

FEBRUARY 13, 2017

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, FEBRUARY 13, 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
Noel Pena, Commissioner
Al Garcia, Commissioner

CITY STAFF PRESENT:

Jesús Garza, City Manager
Courtney Alvarez, City Attorney
Tom Ginter, Director of Planning & Development Services
Emilio Garcia, Health Director
Diana Gonzales, Human Resources Director
David Mason, Director of Purchasing
Deborah Balli, Finance Director
Charlie Cardenas, Public Works Director/Engineer
Kyle Benson, IT Manager
Susan Ivy, Parks Manager
Sharam Santillan, Capital Projects Manager
Israel Vasquez, Facility Maintenance Manager
Robert Rodriguez, Library Director
David Solis, Risk Manager
Leo Alarcon, Tourism Director
Cynthia Martin, Downtown Manager
Ricardo Torres, Chief of Police
Bill Donnell, Asst. Public Works Director

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)

Regular Meeting – January 23, 2017

Motion made by Commissioner Pena to approve the minutes of January 23, 2017 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. Public hearing for an alcohol variance for a Beer and Wine Retailer’s Off-Premise Permit for an establishment known as Spice Station Food Mart, located at 606 E. King, Ave., Kingsville, Texas. (Director of Planning and Development Services).

Mayor Fugate announced the Public Hearing at 6:02 P.M.

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

Mayor Fugate commented that this is a facility that has had this type of establishment for a few years. Reason for the variance is due to the change of ownership.

There being no further comments, Mayor Fugate closed this public hearing at 6:04 P.M.

2. Public hearing regarding an ordinance for a special use permit for the installation of a wireless telecommunications pole at Ronning 1, Block 1, Lot 24, 25 also known as 1018 E. King Avenue, for Mobilitie LLC. (Director of Planning and Development Services).

Mayor Fugate announced the Public Hearing at 6:04 P.M.

Mr. Tom Ginter stated that Mobilitie is wanting to install a telecommunications tower in the right-of-way in front of the vacant lot. This would be a 120-foot tower that would have 4G and 5G capability. Reason they chose this location is that the site fits well for their

customers. The Planning & Zoning Commission have heard this item to which they approved with a condition that Mobilitie discuss with the property owner as to a location. Ginter stated that a representative of Mobilitie stated that they have the leeway for a 50-foot radius to locate the pole. The 50-foot leeway would allow Mobilitie to locate the tower on the east end of the property which would seem to minimize any entrance issues when the property is developed.

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

There being no further comments, Mayor Fugate closed this public hearing at 6:06 P.M.

3. Public hearing for a replat of Lots 12-16, Block 1, Christesen Addition, also known as 427 N. 15th Street, for agent William Dove and Associates. (Director of Planning and Development Services).

Mayor Fugate announced the Public Hearing at 6:06 P.M.

Mr. Ginter commented that this property owner owns five lots at this location. They would like to replat the five lots into two tracts so that each tract can be 54x150 where the property owner wants to build a home.

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

There being no further comments, Mayor Fugate closed this public hearing at 6:08 P.M.

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, Utilities Billing Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; 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 introduced the new Parks & Recreation Director, Jason Alfaro. He further introduced the IT Staff and interns.

Mr. Garza gave updates on the Investment Report, Quarterly Budget Report and Utilities Billing Update. The Quarterly Budget Report shows that overall revenues show that the city is at 28% with overall revenues. At the end of the first quarter, the city is in a good spot with its revenues. Property tax is at 41% of the money budgeted to be received. Non-property tax revenue is the highest non-property tax in the first quarter compare to the previous five years. Some of this is related to sales tax which is at its highest for the first quarter in the last five years. Sales tax is at 27% of what was budgeted, but when budgeted staff increased it slightly because of anticipation of Hobby Lobby and a few other things. In Fiscal Year 2015-2016 the budget number for sales tax revenue stayed the same. This current fiscal year was the first year that an increase was budgeted and without Hobby Lobby opening the city is already ahead with sales tax revenue. Garza discussed the Permits & License Department. Compare to last year, it is slightly lower; but still on track with it being 25%. There has been a decrease with residential permits in this first quarter. A report is being worked on to show some of the tracking measures. With the Municipal fines, this has been an issue for the City. Last year this department had some staffing issues, but this year this department is fully staffed. Staff is trying to figure out how to improve the revenues from Municipal Court. Garza commented that on today's agenda is the contract with PSN, to help improve the billing operation that will make it easier for citizens to pay. He further discussed the Parks and Golf Course revenue. He stated that the County did not pay the city on a timely basis what they owed in for the month of November and December. The city did receive payment from the County in January. In the Solid Waste Department, the revenues have increased for this first quarter as compared to last year. Garza continued to discuss the Tourism Department as well as the fact that the JK Northway has been pulled from the Parks Department and placed under

Tourism. The revenue brought in from the JK Northway shows a slight increase from that of last year. In the Utility Fund, shows the revenues are at 25% that is because staff lowered the budgeted amount of revenues compared to last year. This comes from having some rainy days as well as failed meters. Staff is working with Badger Meter for solutions to this problem. Garza stated that at this time the City has no company to do their collections for default on payments. Staff is bringing an item tonight for their approval to work with a company that will assist in these types of collections. Garza stated that as per the City's Financial Policies, the City meets all necessary requirements such as keeping its reserves at 25%. Garza stated that within this report is a new fund called Golf Course Capital Maintenance. This fund was created this fiscal year because as per the agreement with the County, beginning this fiscal year, the city is to allocated 3% of Golf Course revenues specific to a Golf Course Maintenance Fund. Other funds that were created within the Special Purpose Fund is Economic Development Fund which is where the city added its Economic Director position. This is also the fund where the Care Building was paid from. Within this fund is a Vehicle Replacement Fund, which is for the Fire Department. The Fire Department cannot rely on Chapter 59 Funds as the Kingsville Police Department can. This fund will assist the Fire Department in the replacement of vehicles when needed.

Mr. Garza also spoke about the Investment Report. As of December 31st the city had \$29,000,000 in the bank. Through the first quarter there has been some change on how the funds are allocated within the different accounts. Garza stated that the amount that is in the Kleberg Bank non-investment cash is lower this year than it was last year. Texas Class has increased compared to last year. Some of that is due to the amount that was pulled out from the Kleberg Bank and placed in Texas Class as it has a better rate return. The significant increase in the TC Investment bank account is because when the city received the Certificate of Obligations 2016 Series, the city got \$6.7 Million and that's where that went. There is a decrease in the certificates for deposits. This is due to the fact that what is paying for Sector 4 was in a CD so that cost of the Sector 4 project came out of a CD. Garza commented that the Investment Report meets the standards that are within the City's Financial Policy.

Mrs. Courtney Alvarez, City Attorney, announced that the next regular City Commission meeting is scheduled for Monday, February 27th. Deadline for staff to submit agenda items for the upcoming meeting is Friday, February 17th. She further announced that there will be a Warrant Roundup coming up. The grace period that will allow those with warrants to go in and pay, without the fear of getting arrested is Friday, February 24th. The Municipal Court will be having extended hours from 8:00 A.M. to 6:00 P.M. on February 17th, February 24th and March 3rd.

Commissioner Garcia commented that he has completed a two year term with the Council of Governments (COG) and was presented with an award for his service.

IV. Public Comment on Agenda Items.³

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

Dianne Leubert, 715 W Nettie, commented that she would like to introduce the Commission to Kingsville Shelter Dogs Group. This group is getting nationally known through their Facebook. The works with rescues, adoptions, and lost pets. These group assisted in the re-home of 6 of the 7 donkeys that were in the custody of the City/County Health Department. This group finds the rescues and makes sure that they are legit and find them new homes. They work with transport which could be anywhere from Kingsville to Mathis, Kingsville to New Jersey, Kingsville to Colorado, and even had some that went to Canada. This group also does a lot of the vet work. They get the animals from the pound and take them to one of the local vets and get them the care they need and go off from there. This group also take pictures and take temperament test on the animals prior to sending them to rescues groups. This group also works with Mattie Delsaldana who does Kleberg County Missing Pets. Leubert stated that since November 1st through February 12th, the total intakes that her group has dealt with is 259; nine of those had no resolution, 12 were reclaimed, 19 adopted, 204 rescued, and 16 euthanized. This doesn't count the number of animals this group had before. By rescuing 250 animals and at the cost to euthanize an animal which is about \$30, this group has saved the City and County about \$6,000. Leubert further stated that the other thing is Parvo Distemper. When you have Parvo Distemper rescues will not take your animals as it is highly contagious and dangerous to animals.

V.

Consent Agenda

Notice to the Public

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

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

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

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. Presentation by Texas A&M University-Kingsville on the old Wilson building in downtown Kingsville. (City Manager).

Mr. Garza commented that the University is taking a project to re-do the Wilson's Building located downtown. This is a project that they have been working on for some time in coordination with staff to develop some options. Spear heading this presentation is Mr. Chris Vera, Director of Facilities Planning and Construction of the University and Mr. Ralph Stevens, Associate VP for the Administration.

Mr. Vera commented showed a PowerPoint (drawing) presentation to the City Commission on the renovation of the Wilson Building.

Commissioner Garcia asked that on the frontage part of the building, there is a plan for the downtown area, will the front match with the other buildings.

Mr. Garza stated that in 2013 there was a Texas Historical Commission Report that specifically looked at this building. It specifically mentioned the original red brick and provided some ideas on what the front of the building could look like. One thing that is important to look at when looking at a historic building is the windows as it is a big part of a historic downtown. Garza further stated that the University also went through a process with the Texas State Historical Committee to receive approval for the project and had no issues with it. In terms of the big vision, which will be presented on February 27th, they are looking at some of the other components of downtown such as streetscape. They will be talking about historic buildings and restoring them and giving them a theme.

Commissioner Garcia stated that what he was referring to was the sidewalk issue. He asked if the sidewalks were going to be enlarged or made smaller. Mr. Garza responded that Mr. Vera will be working with the city on this project as they are aware of some changes that will be made in the streetscape. As they work through that project, because their priority is the building and the sidewalk will come after the completion of the building, it gives us some time to go through our effort of finalizing a streetscape that has consistent support.

Commissioner Garcia further asked if their interest was the pad for this building.

Mr. Vera commented that part of phase one is touching up the east side of the sidewalk. There are two phases of sidewalk there, the eastside and the north side. Vera stated that what they are trying to do is get as much as they can done in phase one which is to make it ADA Compliant. Some of the other things that need to be looked at are signage and parking. Vera stated that they are willing to keep some of the historical attributes to this building even though they are not required as per the Texas Historical Commission, as they received approval to proceed with the demolition, but in good faith and partnership with the City they are willing to extend out the reviews of sidewalk of the civil drawings for the City's review and comments back.

Mayor Fugate asked if this building was to be demolished by the end of the month. Mr. Vera responded that currently they are doing a design build contract with Maltby Builders and Alpha Engineering but they are moments away from signing that contract. Mayor Fugate asked if they are going to try to match the red brick as that is the plan on what the city is trying to do in the downtown area. Mr. Vera responded yes.

Commissioner Garcia asked about parking within this area. Mr. Garza commented that this is something that the City will be working with them specifically on the east side of the building, which can be utilized as parking space. The plan that will be presented on February 27th will have a comprehensive parking analysis for the downtown area.

2. Consider an alcohol variance for a Beer and Wine Retailer's Off-Premise Permit for an establishment known as Spice Station Food Mart located at 606 E. King Ave., Kingsville, Texas. (Director of Planning & Development Services).

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

3. Consider introduction of an ordinance granting a special use permit to install a wireless telecommunications pole for Mobilitie LLC at Ronning 1, Block 1, Lot 24, 25 also known as 1018 E. King Avenue. (Director of Planning & Development Services).

Introduction item.

4. Consider a replat of Lots 12-16, Block 1, Christesen Addition, also known as 427 N. 15th Street, for agent William Dove and Associates. (Director of Planning and Development Services).

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

5. Consider a resolution authorizing the City to submit an application to the FEMA Assistance to Firefighters Grant requesting grant funding for a fire engine on behalf of the Kingsville Fire Department with an anticipated \$36,272 cash match. (Fire Chief).

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".

6. Consider a resolution authorizing the Mayor to enter into a Service Agreement between the City of Kingsville and Payment Services Network, Inc. to collect payments from customers. (Director of Finance).

Mr. Garza stated that with the Commissioner Garcia's concern about the financial stability of the company. Staff reached out to the company and they provided staff with a copy of a document that they receive from the State of Wisconsin which is where they are located, that gives them the validity from a financial perspective to do the work that they do. They also provided staff with how much money they process, for example last year they processed \$1 Billion dollars in payments. They are a high volume operation with over 4,000 accounts across the country which makes them a well-established company.

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".

7. Consider a resolution authorizing the City Manager to enter into a Collection Services Agreement between the City of Kingsville and Southwest Recovery Services, Inc. for collection on delinquent accounts. (Director of Finance).

Mrs. Balli stated that Southwest Recovery will do the City's collection services for Utility Billing, ambulance billing, code enforcement violations which are currently not being collected. There fees are based on the amount they collect so there will be no budget impact currently because we don't budget for these services. If they collected more money the city will just pay them a fee which will be based on what they collect.

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".

8. Consider introduction of an ordinance amending the Fiscal Year 2016-2017 budget to include insurance proceeds from the supplemental insurance claim for the May 31, 2016 storm event. (Director of Finance).

Mr. Balli stated that this item authorizes the approval of budget amendment for the Supplemental Insurance Claim Proceeds received in FY 16-17. The amount received is \$569,426.99.

Introduction item.

9. Consider introduction of an ordinance amending the Fiscal Year 2016-2017 budget to include Police Department equipment purchases, upgrades and repairs out of Ch. 59 State Seizure Funds. (Director of Finance).

Introduction item.

10. Consider awarding contract for bid #17-10 for the Texas Community Development Block Grant (CDBG) for downtown improvements, as per staff recommendation. (Director of Purchasing).

Mr. David Mason Purchasing Director stated that this item authorizes the award of contract for Bid 17-10 for Texas Community Development Block Grant Downtown Improvements. Advertisement for bids was done on January 22, 2017 and January 29, 2017. A non-mandatory pre-bid meeting was held January 31, 2017 with one bidder attending. Two responsive bids were received by the deadline of Tuesday, February 7, 2017 at 1:30 p.m. It is recommending the city contracts with Battery Warehouse of McAllen, TX for Bid 17-10 in the amount of \$44,840.

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

11. Consider authorizing a non-exclusive office supply contract with Gateway Printing and Office Supply via Buyboard, as per staff recommendation. (Director of Purchasing).

Mr. Mason stated that the next three items are basically housekeeping items. The requirements for each of the following items are being met by going off the cooperative requirements off the usual contract.

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

12. Consider authorizing a non-exclusive law enforcement supplies and equipment contract with GT Distributors via Buyboard and/or GSA, as per staff recommendation. (Director of Purchasing).

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

13. Consider authorizing a non-exclusive IT equipment and supplies contract with CDW-G via DIR, TCPN and/or NJPA, as per staff recommendation. (Director of Purchasing).

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

14. Consider authorizing the purchase of five (5) vehicles for the Police Department from Silsbee Ford via Buyboard, as per staff recommendation. (Director of Purchasing).

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

15. Consider a resolution authorizing the City Manager to enter into an Agreement between the City of Kingsville and Rio Bravo RC&D Council for Administration of two SEPs. (City Engineer/Public Works Director).

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".

16. Consider introduction of an ordinance amending the Fiscal Year 2016-2017 budget to include proceeds from the sale of city owned property located at 2211 S. Brahma Blvd. and insurance claim proceeds from the May 31, 2016 storm event. (Director of Finance).

Introduction item.

17. 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 7:15 P.M.

This executive Session ended at 7:22 P.M.

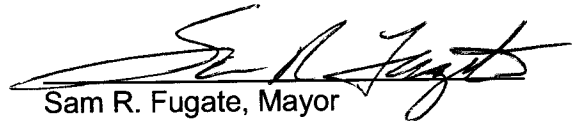
18. Executive Session: Pursuant to Section 551.087, Texas Government Code, Deliberations Regarding Economic Development Negotiations Exception, the City Commission shall convene in executive session to deliberate the offer of a financial or other incentive to a business prospect that the governmental 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 7:22 P.M.

Mayor Fugate reconvened the meeting into open session at 7:43 P.M.

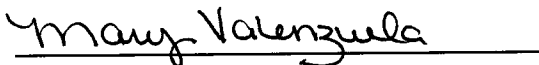
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:45 P.M.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, TRMC, City Secretary