

FEBRUARY 22, 2016

**A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, FEBRUARY 22, 2016 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 5:30 P.M.**

**CITY COMMISSION PRESENT:**

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

**CITY COMMISSION ABSENT:**

Al Garcia, Commissioner

**CITY STAFF PRESENT:**

Jesús Garza, City Manager  
Courtney Alvarez, City Attorney  
Tom Ginter, Director of Planning & Development Services  
Deborah Balli, Finance Director  
Charlie Cardenas, Public Works Director/Engineer  
Susan Ivy, Parks Manager  
Emilio Garcia, Health Director  
Robert Rodriguez, Library Director  
David Mason, Purchasing Director  
Willie Vera, Task Force Commander  
Melissa Perez, Risk Manager  
Leo Alarcon, Tourism Director  
Bill Donnell, Assistant Public Works Director  
Diana Gonzales, Human Resources Director  
Jimmy Saenz, Golf Course Manager  
Tony Verdin, System Specialist  
Jim DeVisser, Interim Fire Chief  
Carol Rogers, Administrative Assistant I  
Pete Pina, Landfill Supervisor

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate announced that four Commission members are present for this meeting. Commissioner Garcia absent.

**WORKSHOP:** Presentation from the EDC and the Retail Coach. (City Manager).

Mr. Manny Salazar, Director of Economic Development, gave a brief presentation on the Retail Coach. Mr. Salazar stated that he is looking into working on business retention expansion, community development, retail recruitment and finance.

Mr. Aaron Farmer of Retail Coach made a PowerPoint presentation to the City Commission. Main focus is to go out and recruit retailers and restaurants and assist existing businesses. Mr. Farmer reported that Retail Coach has been in work for sixteen years and has worked with over 375 communities. Retail recruitment is important as a long term process rather than just good for one year. The Retail Coach has identified five submarkets in town, University, downtown, 14<sup>th</sup> Street, Greater Walmart, and Hwy 77 submarket. Each submarket must be looked into individually. An analysis and strategy has to be developed for each of the submarkets. The list of retailers that fit one submarket will be different from the others. One of the analyses that have been done is through a license plate analysis to see where consumers are coming from. An analysis can also be done through cell phone GPS. This information will assist retailers and developers look at Kingsville and decide if there business could work in this city. A retail gap analysis will be done, this shows how much money is leaving the City and being spent in other surrounding areas such as Corpus Christi. Sites and properties will be identified for development and redevelopment. Retail Coach will be hosting a booth at the National Retailer Conference that will be held on May 22<sup>nd</sup> through May 25<sup>th</sup> in Las Vegas, NV.

Mayor Fugate commented that the Kingsville Regional Alliance has been discussing how to market Kingsville to bring in other retailer shops and restaurant.

City Commission recessed the workshop session of this meeting at 5:51 P.M.

**REGULAR MEETING RESUMES**

Mayor Fugate called the meeting to order in the Robert H. Alcorn Commission Chamber at 6:00 p.m. and announced quorum with four Commission members present. Commissioner Garcia absent.

### **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 – February 8, 2016

Mayor Fugate called for a motion to approve the minutes of February 8, 2016.

**Motion made by Commissioner Pena to approve the minutes of January 11, 2016 as presented, seconded by Commissioner Pecos. The motion was passed and approved by the following vote Pecos, Pena, Fugate voting “FOR”. Leubert “ABSTAIN”.**

### **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. Garza reported that at a past City Commission meeting it was reported that the City of Kingsville had received recognition for its participation in the Discovery Program through Texas Municipal League (TML). Representatives from TML Mr. Irvin Yaneck and Art Alvarez are here tonight to present the City with the Discovery Team Program Award.

Mrs. Courtney Alvarez, City Attorney reported that the Warrant Roundup is in progress. The grace period to take care of your business without being arrested is February 19<sup>th</sup> through March 13<sup>th</sup>. The courts regular hours are Monday through Friday from 8:00 A.M. to 5:00 P.M. with three extended hour dates on February 19<sup>th</sup>, February 26<sup>th</sup>, and March 4<sup>th</sup> from 8:00 A.M. to 6:30 P.M. The Bigger Event will be held on Saturday, February 27<sup>th</sup>. Next regular City Commission is scheduled for Monday, March 14<sup>th</sup> with agenda items due by Friday, March 4<sup>th</sup>. Alvarez reported that the Kleberg County Commissioners Court has approved the Election Services Agreement which is up for approval during tonight’s meeting. The Kleberg County Commissioners also passed a burned ban for the next 90 days.

Commissioner Leubert commented that the Farmer’s Market will be celebrating its 1<sup>st</sup> Birthday. During this month’s Farmer’s Market, there will be a raffle that will include a little bit of each vendors products. Leubert congratulated Mr. Tim Acosta for his promotion of Managing Editor for the Kingsville Record. She further stated that she would like for staff to look into the sidewalk issues as sidewalks are important.

Mrs. Alvarez commented that with regards to the article that was in the Kingsville Record, that this was discussed during the summer of 2015. Mr. Charlie Cardenas, City Engineer/Public Works Director asked TXDOT about the sidewalks but due to the fact that on the East side of the road, there is a utility line which does not allow them to place a sidewalk underneath a utility line; and on the West side of South Brahma, there is not sufficient right-of-way to place a sidewalk, which is the reason why the City of Kingsville’s request was denied at that time.

Mr. Charlie Cardenas, Public Works Director/City Engineer commented that the City did enter into an advance funding agreement with TXDOT for the same project when they

were doing General Cavazos. The City did pay for the sidewalks that are being used in front of Casa Del Rey Apartments. A proactive approach was taken on the construction that TXDOT was doing on General Cavazos.

Mayor Fugate asked Mr. Garza asked if he was aware as to why TAMUK was no longer videotaping the City Commission meetings.

Commissioner Pena commented that he had heard that New Wave has a new process that is no longer controlled in Kingsville and is now being controlled in Victoria.

#### 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)*

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

**1. Motion to approve final passage of an ordinance amending Chapter VII, Article 5, Traffic Schedules, reducing the speed limit on certain areas of Santa Gertrudis (from Seale Street west to Santa Monica Street) to 20 miles per hour, providing for appropriate penalties, fines, and fees regarding the regulation thereof. (City Engineer/Public Works Director).**

**2. Motion to approve a resolution authorizing the City Manager to enter into an Interlocal Agreement for Cooperative Purchasing of goods and services between the City of Kingsville and the City of Frisco, Texas, as per staff recommendation. (Purchasing & Technology Director).**

##### REGULAR AGENDA

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

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

**3. Consideration and approval of an ordinance authorizing the issuance of "City of Kingsville, Texas Certificates of Obligation, Series 2016" and approving all other matters related to the issuance of the certificates of obligation. (Finance Director).**

Mrs. Ann Burger Entrekin of First Southwest presented the City Commission with a presentation of Transaction Summary Certificates of Obligation, Series 2016. Mrs. Entrekin began her presentation with the Market Update, Bond Buyer's Index of 20 Municipal Bonds. The Economic indicator which comes out every Thursday and while it does not affect the City's exact interest rate, it is an excellent barometer of what is going on in this market. The high was in January 2011 at a 5.41% when we got to the low in December 6, 2012 of 3.27% was not only the low for that period, but went all the way back to 1964, which reflects a 50 year low. We are at this again and the timing for the bond buyer's index came out last Thursday at 3.27% except for last week it was at 3.27% and December 6, 2012 it was at 3.27% and if you go back to 1964 before we see Municipal rates at this level. Entrekin further reported that the chart being presented today is the exact information which goes back to 1981 that shows it's been a long time since we've been in this interest rate environment, except when we took the dip in 2012. Credit Rating Commentary; Standard & Poor's (S&P) "A+"/Stable Outlook. The rating reflects the city's strong management; very strong liquidity; strong debt and contingent liability position; and strong institutional framework score. It is viewed that the City's

management as strong, with good financial policies and practices under our Financial Management Assessment methodology, indicating financial practices exist in most areas...The City maintains a five-year capital improvement plan that is annually updated. Kingsville's budget flexibility is very strong, in our view, with available fund balance in fiscal 2014 of 26% of operating expenditures. In their opinion, Kingsville's liquidity is very strong, with total governmental available cash at 60.6% of total government fund expenditures and 7.8x governmental debt service in 2014. Entrekin stated that they went on a path of a competitive sale which is what was recommended. There were seven different bidders within this transaction is reflective that a competitive sale was the best alternative. The low bid that was received was from SAMCO Capital Markets at a rate 2.06 to put this into perspective, their cover rate was at 2.07 and behind that was a 2.08. One basis point was at 0.01% between the top three bids. The high bid was City Securities Corp at 2.35 which is a 29 basis point differential. There were several sales today that showed that kind of difference. Two reasons for that were treasuries were off this morning which impacted some of the bidders versus other bidders. The other reason was because investors are pushing back because these absolute rates are so low. Through guidance, the projected goes back to the end of December to the beginning of January, so at this point in time they thought they would only be able to issue \$6,175,000 in par amount of bonds, but because the interest rate came in so low today, they have for the City Commission consideration \$6,740,000 in bonds. The numbers that were shown in that point in time were at 2.84% the actual bid for consideration today is 2.068% which is slight different than their bid but this is because more principal was added. Total interest is at \$1.4 million and the call date is August 1, 2024. Average life is 8.253 years and the structure of a tax rate capacity. True interest cost is 75 basis points lower than initial projections. Total project fund is \$517,193 more than projected. In summary of this, it is recommended the City approve the Bid from SAMCO Capital Markets. The proposed bid and debt service structure optimizes the current interest rate environment while preserving future capacity and flexibility. Mrs. Entrekin stated that they would like to express their appreciation to City Staff, especially Mr. Jesús Garza, Mrs. Courtney Alvarez, and Mrs. Deborah Balli for all their assistance in making this a successful process and transaction. She further thanked the Bond Counsel, Winstead PC for their efforts and thanked the City for their honor of serving Kingsville as its Financial Advisor.

Mr. Garza commented that when the initial recommendation was made for funding back in December, the City was looking at \$5.7 million. Staff has reconsidered a different set of assumptions and was able to jump that to \$6.3 million. Staff was already anticipating being close to \$6.3 million, so when the Commission sees the number of \$6.1 million, staff was already thinking ahead at getting \$6.3 million. Now, we are at \$6.7 million which has added because of the market conditions and changing assumptions adding a million dollars of capacity for the City. The latest list that was provided to the City Commission was up to \$6.3 million dollars. This project included \$500,000 for phase one of Sixth Street and so now the difference of \$400,000 will allow staff to go out and explore possibility of doing all of Sixth Street all at once instead of it being phased out.

Mayor Fugate asked if money the City is borrowing is \$6,740,000 and will cost the City \$1,412,000 in interest. Mrs. Entrekin responded that this was correct.

**Motion made by Commissioner Leubert and Commissioner Pena this ordinance authorizing the issuance of "City of Kingsville, Texas Certificates of Obligation, Series 2016" and approving all other matters related to the issuance of the certificates of obligation, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Pena, Pecos, Leubert, Fugate voting "FOR".**

**4. Consider a resolution authorizing the City Manager to enter into the 2016 Election Services Agreement between the City of Kingsville and Kleberg County Clerk. (City Secretary).**

Mrs. Alvarez commented that this agreement was approved by the Kleberg County Commissioners during a meeting they had today.

**Motion made Commissioner Pena to approve this resolution authorizing the City Manager to enter into the 2016 Election Services Agreement between the City of Kingsville and Kleberg County Clerk, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Fugate voting "FOR".**

**5. Consider a resolution authorizing the City to submit an application to the State Defense Economic Adjustment Assistance Grant (DEAAG) Program for the purpose of requesting grant funding for land acquisition for encroachment prevention near the base. (Planning & Development Services Director).**

Mr. Tom Ginter, Planning & Development Services Director reported that the State budgeted \$30 million dollars for the use by military communities to assist with certain

projects. City staff intends to use this money for the purchase of nearby properties to make sure an encroachment does not occur and impact NAS Kingsville.

Mr. Garza commented that the application deadline for this grant is early March. Those that get awarded will be notified in April or May, 2016. The matching that the city will provide, as it states in the resolution, not to exceed \$55,000 which will come from next fiscal year.

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

**6. Consider authorizing the purchase of an Air Curtain Incinerator for the Landfill via BuyBoard, as per staff recommendation. (Purchasing & Technology Director).**

Mr. David Mason reported that the current trench burner at the City Landfill has reached the end of its useful life and needs to be replaced. With some of the new CO money, staff would like to purchase an Air Curtain Brush burner and rake. This purchase will expend \$106,983.08 and is available under the BuyBoard Contact #424-13 from H&V Equipment of Corpus Christi.

Commissioner Pecos asked if this was an additional to the other burner the City already has. Mr. Mason responded by stating that the other burner is still functional at this time, but it is about 15 years old and at this point as long as there is available space, and as long as the old burner is working, both burners can be used.

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

**7. Consider a resolution authorizing the submission of an application to the Coastal Bend Council of Governments for the purpose of requesting prescription drug collection units. (Commissioner Leubert).**

Commissioner Leubert commented that this item is for a grant application to be submitted to the Coastal Bend Council of Governments requesting prescription drug collection units.

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

**8. Consider final passage of an ordinance amending the Chapter III, Article 7, Personnel Policies, Section 1 Classification and Compensation Plan to add a Capital Improvements Manager position and correct clerical error to the City of Kingsville Classification and Compensation Plan for Fiscal Year 2015-2016. (City Manager).**

Mr. Garza commented that by approve this item, it reliefs some of the duties of certain staff members that deal with day to day projects. This position will help with focus with certain needs, keep utility projects moving forward as well as identify and find solutions for some challenges that staff faces now.

Mayor Fugate commented that one of the concerns he has is the time it takes to complete capital projects. He is aware that staff is overworked, he can see that a position like this is important but he can see where this can be used on the Maintenance & Operation side as well as there are project on that side as well.

Mr. Garza stated that this position is not involved in the day to day and has no oversight over the supervisor. This position will report directly to the City Engineer and City Manager. This position will solely focus on capital improvements only.

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

**9. Consider final passage of an ordinance amending the Fiscal Year 2015-2016 Utility Fund Budget for the addition of a Capital Improvements Manager. (Finance Director).**

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

**10. Consider introduction of an ordinance amending the Fiscal Year 2015-2016 Budget to use remaining funds in CO Series 1998 and CO Series 2011 for street maintenance funding. (Finance Director).**

Mrs. Balli reported that there are some funds that remain from past Certificates of Obligations and staff would like to use these funds to assist in street maintenance projects.

Introduction item.

**11. Consider introduction of an ordinance amending the Fiscal Year 2015-2016 Budget for the retainage portion of the Water Well #25 drilling contract. (Finance Director).**

Mrs. Balli stated this item authorizes funding of the retainage portion for Water Well #25 drilling contract in the Water Production Division. The allocation of the retainage funds was missed during the prior budget amendment to complete the Water Well #25 driller's portion of the project. This requested budget amendment reduces the Restricted for Capital Outlay Fund Balance in the amount of \$64,545.00 to Fund 066.

Introduction item.

**12. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter VII, Article 8, Section 3- Traffic Control Devices, providing for the authority to replace yield sign with stop sign on Armstrong Ave. at Caesar Ave. (City Engineer/Public Works Director).**

Mr. Cardenas reported that this item authorizes the approval to replace a yield condition on Armstrong Ave. at Caesar Street with a Stop sign.

Introduction item.

**13. Consider authorizing the purchase of a fire apparatus (engine) and equipment from Metro Fire Apparatus Specialists, Inc. via HGAC, as per staff recommendation. (Purchasing & Technology Director).**

Mr. Mason reported that this item authorizes the purchase of a new Fire Engine. This purchase will expend a total of \$400,000 of which \$359,100 is grant funded and the remaining \$40,900 is already budgeted as cash match. Staff recommends the purchase of the Spartan ERV Pumper on a Metro Star Chassis as specified from Metro Fire. This items is available through the HGAC Purchasing Cooperative thereby meeting competitive bid requirements under Government Code 252 and 271.

Commissioner Pecos asked what the time frame to receive this Fire Engine is. Mr. Mason responded about 390 days.

Interim Fire Chief Jim DeVisser commented that the latest to receive it is February 27, 2017.

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

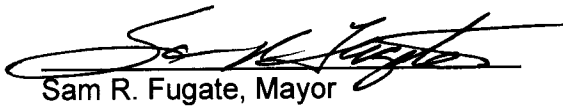
**14. Consider authorizing the purchase and installation of driving range improvements at the City's L.E. Ramey Golf Course with Synlawn via TCPN Purchasing Cooperative, as per staff recommendation. (Purchasing & Technology Director).**

Mr. Mason reported that this item will expend no more than \$125,000 from CO 2016 funds allocated to the Golf Course from account 001-052-016. It is recommended the City purchase the aforementioned products/services under the TCPN Purchasing Cooperative thereby meeting competitive bid requirements under Government Codes 252 and 271. The purchase and installation will be contracted with Synlawn of Dalton, GA.

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

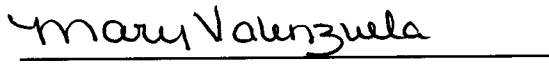
**VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 7:11 P.M.



Sam R. Fugate, Mayor

**ATTEST:**



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Mary Valenzuela, TRMC, City Secretary