

OCTOBER 24, 2016

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, OCTOBER 24, 2016 IN THE CITY HALL COMMUNITY ROOM 400 WEST KING AVENUE AT 5:30 P.M.

CITY COMMISSION PRESENT:

Sam Fugate, Mayor
Edna Lopez, Commissioner
Arturo Pecos, Commissioner
Noel Pena, Commissioner
Al Garcia, 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
Bill Donnell, Assistant Public Works Director
Diana Gonzales, Human Resources Director
David Solis, Risk Manager
Deborah Balli, Finance Director
Charlie Cardenas, Public Works Director/Engineer
Sharam Santanilla, Capital Improvement Manager
Leo Alarcon, Tourism Director
Cynthia Martin, Downtown Manager
Kyle Benson, IT Manager
Adrian Garcia, Fire Chief
Ricardo Torres, Chief of Police
Pete Pina, Landfill Supervisor
Susan Ivy, Parks Manager

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 5:30 P.M. with all five Commission members present.

WORKSHOP: Update on Wastewater Treatment Plants & Water Meter Infrastructure. (City Manager).

Mr. Garza commented that back in January, 2016 LNV Engineering gave a presentation to the Commission regarding the capacity issue at the South Wastewater Treatment Plant. At that time, staff thought they were at a certain percentage of capacity at the South Plant that would require us through TCEQ guidelines to begin the design for an expansion to create more capacity. The business model of LNV in their proposal was to build an expansion to the South Wastewater Treatment Plant that would cost an estimate of \$12,000,000 to \$15,000,000. Since that time, staff has been meeting with various groups, one being Schneider Electric. Through conversations with Schneider Electric and their analysis of our wastewater treatment plants staff realized that additional capacity could be acquired, not necessarily by building an expansion to the plant but by analyzing the city existing process of the plant. Staff has put out an RFQ to get a third party engineering company to come and run a capacity analysis at the South Wastewater Treatment Plant as it is important for staff to know where we are with the capacity at the South Plant. Kimley Horn was the firm that was selected to which staff has been working with and expect to have their contract at the next City Commission meeting. As to the water meters, discussion has been taking place regarding the failure of water meters. The end points of the water meters are what is failing. Currently the city has the technology where you drive by takes meter reads and measurements. With that end point failing, it does not allow for it to pick up the readings, Meter Technicians are having to manually pickup these readings. The actual component of the meter may be working fine, but it may just be that the end points are not working. Garza clarified that the meters are registering water usage correctly, it's just the measuring component that we are seeing issues with. Badger Meters has already started their investigation on checking the components on certain meters to see where the issue lies.

Mayor Fugate asked for the time line on this investigation.

Mr. Sharam Santanilla, Capital Improvements Manager reported that they are in the process of choosing the last three meters to be tested. This testing shouldn't take longer than a month. Staff is looking at having the results by the end of this year.

Mayor Fugate asked if the Meter Reader Department had received additional help. Mr. Garza responded that this department was given a part-time helper which was filled on October 17th.

Commissioner Garcia asked if the entire meter needed to be replaced or just the failed component. Mr. Garza responded that it is his understanding that the whole failed meter would need to be replaced. Not all meters around the City need to be replaced, just those that are failing.

A presentation was made by Mr. Aaron Garcia of Schneider Electric regarding Wastewater Treatment Plants and Water Meter Infrastructure. Mr. Garcia stated that the savings will help pay for the project. Mr. Garcia spoke about the vision, city's objectives, and project outcomes. The city vision is to upgrade city's infrastructure, Economic Development, positioned for future growth, foster sustainability, business investment, and quality of life. The City's objectives are energy footprint reduction across board, smart meter replacement, advanced meter infrastructure, guarantee savings that help fund improvements, wastewater plant process optimization, and capacity expansion through optimization. The project outcomes are utility energy savings of \$275,000 per year, energy savings of 30%, revenue enhancement of \$429,600 with a total project benefit of \$14 million over 20 years. Key considerations and performance contracting are as followed: funding source, non-tax pledge dollars such as M&O, CO, ML; Rate or tax impact, no tax increase; risk transfer and responsibility will be transferred to Schneider Electric; performance risk with no change orders is guaranteed for up to 20 years; cost risk, firm fixed price with no change orders; utility savings is guaranteed, measured and verified at 15% to 25%; will have a third party review; operations and verification by Performance Assurance Services; equipment and systems will be designed, commissioner and monitored for long term performance; experience - 580 projects and 200 plus in Texas; and guarantee challenge – none on \$1.2 billion guarantees issued.

Mr. David Smith of Schneider Electric presented on the water meter solution and solution highlights. Some of the Water Meter Solution were upgrade AMR to AMI Network; Smart Meter replacement (7,754) meters; revenue enhancement of \$429,600; and water supply – energy spend \$460,200. Some of the solution highlights were the 3.0 MGD Capacity; aeration upgrade; automation and controls; right sizing blowers; aerobic digestion – P Uptake; UV system upgrade; and energy spend \$325,000. Other solution highlights were 1.0 MGD Capacity; aeration upgrade; automation and controls; right sizing blowers; aerobic digestion – P Uptake; UV system upgrade; and energy spend \$153,000.

REGULAR MEETING RESUMES

Mayor Fugate opened the regular session of the City Commission at 6:14 P.M.

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 – October 10, 2016

Motion made by Commissioner Pena to approve the minutes of October 10, 2016 as presented, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Pena, Pecos, Garcia, Fugate voting "FOR".

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

1. None.

III. Reports from Commission & Staff.²

"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 stated that he is looking into possibly requesting a Special City Commission meeting on October 31, 2016 at 5:00 P.M., to discuss the Landfill.

Mrs. Courtney Alvarez, City Attorney¹ announced that the next regular City Commission meeting is scheduled for Monday, November 14, 2016, with deadline to submit agenda items on Thursday, November 3rd. City Offices will be closed on Friday, November 11th in

observance of Veteran's Day. On October 28th, the City of Kingsville will be hosting a Safe Trick-or-Treat event in the 200 and 300 blocks of East Kleberg from 6:00 P.M. to 8:00 P.M.

Commissioner Lopez asked for staff to have an update on the Golf Course for the next City Commission meeting.

Mr. Garza commented that the quarterly insert will have some information on the Golf Course, but he will have an update for them at the next meeting.

IV. Public Comment on Agenda Items.³

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

No public comments were 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)

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

1. **ORDINANCE NO. 2016-53. Motion to consider final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter VII, Article 6, Schedule II, providing for no parking on the southernmost side of Corral Avenue lying anywhere between its intersection with Seale Street to its intersection with Santa Rosa Avenue. (City Engineer/Public Works Director).**
2. **Motion to approve renewal of membership with Electric Reliability Council of Texas (ERCOT) for 2017. (City Attorney).**
3. **Motion to consider re-appointment of Norma Sue Adrian for a three (3) year term on the City County Health Department. (Director of Health).**
4. **Motion to consider City participation in the 2016 Stride for Health 5K/10K Run & Walk to take place on November 19, 2016. (Downtown Manager).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

5. **RESOLUTION NO. 2016-70. Consider a resolution authorizing the City Manager to enter into a Memorandum of Understanding between the City of Kingsville and Texas A&M University-Kingsville for student internships. (City Manager).**

Mr. Garza that this will allow for four interns from the Texas A&M University-Kingsville to come and work for the City. Each intern will be placed within four departments, Information Technology, Parks & Recreation, Animal Shelter, and Engineering.

Commissioner Pecos asked about the liabilities for the four interns. Mrs. Alvarez responded that Texas A&M University-Kingsville will provide liability insurance.

Motion made by Commissioner Garcia to approve the resolution authorizing the City Manager to enter into a Memorandum of Understanding between the City of Kingsville and Texas A&M University-Kingsville for student internships, seconded by Commissioner Pena. The motion was passed and approved by the following vote: Pecos, Garcia, Lopez, Pena, Fugate voting "FOR".

6. **Consider award for master planning services (RFQ16-15) for J.K. Northway Exposition Center & Fairgrounds and authorize staff to negotiate a contract, as per staff recommendation. (Director of Purchasing).**

Mr. David Mason, Purchasing Director stated that a total of three proposals were received on October 11, 2016 and subsequently evaluated by the review committee of Jesús Garza, Susan Ivy, Leo Alarcon, Charlie Cardenas, and David Mason. It is staff's recommendation that RFQ 16-15 be awarded to the firm of Half Associates and Populous, Inc., the most highly qualified provider based on demonstrated competence and qualifications. Staff will negotiate a contract for a fair and reasonable price.

Motion made by Commissioner Garcia to approve the award for master planning services for J.K. Northway Exposition Center & Fairgrounds and authorize staff to negotiate a contract, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Garcia, Lopez, Pena, Pecos, Fugate voting "FOR".

7. RESOLUTION NO. 2016-71. Consider a resolution revising the City of Kingsville Investment Policy and Investment Strategies, designating the City Manager, Director of Finance, and City Accounting Manager as the authorized city representatives with full authority for investment purposes, and providing for disclosure of financial interest. (Director of Finance).

Mrs. Deborah Balli, Finance Manager reported that Chapter 2256, Public Funds Investments of the Government Code requires the governing body to review and adopt its Investment Policy by ordinance or resolution at least annually. The policy was last adopted on May 24, 2015. There is one minor change under the Training and Education Section VIII. Responsibility and Controls where previously it referenced Section 2256.007 needs to be changed to Section 2256.008. No other changes are necessary at this time. The Investment Policy will be sent in for a 2-year re-certification which expires on March 6, 2017.

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

8. Consider introduction of an ordinance amending Chapter VII, Article 8, Traffic Control Devices, providing for the installation of stop signs on Santa Gertrudis Avenue at its intersection with Seale Street and for Seale Street at Santa Gertrudis Avenue. (City Engineer/Public Works Director).

Mr. Charlie Cardenas, Engineer/Public Works Director reported that the financial impact is estimated at \$15,000 which includes the flashing lights attached to stop signs, curb cuts, ADA ramps, portion of sidewalk and pavement markings. Changing this condition is in accordance with state and federal guidelines and the Manual of Uniformed Traffic Control Devices (MUTCD).

Introduction item.

9. RESOLUTION NO. 2016-72. Consider a resolution authorizing the City Manager to enter into an Interlocal Agreement between the Kleberg County and the City of Kingsville regarding the housing of City of Kingsville inmates at the Kleberg County Jail. (City Attorney).

Mrs. Alvarez reported that the existing contract between the City of Kingsville Kleberg County is to expire next month and the parties have negotiated a new jail contract for consideration by both governing bodies for approval. Changes from the old contract are that the new contract would be for a two-year term and secure seven beds per day at a rate of \$55 per day per bed, as opposed to ten beds per day at a rate of \$45 per day per bed.

Commissioner Pecos asked if the County provides information as to how many city inmates it takes in on a yearly basis. Mrs. Alvarez responded that this information is provided to the Chief of Police.

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

10. RESOLUTION NO. 2016-73. Consider a resolution for Municipal Court Week. (City Attorney).

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

11. RESOLUTION NO. 2016-74. Consider a resolution authorizing the acquisition of real property for the City Landfill. (City Engineer/Public Works Director).

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

12. RESOLUTION NO. 2016-75. Consider a resolution in support of the intent to create a Railroad Quiet Zone within the City that will prohibit the use of horns by trains except in emergency situations. (City Engineer/Public Works Director).

Mr. Cardenas stated that this is a resolution in support of the intent to create a railroad quiet zone within the City of Kingsville that will prohibit the use of horn for trains.

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

13. RESOLUTION NO. 2016-76. Consider a resolution of the City of Kingsville, Texas authorizing the submission of a Texas Community Development Block Grant Program application to the Texas Department of Agriculture for the Disaster Relief Fund, and authorizing the City Manager to act as the City's executive officer and authorized representative in all matters pertaining to the City's participation in the Texas Community Development Block Grant Program for Disaster Relief. (Risk Manager).

Mr. David Solis, Risk Manager stated that the City of Kingsville will be seeking reimbursement of the 25% matching funds withheld by FEMA for expenses related to the May 31, 2016 severe weather event.

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

14. Consider approval of and participation in certain events and parades for Fiscal Year 2016-2017 as stated in the memo and attachments. (Downtown Manager).

Mrs. Cynthia Martin, Downtown Manager stated that it is requested that the City Commission waive the street closing fees and support costs for the following events; Veteran's Day Parade, Nov. 11th; Ranch Hand Festival, Nov. 19th & 20th; La Posada de Kingsville Parade, Dec. 5th; MLK Day Parade & Celebration, Jan. 16th; PDAP (Palmer Drug Abuse Program) Drug Free Walk, April 22nd; 4th of July Parade & Celebration, July 4th; KISD (Kingsville Ind. School District) Annual Community Fair, Aug. 18th. The average cost for parade/event is \$586 per event per day for a total of \$4,688.

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

15. Consider accepting donations from La Posada De Kingsville Foundation for holiday decorations. (Downtown Manager).

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

16. Consider introduction on an ordinance amending Fiscal Year 2016-2017 Budget to accept and expend a donation from the La Posada De Kingsville Foundation. (Director of Finance).

Introduction item.

17. Consider introduction on an ordinance amending Fiscal Year 2016-2017 Budget to include the grant projects not completed in Fiscal Year 2015-2016. (Director of Finance).

Mrs. Balli reported that in Fiscal Year 15-16, the City of Kingsville was approved for various grants that were still in progress at fiscal year-end close. Since the completion dates of these grants was not known at the time of preparing the Fiscal Year 16-17 budget the following grants need to be rolled over into the FY 16-17 budget through a budget amendment; TX Capital Fund Main Street Grant \$150,000; Homeland Security Grant \$27,000; TXCDBG Grant #7215270 \$200,000.

Introduction item.

18. Consider introduction on an ordinance amending the Fiscal Year 2016-2017 Budget to include CO2016 projects not completed in Fiscal Year 2015-2016. (Director of Finance).

Introduction item.

19. Consider introduction on an ordinance amending the Fiscal Year 2016-2017 Budget to include insurance claim recovery projects not completed in Fiscal Year 2015-2016. (Director of Finance).

Introduction item.

20. Executive Session: Pursuant to Section 551.072, Texas Government Code, Deliberations regarding Real Property Exception, the City Commission shall

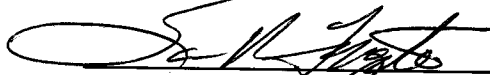
convene in Executive Session to discuss the purchase, exchange, lease, or value of real property as deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third party. (City Manager).

Mayor Fugate announced the Executive Session and convened the meeting into closed session at 6:46 P.M.

Mayor Fugate reconvened the meeting into open session at 7:13 P.M.

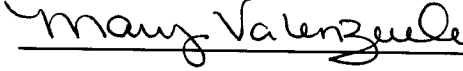
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:13 P.M.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, TRMC, City Secretary