

SEPTEMBER 25, 2017

**A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, SEPTEMBER 25, 2017 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM 400 WEST KING AVENUE, KINGSVILLE, TEXAS 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  
Courtney Alvarez, City Attorney  
Tom Ginter, Director of Planning & Development Services  
Diana Gonzales, Human Resources Director  
Kyle Benson, IT Manager  
Sharam Santillan, Capital Projects Manager  
Emilio Garcia, Health Director  
Jason Alfaro, Parks & Rec Director  
Derek Williams, Systems Specialist  
David Solis, Risk Manager  
Bill Donnell, Asst. Public Works Director  
Charlie Sosa, Purchasing Manager  
Ricardo Torres, Police Chief  
Robert Rodriguez, Library Director  
Adrian Garcia, Fire Chief  
Marco Jimenez, Water Supervisor  
Susan Ivy, Parks Manager  
Stacie Pena, Finance Manager  
Jennifer Bernal, Community Appearance Supervisor  
Joe Casillas, Water Production Supervisor

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate opened the meeting at 6:00 P.M. with all 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)**

Minutes for September 5, 2017

Minutes for September 11, 2017

**Motion made by Commissioner Pena to approve the minutes 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).<sup>1</sup>**

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, Utilities Billing Update; **Police-Communications Update** & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works; Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water*

*And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time."*

Mr. Garza presented a certificate for Robert Ramos for employee of the month for August. Mr. Garza congratulated Mr. Kyle Benson, IT Manager on the completion of his Master of Business Administration degree. Garza announced that Public Works will be hosting a household hazardous waste disposal will occur this Saturday from 9:00 a.m. to 12:00 noon at Public Works.

Mrs. Alvarez announced that the next city commission meeting is scheduled for October 9<sup>th</sup> with agenda item deadline on September 27<sup>th</sup>.

Ricardo Torres, Chief of Police gave the City Commission an update on Communications. Due to microphone not being turned on, his comments were not recorded.

Commissioner Pena asked for an update on the property located on E. Henrietta, and asked if the property owner has brought in any renderings to staff.

Mr. Garza responded that staff can look into this and provide a detail update to the Commission.

Mr. Ginter stated that no permits have been obtained in the two weeks.

Commissioner Pena stated that what he has heard is that the property has been sold.

Mr. Ginter commented that staff will look into this and provide information at a later time.

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

**1. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter III, Article 7, Personnel Policies. (Human Resource Director).**

**2. Motion to approve final passage of an ordinance amending the Fiscal Year 2016-2017 budget to accept and expend Park donations from TRAPS. (Parks & Recreation Director).**

**3. Motion to approve final passage of an ordinance amending the Fiscal Year 2016-2017 budget to cover end of year deficit accounts. (Finance Director).**

**4. Motion to approve a resolution authorizing the City Manager to enter into an Engagement Letter Agreement between the City of Kingsville, Texas and John Womack & Co., P.C. for the 2016-2017 Fiscal Year Audit. (Finance Director).**

**5. Motion to approve support of and participation in certain events and parades for Fiscal Year 2017-2018 as stated in the memo and attachments. (Downtown Manager).**

REGULAR AGENDACONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:VI. Items for consideration by Commissioners.<sup>4</sup>

6. Consider a resolution approving the City of Kingsville's 2017 Tax Roll as submitted by the Kleberg County Tax Assessor-Collector pursuant to the Texas Property Tax Code, Chapter 26, Section 26.09(e). (City Manager).

Mr. Garza stated this item original comes to the Commission for approval after the tax rate and the budget have been approved.

**Motion made by Commissioner Pena to approving the City of Kingsville's 2017 Tax Roll as submitted by the Kleberg County Tax Assessor-Collector pursuant to the Texas Property Tax Code, Chapter 26, Section 26.09(e), seconded by Commissioner Lopez and Commissioner Pecos. The motion was passed and approved by the following vote: Lopez, Pena, Pecos, Garcia, Fugate voting "FOR".**

7. Consider introduction of an ordinance authorizing the historical redesignation of streets in La Colonia Mexicana to include the original street names with the existing street names, having no impact on addresses. (City Manager).

Mr. Garza commented that there are two projects presented at a prior meeting, La Colonia Mexicana and the street redesignation project. These projects have been spearheaded by Maggie Salinas and Dr. Baker of TAMUK. Direction from the City Commission was to proceed with these projects. Staff has gone through the process of getting quotes and checking on the number of signs that will be needed. Staff has contacted Maggie Salinas and Dr. Baker to make them aware that this item was going to be on the agenda tonight strictly for La Colonia Mexicana. This would include the following: Avenue A would be Sims; Avenue B would be Perez; Avenue C would be Chaparral; Avenue D would be Garza, between 6<sup>th</sup> Street and 14<sup>th</sup> Street. This is a total of about 36 signs at a cost of \$1,700.00. Garza stated that once this item is approved, staff will mail out letters to residents informing them of the project.

Mayor Fugate commented that his sister lives in a historical area in Oregon, and they had a signs redesignating street with signs that were brown and white oppose to green and white.

Mr. Garza stated that the sign would be brown on the bottom which is for historical purpose. As for 6<sup>th</sup> Street, this process will take place at a later time.

Introduction item.

8. Consider request for extension for more time to make improvements to structure at 404 W. Richard Ave. (Director of Planning and Development Services).

Mr. Ginter stated that at a June 27<sup>th</sup> Commission meeting, the City Commission granted Mr. Gonzales additional time to make improvements to his property. He has emailed staff requesting additional time to make the improvements.

Mr. Joe Gonzales 400 W. Richard Avenue, property owner of 404 W. Richard Ave. commented that he would like to request additional time to obtain permits and start work on this property. He is making the improvements so that he can use it as a rental property.

Mayor Fugate asked how much time is needed.

Mr. Gonzales commented that he would like an additional 90 days, and he will start the improvements by then.

Commissioner Lopez asked if any permits have been obtained.

Mr. Gonzales stated that no permits have been obtained as he does not work a 9 to 5 job, which is no excuse. Due to his job situation, he has not been able to obtain permits. He stated that at this point he can start with the roof and the exterior of the property to make it more presentable.

Mayor Fugate commented that what this Commission is looking for is action and progress of which Mr. Gonzales has not done. Permits will have to be pulled.

Commissioner Garcia asked for the cost of a permit for that property.

Mr. Ginter commented that it would cost \$125.00 for general contractor permit then the evaluation of the roof and the type of roof plus he would have to get his appraisal card

and the square footage of the property which will give you the calculation for the cost of a permit.

**Motion made by Commissioner Pecos to approve an extension of 90 days, seconded by Commissioner Lopez and Commissioner Pena. The motion was passed and approved by the following vote: Lopez, Pena, Pecos, Garcia, Fugate voting "FOR".**

**9. Consider introduction of an ordinance amending Chapter 5 of the Kingsville Parks Master Plan to add a supporting narrative and figure table. (Parks & Recreation Director).**

Mr. Jason Alfaro, Parks & Recreation Director commented that his department is introducing an amendment to Chapter 5 of the City of Kingsville Parks Master Plan, which was approved on March 27, 2017. Alfaro stated that staff found out that a lot of the master plan priorities were prioritized per park or per site and not specifically for the entire city. When the department goes out for grants through TPWD, this is something they are looking for, city wide priorities. This change does not impact any financial cost to the City.

Introduction item.

**10. Consider a resolution authorizing the City to submit an application to the Texas Parks and Wildlife Department's Local Park Grant Program for the purpose of requesting park improvements at Dick Kleberg Park, with an anticipated cash match, authorizing the Parks & Recreation Director to submit the grant and act as the grant official on the City's behalf with such grant program. (Parks & Recreation Director).**

Mr. Alfaro stated that is a TPWD grant for funding the Local Non-Urban Park Grant that we have matching funds for up to \$500,000.00. Staff has taken a look at all the priorities that were listed on the Parks Master Plan and looked at the conceptual renderings and staff came up with a budget summary. The total project cost is \$464,750.00, due to a Keep Kingsville Beautiful donation of \$750.00. The TPWD funds would be \$221,000 with the city cash match of \$195,125.00 and a city in-kind match of \$29,375.00. Alfaro stated that they have approach the County Commissioners and they have approved \$10,000 worth of in-kind donations which will go towards field renovations and help with equipment. Alfaro stated that the outside donations total \$14,250.00.

Mayor Fugate commented that this is a good grant, if we can get it.

Mr. Alfaro that the chances of getting this grant is good, but we won't get an answer until the Spring of 2018.

Mr. Garza commented that part of our strategy here is that we are trying to maximize our points, since it is based off a point system. By incorporating with the partnership with the county, private entities donating funds and incorporating some cultural component which all score points.

**Motion made by Commissioner Garcia to approve this resolution, seconded by Commissioner Pecos.**

Mrs. Alvarez commented that just to clarify that on the resolution roman numeral V, based on the additional \$500.00 donated from KKB, the last number \$24,250.00 will be changed to \$24,750.00.

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

**11. Consider a resolution revising the City of Kingsville Investment Policy and Investment Strategies, designating the City Manager, Director of Finance, and City of Accounting Manager as the authorized City representatives with full authority for investment purposes, and providing for disclosure of financial interest. (City Manager).**

Mr. Garza stated that this is done every year.

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

**12. Consider a resolution adopting the new City of Kingsville Purchasing Policy and Procedures Manual. (Purchasing Manager).**

Mr. Charlie Sosa, Purchasing Manager reported that this item is to adopt an updated Purchasing Policy & Procedures Manual. The Finance Department has prepared a Purchasing Policy & Procedures Manual to be used as a guideline for all City employees to follow while making purchases for all city related items and contracts. The existing purchasing policy was last revised on July 9, 2007 and the P-Card portion

of the policy was update on May 26, 2015. The proposed new purchasing policy and procedures manual includes updated rules, regulations, and references to applicable state statutes. It is staff recommendation to adopt this manual to use in the new fiscal year.

**Motion made by Commissioner Garcia to approve this resolution, seconded by Commissioner Pecos**

Mayor Fugate commented that he has read the manual and doesn't see much of a change. Mr. Sosa responded that the change in this manual is the dollar amount on contracts.

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

**13. Consider a resolution setting the FY17-18 Fund Balances for the City of Kingsville General Fund and Utility Fund. (City Manager).**

Mr. Garza stated that its important to note that this item is on the agenda is that staff wants to make it transparent and clear what the plan is and what we are spending the money for which causes us to dip down to 20% and what the game plan is to build it back to 25%. This resolution has the details of how staff is planning to increase it by 1% for the next five years.

Commissioner Lopez stated that she has noticed on the resolution the general fund and being able to down the percentage too.

Mr. Garza responded no. The general fund is at 25% and the Commission has already adopted the changes in the actual policy that dropped the utility to 20%.

Commissioner Lopez stated that she thought she had read that the general fund could also be lowered.

Mrs. Alvarez commented that in the fund balance policy it does allow for that but because this was not something that the City Manager proposed in the final draft of the budget nor is that the Commission adopted, that isn't part of this resolution. The general fund is still at 25% and the utility at 20%. Alvarez further commented that in the fund balance policy that was previously adopted either fund could be reduced.

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

**14. Consider a resolution authorizing the Mayor to enter into a water supply contract with the South Texas Water Authority. (City Attorney).**

Mrs. Alvarez stated that for the last several years the City and the Water Authority have been entering into one-year contract extensions from a prior long-term contract. Over the last three years the parties have talked about entering into another longer-term contract, but there was a lot of details to be worked out. The current negotiating team for each side worked for the last twelve months to come up with this contract that is before the Commission tonight. With regards to this particular contract, it would be an initial five-year term it will have three five-year term automatic renewals unless either of the two parties notify the other in writing within one year to a year and a half of the then current term expiring. It does have some provisions with regards to how much the city would pay at a minimum with in the first five years and a different threshold with the extensions after that term. Alvarez stated that this was a point that was thoroughly discussed amongst internal staff as well as with the Authority. At the last minute, they worked with staff on some revisions on the guaranteed purchase clause so this is something that staff has discussed at length.

Commissioner Garcia stated that there was something different on the quick claim deed, what does that do to the City.

Mayor Fugate asked that if it required a TCEQ requirement.

Mrs. Alvarez responded that the Authority has different facilities and to get away from being considered a distribution source and just being a transmission provider, the facilities and the assets they have are being deeded over to the entities that benefit from them. There had been a 5-million-gallon ground storage tank off of Sage Road along with some pumps. The City has always been maintaining those pumps and the Authority the tank. Within the last three years, the Authority went out for bonds because they had done a study and determined that the size of the ground storage tank was way larger than was ever needed or being used, and so the city had approved them

reducing that to a 1-million-gallon storage tank and switching the motor size of the pumps. This has actually taken place part of the contract would allow for the city to be deeded and take over those facilities which are brand new and have to be TCEQ approved and the city would then continue its maintenance of those pumps and take over the maintenance of the new tank as well, so long as it is used for that purpose. If at any time in the future the city did not want to use it for that purpose, they would revert back to the Authority based on what's on the deed.

Commissioner Garcia asked that if the city will be responsible for the property.

Mrs. Alvarez responded yes. The City has been maintaining the pumps.

Mr. Garza commented that the city will be maintaining the property and will take on some utility expenses associated with the operation verses before the city didn't have that. Now the city will have to transition securing the site as it will be under the city's control.

Commissioner Garcia stated that it brings him back to the history of South Texas Water Authority, where the city paid for the whole thing, historically it was \$20,000,000.00. It was \$1.2 million per year for twenty years. Now we are straddled with having to maintain these assets. Garcia commented that he has a problem with this.

Mrs. Alvarez stated that the benefit is that these are brand new assets that will be deeded to the city.

Commissioner Garcia stated that they will get old and the city will have to maintain them in the end. Garcia asked what was the TCEQ discussion as to the city retaining these assets verses the Water Authority retaining the assets.

Mrs. Alvarez commented that she hasn't been privy to all the TCEQ information.

Mr. Bill Donnell, Public Works Director stated that the purpose of transferring the assets is the delivery under directive pressure, TCEQ doesn't allow that, all the other sites have to take on those and pump stations as well.

Commissioner Garcia asked when this rule or law changed.

Mr. Donnell responded that South Texas Water Authority has been arguing with TCEQ on that for many years.

Mayor Fugate commented that it's been an issue for quite some time.

**Motion made by Commission Pena to approve this resolution, seconded by Commissioner Pecos.**

Mayor Fugate asked Mrs. Alvarez if she had reviewed this contract and if she feels that it is legally correct and it's the best deal for the city.

Mrs. Alvarez responded yes. She stated that the attorney for the Authority, herself, City Manager and Mr. Donnell have all gone over that and Mr. Casillas has gone over the bell curve and seems to be that after a year, actually has been three years, but with regards to this specific contract for a year now, it seems to be the closes the parties will ever get.

Mr. Garza commented that what he considers a success in this agreement is the control of the expenditures.

Mrs. Alvarez commented that the Authority is set to vote on this contract at their meeting tomorrow.

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

- 15. Consider accepting donation from Keep Kingsville Beautiful in the amount of \$831.13 from "Fill the Flower Pot" fundraiser. (Finance Director).**

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

- 16. Consider a resolution amending the City of Kingsville Administrative Policy No.600.02-Health Insurance. (Human Resource Director).**

Mrs. Gonzales stated that this resolution is to update and clarify some language in the Administrative Policy.

Mayor Fugate commented that there really isn't any changes other than cleaning up the language.

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

**17. Consider a resolution amending the City of Kingsville Administrative Policy No.600.03-Life Insurance. (Human Resource Director).**

Mrs. Gonzales stated that this is to clarify some language. This is the life insurance that the city provides to full-time employees. It's indicating that it's a minimum of \$10,000 or one-year salary but not to exceed \$50,000.

**Motion made by Commissioner Pecos to approve this resolution, seconded by Commissioner Lopez.**

Commissioner Garcia asked how long has this \$10,000 limit been for the employees.

Mrs. Gonzales responded that it's \$10,000, the minimum is for City Commission. That's the minimum for the City Commissioners. For the employees, it's one-year salary to a maximum of \$50,000. This is what the city provides.

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

**18. Consider accepting a \$4,000 grant from the Union Pacific Foundation for a project at the Train Depot. (City Manager).**

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

**19. Consider introduction of an ordinance amending the Fiscal Year 2017-2018 Budget to accept and expend a grant from the Union Pacific Foundation for the Train Depot Project. (City Manager).**

Introduction item.

**20. Consider appointment of a commission member to the City Health Plan Design Taskforce. (City Manager).**

Mr. Garza stated that the city is facing a potential financial challenge insurance fund, so part of the effort before staff goes through the exercise of making any recommendations or specific presentations to the City Commission, is to gain input from our employees, to learn from them what aspect are most important to them. In order to facilitate this process, staff is establishing this task force that will be made up of employees, the union president as well as some of the administrative staff. It would be appropriate because of the magnitude of the situation to have a City Commissioner present as part of that task force. Garza stated that he wants to make sure that this is something that is addressed this Fall with the first task force occurring the first week of October. Employees will be provided with a survey, then they will be invited to a workshop as well as their dependents and family members by having session during the day and in the evening.

Commissioner Garcia commented that he would like to disqualify himself from being selected.

**Motion made by Mayor Fugate to appoint Commissioner Pena to the City Health Plan Design Taskforce, seconded by Commissioner Lopez, Commissioner Garcia, and Commissioner Pecos. The motion was passed and approved by the following vote: Lopez, Pecos, Garcia, Fugate voting "FOR". Pena "ABSTAINED".**

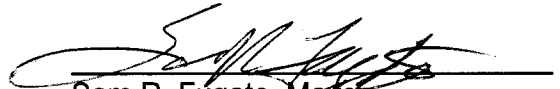
**21. Executive Session: Pursuant to Section 551.087, Texas Government Code, Deliberations Regarding Economic Development Negotiations Exception, the City Commission shall convene in executive session to deliberate the offer of a financial or other incentive to a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations. (City Manager).**

Mayor Fugate announced the executive session and convened the meeting into closed session at 6:57 p.m.

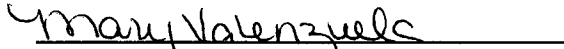
Mayor Fugate reconvened the meeting into open session at 7:05 p.m.

**VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 7:05 P.M.

  
Sam R. Fugate, Mayor

**ATTEST:**

  
Mary Valenzuela, TRMC, City Secretary