

**A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JUNE 11, 2018 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  
 Dianne Leubert, Commissioner  
 Arturo Pecos, Commissioner

**CITY COMMISSION ABSENT:**

Hector Hinojosa, Commissioner

**CITY STAFF PRESENT:**

Jesus Garza, City Manager  
 Mary Valenzuela, City Secretary  
 Courtney Alvarez, City Attorney  
 Kyle Benson, IT Manager  
 Tom Ginter, Director of Planning & Development Services  
 Bill Donnell, Public Works Director  
 Rudy Mora, City Engineer  
 Deborah Balli, Finance Director  
 Derek Williams, IT  
 David Solis, Risk Manager  
 Diana Gonzales, Human Resources Director  
 Susan Ivy, Parks Manager  
 Cynthia Martin, Downtown Manager  
 Jeanine Reyes, Tourism Director  
 Ricardo Torres, Chief of Police  
 Adrian Garcia, Fire Chief  
 Manuel Buentello, Building Official  
 Marco Jimenez, Water Supervisor  
 Joe Casillas, Water Production Supervisor  
 Frank Garcia, Waste Water Supervisor

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate opened the meeting at 6:00 P.M. with four Commission members present. Commissioner Hinojosa 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 29, 2018**

**Motion made by Commissioner Lopez to approve the minutes of May 29, 2018 as presented, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Lopez, Leubert, Pecos, Fugate voting “FOR”.**

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

**1. Public hearing regarding a Special Use Permit for 981 N. Lantana, also known as KT&I Co., Block 9, Lot 50x162.6 SW PT 1 (closed Lee St. between Block 6 & 7), for a residential accessory and incidental use. Agent Roque Ordonez for owner Fernando Cruz. (Director of Planning & Development Services).**

Mayor Fugate announced and opened this public hearing at 6:01 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.

Mr. Tom Ginter, Director of Planning & Development Services reported that the applicant would like to build a detached structure behind his home for the use of a game room. There will be a sidewalk from his home to the structure. The structure will have water and sewer. The Planning & Zoning Commission has met on this item on June 6, 2018 to review this request. They approved a recommendation to approve the special use request with the following conditions; that the structure to be built is to be used for a game room/family room and not to be used as a business or rental unit. The requestor agreed to these conditions. The Planning & Zoning voted 4-0 to recommend approval of this special use request.

Mayor Fugate closed this public hearing at 6:04 P.M.

**2. Public hearing regarding an ordinance changing the zoning map in reference to 3<sup>rd</sup>, Block 6, Lot 14-16, also known as 529 E. Ella Street, from R1-Single Family to R3-Multi-Family District. Agent Roque Ordonez for owner Santiago Cantu. (Director of Planning & Development Services).**

Mayor Fugate announced and opened this public hearing at 6:04 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.

Mr. Ginter showed a map of where the said location is located. He stated that the surrounding properties to this location are zoned as R-1. Ginter reported that applicant is requesting that he be allowed to build two structures with two units in each structure with a breezeway in the middle, with connection by the roof. He stated that the entrance would be off Ella. Number of parking spaces required is nine; two parking spaces per unit, making it eight parking spaces for the four units, and one additional space for ADA. Ginter stated that there was discussion and received letters today from property owners near the location, both opposing the rezoning. Ginter further stated that during the Planning & Zoning Commission, a motion was made to approve it, but failed by a 4-0 vote.

Mrs. Alvarez commented that for clarification for the record, that there are two different property addresses who filed letters today in opposition.

Mr. Ginter knotted that his was correct.

Mr. Ramiro Utle, 530 E. Ella, commented that he is opposed to this request as the area it is now, all single-family residents, which has been for many years, and as he has lived there for 50 years, he would like for it to remain a single residence. Utle stated that he has no opposition is they would like to build a home on the property. But being a multi-unit, he is concerned about the high traffic that this multi-unit could bring into his neighborhood. At this time, there is already high traffic due to 10<sup>th</sup> Street not having any stop signs; so, for individuals around the area, it is considered a highway. He further commented that he is concerned about the traffic and the rotating of neighbors.

Mayor Fugate closed this public hearing at 6:08 P.M.

**3. Public hearing regarding condemnation proceeding for structures located at 414 W. Kenedy, Kingsville, Texas. (Director of Planning & Development Services).**

Mayor Fugate announced and opened this public hearing at 6:08 P.M.

Mayor Fugate commented that the pictures included in the packet for this item, will show that the property is in bad condition and needs to be condemned.

Mr. Manuel Buentello, Building Official, reported that upon inspection of the structure, the condition is in severe and hazardous state of disrepair. The property is unsecured and allows easy access for animals, vagrants, and criminal activity.

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.

Mrs. Courtney Alvarez, City Attorney, reported that this property has had no electricity since 2010. She further reported that the photos of the property also show broken windows, exterior walls that are missing, open doors, and holes in the ceiling.

Mayor Fugate closed this public hearing at 6:09 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, Utilities Billing Update; Police-Communications 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, 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, Landfill Update, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation, Demolition Update, Planning Development Update, Golf Course Update, Municipal Court Update. No formal action can be taken on these items at this time."*

Mayor Fugate read and presented a proclamation for Women's Veterans Day to take place on June 12, 2018.

Mr. Garza reported that he has distributed out an Executive Summary of an April staff report which emailed to the Commission as well as given a hard copy. He stated that staff will continue to focus on improving the staff reports. He asked that if the Commission has any suggestions to notify him. Garza further stated that what he wants to do with this report is to provide the Commission during commission meetings to ask questions or give comments on topics that included in the report. He is looking at distributing this report within enough advance days from a meeting, so that the Commission can review the report and can ask questions if they so choose to.

Commissioner Lopez asked that under the Street section of the report, she was looking at the list of streets that were noted, and asked if there are any plans for 9<sup>th</sup> Street, between Caesar and King Street?

Mr. Garza commented that this area was talked about today with staff. He stated that he couldn't say where on the plan this area is, but it is a street that has come up on more than one occasion within the last several months. The Street Division has tried to find time in between projects to try and address, just through using the pro-patcher to address some of the areas. Garza further commented that there have been some areas that have been patched. He stated that if it was the Commissions desire, this corridor can be moved up on the list and get some price estimates on how much it would cost to address the entire corridor.

Commissioner Lopez commented that this area is bad, and that area has high traffic.

Commissioner Leubert commented that she keeps being asked about Santa Rosa.

Mr. Garza responded that this is on the corridor list of projects to be done; but there is no funding for this project. Garza stated that this project alone would run from Seale Street to where it meets up with Santa Gertrudis. Staff has costed that out to be around \$1 Million Dollars, so at this point it is an issue of where the money would come from for this project.

Mr. Bill Donnell, Public Works Director, gave an update on Streets. On the construction side, some emergency repairs were done behind Fire Station No. 2, on the part of Alice Street, which required some full-depth reconstruction. Staff is currently working on Lee Street, between Armstrong and Wanda and then they will be doing a sealcoat and overlay. They will then move to 11<sup>th</sup> Street, between Elizabeth and Ailsie for a sealcoat and overlay. A full depth reconstruction will take place on 19<sup>th</sup> Street, between King & Kenedy Street. Staff is currently patching in Zone 8 & 9, to address some of the rough areas. Staff is mowing on Golf Course Road and N. Armstrong. Donnell stated that staff worked on a few major patches on College Place for the Water Department. Weed control, staffed has sprayed all the downtown area and working on Zone 10. On special projects, staff did some traffic control on 6<sup>th</sup> Street for contractor to place the air conditioners on top of the Municipal Building. Staff also assisted with the planting of grass at the Pavilion. Staff assisted the Tourism Department by installing a new string for their flagpole. Staff assisted at the Golf Course on drainage issues. Staff also installed stop signs stating all way stop of four way stop. Donnell stated that on the weekends, staff is working on drainage issues in preparation for hurricane season. Staff worked on Franklin Adams ditch this Saturday and the General Cavazos from Highway 77 to Shelley Street. Water Department worked on filling sandbags, in preparation of an event that may occur.

Mr. Garza commented that at a future meeting, Chief Garcia will provide an update on some of the preliminary preparations that staff is undertaking as part of hurricane season. He stated that one of the lessons learned from the last event in 2017, was the wait time associated with sandbagging. One of the proactive measure that staff is doing this year is pre-bagging the bags so that when they are distributed, the process will go a lot smoother.

Commissioner Lopez commented that having two separate locations would be best as well. Mr. Garza commented that staff has discussed locations as well.

Mrs. Alvarez commented that the next regularly scheduled meeting is for Monday, June 25<sup>th</sup>; with agenda items due on Friday, June 15<sup>th</sup>. She further commented that there is a special commission meeting to do the goals setting workshop with a consultant which is scheduled for Wednesday, June 20<sup>th</sup>, beginning at 9:00 a.m. Alvarez stated that she will be out of the office Wednesday, June 13<sup>th</sup> through June 15<sup>th</sup>, attending the TCAA Annual Conference.

Commissioner Leubert commented that she is on the Texas Agriculture Block Grant Committee, and they just met, which they meet every two years, and commented that the she will be giving the City Manager some information as information has changed

regarding policies and procedure; to help better fund people that are not getting grant or funded. Mr. Garza commented that this is CDBG funds.

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

1. Motion to approve final passage of an ordinance amending the Fiscal Year 2017-2018 Budget to accept and expend park donations. (Parks Manager).
2. Motion to approve final passage of an ordinance amending the Fiscal Year 2017-2018 budget to fund an Economic Development Strategic Plan. (City Manager).
3. Motion to approve final passage of an ordinance amending the Fiscal Year 2017-2019 Budget for interfund and interdepartmental transfers. (Finance Director).
4. Motion to approve resolution authorizing the City of Kingsville to continue participation in the Texas Main Street Program, authorizing the Mayor to execute the Texas Main Street Locally Designated Program 2018 Contract, and designating Downtown Manager Cynthia Martin as the Main Street Program Manager for the City of Kingsville to coordinate program activities. (Downtown Manager).
5. Motion to approve amended resolution authorizing the City Manager to enter into a Governmental Finance Contract (no.8199) between Government Capital Corporation and the City of Kingsville for a street sweeper, to correct typo. (City Attorney/Purchasing Manager).

##### REGULAR AGENDA

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

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

6. Consider condemnation of structure(s) located at 414 W. Kenedy, Kingsville, Texas. (Director of Planning & Development Services).

**Motion made by Commissioner Pecos motion finding not able to repair building or structure is unsafe and present condition is a violation of ordinances and cannot be corrected without substantial reconstruction; then declare the building or structure to be a public nuisance and order its demolition by owner/agent/person in charge within 30 days; city shall abate in any manner it deems necessary and proper, seconded by Commissioner Lopez.**

Mayor Fugate commented that this is something the Commission doesn't take lightly. Pictures show the reason as to why there will be no discussion on this matter. He stated that this is a totally depilated building and needs to be condemned.

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

7. Consider introduction of an ordinance by granting a Special Use Permit for 981 N. Lantana, also known as KT&I Co., Block 9, Lot 50x162.6 SW PT 1 (closed Lee St. between Block 6 & 7), for a residential accessory and incidental use. (Director of Planning & Development Services).

Introduction item.

**8. Consider introduction of an ordinance by changing the zoning map in reference to 3<sup>rd</sup>, Block 6, Lot 14-16, also known as 529 E. Ella Street, from R1-Single Family to R3-Multi-Family District. (Director of Planning & Development Services).**

Mayor Fugate commented that when you see a 4-0 vote from the Planning & Zoning Commission not to approve this zoning change, it is generally upheld by the Commission, but can't say what his other fellow commission members will do, but he would suggest that this item would not be voted favorably but cannot vote on it tonight.

Commissioner Lopez commented that she requested the rough draft minutes for the Planning Zoning Commission meeting, for this item, cause she wanted to know exactly what was discussed during their meeting on this item. She feels that this would assist the Commission in their decision making. In the draft of minutes, she asked that Mr. Ginter, go back and change the minutes as it states that there was a motion made to rezone with a second motion. Then it states that four of the members voted no. The motion was to rezone and there was no motion, which should have just died, so that they can make another motion, so that we don't get into any trouble.

Mr. Garza commented that procedurally there must be a motion and a second to have vote. Commissioner Lopez that this was correct, a motion and a second, and if there isn't a vote, then you would have to have another motion or the item dies.

Mayor Fugate commented that he has never seen this with the City Commission, but when he served on the School Board, he saw this in more than one occasion, make motions then vote against the item, after they made the motion.

Mr. Garza commented that when this Commission votes on a matter, sometimes there is or isn't an explanation by each voting member as to why they voted a certain way. This is also applies to the Planning & Zoning Commission. He stated that there maybe wasn't as robust of a discussion as maybe we think occurred. Garza stated that he doesn't want anyone to think that there was a discussion that somehow is not being communicated or documented, there just wasn't much discussion that took place. He stated that the feedback that he has received from Mr. Ginter in terms of what the feeling was, is that the city recently zoned a large area of the Historic District from R-3 to R-1, with the idea that the city wanted to minimize the number of multi-family developments in the historic neighborhood and focus on single-family homes. He further stated that the feeling that was gathered by that vote, 4-0 and against, was in line with the recent action which was focus on historic neighborhoods on single-family homes and not multi-family.

Commissioner Lopez commented that this was all in there, as she read that part. What she was concerned about, was the way the vote took place, which was very confusing.

Mrs. Alvarez commented that since the Commission cannot vote on this item today, but at the next meeting, staff will have this item on the regular section of the agenda. If the City Commission decided to approve the item, it will require a three-fourths vote or super majority vote of the City Commission to overrule a recommendation from the Planning & Zoning Commission that was not approved.

**9. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter II-Administration, Article 3-Departments, Boards, & Commissions, by amending Section 3-3-101, providing for the creation of an additional hotel representative on the Hotel Occupancy Tax Advisory Board and removing the Tourism Director as a voting member. (Tourism Director).**

Ms. Jeanine Reyes, Tourism Director, reported that they have had a request by the hoteliers in town to add a second hotelier to the Hotel occupancy Tax Advisory Board. Since doing this, it will bring membership up to eight voting members, therefore having to remove a member, so it was decided to remove the Tourism Director position from a voting member of this advisory board.

Mayor Fugate asked Ms. Reyes what her feel about was being removed from the advisory board.

Ms. Reyes commented that she had not realized, because she has only been to two meetings, that she was a voting member, or her position was a voting member on this board but having another hotelier voice on the board. After all, she is still involved in the meetings as an advisor.

Introduction item.

**10. Consider a resolution authorizing the Mayor to execute an Easement Agreement (utility) with the Board of Regents of the Texas A&M University System for construction and maintenance of fiber optic, water, and electrical lines (across West Santa Gertrudis Avenue). (City Attorney/City Engineer).**

Mrs. Alvarez stated that this project will go from the Southside of Santa Gertrudis to across the street where the new Music Building is being built. They are doing some improvements to both the South and North side of Santa Gertrudis. With their new

cooling system on one side they need some extra stuff under the street to make it all flow.

**Motion made by Commissioner Lopez to approve this resolution authorizing the Mayor to execute an Easement Agreement (utility) with the Board of Regents of the Texas A&M University System for construction and maintenance of fiber optic, water, and electrical lines (across West Santa Gertrudis Avenue), seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Lopez, Leubert, Pecos, Fugate voting "FOR".**

**11. Consider accepting donation of \$1,200 from La Posada de Kingsville for Parks Department. (Parks Manager).**

**Motion made by Commissioner Lopez to accept donation of \$1,200 from La Posada de Kingsville for Parks Department, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Fugate voting "FOR".**

**12. Consider introduction of an ordinance amending the FY17-18 Budget to accept and expend Park donations from La Posada de Kingsville. (Parks Manager).**

Introduction item.

**13. Consider introduction of an ordinance amending the FY17-18 Budget to include the final totals for two capital leases. (Finance Director).**

Mrs. Deborah Balli, Finance Director stated that when we adopt the budget we have to guesstimate how much the leases will be for both principal & interest, and so staff did this on the leases on the equipment. Budget just shores up the amount of the total capital leases. This will not have an effect on fund balance due to staff booking revenues and expenditures which offset each other.

Introduction item.

**14. Discussion of Utility Fund Capital Improvement Plan and Maintenance Plan for 2019-2029. (City Manager).**

Mr. Garza reported that over the past year, conversations have taken place regarding the Utility Fund and conversations about some of the infrastructure and maintenance needs of the utility system. Last year, while going through the budget, there was a discussion about the fund balance in the Utility Fund, which information was provided last year that showed that the City had tapped into the fund balance for the Utility Fund for several years, dating back to 2013. Staff also provided some information relating to some of the needs that staff thought we had, but nothing as organized as what has been given to the Commission today. Over the last twelve months, there has been some action by staff and the Commission to sort of help this effort in trying to figure out the work that is needed within the Utility Fund and how it would be funded. He stated that last Fall staff went through an RFQ process to find a company to do a Utility Fund Rate Analysis for the City, to which the contract was awarded to HDR. He further stated that staff also went through the process for a Financial Advisor which resulted in changing the city's Financial Advisor. The City also went through an RFQ process for Engineering Services, which was awarded to LNV Engineering. Garza stated that part of the game plan, was to gather a team made up of all these players, including staff, to look at the Utility Fund. He stated that one of the biggest missing pieces was this plan.

An excel spreadsheet was given to the City Commission regarding Utility Fund Capital Improvement Plan and Maintenance Plan for 2019-2029. The plan is attached to these minutes as Exhibit "A".

Mr. Garza further discussed the spreadsheet with the Commission. He stated that the first page of the spreadsheet focuses on expenditures that are predominately higher than \$400,000 to \$500,000. These are the types of expenditures that staff would more than likely try to fund through some sort of debt obligation that would take the City about 20 years to pay off. Now that the City has its new Financial Advisor, they have been able to confirm for staff that we don't have capacity under the existing utility fund for debt until 2026. He stated that part of the discussion is, how would the city fund these projects. He stated that the conversation of the South Plant has been discussed. LNV is currently doing some analysis on some options for the South Plant; therefore, staff has placed some numbers on the plan as place holders. So, what it shows for fiscal year 2020, for South Plant reroute is \$3.7 Million Dollars at this point is simply just a place holder. Staff expects LNV to complete the more specific study in the September timeframe, so at that time, staff will be able to plugin more accurate numbers. Garza stated that the idea is to provide a big picture to the Commission as to what the capital needs are of the Utility Fund over the next ten years. He stated that part of the reason that staff chose a ten-year timeframe oppose to a five year, which is what the Commission is used to seeing in the past, is for the same reason that the debt capacity doesn't free up until 2026. Staff felt that simply doing a five-year plan that would end in 2023-2024, wouldn't necessarily suffice to getting us to 2026. Garza continue to state

that other things that he would like to point out is that the three columns, 2026, 2027, and 2028 are very light, this is intentional, because once we start getting to 2026, and get a better feel of what the capacity will be in 2026, will better tell staff exactly what will take place in those outer years. He further stated that what was inputted was a place holder for water meters. In 2026, the city's water meters will hit 20 years. He stated that the last time the city went through a massive water meter change out was in 2006. There have been meters that have been replaced since then, so not every single meter is that old, but nonetheless as a whole, in 2026 it would hit the 20 years, which is the same year as the warranty for those meters is up. The current warranty staggered by percentages based on years, so the first several years were at a 100% and tappers down for the life of the 20 years. Garza stated that the plan in its entirety is split up into different categories. On the Water Production side, last year staff had to cap the water well that is located across the street from Walmart. The reason for the \$1.5 Million Dollars, so close in timeframe, is to re-drill that Well. The City recently built out a Well a couple of years ago, which is operational now, which was Well No. 25. Mr. Garza stated that is the plan, which is a substantial amount of money. Staff is working with the Financial Advisor in trying to find solutions for the more pressing needs as related to the South Plant and Water Production. Staff is contemplating some options that would have the city taking on some debt in the future doing an interest only payment until 2026, which is when the capacity frees up, and then pick up the majority of that payment in 2026. This wouldn't be a big amount, but it may assist in addressing some more dire needs. Garza continued with the second and third sheet of the plan. These two sheets are intended in showing the city's operational expenditures. These are cost that are lower in quantity and lower in scope. The idea is to try and differentiate the things that would necessitate doing a twenty-year loan verses the things that should be funded on a recurring basis just through the city's own revenues. These things include replacing vehicles, waterlines, that city staff would do. Many of the items under water and wastewater, this is the cost for material, as city crews will do some of this work. Garza stated that these are just some of the ongoing normal expenditures that the city has in these operations and have always done. Historically, the city has funded the items that are listed on the second and third page, through either CO Funds or by tapping into the city's fund balance. Garza stated that staff is planning on having a conversation with the Commission on water rates, which was last amended in 2013, and so it's been five years since it last happened. This is the role that HDR through their utility rate analysis is playing in this whole puzzle. Staff envisions them coming to make a presentation to the Commission at a future meeting. Garza stated that we need to make sure that by the time they come to make the presentation, that the information that is being provided is as accurate as possible. When you talk about utility rates, it is important that the information that is being released to the public is as accurate as possible. Garza further stated that the biggest thing that is holding us up is how much money do we think we will get next year, without impacting rates. He stated that once staff goes through the third quarter, which is at the end of June, staff will feel more comfortable in making the assumption of where we are with the revenues, which will then tell us how much we need to have the conversation about rates. Garza stated that the purpose of today's conversation was to expose the Commission to the information, so that the Commission can have time to review the information as it will depend on how much stuff gets done that has been presented today, will depend on how much additional revenue is created through the utility rates.

Mayor Fugate commented that he has questions, but not right now. He would like this to be brought back at a future meeting. This will give the Commission some time to review the information that has been handed to them and maybe talk to the City Manager as well.

**15. Discuss and consider sale of certain City-owned real property. (City Manager).**

Mr. Garza stated that there are a couple of properties that the city owns that staff would like to seek authorization from the Commission to pursue in placing them on the market. Staff has been reviewing city owned property for the last couple of years. Two years ago, the city sold the Care Building for development and putting it back on the tax roll. Currently, the city is going through the process to sale the eleven acres for residential development that the city owns off Loop 428. He stated that there are two pieces of property, one is near the Kingsville Police Department. This property now, is platted as a big square, and what staff is suggesting doing now is carving out a portion of this property, replat and do a survey and look at off selling close to three acres. Garza stated that from his understanding, this is the site that at one point the city thought about building a standalone Municipal Court. Garza further stated that there is a need for the Police Department to expand at some point, it's just a matter of when. He stated that there is a lot of money that has been spent for communication equipment that might be expensive to relocate. If there were to be an expansion of the Police Department, it would probably be a combination of a remodel of their existing building plus adding an annex to the back of the building which would push the parking lot to the northside of



the property which is why the space on the right side in the back, so that if the parking lot has to shift back, they have the additional room for parking.

Mayor Fugate asked how big is the property? Mr. Garza responded that it is a little over 7 acres, if the bottom is 3.3 acres.

Mr. Garza stated that in conversations with Manny, and potential buyers of this lot, around the three acres is adequate. The second site is property that the city owns east of I-69 next to the American Legion. This is technically two pieces of property and combined they are about 1.4 acres which is an adequate size for a small development. This property would also require a replat process as well as a survey for staff to pursue potentially selling them. Garza stated that all staff is asking for is the ok from the Commission in order for staff to begin the process. Staff will come back to present a formal resolutions, as in the past we have had the option to go through a broker, but this is to come down at a later time.

Mayor Fugate commented that as for the second property, he doesn't see the city to have a need for that property, but as for the first property, does staff feels that it will leave enough room for an expansion for the Police Department.

Mr. Garza responded that for an expansion, yes. He stated that the Police Chief has an idea for a combined dispatching which would necessitate a new building. He stated that for sure the Police Department needs to expand. He stated that there has been conversations about a remodel of the existing building, since the building was built in 1998, so it's already approaching twenty years.

Comments were made by Chief Torres from where he was sitting in the room, that were not picked up over the microphone.

Mr. Garza stated that there has been some conversation about if there was an expansion to police department, to do it on the west side of town, in order to have police presence on the west side.

Commissioner Pecos asked about the value for the property near the American Legion. Mr. Garza responded that he would not know the value of the property without doing an appraisal. He further stated that in the County records, he thinks it was valued at about \$50,000 to \$60,000, but if staff does an independent appraisal on the property, it would probably be worth more than that.

Mayor Fugate asked if what staff is asking from the Commission is approval to begin the process for selling the properties but would eventually bring the final sale back to the Commission for their approval.

Mr. Garza stated that now, it is only authorization to pursue doing everything that needs to be done in order to get them ready to sale. Staff would have to come back and individually bring these properties and recommend the broker option.

Mrs. Alvarez stated that there is some expense up front prior to bringing a resolution to the Commission because presently the way they are, staff would need to have a solid survey done and have the legal description for the properties and then you would receive a motion to authorize the sale of and would include the legal description of the properties. The Commission would vote on that which will then allow staff to present the broker those preparties that are approved in the resolution.


**Motion made by Commissioner Leubert to allow staff to pursue the selling of these properties, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Pecos, Lopez, Leubert, Fugate voting "FOR".**

**16. 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).**

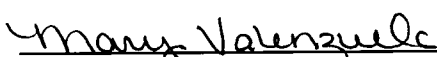
Executive Session was not needed at this time.

## VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:48 P.M.

  
Sam R. Fugate, Mayor

## ATTEST:

  
Mary Valenzuela, TRMC, CMC, City Secretary