

AUGUST 10, 2015

**A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 10, 2015 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:**

Courtney Alvarez, Interim City Manager/City Attorney  
Mary Valenzuela, City Secretary  
David Mason, Purchasing/IT Director  
Tom Ginter, Director of Planning & Development Services  
Emilio Garcia, Health Director  
Deborah Balli, Finance Director  
Diana Gonzales, Human Resources Director  
Charlie Cardenas, Public Works Director/Engineer  
Willie Vera, Task Force Commander  
Ricardo Torres, Police Chief  
Robert Rodriguez, Library Director  
Bill Donnell, Asst. Public Works Director  
Tony Verdin, IT Specialist  
Susan Ivy, Parks Manager  
Melissa Perez, Risk Manager  
Jimmy Saenz, Golf Course Manager  
Charlie Sosa, Street Supervisor  
Rose Morrow, Municipal Court Manager

**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 with all five Commission members present.

**INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)**

The invocation was delivered by Mrs. Courtney Alvarez, Interim City Manager/City Attorney, followed by the Pledge of Allegiance and the Texas Pledge.

**MINUTES OF PREVIOUS MEETING(S) – Required by Law**

Regular Meeting – July 27, 2015

Mayor Fugate called for a motion to approve the minutes of July 27, 2015 as presented.

**Motion made by Commissioner Pena to approve the July 27<sup>th</sup> minutes as presented, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting “FOR”.**

**II. Public Hearing - (Required by Law).<sup>1</sup>**

1. NONE.

**III. Reports from Commission & Staff.<sup>2</sup> (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. Susan Ivy, Parks Manager, reported that she would like to recognize and congratulate the 6U Thunder Softball Team for their win in the Pony Girls World Series in Highlands, TX in July, 2015. She further stated that she would like to also present them with the Because You Care Award for their hard work in maintaining the softball complex.

Mrs. Courtney Alvarez, Interim City Manager/City Attorney reported that the next regular meeting is scheduled for Monday August 24<sup>th</sup>; staff is planning on doing a street workshop during this time and is proposing to begin this meeting at 5:00 p.m. with regular meeting to follow at 6:00 p.m. Agenda items and staff reports for the August 24<sup>th</sup> meeting are due Friday, August 14<sup>th</sup>. Alvarez further reported that after a meeting with the Waters Consultant, it was determined to have a second meeting scheduled for Monday, August 17<sup>th</sup> at 5:00 p.m. to go over the next round of City Manager applications. She further stated that the HR Director and she phoned the consultant prior to this meeting, and he advises that he should be getting workbooks finished tomorrow and placed in the mail to us with a delivery on Wednesday of this week. Alvarez further reported that there is a scheduled staff meeting on Wednesday, August 12<sup>th</sup> at 11:00 a.m. Alvarez announced that the draft budget should be out by this Friday, August 14<sup>th</sup>.

Commissioner Pecos commented that he would like to thank the Street Department for working extra hours in filling potholes throughout the City. He received several calls from citizens stating their appreciation for the employee's hard work.

Commissioner Leubert stated that after speaking to Mrs. Deborah Balli, Finance Director, she would like to transfer \$1,000 to a designated department within the City. This is money that is left over in her Training & Travel line item. Leubert has asked for staff to place this item on the next agenda for Commission approval. Leubert further commented that she would like for employees that have city issued cell phones receive \$50.00 to pay for their personal cell phones and be used for city business. Leubert further commented that the City Manager and City Attorney would need a private cell phone, but all others can receive the \$50.00 to cover some of the cost of their personal cell phone to be used for city business.

Commissioner Pecos asked if this would apply to everyone that has a cell phone. Commissioner Leubert responded that this would be for everyone in the city that has a city issued cell phone. Leubert further stated that the crews that are on call would get a city issued cell phone for that weekend. Leubert also commented that the City Manager and City Attorney would need to have a city issued cell phone. Leubert further stated that this is just a proposal and could be discussed during a budget workshop.

Mayor Fugate commented that this is something that can be addressed during a budget workshop.

#### **IV. Public Comment on Agenda Items.<sup>3</sup>**

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

No public comments made.

#### **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 items as presented.

**Motion made by Commissioner Pena to approve the consent agenda as presented, seconded by Commissioner Leubert. 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 zoning ordinance by granting a Special Use Permit for 1200 E. Corral Avenue (Corral, Block 2, Lot 23) for automobile storage/impound lot. (Director of Planning & Development Services).**
2. **Motion to approve final passage of an ordinance amending the Fiscal Year 2014-2015 General Fund Budget to cover unanticipated departmental group health insurance costs. (Director of Finance).**
3. **Motion to approve final passage of an ordinance amending the Fiscal Year 2014-2015 General Fund Budget to cover excess audit fees. (Director of Finance).**
4. **Motion to approve final passage of an ordinance amending the Fiscal Year 2014-2015 General Fund Budget to cover increased communication fees. (Director of Finance).**
5. **Motion to approve final passage of an ordinance amending the Fiscal Year 2014-2015 General Fund Budget to cover additional FEMA Grant cash match for Fire Department. (Director of Finance).**
6. **Motion to approve final passage of an ordinance amending the Fiscal Year 2014-2015 General Fund Budget for Parks Department recreational programs. (Director of Finance).**
7. **Motion to approve final passage of an ordinance amending the Fiscal Year 2014-2015 General Fund Budget for a Kleberg County Airport grant cash match. (Director of Finance).**
8. **Motion to approve resolution authorizing the release of Chapter 59 funds of the Kingsville Specialized Crimes and Narcotics Task Force for donation to the Douglass Youth Center, Inc. (Task Force Commander).**
9. **Motion to approve out-of-state travel for Special Agent Mike Tamez of the Kingsville Specialized Crimes and Narcotics Task Force to travel to Cincinnati, Ohio from August 31<sup>st</sup> – September 3<sup>rd</sup>, 2015 to serve as an instructor and assist with teaching a Commercial Motor Vehicle Criminal Interdiction course, with all expenses paid by the Motor Vehicle Criminal Interdiction Association. (Task Force Commander).**
10. **Motion to approve certification of 2014 excess debt collections and the certification of 2015 anticipated collection rate, pursuant 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.<sup>4</sup>**

**11. Consider accepting 2015 certified total appraised, assessed, and taxable values of all property and the total taxable values of new property in the City of Kingsville as certified by the Kleberg County Appraisal District. (Director of Finance).**

Mrs. Melissa De La Garza, Kleberg County Tax Assessor-Collector, reported she has received the certified values from the Kleberg County Appraisal District in the amount of \$755,688,639.00. This is a \$26,774,974.000 increase from last year. The increase has to do with real property with a little increase in personal and mineral.

**Motion made by Commissioner Leubert to accept the 2015 certified total appraised, assessed, and taxable values as presented, seconded by Commissioner Pena. The motion was passed and approved by the following vote: Pecos, Pena, Garcia, Leubert, Fugate voting "FOR".**

**12. 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 (for August 24<sup>th</sup> & September 2<sup>nd</sup>, 2015 at 6:00pm at the Alcorn Commission Chambers, 200 E. Kleberg Ave., Kingsville, TX). (Director of Finance).**

Mrs. De La Garza stated that in Governing Body Summary 1A, after working calculations for 2015 she came up with an effective tax rate of \$0.83216 and came up with a rollback rate of \$0.90610. Last year's tax rate was \$0.84220. The effective rate is at \$.83 with last year's rate at \$.84. Mrs. De La Garza stated that the reason for this is due to an increase in value, values go up the rate has to come down; this is the reason you see a difference in

the effective and last year's rate. Mrs. De La Garza further commented that after speaking with Mrs. Balli, they have looked at their numbers very carefully making sure that they came up with the amount of money the city needs and looking at a proposal tax rate the same as last year's rate as \$0.84220 which will bring in approximately an additional \$75,000.00 into the general fund. De La Garza further commented that at this time she would need for the Commission to take a record vote and schedule the public hearings if the City Commission does not go with the effective rate. If the Commission goes with the proposed rate of \$0.84220 a record vote would need to be taken and schedule two public hearings.

Mrs. Alvarez commented that in the past several years, the City Manager's office would usually request that the City Commission adopt something just under the rollback rate, though we know we never really go to that amount and work through the budget before setting the actual rate. This is an option if the Commission wanted to do that, but sometimes if we know that were not going to go quite that high maybe the Commission won't want to set the proposed rate that high, but we could. Alvarez further commented that in the past it's usually a few cents off, instead of the rollback rate of .9 sometimes the proposed rate is set at .89 which gives us room. Alvarez also commented that with so many requests and needs that it would be great to have extra money to work with, but staff understands that generally the Commission tries to stay within the prior year's rate which is what the budget now is currently based on.

Mayor Fugate commented that he understands this, but in the past, in case something came up that staff wasn't aware of because once it's set you can't go any higher. Fugate further stated that if we are going to have hearings on this, even though the Commission will not go that high.

Mrs. Alvarez commented that historically it's been done this way and the Commission has never gone near that high, but just for the sheer fact that there may be something that comes up during the course of the budget workshop that maybe the Commission may feel it being essential enough to go up an extra cent in the tax rate or not. Alvarez further commented that in the agenda packet, there is a motion for a proposed rate; it includes the rate that the budget is built on. But if the Commission wanted to do what has been historically done it could be at \$0.89610 instead of the \$0.84220 that's in the sample motion. This is an idea of what the language would be and allow the Commission to decide what rate the Commission would like to use for the proposed rate knowing that this is not generally the rate that is actually adopted but that it be the maximum amount the Commission would be looking to go to.

Mrs. De La Garza commented that it is necessary to always remember that the tax rate is composed of two rates, maintenance operation and debt rate. From that proposed rate, we have to subtract out our debt payment, debt rate for 2015 is .18653 so whatever rate the Commission decides to look at, we would have to subtract our debt rate first and the additional rate will be allowed to work on the budget.

Commissioner Pecos asked for the debt rate. Mrs. De La Garza responded that the debt rate is .18653. This rate cannot change because that this is the amount of money that is needed to make sure that the bond payments are paid in full for 2015.

**Motion made by Commissioner Leubert that the proposed the property tax rate be \$0.89610 and schedule public hearings for Monday, August 24, 2015 and Wednesday, September 2, 2015 at 6:00 p.m. in the Alcorn Commission Chambers, 200 E. Kleberg Ave., Kingsville, TX, seconded by Commissioner Pecos.**

Mayor Fugate commented that he does not see this City Commission coming close to this rate. He does not want for citizens to become overly concerned of the proposed tax rate.

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

**13. Consider a resolution abandoning 20 feet of a 40 foot road dedication easement along the West side of Lantana Street within Lot 3, Block 1 of Collegiate Station Development while retaining a utility easement. (Director of Planning & Development Services).**

Mr. Tom Ginter, Director of Planning & Development Services, commented that staff is still discussing the composition of the resolution with the developer, therefore proposing that the Commission take no action on this item during tonight's meeting.

Commissioner Pecos asked why the developer is requesting the 20 extra feet. Mr. Ginter responded that besides the development, no other information has been given to staff.

**14. Discuss potential future owner-requested annexation of property at 1727 W. Sage Road. (Director of Planning & Development Services).**

Mr. Ginter stated that this request is made by Mrs. Obregon to run a waterline extension to her property to provide her with water services. As a part of this project it has been suggested to annex her property into the city. Annexation laws in Chapter 43 have two parts, besides the annexation there is also a service plan. In the annexation, for Mrs. Obregon can be a little compressed as it comes under an exempt area, which means not only one property owner and how many tracts.

Mayor Fugate commented that he has spoken with Mrs. Obregon in the past about this situation and the question he has is if there is another landowner in-between that will need to be annexed as well.

Mr. Ginter responded that we can but we don't have too. Ginter stated that Mrs. Obregon's property is contiguous with the city limits.

Mayor Fugate asked if the water line will be placed in the front of the property. Mr. Ginter responded yes. Mayor Fugate continued to ask that the citizen that is not in the annexation plan, will they have access to the water line as well.

Mrs. Alvarez responded that it would require the property owner to get a tap.

Mayor Fugate commented that to provide city services you need to pay city taxes and be part of the city. Fugate further commented that if the city decides to do this, staff would need to annex all the property within this location.

Mr. Ginter responded that his can be done, the City Commission has the legal right to annex, but the processes can be different because in this particular case, if the city annexes only Mrs. Obregon's property, which is consensual, the other individuals may not have the same attitude. This doesn't mean that we cannot annex their property, but there is a different process that needs to be taken.

Mayor Fugate stated that his opinion is that wherever that waterline goes the city should just annex those properties because in the future property owners will want to tap into the waterline as well.

Commissioner Pecos commented that the discussion at this time is only about water, what about providing sewer services. Pecos stated that if the city annexes these properties by exercising our authority, the city will have to provide these types of services.

Mayor Fugate asked how staff is proposing to get sewer services to Mrs. Obregon. Mr. Ginter responded that the city has 2 ½ to 4 ½ years to provide this service to her.

Mr. Charlie Cardenas, Public Works Director/Engineer, responded that the waterline currently is stubs out at the Texas A&M Veterinarian Clinic, so it's already on Sage Road. Cardenas continued to say that 1,600 feet of that water line is about \$24,000.00; so thinking about annexation is to recover the \$24,000 through city taxes. There is no sewer line going to the Vet Clinic or nearby this location. Cardenas stated that if the city decides to run sewer services through this area, it could cost the city up to six figures to do this.

Mayor Fugate asked if this service would need to be provided within 2 ½ years. Mr. Cardenas responded that he is not sure on the legal aspect of things, but he is aware that there are citizens in Kingsville currently that have septic tanks within the city limits.

Commissioner Leubert commented that the cost for water services is \$30,000.00. Mr. Cardenas responded that this is only to extend all the way to the dead-end of Sage Road and that cost would be \$24,000.00. Leubert further commented that her concern is that this water line will be going by other property owners for one property owner, and when will the city recoup their cost by doing this. Leubert stated that even if the taxes are \$1,000.00 per year, it could take up to 24 years to recoup this cost.

Commissioner Pecos asked if there is a potential of any future development in this area.

Mr. Cardenas responded that in his opinion the potential for future development is there. These are big lots and an 8" water line going in which will have the capacity and the flow will be there service this area. The reason for placing a large water line is so that the water can reach 1,600 feet.

Mayor Fugate asked what the total cost would be to run a sewer line in this vicinity. Fugate also commented that those individuals that reside on the Armstrong and Sage Road don't have sewer lines in their property. If the city goes out and places a sewer line on the opposite side of the road, we will have to place lines on the opposite of the road as well.

Commissioner Leubert asked how many property owners are there between the water line and Mrs. Obregon's property. Mr. Cardenas responded that there are two other property owners in this area. Leubert asked if anyone has spoken to the other property owners. Mayor Fugate responded that they are not interested.

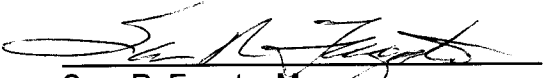
Commissioner Garcia commented that if this annexation is done, the property owners in between the tap and Mrs. Obregon's connection can tap in later, are we going to annex their property when they tap into the city's water line. Also, can the city refuse the tap in knowing that the water line is already there?

Mayor Fugate responded that there is an ordinance in place stating that you don't have to be a citizen of the city and still be able to receive water services at a different rate. Mayor Fugate asked for staff to look into the cost for placing a wastewater line all along Sage Road.

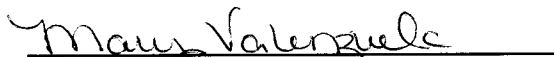
Commissioner Pena commented that it would be best if staff goes back and figures out what the total cost for installing water and sewer lines in this area as well as bring back information on possibly annexing all properties within this area.

**VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 6:40 p.m.

  
Sam R. Fugate, Mayor

**ATTEST:**

  
Mary Valenzuela, TRMC, City Secretary