

JUNE 25, 2018

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JUNE 25, 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
Hector Hinojosa, Commissioner
Arturo Pecos, 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
Marco Jimenez, Water Supervisor
Joe Casillas, Water Production Supervisor
Frank Garcia, Waste Water Supervisor
Robert Rodriguez, Library Director
Emilio Garcia, Health Department Director
Charlie Sosa, Purchasing Manager
Richard Flores, Golf Course Manager
Erica Bruce, Utility Billing
Julian Cavazos, Police Department
Sharon Shaw, Utility Billing Manager

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 6:00 P.M. with four Commission members present. Commissioner Pecos arrived at 6:06 P.M.

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 – June 11, 2018

Motion made by Commissioner Lopez to approve the minutes of June 11, 2018 as presented, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Lopez, Leubert, Fugate voting "FOR". Hinojosa "ABSTAINED".

II. Public Hearing - (Required by Law).¹

None.

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-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, Monthly Performance Report. No formal action can be taken on these items at this time."

Mr. Garza recognized the City Employees of the month. Erica Hinojosa-Bruce was chosen as the April employee of the month. Mary Valenzuela was awarded the May employee of the month.

Mr. Garza stated that the Finance Department was the recipient of the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award. Finance Director, Deborah Balli, initiated the program approximately three years ago by submitting the budget to the association. He also stated that the budget presentation as of today is completely changed from 5 years ago. The award comes as a wood plaque with the years listed.

Bill Donnell, Public Works Director, gave a brief update on the public roadways. He stated that Lee Street was seal coated this week. Currently, road construction was being done on 11th street between Elizabeth and Ailsie. Mr. Donnell stated that once 11th street is complete, the street department will be moving to 19th Street between Kenedy and King. Patchwork was being done in zone six, specifically Santa Rosa and Corral Street. Also, a pot hole blitz would be done in the days following. The curb and gutter cleaning is being done in zone one, weed control is currently in zone twelve. He mentioned that the new sweeper truck is working in zone one and is working very good. He also stated that Public Work employees cleaned out all ditches, coverts and inlets with the upcoming rain fall expected in the area.

Mr. Donnell continued with the South Wastewater Treatment Plant update. In March of 2018 the Turblex Blower HMI panel failed and city employees were working with the warranty division with the Howden Company. He continued down the timeline provided to the members of the Commission. After further investigation with the Howden Company they expressed that the HMI was not under warranty. He stated that new equipment was ordered and received. Furthermore, an electrician came and installed the new HMI panel and then a fault light came on. Mr. Frank Garcia, Wastewater Supervisor, contacted an Electrical Engineer and his electrician through vendors and they came to the South Plant and worked on the panel. When the HMI panel was plugged in, the screen died. A new request was submitted for a new HMI panel but was sent not programmed. An out of state technician from BVC Systems was contacted and an Electrical Engineer from Rabalais stated that the analog card was bad. The HMI panel and the analog card was removed from the North Plant to get the South Plant blower up and running. Once a new HMI panel and analog module was received, the previous items were returned to the North Plant. The backup blower started to malfunction and the wastewater staff shut it off to alleviate damage. The machinery was picked up and repaired by Turbo Machinery. Mr. Garza affirmed that the South Plant was only out of commission for less than three days. Mr. Donnell mentioned that TCEQ was on site to collect samples and notified Texas Department of Parks and Wildlife to do an investigation as well. Mr. Donnell provided pictures to the members of the commission and stated that the blower was approximately twelve years old. Mr. Garza stated that a response has not been given by TCEQ as of present time. Mr. Garza briefed that the blower is not efficient as the current models are newer models run on electrical data boards. He expressed that the backup blowers we have are more reliable, but costly as well since they are energy efficient. Commissioner Hinojosa questioned who incurred the costs of the out of state travel for the technician and unprogrammed HMI panel. Mr. Donnell stated that the City would incur the costs and the unprogrammed panel was sent back to be programmed for no additional costs.

Mr. Garza continued with the Monthly Staff Performance Report being sent out via email monthly. Commissioner Lopez and Commissioner Hinojosa both had questions for staff. Commissioner Lopez asked if there were still five vacancies in the street department. Ms. Diana Gonzales, HR Director, did mention that three positioned had been filled. Commissioner Hinojosa asked Mr. Garza that on in the Human resources section was the total plan cost gross amount or net amount after getting the stop loss. Ms. Gonzales stated that the amount was all costs associated with the plan to include claims, administration costs, total costs. Commissioner Hinojosa asked if reimbursements were included and Ms. Gonzales stated she would find out. He also would like to see the reimbursement section as an added line item.

Mrs. Alvarez commented that the next regularly scheduled meeting is for Monday, July 9th; with agenda items due on Thursday, June 28th. Ms. Alvarez stated that she attended the Department of Defense Office of Economic Adjustment Compatible Use Listening Session in Washington, D.C. She stated she was also invited to the Sustaining Military

Readiness Conference as well. Mayor Fugate mentioned that it is good to participate in the meetings as it reflects well on NAS Kingsville and the City of Kingsville.

IV. Public Comment on Agenda Items.³

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

1. **Motion to approve final passage 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).**
2. **Motion to approve final passage 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).**
3. **Motion to approve final passage of an ordinance amending the FY17-18 Budget to accept and expend Park donations from La Posada de Kingsville. (Parks Manager).**
4. **Motion to approve final passage of an ordinance amending the FY17-18 Budget to include the final totals for two capital leases. (Finance Director).**
5. **Motion to approve a resolution accepting funds for Operation Stonegarden Grant #3194303 with the Homeland Security Grants Division of the Governor's Office for Local Border Security to interdict criminal activity with no anticipated cash match, authorizing the City Manager or his designee to act on the City's behalf with such program, and providing for an effective date. (Police Chief).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

6. **Consider final passage of an ordinance by changing the zoning map in reference to 3rd, 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 stated that this item was voted on at the Planning and Zoning Board meeting and it was voted against unanimously. Mr. Ginter did concur. Mayor Fugate mentioned that the neighborhood filed objections. Mr. Ginter stated that members of the community were present in the audience and no one was present from the other party.

Item failed due to lack of motion.

7. **Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter IX-General Regulations, Article 8- Parks and Recreation, providing for revised fees for the L.E. Ramey Golf Course. (Golf Course Manager).**

Mr. Garza stated that the item was a follow-up from the previous two meetings. The fee structure and the analysis was included in the agenda packet for review for the Commission and the public in general.

Mayor Fugate mentioned that the fees for the L.E. Ramey Golf Course are still considered relatively low for the area we are in.

Commissioner Lopez stated currently she could not support the fee increase due to not enough change at the golf course and the citizens upset using the golf course. She was concerned that the raised fees would allow people to go elsewhere and she would like to keep the citizens there.

Motion made by Commissioner Pecos to approve the revised fees for the L.E. Ramey Golf Course, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Pecos, Leubert, Fugate voting "FOR". Commissioners Lopez and Hinojosa "AGAINST".

8. Consider appointment of a resident representative and a hotel representative to the Hotel Occupancy Tax Advisory Board. (Tourism Director).

Mr. Garza mentioned that this item was officially amended at the last meeting to add a hotelier spot and to add Vinod Kasan as the hotelier representative. He currently owns the Holiday Inn Express and the Towne Place Suites by Marriot. Staff is recommending that Mr. Kasan be appointed to the Tourism Advisory Board under the new hotelier position. Mr. Garza also mentioned that there was a vacancy for the resident representative as well. Staff recommended Mr. Leo Garcia, also a local businessman, for the position. He also mentioned that Mr. Garcia has previously served on the Convention and Visitors Bureau (CVB) board before. Mr. Garza conveyed that both citizens being on the board would strengthen it.

Motion made by both Commissioner Pecos and Commissioner Lopez to approve a resident representative and a hotel representative to the Hotel Occupancy Tax Advisory Board, seconded by both Commissioner Leubert and Commissioner Hinojosa. The motion was passed and approved by the following vote: Lopez, Hinojosa, Leubert, Pecos, Fugate voting "FOR".

9. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Section 15-6-21-Definitions to include a definition for Winery. (Director of Planning & Development Services).

Mr. Tom Ginter stated that the Planning and Zoning Commission had previously discussed brew pubs and those types of activities the board also wanted to include the definition of a Winery to the Kingsville Code of Ordinances. He cited that currently there is no definition at the time and the one they chose was a wide and encompassing one for a winery. It is a very basic definition that allows retail sales and wine tasting onsite.

Introduction item.

10. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter XV, Article 6, Zoning, amending Appendix A-Land Use Categories to add Winery. (Director of Planning & Development Services).

Mr. Ginter stated if the board approves the definition of a winery it would be allowed on the land use chart in Agricultural, Industrial 1, Industrial 2 and with a Special use permit in Commercial-4. Mayor Fugate asked Mr. Ginter for clarification on the micro-brewery coming to the City of Kingsville if they were currently permitted. Mr. Ginter agreed that they were allowed. He also stated that the Planning and Zoning Board voted in favor of both items regarding the winery.

Introduction item.

11. Consider introduction of an ordinance amending the FY17-18 Budget for an increase in insurance premiums (for windstorm insurance). (Finance Director).

Ms. Deborah Balli stated that an increase had incurred for the insurance property liability because of the previous hurricane, (Harvey). An additional fund of eighteen thousand two hundred and eighteen dollars (\$18,218.00) would be needed and had been split between the general fund and utility fund. She stated the general fund would be affected by five thousand three hundred and nineteen dollars (\$5,319.00) and the utility fund would be affected by twelve thousand eight hundred and ninety-nine dollars (\$12,899.00).

Commissioner Hinojosa asked if it was possible to find the funds from line items other than the fund balance.

Ms. Balli commented that an initial check has been done and could not locate any additional funds, but by the next meeting an answer would be given.

Introduction item.

12. Consider introduction of an ordinance amending the FY17-18 Budget to include previously awarded and accepted grants. (Finance Director).

Ms. Balli stated that because of the hurricane, there were grant periods that were extended and additional expenditures were put into this fiscal year due to the extension of the period. The grants that were affected were the Fund 16 grant which is the police departments Stonegarden Grant and the Fund 17 grant which is the Border Star Grant. Another grant accepted was the Texas Historical Commission Grant. There were funds available in thirty-three to cover the matches so changes were made to the individual grant to cover the costs. Each grant would have no effect on the fund balance.

Commissioner Hinojosa stated that in the budget book there were no funds allotted for TMRS and FICA in the grants.

Ms. Balli responded that the grants only cover overtime so all other benefits that go with the overtime are budgeted in the department budget.

Commissioner Hinojosa asked if the grants were in individual accounts or consolidated. Ms. Balli responded that each of the grants are individualized and in their own separate account. Hinojosa also asked what was the turnaround time for grant reimbursement. Ms. Balli responded that there is no set period and when each individual department submits the information to the State.

Lt. Julian Cavazos, Police Department, commented that the average time is around three months. Lt. Cavazos detailed that a spreadsheet was given to them by the State and needs to be submitted for reimbursement. He also mentioned that the FICA is included.

Commissioner Hinojosa asked if we have gotten permission from the special counsel to withdraw thirteen thousand six hundred dollars from the 2016 CO.

Ms. Balli stated that the grant we got funds for was the downtown efforts. We currently still have nine hundred and seventy-five thousand dollars of the one million set aside for downtown revitalization. MIC cuts out several times.

Mr. Garza did mention that during the budget workshop the 2016 CO Fund would be discussed in detail and in depth at a later time.

Introduction item.

13. Consider introduction of an ordinance amending the FY17-18 Budget to accept a 2017 Operation Stonegarden Grant for the City of Kingsville Police Department. (Police Chief).

Mayor Fugate stated that this item goes hand in hand with the previous agenda item.

Introduction item.

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

Mr. Garza stated the item was placed on the agenda for any questions that the Commission may have for the plan that was passed out at the previous commission meeting and via email as well. He also stated that Mr. Grady Reed from HDR would be invited to attend the first meeting in July to discuss the rates themselves. Previously in the past the city would wait till the third quarter to make confident decisions on the rates for the utility department.

Commissioner Hinojosa asked how the figures were comprised. Mr. Garza stated that staff along with LNV Engineering were apart of putting the estimates together.

Commissioner Lopez asked why in the report year 2026 would not have any funds.

Mr. Garza replied that currently the City does not have debt capacity until 2026. Any new additional debt withdrawn would be through debt revenue.

Commissioner Hinojosa asked if the current existing debt could be refinanced. Mr. Garza's response was no. Garza mentioned that the City's financial advisor recommended that now was not the time to refinance.

15. Discussion and consideration on Streets Rehabilitation RFP Results & Next Steps. (City Manager).

Mr. Garza stated that this agenda item was initially going to be on a July agenda but after receiving initial pricing from the RFP's it was best to bring it to commission as soon as possible. The commission was provided a handout of a proposal for the work done by the contractor and after further discussion, Mr. Garza along with staff felt it was best to reject the bids since they were too high and recommend not have a street crew specifically focusing on that. He did say that staff and himself ran through potential scenarios that could be presented for the budget next year with a standalone street crew.

Mr. Hinojosa asked if the City of Kingsville had all the equipment to do the work. Mr. Garza agreed that we did. Mr. Hinojosa then asked if we have the staff. Mr. Garza's response was that we do have the staff the problem is the retention and attracting people with the correct experience. He mentioned that it was a combination of several factors.

Mayor Fugate commented that he understood this was not an action item. Ms. Alvarez, City Attorney stated that it was since it had a consideration to make a motion to reject all bids.

Motion made by Commissioner Luebert to reject the bids, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, 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).

Mayor Fugate announced the Execution Session and convened the meeting into closed session at 6:55 P.M.


Mayor Fugate reconvened the meeting into open session at 7:12 P.M.

17. Consider a resolution authorizing the sale of the City's 11.013 acres of land located off of US Hwy 77 Business/Loop 428 at KT&I Co., Block 18, Lot Pt 9, 10 in Kingsville, Texas. (City Manager).

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

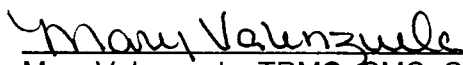
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:13 P.M.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, TRMC, CMC, City Secretary