

SEPTEMBER 12, 2016

**A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, SEPTEMBER 12, 2016 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 6:00 P.M.**

**CITY COMMISSION PRESENT:**

Sam Fugate, Mayor  
Edna Lopez, Commissioner  
Arturo Pecos, Commissioner  
Al Garcia, Commissioner  
Noel Pena, Commissioner

**CITY STAFF PRESENT:**

Jesús Garza, City Manager  
Mary Valenzuela, City Secretary  
Courtney Alvarez, City Attorney  
Tom Ginter, Director of Planning & Development Services  
Emilio Garcia, Health Director  
Ricardo Torres, Police Chief  
Bill Donnell, Assistant Public Works Director  
Diana Gonzales, Human Resources Director  
David Mason, Purchasing/IT Director  
Adrian Garcia, Fire Chief  
Leo Alarcon, Tourism Director  
Cynthia Martin, Downtown Manager  
Susan Ivy, Parks Manager  
Deborah Balli, Finance Director  
Robert Rodriguez, Library Director  
Sharam Santanilla, Capital Improvements Manager  
David Solis, Risk Manager  
Charlie Cardenas, Public Works Director/Engineer

**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 five Commission members present.

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

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

**MINUTES OF PREVIOUS MEETING(S)**

Regular Meeting – August 22, 2016

Special Meeting – September 6, 2016

Mayor Fugate asked for a motion to approve the minutes of August 22<sup>nd</sup> and September 6, 2016.

**Motion made by Commissioner Pena to approve the minutes of August 22<sup>nd</sup> and September 6, 2016 as presented, seconded by Commissioner Lopez and Commissioner Pecos. The motion was passed and approved by the following vote: Lopez, Pena, Pecos, Garcia, Fugate voting “FOR”.**

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

1. None.

**III. Reports from Commission & Staff.<sup>2</sup>**

*“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, Investment Report, Quarterly Budget Report, 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, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time."*

Mr. Jesús Garza, City Manager reported that furniture for the Community Room has arrived and been setup. There are a few minor details that still need to be addressed by staff. The Community Room should be ready for the City Commission to be able to have its next City Commission meeting on September 26<sup>th</sup> in the new location.

Mrs. Courtney Alvarez, City Attorney reported that the next City Commission meeting is scheduled for Monday, September 26, 2016 with agenda items for this meeting due on Friday, September 16, 2016.

Mayor Fugate presented Because You Care Award to Ms. Jeanette Price on behalf of King Star Baptist Church. Also in attendance to present this award was Mrs. Alice Byers, Executive Director of the Kingsville Chamber of Commerce.

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

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

#### V.

##### Consent Agenda

##### Notice to the Public

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

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

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

NONE.

##### REGULAR AGENDA

##### CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

#### VI. Items for consideration by Commissioners.<sup>4</sup>

##### 1. Consider final passage of an ordinance adopting the City Manager's Budget, as amended, of the City of Kingsville, Texas, and appropriating funds for the fiscal year beginning October 01, 2016 and ending September 30, 2017 in the particulars hereinafter stated. (Director of Finance).

Mrs. Deborah Balli, Finance Director reported that the proposed budget is in the amount of \$46,900,740.00. The proposed budget will allow the General Fund and Utility Fund meet its minimum requirement of 25% fund balance.

Commissioner Lopez asked if both the Parks & Recreation Director and Facility Manager position were still included in the proposed budget.

Mr. Garza responded that both positions were still included within the budget.

Commissioner Lopez further commented that she would like to go on record and stated the following comment; "I am completely against the creation of these two positions, Parks & Recreation Director and Facility Manager as we need to concentrate on hiring more maintenance positions in Public Works. Our citizens will be better served in regards to their needs if we are able to increase positions in these areas. However, I am in full support of increasing all current employees' wages and every effort should be made to maintain competitive wages in order to retain experienced employees."

**Motion made by Commissioner Pecos to approve the ordinance adopting the City Manager's Budget for fiscal year beginning October 1, 2016 and ending September 30, 2017, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Pena, Pecos, Garcia, Lopez, Fugate voting "FOR".**

##### 2. Consider final passage of an ordinance establishing and adopting the ad valorem tax rate for all taxable property within the City of Kingsville, Texas for the Fiscal Year beginning October 01, 2016 and ending September 30, 2017, distributing the tax levy

**among the various funds, and providing for a lien on real and personal property to secure the payment of taxes assessed. (Director of Finance).**

Mrs. Balli reported that the proposed tax rate is the same as last year \$.84220. This tax rate will raise more taxes for maintenance and operations than last year's tax rate. The tax rate will effectively be raised by 1.43 percent and will raise taxes for maintenance and operations on a \$100,000 home by approximately \$5.21.

**Motion made by Commissioner Pecos stating I move that the property tax rate be increased by the adoption of a tax rate of \$0.84220, which is effectively a 1.43% percent increase in the tax rate, seconded by Commissioner Garcia.**

Mayor Fugate commented that he wasn't sure if Commissioner Pecos read his motion correctly as it should be 1.64%. Commissioner Pecos commented that this was correct as there was a correction made.

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

At this time Mrs. Courtney Alvarez, City Attorney asked if staff could take a moment to confer with the Finance Director about the percentage that was mentioned within the motion made above.

Mrs. Alvarez asked that the City Commission rescind their prior motion and read it as it was originally printed.

**Motion made by Commissioner Pecos stating I move that the property tax rate be increased by the adoption of a tax rate of \$0.84220, which is effectively a 1.43% percent increase in the tax rate.**

Commissioner Garcia asked for a point of order and stated that the Commission needs to rescind the prior motion first and asked if this was correct.

Mrs. Alvarez responded to please do so.

**Motion made by Commissioner Pecos to rescind the prior adoption of the tax rate.**

Commissioner Lopez commented that Commissioner Pecos could not make a motion to rescind his own motion.

Mayor Fugate asked Mrs. Alvarez if Commissioner Pecos could rescind his own motion. Mrs. Alvarez responded that with regards to the 1.43%. Mayor Fugate further asked if Commissioner Pecos could rescind his motion. Mrs. Alvarez responded that anyone can.

Mayor Fugate asked Commissioner Pecos if that was his motion to rescind the prior adoption of the tax rate. Commissioner Pecos responded that it is his motion to rescind the prior of 1.43%.

**Motion to rescind the prior adoption of the tax rate was seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Garcia, Lopez, Pena, Pecos, Fugate voting "FOR".**

**Motion made by Commissioner Pecos stating "I move that the property tax rate be increased by the adoption of a tax rate of \$0.84220, which is effectively a 1.64% percent increase in the tax rate," seconded by Commission Garcia. The motion was passed and approved by the following vote: Lopez, Pena, Pecos, Garcia, Fugate voting "FOR".**

**3. Consider ratifying the property tax increase reflected in the 2016-2017 Annual Budget of the City of Kingsville. (Director of Finance).**

**Motion made by Commissioner Garcia to ratify the property tax increase reflected in the 2016-2017 Annual Budget of the City of Kingsville, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Garcia, Lopez, Pena, Pecos, Fugate voting "FOR".**

**4. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter III, Article 7, Personnel Policies. (Human Resource Director).**

Mrs. Diana Gonzales, Human Resources Director reported that this is the City of Kingsville's Compensation Plan for 2016-2017. This reflects the budget that was just approved and the information that was in the notebook that was provided during the budget workshops. There is one change that was made which was for the new class four, Information Technology Librarian, since there was a vacancy within the Library that allowed

an opportunity to relook at the position and reclassify it to a Digital Services Librarian and reclass it to a class nine.

Introduction item.

**5. Consider introduction of an ordinance amending the Fiscal Year 2015-2016 budget to cover end of year deficit accounts and to close and or create additional funds. (Director of Finance).**

Mrs. Balli reported at the end of year budget amendment to transfer funds to cover deficit accounts, transfer or amend budgets to create additional funds and transfer remaining fund balances to close out three funds. Receiving closing transfers from Funds 060, 064, 099. Transfer Grant for Texas Main Street to Fund 079. Transfer Group Health Insurance budget between departments to cover enrollment changes throughout the year. Transfer Utilities budgets between departments to cover changes made throughout the year and transfer FEMA match to Fund 071, which is a new Fund for FEMA. In Utility Fund, we transferred CDBG Grant to Fund 082 and transferred Group Health Insurance coverage as well. Fund 060, Computer Lease Purchase, close fund and transfer remaining fund balance to General Fund 001. Fund 064, CO Series 2009, close fund and transfer remaining fund balance to General Fund 001. Fund 068, CO Series 2013 Drainage, close fund and transfer remaining fund balance to General Fund 001. Fund 071, FEMA Assistance, include FEMA assistance for insurance deductible. Fund 079, Texas Capital Main Street Fund, create new fund for Texas Main Street Grant. Fund 082 TXCDBG Grant \$7215270, crate new fund for CDBG Grant. Fund 096, Insurance Claim Recovery Fund, include Insurance Claim funds for May 31, 2016 storm. Fund 099, Disaster Response Recovery Fund, close fund and transfer remaining fund balance to General Fund 001. This budget amendment will increase Fund 001-General Fund fund balance by \$40,603.25. Funds 060-Computer Lease Purchase, Fund 064-CO Series 2009 and Fund 099-Disaster Response Recovery Fund will be closed and transferred to Fund 001-General Fund. Funds 051-Utility Fund, Fund 068-Co Series 2013-Drainage, Fund 071-FEMA Assistance, Fund 079-Texas Capital Main Street Fund, Fund 082-TXCDBG Grant #7215270, and Fund 096-Insurance Claim Recovery Fund will all have no financial impact.

Introduction item.

**6. Consider introduction of an ordinance authorizing the Finance Director to write-off City of Kingsville accounts receivables in the amount of fifty-eight thousand one hundred and one dollars and thirty-one cents (\$58,101.31), where it has been determined that such accounts are uncollectible. (Finance Director).**

Mrs. Balli reported that this authorizes the write off of six accounts receivable that have been deemed uncollectible. The six accounts are as followed: Kleberg Co. Pct. 1, landfill fees for an amount of \$711.39; Kleberg Co. Pct. 4, landfill fees for an amount of \$612.46; Police Equipment Receivables in the amount of \$10,480.45; three returned checks (NSF) totaling \$349.71; Accounts receivable for McCracken Electric for \$20.10; Due from County Community Appearance, 50% of salaries for two equipment operators from October 2012 to May 2014 totaling \$45,927.23. The total amount for the write-off accounts is \$58,101.31.

Commissioner Garcia asked that if the NSF checks were submitted to the County Attorney's Office. Mrs. Balli responded that staff isn't sure if they were ever submitted or not. Mayor Fugate responded that it is too late to do anything as per statute of limitations.

Introduction item.

**7. Consider a resolution revising methods by which city funds shall be transferred between funds, between departments, and within departments. (Director of Finance).**

Mrs. Balli stated that since been employed with the City of Kingsville, staff has been trying to find a guideline as far as how to handle transfers. Staff came across a resolution that was approved in 1982, so staff worked with that resolution and updated it and have it reflect what staff is doing now. One type of transfer is the underfund transfer, which is transfer between funds, according to the old resolution it requires City Commission approval for this type of a transfer, which staff is not recommending a change to. The interdepartmental transfers, which is transfers between departments, according to the resolution it was allowed as long as the transfers within one fiscal year did not increase or decrease one particular department by more than 5%. At this time, staff was told that they couldn't do this therefore bringing budget amendments before the City Commission for approval. Staff has left this language stay in but increased the percentage from 5% to 10%. The intradepartmental transfers, these are transfers between account codes within the department which are currently allowed by the resolution. There was some language that reads, however, transfers of more than \$5,000 must be documented and given to the Commission for informational purposes. Balli stated that this language was removed as

staff didn't feel it was necessary to be there, but staff will do is include a list in the quarterly report, so the Commission will still receive the information on a regular basis.

Commissioner Garcia asked what happens when the current staff is no longer in their positions, the sentence that staff is looking at removing from the resolution, how will it be communicated to the staff that comes in after the current staff is no longer with the City.

Mrs. Balli's response was that it will be part of the quarterly report so any new staff will just continue with the quarterly report and see that the information is part of the report and continue with it. Balli further commented that if the Commission wants to leave the language in the resolution it can be left as is.

Commissioner Garcia asked if staff can put some type of language that will state that it shall be included in the report, not necessarily approved.

Mrs. Alvarez asked if the Commission wants to insert the language as it was in the prior resolution.

Commissioner Garcia commented that this was just a suggestion, as he is not sure what the consensus of the Commission is.

Mayor Fugate asked if this type of language that staff is recommending for the City Commission to adopt is standard for other cities. Mrs. Balli responded yes as it gives staff the flexibility that staff needs and also less budget amendments that will come before the Commission for approval. Mayor Fugate commented that his concern is that the Commission needs to be made aware of changes that are made, which could be done through the quarterly report, but he would still like for the Commission to be made aware of any changes.

Commissioner Lopez asked if the directors will have any input on the transfers. Mrs. Balli responded that the directors will have to sign off on all transfers. There will be three levels of signatures that will be required on each transfer.

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

**8. Consider awarding the construction contract for the renovation of the cottage building (done via competitive sealed proposals), as per staff recommendation. (Director of Purchasing).**

Mr. David Mason, Purchasing Director reported that the City, in conjunction with Ferrell and Brown Architects advertised Competitive Sealed Proposals on July 27<sup>th</sup> and August 3, 2016. Three proposals were opened on Tuesday, August 9, 2016. Proposals were judged on quantitative and qualitative methods by the review committee of Jesús Garza, Tom Ginter, Charlie Cardenas, and David Mason. The highest weighted category was the quantitative or monetary portions which carried a value of 50%. Results to this category are Van Fleet \$895,000. At this point, staff is not asking the Commission to award the contract as it is a proposal, staff is asking for authorization to negotiate the contract and bring it back for Commission approval.

**Motion made by Commissioner Pecos to allow this proposal to negotiate this contract, seconded by Commissioner Pena.**

Commissioner Garcia commented that the item presented is to award the contract. Mr. Mason responded that in reviewing the language, definitions, and the way competitive sealed proposals are done, like an RFP, it is necessary to negotiate. On all RFP, when the City has the winner of an RFP or RFQ staff always brings back the contract to the City Commission for approval.

Mrs. Alvarez commented that this will be a lesser included than what was posted.

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

**9. Consider award for Architectural Services (RFQ16-11) for renovation of the Municipal Building and authorize staff to negotiate a contract, as per staff recommendation. (Director of Purchasing).**

Mr. Mason commented that RFQ 16-11 Architectural Services for the Municipal Building was advertised in the Kingsville Record on July 3<sup>rd</sup> and July 10, 2016 and it was available on the City of Kingsville website. A total of six proposals were received on July 26, 2016 and subsequently evaluated by the review committee of Jesús Garza, Tom Ginter, Charlie Cardenas, and David Mason. It is recommended that RFQ 16-11 be awarded to negotiate a contract with SolkaNavaTorno, LLC as they were the most qualified provider based on

demonstrated competence in qualifications. Staff will negotiate a contract for a fair and reasonable price per the Professional Services Procurement Act and bring the contract to the Commission for approval at a future meeting.

Commissioner Garcia asked if the Municipal Building had any historical significance to it.

Mrs. Cynthia Martin, Downtown Manager commented that the Municipal Building was the original Kleberg Bank back in 1905. The building is not registered as a historical marker.

**Motion made by Commissioner Pena to award for Architectural Services RFQ 16-11 for renovation of the Municipal Building and authorize staff to negotiate a contract, seconded by Commissioner Pecos.**

Mayor Fugate asked City Attorney Alvarez if for architectural services, is it necessary to go out for a competitive bid or can it be done through professional services. Mrs. Alvarez responded that with the RFQ process, it is the process that needs to be used.

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

**10. Consider approving change order #1 for additional street base repairs for Clarke Construction contract for the 6<sup>th</sup> Street project. (City Engineer/Public Works Director).**

Mr. Charlie Cardenas, Public Works Director/Engineer stated that this authorizes the approval of a change order to the CO 2016 6<sup>th</sup> Street Overlay project in the amount of \$137,500.00 to increase the amount of base repairs on the roadway. The project consists of overlaying almost three miles of 4 land roadway on 6<sup>th</sup> Street from Corral Ave. to Loop 428. Also included is adjusting manholes, milling the outside lands, stripping, and base repairs.

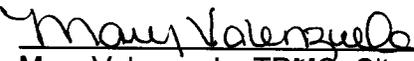
**Motion made by Commissioner Pecos to approve the change order #1 for additional street base repairs for Clarke Construction contract for the 6<sup>th</sup> Street project, seconded by Commissioner Pena. The motion was passed and approved by the following vote: Garcia, Lopez, Pena, Pecos, Fugate voting "FOR".**

#### **VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 6:38 P.M.

  
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Sam R. Fugate, Mayor

#### **ATTEST:**

  
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Mary Valenzuela, TRMC, City Secretary