

JUNE 13, 2016

**A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JUNE 13, 2016 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 6:00 P.M.**

**CITY COMMISSION PRESENT:**

Edna Lopez, Mayor Pro-tem  
Arturo Pecos, Commissioner  
Al Garcia, Commissioner

**CITY COMMISSION ABSENT:**

Sam Fugate, Mayor  
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  
Bill Donnell, Assistant Public Works Director  
Carol Rogers, Risk Managers  
Diana Gonzales, Human Resources Director  
David Mason, Purchasing/IT Director  
Johnny Campos, Police Officer  
Leo Alarcon, Tourism Director  
Cynthia Martin, Downtown Manager  
Susan Ivy, Parks Manager  
David Solis, Risk Manager  
Deborah Balli, Finance Director  
Charlie Sosa, Street Supervisor

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Pro-tem Lopez called the meeting to order in the Robert H. Alcorn Commission Chamber at 6:00 p.m. and announced quorum with three Commission members present. Mayor Fugate and Commissioner Pena being 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 – May 31, 2016

Special Meeting – June 6, 2016

**Motion made by Commissioner Pecos to approve the minutes for May 31, 2016 and June 6, 2016 as presented, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Pecos, Garcia, Lopez voting "FOR".**

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

**1. Public Hearing on an ordinance granting a special use permit to place a mobile home at Corral, Block 2, Lot 18 on a .2525 acre tract known as 1100 E. Corral, amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Planning & Development Services Director).**

Mayor Pro-tem Lopez announced and opened this public hearing at 6:02 P.M.

Mr. Tom Ginter, Planning & Development Services Director, reported that as of this afternoon he has received a call from the requestor stating that he wished to drop his request for a special use permit.

Mayor Pro-tem Lopez announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so at this time with a five minute time limit. Additional time cannot be extended by City Commission.

Mayor Pro-tem Lopez closed this public hearing at 6:03 P.M.

**2. Public Hearing on an ordinance granting a special use permit to place a mobile home at Corral, Block 23, Lot 1, 2 (Corral Storage) known as 1220 E. Corral, amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Planning & Development Services Director).**

Mayor Pro-tem Lopez announced and opened this public hearing at 6:04 P.M.

Mr. Ginter reported that Mr. Fabrizio Martello is requesting a special use permit for 1220 E. Corral. There has been a storage business at this property for some time. There was a mobile home on the property prior to the ordinance concerning mobile homes so it was grandfathered in at that time. Mr. Martello has stated that for a period of time thought the mobile home was not being lived in for some time so consequently the use is no longer grandfathered. Mr. Martello wants to have somebody live in the mobile home because when someone wasn't living on the property vandalism increased and since someone has been living in it the vandalism has stopped. The Planning & Zoning Commission approved the special use permit by a 5-2 vote and recommends approval.

Mr. Fabrizio Martello, 614 W. Richard, commented that for eleven years he had a tenant residing in the mobile home until he passed away. During the time the tenant was living in the mobile home, there was no vandalism on the property. Since the property is vacant, vandalism has increased. He stated that he is also trying to assist a family by having them stay in the mobile home and in return the family maintains the upkeep of the property. Martello further commented that he is looking into placing some landscaping to improve the look of the property.

Mayor Pro-tem Lopez announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so at this time with a five minute time limit. Additional time cannot be extended by City Commission.

Mayor Pro-tem Lopez closed this public hearing at 6:07 P.M.

**3. Public Hearing for Preliminary and Final Plats for North 62 acres of Lot 25, Block 20, Kleberg Town and Improvement Company Subdivision (in ETJ) known as Escondido Ranch. (Planning & Development Services Director).**

Mayor Pro-tem Lopez announced and opened this public hearing at 6:08 P.M.

Mr. Ginter reported that S&S Kingsville Construction have submitted a housing development in the Extra Territorial Jurisdiction (ETJ). Due to an agreement with Kleberg County in 2005, the City Commission has the authority to approve the plats as presented. Some time back the plats were presented to Kleberg County for approval which were approved. At some point it came to their attention that while outside of the city limits, it is in the City's ETJ which does provide for a process to review by the City. Work was stopped and the review process was started. Commissioner Roy Cantu, Charlie Cardenas and Mr. Ginter reviewed the plats and had two comments which since then S&S Kingsville Construction have submitted revised plats. City staff reviewed the revisions and approve the resubmitted plans. The Planning & Zoning Commission reviewed the preliminary and final plats on June 1<sup>st</sup> and approved them by a vote of 7-0 vote and recommend approval.

Mayor Pro-tem Lopez announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so at this time with a five minute time limit. Additional time cannot be extended by City Commission.

Mayor Pro-tem Lopez closed this public hearing at 6:10 P.M.

**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 this meeting would have been the meeting where the City Commission would have received the Performance Measure Report for the month of May as well as recognize the May Employee of the Month. This will be done at the last meeting in June. Garza further updated the City Commission on the cleanup efforts that have taken place after the storm. The city had a successful debris collection on Saturday, June 11<sup>th</sup>. There were 23 tons of debris and 36 tons of brush that were collected on Saturday. Garza thanked all the volunteers that assisted in this event. He further commented that the Governor has submitted a letter to the President

requesting that twelve out of thirty-one counties that the Governor had requested to be a federal disaster county, Kleberg County was not included on that list. The evaluation continues with the State. Staff has meetings scheduled for next week to continue assessing the damage as there is still a possibility that Kleberg County could be added to request.

Mr. David Solis, Risk Manager reported that the three structures that were damaged by the storm are the Care Building, J.K. Northway Coliseum, and Recreation Center. Recovery services has begun on the three buildings by a recovery company from Grand Prairie, TX. Tiles from the Care Building were tested and came back positive for asbestos. With all three structures the city could see damages to exceed over one million dollars. The city has a \$25,000 deductible per occurrence. If FEMA grants the declaration, we could see public assistance and the city will be able to recoup the \$25,000.

Commissioner Garcia asked if there were any electrical connections on the floor level at the Care Building. Garcia further asked if there is an exclusion in the windstorm policy for asbestos.

Mr. Solis responded that he is not sure if there were any electrical connections but will check on it. He further stated that there is exclusions in the windstorm policy.

Mr. Garza commented that before the park is opened to the public, it is important that these areas are secured.

Mrs. Courtney Alvarez, City Attorney announced that the next City Commission meeting is scheduled for Monday, June 27<sup>th</sup>. Agenda items for this meeting are due Friday, June 14<sup>th</sup>.

Commissioner Pecos commented that the twelve counties that were submitted to the President have been approved. Pecos further asked when staff will be moving into the new City Hall building.

Mr. Garza commented that staff is finalizing a few details this week in order to get the Certificate of Occupancy. Staff is already beginning to move some of their items. Staff was also waiting the Foundation to have their event prior to moving some items into their offices. The move to the new City Hall should take about a month.

Commissioner Lopez asked if there would be a custodian on staff for the new city hall.

Mr. Garza responded that as part of the budget, the Commission approved two part-time positions specifically for the new city hall. One will focus on the exterior of the building and the other will be custodial for the interior of the building.

Commissioner Garcia announced that he will not be available to attend the next City Commission meeting scheduled for June 27<sup>th</sup>.

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

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

Mr. Luke Womack, 218 Billy Evans, commented on the response that city staff took after the storm was outstanding.

#### **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 Pecos to approve the consent agenda as presented, seconded by Commissioner Garcia. The motion was approved by the following vote: Pecos, Garcia, Lopez voting "FOR".**

**1. Motion to approve final passage of an ordinance amending the Fiscal Year 2015-2016 budget to include transfers for the creation of a disaster response recovery fund for city expenses. (Finance Director).**

**REGULAR AGENDA**

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

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

**2. Consider acceptance of a donation from the Kingsville Chamber of Commerce for landscaping at the New City Hall Complex. (Finance Director).**

Mrs. Deborah Balli, Finance Director reported that the city has received this donation in the amount of \$730. This donation was from money collected at the Mayor's State of the City Event.

**Motion made by Commissioner Garcia to approve this donation, seconded by Commissioner Pecos. The motion was passed by the following vote: Garcia, Pecos, Lopez voting: "FOR".**

**3. Consider introduction of an ordinance amending the Fiscal Year 2015-2016 budget to accept and expend donations from the Kingsville Chamber of Commerce. (Finance Director).**

Introduction item.

**4. Consider accepting the Comprehensive Annual Financial Report of the City of Kingsville for Fiscal Year 2014-2015. (Finance Director).**

Mr. Luke Womack of John Womack & CO., P.C. gave the City Commission a report on the City of Kingsville's Comprehensive Annual Financial Report for Fiscal Year 2015. Womack reported that the City had a different kind of year in that the City decided to spend a lot of the reserved monies. This expenditure was for the restoring of a historical building into a new city hall. Mr. Womack at this time went over the report with the City Commission. In the general fund last year there were \$13,434,000.00 in assets and being a governmental fund it is almost cash basis. Cash was \$5.4 million, pooled cash was \$2 million which is a full cash amount and to which many different funds participate in. Taxes receivable is \$1.2 million, accounts receivable of various kinds is \$1.2 million with restricted cash at \$3,041,000.00 for about \$13,646,000 versus last years \$13,434,000, which is hardly any change. In liabilities last year in accounts payable was \$730,000 with this year at \$1,284,000.00, primarily due to capital projects the City has going on at the new City Hall. The deferred income is \$1,047,044, this is not something the city is going to pay, this is not a liability, and this is an offset to the tax revenues. Whenever there are tax revenues you do not recognize it until it is actually collected. The fund balance for the year was \$10,519,157, which was slightly higher the year before but the landfill went from \$4.4 million to \$2.4 million which came down about \$2 million which due primarily to the new city hall. In the Police Forfeiture Fund last year had \$6.3 million total assets which was primarily cash this year at \$4,780,000.00 and last year their liabilities were \$2,793,000; this year the liability jumped up to \$3.3 million due to cases pending that have not been awarded. The ending fund balance of monies that have been approved and are available \$1,439,000.00 versus \$890,000 from the year before. Debt service fund is functioning the way it's supposed too basically because it is taxes we do have some non-tax debt to be funded because of projects it was used for guarantee which pays it through there and reimbursed by other assessments. This fund balance last year was \$588,000 and this year its \$579,000, which is staying even. Revenue for the year was up \$17,319,000 and last year it was \$16,157,000 of which revenue was up \$1.2 million. The increases and expenditure tend to offset that, \$5,762,000 is general governmental administration which is up \$1.7 million which is primarily where the flowing of the money for the restoration process. The total expenditures were \$19,895,184 and this resulted on an overall revenue in excess of revenue expenditures of \$2,576,000, which is basically \$2.6 million of what was spent then brought in. Last year's loss was at \$1.8 million as other construction items were on going during that time period. The net change in fund balance was \$1,000,000.00 with the fund balance last year at \$11,526,000.00; take out \$1,007,000.00 which will bring it down to \$10,519,000.00. Womack stated that the fund balance is still very strong and have minimum fund balances allowances which the city is in excess of those balances. In the Police Department, they brought in \$549,759 which were the revenues that were recognizable during the period in excess of expenditures. Debt service fund brought in \$1,385,000.00 with expenditures at \$1,747,000.00 and that's

operating at loss of \$361,000.00 but do have a fund that has service fees attached to it and transfers in to \$352,000.00 to cover that loss. Womack commented that the general fund was untouched last year but could have gone up \$1,000,000.00 if we hadn't started the project. In the Utility Fund, water sales dropped close to \$1 million dollars last year. Cash is still strong, there is \$5,000,000.00 in cash and cash equivalence and had \$939,000.00 in pooled equity. Total assets is at \$12,986,000.000, the assets of the city are at \$47,011,510.00 which is the cost of every asset that the city has acquired and have not liquated in excess of \$5,000.00, so up to date we have sent \$47,000,000.00 in various types of assets. Depreciation is at \$30,130 resulting in a net of \$16,881,000.00. The total liabilities \$3.1 million which is very similar to the prior year. Obligations of a long term debt of \$15,834,000.00 which is the amount of expenditures that is owed. The total fund balance is at \$11,027,000.00 with unrestricted at \$4.9 million. In Utility Fund, water was at \$5,237,000.00 last year and this year it's at \$4.5 million. Wastewater was down about \$200,000.00 which usually follows water so when water goes down which also affects wastewater. Operating expenses was \$6.4 million last year and \$6.4 million this year, so this was kept overall intact. The operating income loss is at \$501,000.00 with last it year it was with the positive of \$764,000.00. Total fund balance is at \$11,027,271.00 with \$4.9 million being unrestricted. Womack further commented that the reconciliation of assets and liability accounts has improved immensely. Certain expenditures of the Tourism Funds should be supported by surveys that indicate the events held actually were increasing tourism and the local hotel industry. The City also did not reach the 15% of hotel/motel tax expenditures to be expended on advertising according to state law, and spent more than the 15% cap for hotel/motel tax expenditures related to promoting arts and culture. Womack further commented as for bidding, there was a finding that the City did not perform proper bidding procedures for services from a vendor which totaled more than \$50,000.00. Staff has begun implementing new procedures to track this individually so that this won't happen again. Womack stated that when issues were addressed to staff, staff immediately addressed the issues. He further thanked staff for all their hard work.

**5. Consider introduction of an ordinance granting a special use permit to place a mobile home at Corral, Block 2, Lot 18 on a .2525 acre tract known as 1100 E. Corral, amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Planning & Development Services Director).**

No action taken.

**6. Consider introduction of an ordinance granting a special use permit to place a mobile home at Corral, Block 23, Lot 1,2 (Corral Storage) known as 1220 E. Corral, amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Planning & Development Services Director).**

Introduction item.

**7. Consider Preliminary Plat for North 62 acres of Lot 25, Block 20, Kleberg Town and Improvement Company Subdivision (in ETJ) known as Escondido Ranch. (Planning & Development Services Director).**

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

**8. Consider Final Plat for North 62 acres of Lot 25, Block 20, Kleberg Town and Improvement Company Subdivision (in ETJ) known as Escondido Ranch. (Planning & Development Services Director).**

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

**9. Consider authorizing purchase of an H.D. Industries Pro Patcher Asphalt Pothole Patcher on a 2017 Cab and Chassis from Freightliner for \$147,283.70 via BuyBoard as per staff recommendation. (Purchasing & Technology Director).**

Mr. David Mason, Purchasing & Technology Director reported that this item authorized the purchase of a new HD Industries Pro Patcher Pothole Patcher on 2017 Freightliner M2106 Cab and Chassis. In order to continue progress on the City's street plan, specifically pothole repair, an additional patching machine is needed. This purchase will

expend a total of \$147,283.70 from 033-5-3050-71200 of which \$160,000.00 is available from CO 2016.

**Motion made by Commissioner Garcia to authorize the purchase of an H.D. Industries Pro Patcher Asphalt Pothole Patcher on a 2017 Cab and Chassis from Freightliner for \$147,283.70, seconded by Commission Pecos. The motion was passed and approved by the following vote: Garcia, Pecos, Lopez voting "FOR".**

**10. Consider authorizing repairs to roof at Parks Department Equipment Barn to Parsons Commercial Roofing, Inc. via TIPS Purchasing Cooperative, as per staff recommendation. (Purchasing Director).**

Mr. Mason stated that his item authorizes the installation of a new rood at the Equipment Barn at Dick Kleberg Park. The replacement roof will be done with 7/16" (1/2" performance class) Oriented Strand Board (OSB) decking with 30 lb. felt and 30 year dimensional shingles. Installation will be \$20,518.00 from 033-5-4503-71300, Equipment Barn Improvements of which \$25,000 is available.

**11. Consider final passage of an ordinance amending Chapter XV, Article 5, Historical Districts and Landmarks, Sections 15-5-17 through 15-5-33, providing for a revised application and permit approval process. (Planning & Development Services Director).**

Mr. Ginter, stated that as per concerns from staff, staff is proposing that the following language be deleted from Section 15-5-20 which states "or appropriated resident of the municipality entity".

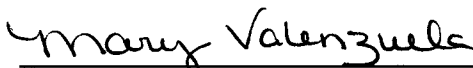
**Motion made by Commissioner Pecos to approve this ordinance, seconded by Commissioner Garcia. The motion was passed and approved by the following vote: Pecos, Garcia, Lopez voting "FOR".**

**VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 6:57 P.M.

  
Sam R. Fugate, Mayor

**ATTEST:**

  
Mary Valenzuela, TRMC, City Secretary