motion made by Commissioner Garcia to award this contract to Entrust, Inc. and accept staff's recommendation, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia voting "FOR". Fugate "ABSTAIN".

3. Consider a resolution supporting the Kingsville Independent School District's Proposed Tax Ratification Election on August 29, 2013. (City Manager).

Mayor Fugate stated that the school district is taking advantage of an accounting procedure that will transfer money from Maintenance & Operations in the amount of \$1.17 per \$100 valuation for the tax year 2013-2014 without raising the current total tax rate. The proposed TRE has committed to reduce the Interest and Sinking rate from 47-cents to 34-cents which will bring the total effective tax rate to the current \$1.51. The extra revenue will be used for employee salary increases, campus capital improvements, curriculum enhancements, dual credit-college/career readiness, and technology upgrades. Mayor Fugate further stated that Kleberg County, Kingsville Chamber of Commerce, Kingsville Economic Development Cooperation, and the Kingsville Foundation are in support of the Tax Ratification Election.

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

4. Consider a resolution authorizing the City Manager to execute a Software Maintenance and Support Agreement between the City of Kingsville and Timmons Group relating to GIS hosting services. (Director of Purchasing & IT).

Tony Verdin stated that the Timmons Group has submitted scope of work, schedule services and included a timeline.

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

Mayor Fugate stated that if there is no objection from the Commission, he would like to move item 7 before item 5. No objections were made by the Commission.

5. Consider a resolution authorizing the City Manager to enter into a Third Revised Water Utility Supply Contract (Gov. Contract #N69450-12-C-0011) between the City of Kingsville, Texas and the Federal Government for Naval Air Station-

Kingsville for emergency water line connection. (City Engineer/Public Works Director).

Mr. Charlie Cardena, City Engineer/Public Works Director stated that this item authorizes a contract amendment between the City of Kingsville and the Federal Government for Naval Air Station-Kingsville regarding the emergency 16" waterline extension along General Cavazos Boulevard. The amendment includes a 16" bypass to allow for emergency services during meter testing or repairs. Mr. Cardenas further stated that on January 14, 2013, the City Commission approved the original contract to extend a 16" emergency waterline 1275' along General Cavazos to NAS Kingsville. The original contract is not to exceed \$256,000 with this amendment. The amended contract amount is \$235,087.

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

6. Consider authorization of a change order for E-Tech Construction to build an extension and a meter vault bypass for the NASK emergency water line connection. (City Engineer/Public Works Director).

Mr. Cardenas stated that this item authorizes a Change Order between the City of Kingsville and E-Tech Construction for the addition of the 16" bypass emergency 16" waterline extension along General Cavazos Boulevard. The amendment includes an extension to NAS Kingsville property and a 16" bypass to allow for emergency services during meter testing and repairs. He further stated that on January 14, 2013, City Commission approved Bid 13-04 to extend a 16" emergency waterline 1275' along General Cavazos to E-Tech Construction for the installation of the waterline in the amount of \$188,686.25 in which this phase has been completed. The Navy has requested additional work consisting of 120' of 16" waterline to include a meter vault bypass and extension of the project to NAS property. The Change Order is for \$46,400.

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

7. Consider participation in and waiver of expenses for the Kleberg County 100th anniversary parade and events. (Director of Tourism).

Bob Trescott, Tourism Director stated that Kleberg County will be celebrating their centennial this weekend. He further stated the Kleberg County Centennial Celebration Committee has applied for sponsorship of this event from the City of Kingsville in terms of waiver of fees and support from City departments for this event. The Committee is requesting City support in the form of street closures, parade permit, speaker permit, vendor fees, the participation of staff and vehicles from the Police Department, Health Department and Public Works Department, barricades, trash receptacles and a waiver of fees. The estimated cost of these services is \$4,672. Mr. Trescott further stated that these waivers and services be considered as in-kind sponsorship.

Motion made by Commissioner Pena to approve the participation and waiver of expenses for the Kleberg County 100th celebration, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

8. Consider a resolution authorizing the City Manager to enter into an Interlocal Agreement between Kleberg County and the City of Kingsville for Road Improvement. (City Engineer/Public Works Director).

Mr. Cardenas stated that this item authorizes the City manager to enter into an agreement with Kleberg County to accept assistance from Kleberg County to repair Franklin Adams Road, from County Road 1030 to Trant Road within the Kingsville city limits. The proposed agreement would be beneficial in completing the 2013 street reconstruction program in a timely manner. Mr. Cardenas stated that there is no financial impact to accepting this agreement.

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

9. Consider introduction of an ordinance amending the zoning ordinance by changing the zoning map in reference to 1.43 acres of Lot 1-10, Block 1 of the Escondido Park 4 Subdivision known as 800 Escondido Road from R3-Multi-Family District to R1-Single-Family District. (Director of Planning & Development Services).

Introduction item only.

10. Consider introduction of an ordinance amending the zoning ordinance by changing the zoning map in reference to 2.0 acres of Lot 10, Block 2 of the Kleberg Town & Improvement Co. Subdivision known as 102 W. Sage Road from AG-Agricultural to R1-Single-Family District. (Director of Planning & Development Services).

Introduction item only.

11. Consider introduction of an ordinance amending the zoning ordinance by changing the zoning map in reference to Lot 1, Block 7, Retama Park Subdivision known as 808 S. 13th from R2-Two Family District to C2-Retail District. (Director of Planning & Development Services).

Introduction item only.

12. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for Fund 067 CO Series 2013 GF Streets and Fund 068 CO Series 2013 Drainage for the CO2013 debt issuance costs net of refund. (Director of Finance).

Mr. Rushing stated that this budget amendment will provide for the CO 2013 debt issue in January/February 2013 net of the \$15,343.29 refund by First Southwest our financial advisors. The initial issuance cost fees paid to First Southwest was \$76,194.55. The refund pulls the net issuance down to \$60,851.26 which is a reasonable issuance cost amount considering the issue dollar amounts. Mr. Rushing further stated that the CO 2013 issue consisted of new debt in the amount of \$4,265,000 for drainage projects and \$965,000 for street projects totaling \$5,230,000. The CO 2013 refunding of the CO 2002A existing debt in the amount of \$1,260,000 was issued at the same time reducing the overall issuance cost.

Introduction item only.

13. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the transfer of fund balance from Fund 001 General Fund to the Solid Waste Capital Projects Fund 087. (Director of Finance).

Mr. Rushing stated that the first half year of collected revenues resides in reserves in General Fund, Committed Fund Balance. He further stated that this budget amendment would move the money to Fund 087, Solid Waste Capital Projects.

Introduction item only.

14. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the transfer of fund balance from Fund 065 CO Series 2011 to Fund 039 CO Series 2002-2002A. (Director of Finance).

Mr. Rushing stated that as a result of the arbitrage review, it was discovered that there wasn't a timely reimbursement of the general fund. The transfer of \$203,646 from Fund 061 CO 2002 Utility Fund to Fund 039 CO 2002 General Fund is needed. He further stated that balances in September 30, 2012 was the fact that pooled cash in Fund 061 was not reimbursing General Fund in a timely manner over the years and resulted in an overstatement of interest earned in the MBIA investments accounts.

Introduction item only.

15. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the reallocation of funds initially budgeted for a drainage project to be used for a water line project along Seale Street. (Director of Finance).

Mr. Rushing stated that the in fiscal year 2013, \$70,000 was budgeted for drainage. Texas A&M University-Kingsville has requested for the City to reallocate the drainage funds for the installation of a waterline and service connection along Seale Street between Corral Avenue & Avenue B. Texas A&M University-Kingsville has agreed to pay the drainage improvement expenses for the north side of Santa Gertrudis Estate Subdivision and Aveune B & Seale street intersection.

Introduction item only.

16. 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. Trescott stated that this resolution is for a counter proposal to the Ed Rachal Foundation to doubling the amount of the cash donation to \$150,000. He stated that if Commission is to decide and approve this resolution, it would still need to go to the Ed Rachal Foundation Board for their approval. He further stated that the proposed location to place the structure is not as tight as it seems. He further stated that discussions with the railroad have begun. One of the items discussed with the railroad is moving Alacorn

Street farther to the West which provide a larger lot for the pavilion and the Petra Vela Kenedy House.

Mayor Fugate asked Mr. Trescott if there was any indication that they Ed Rachal Foundation would accept this offer. Mr. Trescott stated that both sides have discussed it and they really want this house to have a home. Mayor Fugate stated that he does not agree with the proposed locations to set this house.

Mrs. Alvarez stated that staff would need to speak with Union Pacific first.

Commissioner Leubert stated that she still has some concerns with this even if the Ed Rachal Foundation approved it.

Motion made by Commissioner Garcia to approve this item as presented, seconded by Commissioner Pecos.

Commissioner Pena stated that he is still not convinced as to the historical value of this structure. He further stated that there are other projects that have more pressing matters and does not agree with any additional funding.

Mayor Fugate stated that this structure is in terrible shape and cannot be left as is. Mayor Fugate commented to Mr. Trescott that this is his idea and he will be responsible for making this happen.

Mr. Capell stated that he does not have the opportunity to vote therefore he will not be taking responsibility for this project. He further stated that the decision is up to the Commission and he will further it and do his best.

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

17. Executive Session: Pursuant to Section 551.072, Texas Open Meetings Act: The City Commission shall convene in Executive Session to discuss the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third party. (City Manager).

Mayor Fugate announced and convened the Executive Session at 7:43 p.m.

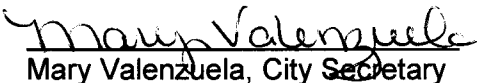
Mayor Fugate reconvened from Executive Session at 7:55 p.m.

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:55 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, City Secretary