

SEPTEMBER 10, 2018

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, SEPTEMBER 10, 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
Cynthia Martin, Downtown Manager
Janine Reyes, Tourism Director
Charlie Sosa, Purchasing Manager
Emilio Garcia, Health Director
Israel Vasquez, Interim Golf Course Manager
Pete Pina, Landfill Supervisor
Frank Garcia, Waste Water Supervisor
Jennifer Bernal, Community Appearance Supervisor
Robert Rodriguez, Library 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)

None.

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

1. Public hearing for an ordinance amending the zoning ordinance by granting a Special Use Permit to place two mobile/manufactured homes at Galma Sub., Lot 7, (2.45 acres), also known as 1902 N 20th St., Kingsville, Texas, amending the comprehensive plan to account for any deviations from the existing comprehensive plan, Edwin Cann, applicant/owner. (Director of Planning & Development Services).

Public hearing was not needed, as applicant pulled his application after the agenda was posted. The Director of Planning & Development Services received an email from the applicant withdrawing his application.

Mayor Fugate asked if the individual had a permit to have these trailers in this area.

Mrs. Alvarez responded that no permits were obtained prior to moving the trailers onto the property. Property owner should be removing the trailers within the next 30 days.

Mayor Fugate stated that he would like to be given a report on the consequences for placing the trailers onto the property without a permit. Fugate stated that he feels that the property owner should be fined for doing this without a permit.

Mr. Garza commented that the property owner does have 30 days to remove the trailers.

Mayor Fugate commented that they should be fined and not just allowed to put something on a piece of property without the proper permits in place.

Mr. Ginter commented that he and the City Attorney have discussed this, and if the property owner does not remove them in 30 days, staff will retrieve a court order to remove these trailers.

Mayor Fugate commented that there would not be a need to go through District Court, this could be done through Code Enforcement and have it filed with the City Municipal Court. Fugate further commented that when someone does something like this without retrieving the proper permits, they must pay the consequences.

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, 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. Bill Donnell, Public Works Director gave a brief Streets Update to the City Commission.

Commissioner Lopez asked if the Street crew sweeps through the neighborhoods.

Mr. Donnell responded that neighborhoods get swept, but due the being under staff in this department, the Street Department is only sweeping the thoroughfares.

Commissioner Lopez further asked if there was a schedule that is being followed. Mr. Donnell commented that there is a schedule but due to this department being short six employees, employees that are working on curb and gutter can be pulled to do the sweeping.

Mr. Garza commented that with regards to the grand-opening of the Splash Pad this Wednesday, there will be a delay due to weather conditions.

Commissioner Lopez commented that there is something scheduled at Thompson Park, this event will be going into the Douglas Center, as she has not heard of a postponement for this event.

Mrs. Alvarez reported that the next regular meeting is scheduled for September 24th with agenda items due by September 14th.

Commissioner Lopez asked if staff was preparing for the bad weather that is being predicted to come in the next few days and is staff cleaning the ditches. She also asked if updates will be sent to the City Commission.

Mr. Garza responded that staff is already cleaning the ditches and staff is keeping an eye on weather conditions and updates will be sent out to the Commission, which will be coming from Fire Chief Garcia.

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 a resolution authorizing the City Manager to enter into a Memorandum of Understanding between the City of Kingsville and Texas A&M University-Kingsville for student internships, seconded by Commissioner Leubert. The motion was passed and approved by the following vote: Lopez, Hinojosa, Leubert, Pecos, Fugate voting "FOR".

1. Motion to approve a resolution authorizing the City Manager to enter into a Memorandum of Understanding between the City of Kingsville and Texas A&M University-Kingsville for student internships. (City Manager).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

2. Consider final passage of an ordinance adopting the City Manager's budget, as amended, of the City of Kingsville, Texas, and appropriating funds for the fiscal year beginning October 01, 2018 and ending September 30, 2019 in the particulars hereinafter stated. (Finance Director).

Mrs. Deborah Balli, Finance Director reported that after the last meeting that had occurred, there were some additional changes that were made to the budget making the proposed budget at \$45,764,362.00.

Mr. Garza stated that in an attempt to find compromise between the different views amongst the Commission, the following changes were made from the introduction that occurred on September 4th. These changes include dropping the overall tax rate to \$.83, which would be a decrease of \$1.2 million dollars, also reduce the revenue by sales tax by \$25,000, these would decrease the city's revenues by \$126,000. The items that are being proposed to be cut from the budget, in order to make up the \$126,000 is by freezing the Golf Course Manager position for the fiscal year which will give the city roughly around \$80,000 in savings. Also proposed is eliminating the transfer of the Economic Development Fund as it has a health fund balance so it will not need to necessitate this for a year. Also proposed to eliminate some supplemental request from the General Fund such as the \$16,200 for additional AV Equipment for the Community Room and \$4,800 for new tires for Brush 2, which staff will just get from the vehicle replacement fund that the city has for the Fire Department. All these changes have been provided to the City Commission via an updated change list.

Commissioner Hinojosa commented that he has been going back and forth with staff on the budget, he has seen the numbers and he is in disagreement with the numbers. He further commented that when he met with the City Manager, he gave him his proposal on what he wanted to see on the budget, which did not happen. Hinojosa further commented that he could not agree with the \$.83 for the tax rate as being proposed. He would like for the tax rate to drop down to \$.82 versus the \$.84 that is in the budget now. He stated that \$.83 is a good start, but the tax payers need a break as they have been taxed on other things and it is time to give them a break. Hinojosa commented that he and the City Manager did not agree on the way the sales tax is being figured out and further commented that when he gave the City Manager the proposal it was all or none. He further stated that he wanted to see the Parks Director position being frozen. He stated that he is aware that staff has asked Texas Parks and Wildlife for a grant and on this grant it ask for two contact persons being Stacie and Susan. It also asked who all was going to be on this team for this grant, a letter was sent out that it would include five individuals which would include the Engineer, Finance Director, Capital Improvements Manager, and the Parks Director. At this time, the Capital Improvements Manager position is vacant, which Hinojosa stated that this position is needed and he is in agreement with the split of 75/25 as the City Manager proposed, but what he doesn't agree with is the hiring of a Parks Director at this time. Hinojosa stated that staff can send a letter to Parks Wildlife stating that due to budget constraints the Parks Director position will not be filled. He further stated that there are four other people on this team and five is an overkill to him. He knows that this is a good grant and he is not against it, but they don't dictate to the city who should be on that team. Hinojosa further commented that he would like to see the tax rate at \$.82.

Commissioner Lopez commented that she is also in agreement with the \$.82 tax rate. She feels that the citizens have been taxed enough including the increases made with the water and sewer rates made recently, which didn't go well with the citizens. She

also commented that property values are up so they're taxes will increase as well. She further commented that staff can do other things to try and get others involved in the grant. A Parks Director position is not needed and the city now has capable people running the Golf Course now so this would save about \$107,000 in the Parks Department. Lopez further asked for clarification on the Golf Course Manager position being frozen, and asked what Mr. Israel Vasquez position was.

Mr. Garza responded that currently Mr. Vasquez is the Facilities Manager and presently in his interim roll he is receiving his normal pay plus a small stipend for his interim roll in the Golf Course. Garza stated that the Facility Manager position is split funded between the Utility Fund and General Fund. What would happen is leaving Mr. Vasquez as an interim, not making him Golf Course Manager, as that position is all from General Fund. If the decision was to make Mr. Vasquez as the Golf Course Manager there would be no \$80,000 savings that the city has, simply be keeping as an interim.

Commissioner Lopez commented that she is in favor for increases for the employees, but when the city can do other things with that position and find someone else to take that position.

Mayor Fugate asked who she would suggest to take that position. Commissioner Lopez suggested the City Manager to assist with the grant.

Mayor Fugate commented that it is disingenuous of Commissioner Hinojosa and Commissioner Lopez to come up this late in the day with a different tax rate when it has already been discussed to have it at \$.83. He further commented that he is a tax payer and he wants to pay a fair tax and by decreasing it by \$.01 is in the right direction. Fugate continued to comment that the Parks Director position, the reason to receive the Parks & Wildlife grant was due to it being sufficiently staffed and being able to handle a grant of this size. Fugate further stated that if a letter is sent out to the Parks & Wildlife stating that because of budget restraints, which we don't have, the possibilities are high that the City will lose that grant. Mayor Fugate stated the items that the city is risking in loosing that are involved in this grant; playground equipment and shade structures for 9 to 12 structures, toddler swings, accessible surfacing for toddler swings/sidewalks additions, 10 picnic tables, 9 grills, outdoor exercise equipment, shelters renovations, baseball fields, (Fugate commented which has been a big concern of Commissioner Lopez that something be done about the baseball fields), totally redo fields 4 & 6 which would be renovated with wheelchair dugouts; Turn multipurpose football soccer and new football field goals irrigation, girls softball field wheelchair dugouts shade scoreboard windscreen, history of baseball interpretive sign and grant signage. Fugate commented that this is a \$448,000 which would turn Dick Kleberg Park around. He further commented that this is something that the citizens have been asking for, for quite some time. He stated that he, as a member of this Commission, will not jeopardize this grant and be short sided about not having a Parks Director. Mayor Fugate further stated that he is aware that Commissioner Hinojosa and Commissioner Lopez are very concerned about how much staff the city has, but when Commissioner Hinojosa was the City Manager for the City of Kingsville, he had an Assistant City Manager and had two City Attorney's, one being an Assistant City Attorney. The City Attorney also worked as a liaison for the City Manager's Department as well. He further commented that in 2002, this city was not as busy as it is today. This city is busy in Economic Development, Parks, Golf Courses, and beautification. This is a busy city in every aspect of our citizens life, and this is done with one City Manager. The current City Manager does not have an Assistant City Manager nor does the City Attorney have an Assistant either. Fugate further commented that he feels that it is disingenuous to say "you can do it"; be City Manager and Parks Director, which is too much to put on the City Manager. Fugate stated that the Parks Director position is needed which he supports 100%.

Commissioner Hinojosa commented that he knows that the Mayor is putting the fear on the City Commission regarding the possibility of not receiving the grant, but nobody has heard from them to say that the city will be awarded this grant. Hinojosa further stated that what Commissioner Lopez was trying to say is to substitute the City Manager's name for the Park's Director. He further stated to freeze the Parks Director position for 1 year and see what happens. He also commented that Mayor Fugate was correct regarding the Assistant City Manager position when he was City Manager and had two City Attorneys, but when he oversaw the Finance Department, he only had four employees. He did say that time have change with all the changes happening in Kingsville, and is aware that the city needs personnel which is the reason he backed off the Staff Accountant position, as it is needed.

Motion made by Commissioner Pecos to approve the budget as presented, seconded by Commissioner Leubert.

Commissioner Hinojosa commented that he would like to amend the motion.

There was some confusion on whether or not Commissioner Hinojosa could amend a motion that already had a first and a second. Mrs. Alvarez commented that because

there is a first and a second to the motion on the floor, a vote must be taken. If the item is not approved, at that time Commissioner Hinojosa can raise his motion and see if he can get a second on it.

Commissioner Lopez commented that she respects Mayor Fugate's comments and would not want not to have the items that can improve the parks, but there is no reason why employees can't be moved around to cover what the grant is requesting. Lopez further commented that the city is top heavy with employees and is not saying that she won't vote for this, as the increase in salaries are included in this, but she does have to voice her opinion.

Commissioner Leubert commented that the citizens would like for the Commission to do their due diligence and move this city forward. She further commented that the city is health financially. The city has a City Manager who decides who and how many people to have on the city's payroll. If the Commission wants people to live here and have quality of life, we need to make sure that the citizens have what they need. She further stated that the Commission has a hard job in making the tough decisions for this community in order to give them what they need.

Commissioner Hinojosa commented that as he is not aware of what the motion was that Commissioner Pecos made, cause he wasn't specific, all that was said by Commissioner Pecos "so moved".

Mayor Fugate made it clear as to what Commissioner Pecos motion was and stated that the motion made by Commissioner Pecos was to approve final passage of an ordinance adopting the City Manager's budget, as amended, of the City of Kingsville, Texas, and appropriating funds for the fiscal year beginning October 01, 2018 and ending September 30, 2019 in the particulars hereinafter stated. Fugate mentioned that it is what is stated in the agenda.

Mrs. Alvarez commented that the amount for the budget is \$45,764,362.00, which would result in a tax rate of \$.83, because once you adopt the budget, you have accepted the tax rate, although it would need to be done by a separate vote.

Commissioner Hinojosa continued to state that he had an amendment to make to the motion.

A point of order was called. Mrs. Alvarez commented that a vote on the first motion which was also seconded would need to take place first.

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

3. **Consider final passage of an ordinance establishing and adopting the ad valorem tax rate for all taxable property within the City of Kingsville, Texas for fiscal year beginning October 01, 2018 and ending September 30, 2019, distributing the tax levy among the various funds, and providing for a lien on real and personal property to secure the payment of taxes assessed. (Finance Director).**

Motion made by Commissioner Hinojosa to set the tax rate at \$.82.

Mrs. Alvarez commented that this motion could not be made, as the budget has already been adopted and the budget sets the tax rate.

Motion made by Commissioner Leubert that the property tax rate be increased by the adoption rate of tax rate of \$0.83000 which is effectively a 1.26% increase in the tax rate, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Fugate voting "FOR". Hinojosa "AGAINST".

4. **Consider ratifying the property tax increase reflected in the 2018-2019 Annual Budget of the City of Kingsville. (Finance Director).**

Mrs. Alvarez commented that this is an item that is required by statutes.

Motion made by Commissioner Leubert to approve ratifying the property tax increase reflected in the 2018-2019 Annual Budget of the City of Kingsville, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Pecos, Lopez, Leubert, Fugate voting "FOR". Hinojosa "AGAINST".

5. **Consider introduction of an ordinance amending the zoning ordinance by granting a Special Use Permit to place two mobile/manufactured homes at Galma Sub., Lot 7, (2.45 acres), also known as 1902 N 20th St., Kingsville, Texas, amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Director of Planning & Development Services).**

No discussion took place, as item not needed.

6. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter III, Article 7, Personnel Policies. (Human Resource Director).

Mrs. Diana Gonzales, Human Resource Director, recapped the position changes within the Classification & Compensation Plan that were discussed during the budget hearings. As for the Classification Compensation Plan for exempt employees, calling the positions Management Level and changing to Exempt Class. Other changes in the exempt level is the change in the anniversary step program changing all steps that are at 2% to 3%. The entire schedule also includes the change of 2% increase for Cost of Leaving Adjustment.

Introduction item.

7. Consider a resolution amending the City of Kingsville Administrative Policies and Procedures Manual, Policy No.720.01-Designation of Holidays. (Human Resources Director).

Motion made by Commissioner Pecos to approve the resolution amending the City of Kingsville Administrative Policies and Procedures Manual, Policy No.720.01-Designation of Holidays, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Lopez, Hinojosa, Leubert, Pecos, Fugate voting "FOR".

8. Consider a resolution amending the City of Kingsville Administrative Policies and Procedures Manual, Policy No.720.02-Compensation for Holidays. (Human Resources Director).

Motion made by Commissioner Leubert to approve this resolution amending the City of Kingsville Administrative Policies and Procedures Manual, Policy No.720.02-Compensation for Holidays, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Hinojosa, Leubert, Pecos, Lopez, Fugate voting "FOR".

9. Consider introduction of an ordinance amending the Fiscal Year 2017-2018 budget to cover end of year deficit accounts. (Director of Finance).

Mrs. Balli reported that this item authorizes the approval of an end of year budget amendment to cover deficit accounts. At the end of Fiscal Year 2017-2018, the following budget amendments are needed to cover deficit funds: General Fund-Fund 001: Landfill, remove \$318,216 Machinery/Equipment & other income – lease purchase budget for item purchased through capital lease prior fiscal year; Fire, remove \$330,422 Machinery/Equipment & other income-lease purchase budget for item purchased through capital lease prior fiscal year; Law Enforcement Officer Stand-Police-Fund 009: Police, record revenue and expenditures for funds received in FY 17-18; Utility Fund Debt Service – Fund 012, debt service, increase paying agent fees by \$250 for FY 17-18 fees; Texas Parks & Wildlife Community Outdoor Grant – Fund 078, Parks, record \$17,534.02 in State Grant Revenue and Parks Expenditures to roll over grant into FY 17-18. Transfer excess grant match of \$3,589.89 (transferred in prior year) back to General Fund, Fund 001. In Economic Development Fund, Fund 098, EDC, include tax payment of \$19,595.89 on 11 acre property in FY 17-18 instead of FY 18-19. This budget amendment will have the following effects on fund balances: Fund 001 – General Fund – increase \$3,589.89; Fund 009 0 Law Enforcement Officer Stand, Police no effect; Fund 012, UF Debt Service, decrease \$250; Fund 078, Texas Parks & Wildlife Grant, decrease \$3,589.89 to close out fund; and Fund 098, Economic Development Fund, decrease \$19,595.89.

Commissioner Hinojosa asked that on Fund 098, on the amended budget there was \$10,000 included. Is staff increasing by adding an additional \$19,000 or can it just be increased by \$9,000.

Mrs. Balli commented that staff has to put the \$19,000 in this year as the city paid the taxes on the 11 acre property this year, so the expenditure would need to be placed into this fiscal year.

Commissioner Hinojosa commented that he understood this, but in the amended budget he recalls seeing \$10,000 in this particular line item.

Mrs. Balli commented that it has been removed what they had for this item, in this fiscal year and recording it into the current year.

Introduction item.

10. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter V, Article 3, Water, Sections 100-103, providing

for updated information in the Water Conservation Management Plan. (Public Works Director).

Mr. Donnell commented that this it to update the Water Conservation Plan for the Texas Water Development Board. This updates the water services capacities, water supply sources, wastewater treatment facilities including goals and long range plans by the City of Kingsville.

Introduction item.

11. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances by amending Chapter V, Article 3, Water, Sections 72, 77, & 78, providing for additional public education method, updated triggers, and updated notification. (Public Works Director).

Mr. Donnell commented that this update brings public awareness of possible actions/restrictions during water shortages to protect public health, safety, and welfare. This plan is a requirement as part of TCEQ compliance.

Introduction item.

12. Consider awarding RFP#18-13 to E-Force Software and authorizing staff to negotiate a contract with E-Force Software for the KPD Law Enforcement Software, as per staff recommendation. (Purchasing Manager).

Mr. Charlie Sosa, Purchasing Manager reported that this item authorizes the award of RFP 18-13 and for the city to negotiate a contract with E-Force Software for the KPD Law Enforcement Software for the City of Kingsville. The Law Enforcement software will provide CAD/RMS software for the Kingsville Police Department. Staff published Request for Proposal in the newspaper on August 5th and August 12, 2018. Requests for proposal were accepted until 2:00 p.m. on August 28th. Three responses were received which were from E-Force Software, NovoTrax Public Safety, and Mark 43. Staff reviewed RFP 18-13 and found the information received to be responsive. The KPD Law Enforcement Software Committee reviewed qualifications and discussed the three firms RFP's based on experience and capacity to perform certifications approved by the Department of Public Safety. The KPD Law Enforcement Software Committee recommends E-Force Software to be the best value to the City.

Mr. Garza commented that this is part of a grant, therefore money will not be coming from Chapter 59 nor General Fund.

Motion made by Commissioner Lopez to approve the award of RFP#18-13 to E-Force Software and authorizing staff to negotiate a contract with E-Force Software for the KPD Law Enforcement Software, as per staff recommendation, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Hinojosa, Fugate voting "FOR".

13. Presentation and discussion on Preliminary Project and Financing Plan for potential Tax Increment Reinvestment Zone #1, Historic Downtown Kingsville, Texas. (Director of Planning & Development Services).

Mr. Garza reported that communities all over the country are either developing TIRZ or Public Improvements Districts (PID) for their downtown. Garza stated that staff has decided in bring up a TIRZ instead of a PID, as TIRZ may be a little bit easier for the business owner, since it comes from the taxes they pay, as oppose to a PID which will be something that they would have to sign another check for, which would be a bit difficult to receive some support for.

Mayor Fugate commented that during the time that the previous Planning & Development Director and the previous City Manager this item died because the School District cannot participate in this. If they participate in this, they lose this tax money and lose the average daily attendance money as well.

Mr. Tom Ginter, Director of Planning & Development Services passed out a timetable to the Commissioner for establishing a Tax Increment Reinvestment Zone. Mr. Ginter went over the timetable.

The timetable is attached to this set of minutes as "Exhibit A", which includes the Process/Timetable for establishing a Tax Increment Reinvestment Zone as well as an example of a Public Hearing Notice.

Mr. Garza commented that creating a new Board can be kind of daunting to small cities, but what they sometimes do is that the Board members that they choose are existing Board members for other things. The city could appoint the same people that sit on our Main Street Board who already have a vested interest in that geographical area to be

the city's representatives for the TIRZ Board. If the County went in on this, they would have the option to appoint their own representative to the Board. This could be the Main Street Board plus one individual from as the County representative as well as include a representative from the Water Authority, if they choose to be included.

Mr. Tom Ginter continued with his presentation of "Exhibit A".

Mr. Garza commented that staff would like to recommend beginning the process the key point is to get this right. This has never been done her in Kingsville so this will be a learning process for all those involved.

Mrs. Cynthia Martin, Downtown Manager presented on the preliminary project and financing plan for the Tax Increment Reinvestment Zone. She reported that the Texas Tax Code Chapter 311 allows the city to create a TIRZ Zone, but prior to adopting an ordinance, they would need to prepare a preliminary investment zone financing report and have a public hearing. In this report, it should include the description and map of the propose to create a TIRZ with a list of estimated project cost and the project as well.

Commissioner Hinojosa asked from what point will this zone be from? Mr. Garza responded that staff has it running from City Hall down to the Courthouse.

Mrs. Martin stated that the TIRZ is running from the railroad tracks down to just past 8th Street.

Mr. Garza stated that he would be involved with speaking to other entities to consider joining in the effort.

Commissioner Hinojosa commented that he likes the idea but has the city's financial advisor been involved in this as well, as this will take an effort of all the entities to participate in this.

Mr. Garza responded that at this point, there hasn't been conversations with other entities with regards to this. Mr. Garza spoke about an Exhibit B that is an estimated captured appraised value by year. He further stated that what staff is hoping for, is the redevelopment of downtown to occur in the future and have the percentage of taxable value increase than what is being projected in Exhibit B. Mr. Garza commented that the TIRZ would need to run for a few years, before seeing any financing for it. He further commented that any financial advisor will want to see back record of how much money is coming into the TIRZ and how much is being managed. He also commented that other cities are doing this and the time for our to city to do it is soon.

Exhibit B is attached to the minutes as "Exhibit B".

14. Presentation and discussion on Brownfield Grant opportunity and property located at 400 E. Caesar (old hospital), Kingsville, Texas. (Director of Planning & Development Services).

Mr. Garza commented that at one point, the city had allocated some funds for he remediation of this old hospital, for but some reason or the other, it did not happen.

Mr. Ginter reported that at this time, this property is under private ownership. In order for the City of Kingsville to receive a Brownfield Grant to abate the asbestos in that building, the building would need to be under City ownership. Ginter further stated that this property owes back taxes. As if October 2nd, 2018, the amount of back taxes owed is \$42,969.14, which have not been paid since 2008. Ginter also stated that the current appraised value of the building is \$50,800.

Commissioner Leubert asked if this was only the hospital building, as there are other structures around and possibly on the same land.

Mr. Ginter responded that this is only the hospital building which is on about 3 acre land. Ginter stated that it is his opinion that before it goes to foreclosure, which the city risk in someone else placing a bid for the building and losing it.

Mayor Fugate asked if staff has spoken with the property owner and see if they would sale the building for \$50,000. Mr. Ginter responded no.

Mr. Garza commented that once the Commission decides on what they would like to do, staff will need to place an executive session item, on a future agenda, under the option of real estate.

Mayor Fugate asked staff how sure staff is about this grant? Mr. Ginter responded that these grants are very competitive across the United States. Ginter commented that they

have tried once already and have kept in contact with TCEQ and have had a conference call with EPA where staff has been debriefed on what exactly staff has to do, but there is no guarantee in receiving this grant.

Mr. Ginter commented that approximately 5 years ago, a report on asbestos was done on the hospital. The report located where the asbestos is but did not give quantities. Staff has contracted with Enviro Test to update this report and obtain quantities of asbestos. Ginter further stated that once staff receives this report they can take it to a company and get an estimate of the cost of an abatement.

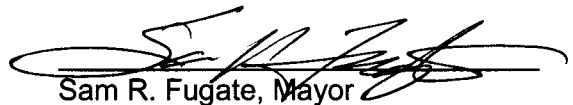
Commissioner Leubert asked staff if they are aware if the asbestos is viable or non-viable? Mr. Ginter responded that staff would find that out in the report.

Mr. Ginter further stated that Phase 1 has been done which TCEQ will update the Phase 1 environmental site assessment. The key for the update is that it has to be correct within 180 days of acquisition of the property. The Phase 1 assessment assists us in the issue when it comes to liability of the property. Ginter stated that a Phase 2 has already been done which was paid by TCEQ. They did soil samples and just out of monitoring precaution, they may place a monitoring well in for water but not for soil. Ginter stated that they were looking for Mercury and other biohazards that may have been left from the hospital that may have been in the soil. Ginter stated that the other thing that is important for this grant application is for the city to conduct a community engagement effort on how to repurpose the property for the future. This is also an important part of the grant application which the EPA reviewers like to read about. At this point staff has contacted Kansas State Brownfields, who provides free re-use planning and visioning services for Brownsfield grant applicants. There are an number of phone conversations with Blaise Leven, TAB Program Coordinator on getting this started. There is a scheduled public meeting for Thursday, October 25, 2018 at 6:00 p.m. at St. Gertrude's Catholic Church Parish Hall.


Mr. Garza commented that this is only an update for the Commission as these items are a priority to the Commission. He further commented that the Commission can expect receiving updates on a variety of different topics, now that the budget has been adopted.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:15 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, TRMC, CMC, City Secretary