

MAY 6, 2019

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, MAY 6, 2019 IN THE RECREATION HALL INSIDE DICK KLEBERG PARK, 501 EAST ESCONDIDO, KINGSVILLE, TEXAS AT 6:00 P.M.

CITY COMMISSION PRESENT:

Sam R. Fugate, Mayor
Edna Lopez, Commissioner
Dianne Leubert, Commissioner
Arturo Pecos, Commissioner
Hector Hinojosa, Commissioner

CITY STAFF PRESENT:

Jesus Garza, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Bill Donnell, Public Works Director
Derek Williams, IT
Susan Ivy, Parks Manager
Deborah Balli, Finance Director
Janine Reyes, Tourism Director
Tom Ginter, Director of Planning & Development Services
Charlie Sosa, Purchasing Manager
Diana Gonzales, Human Resources Director
Emilio Garcia, Health Director
Cynthia Martin, Downtown Manager
Manny Salazar, EDC
Ricardo Torres, Chief of Police
Adrian Garcia, Fire Chief
Ron Lee, Fire Marshall

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 6:00 P.M. with all four 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 on an ordinance amending the zoning ordinance by granting a special use permit for 418 E. Kleberg Ave. (old K.A. Childs building), also known as Orig. Town, Block 41, Lots 17-29, for a light manufacturing use (to build furniture), Herb Lancaster, applicant. (Director of Planning & Development Services).

Mayor Fugate announce and opened this public hearing at 6:01 p.m.

Mr. Ginter reported that this item is to request a Special Use Permit for 418 E. Kleberg Ave. If someone wants to do a light manufacturing use in a C3 zoning district a special use permit is required. The requestor would like to build furniture at this location. He has owned a furniture building business in Aransas Pass for some time and now wants to move the business to Kingsville. Reason for the move is that the building that his business was in, was heavily damaged when the water tower in Aransas Pass fell on it during Hurricane Harvey. The Planning and Zoning Commission voted 5 to 0 to recommend approval of the special use permit. Staff did not receive any phone calls that are against this request. One caller did call asking for particulars on the request. This business is looking at hiring 20 employees.

Commissioner Lopez asked if he would be manufacturing or selling furniture. Mr. Ginter responded that the requestor does wholesales and on-line sales. He further commented that the requestor has been making furniture for at least 20 years.

Mayor Fugate asked if staff has spoken to the neighbors of this location.

Mr. Manny Salazar, EDC Director responded that they are all in favor of the rezone. He further stated that this business will have a showroom of the custom work on furniture. He further commented that there will be no varnish smells coming from the business, as they only use high-end products.

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

There being no further comments, Mayor Fugate closed this public hearing at 6:03 P.M.

III. Reports from Commission & Staff.²

"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to, the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Condemnation Update, 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; Landfill Update, Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Health Department, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Employee Recognition, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation, Golf Course Update. No formal action can be taken on these items at this time."

Mr. Jesús Garza, City Manager commented that this would be his last City Commission meeting with the City of Kingsville. He further thanked the Commission for giving him the opportunity to work for the City of Kingsville as its City Manager.

The City Commission thanked Mr. Garza for his service to the City of Kingsville and wished him well with the City of Victoria.

Mrs. Courtney Alvarez, City Attorney announced that the next Commission meeting is scheduled for May 13th. She also mentioned that the second regular meeting for the month of May would be May 28th with the deadline to submit agenda items on May 17th. Mrs. Alvarez further announced some upcoming events for the week.

IV. Public Comment on Agenda Items.³

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

No 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)

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. Consider accepting the Comprehensive Annual Financial Report of the City of Kingsville for Fiscal Year 2017-2018. (Finance Director).

Mr. Luke Womack, John Womack & CO., P.C. gave the presentation on the City of Kingsville's Comprehensive Annual Financial Report. Mr. Womack reported that it is their opinion that everything is presented materially correct and it is consistent with prior years, which is called an unqualified report. General Fund has \$19,410.00 in total

revenue. Last year there was \$18,708,000, which is up about \$700,000.00 from the year before. Expenditures were \$20,623,000, which is down \$1,060,000 from prior year. The big drop was Capitol Outlay in Public Works. The city had a total of \$20,623,000 in total expenditures. Transfers in was \$2,077,000 and last year it was \$1,649,000. Total fund balance \$865,000, last year the city spent \$1.3 million, which gave it a deficit. Womack further reported that there was substantial return on Capital, so the total capital is up \$865,000. The Police Department's revenue is at \$1,008,000, being up about \$66,000 to prior year. They had expenditures of \$377,000 and last year it was \$671,000. There is a net increase of \$630,000 with last year being a deficit of \$269,000. At this point, this brings the city's fund balance to \$2,091,000. Womack stated that there has been some very good performance issues. Debt service had \$1.287 million dollars with last being at \$1.458 million dollars. For the principal payment and debt service it was at \$1.485 million dollars. Remaining fund balance in debt service \$559,000. Womack commented that the City is well above the 25% minimum equity. Utility Fund, water sales and wastewater there is \$8,945,000, with last year being at \$8,189,000. Cost of operating went from \$738,000 current year, \$745,000 last year with a reduction of \$421,000 overall. There was a net operating income of \$1.9 million dollars and last year it was at \$1.3 million dollars. Womack stated that the Utility Fund is doing very well. Major medical fund, we had \$3.78 million dollars with last being at \$3.269 million dollars. There was also an increase in expenditures of \$3.638 million dollars versus \$2.99 million dollars last year. There was an increase in the fund balance of \$142,000. The fund balance in major medical at the end of the year was \$1,317 million dollars. Cash flow is at \$2,941,870, this is pure cash and not receivables, accruable that was generated by the utility fund during the year. Last year it was \$2,085,000. Mr. Womack commented that there were no findings and the City of Kingsville is in good shape.

Motion made by Commissioner Leubert to accept the Comprehensive Annual Financial Report of the City of Kingsville for Fiscal Year 2017-2018, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Lopez, Hinojosa, Leubert, Pecos, Fugate voting "FOR".

2. **Consider introduction of an ordinance amending the zoning ordinance by granting a special use permit for 418 E. Kleberg Ave., also known as Orig. Town, Block 41, Lots 17-29, for a light manufacturing use (to build furniture). (Director of Planning & Development Services).**

Introduction item.

3. **Consider introduction of an ordinance amending the Fiscal Year 2018-2019 budget to set aside funds committed for the EDA Grant Match (for Regional Training Center and Emergency Operating Center). (City Manager).**

Commissioner Hinojosa stated that Commissioner Lopez pointed out to him that when you add the transfers, it comes out to \$500,000.

Mr. Garza responded that staff has included \$100,000 of in-kind, which is why it only adds up to \$500,000.

Introduction item.

4. **Consider a resolution amending the City of Kingsville Administrative Policies and Procedures Manual, Policy No. 890.01 "No Smoking" for additional clarification to be "Smoke and Vape-Free Workplace." (Human Resources Director).**

Mrs. Diana Gonzales, Human Resources Director stated that this is basically adding that Vaping is not allowed on City facilities.

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

5. **Presentation and discussion on implementation of Tax Increment Reinvestment Zone. (City Manager).**

Mr. Garza stated that staff is working with Kleberg County as to who will be the Board. This is still pending as the County will still need to take action. STWA is also waiting for the Count to take action and wants a Memorandum of Understanding on how the process will flow. The goals is for this to happen sometime this year.

Mayor Fugate commented that the school district cannot participate in this, as it would be a huge hit on them and the State can take their money for TIRZ.

Mr. Garza commented that this is a big initiative for the City.

6. Presentation and discussion on next steps for propositions following City Special Election on May 4, 2019. (City Manager).

Mr. Garza stated that both propositions were approved by the voters. He further thanked staff for spreading the word on the two propositions. He further stated that staff will wait to see if Kleberg County receives grants monies which they have applied for.

Commissioner Hinojosa asked what happens if the county does not receive the grant.

Mr. Garza commented that if the County does not get the grant, bond counsel will be ready to proceed with going out for a revenue bond by the end of Summer or early Fall.

7. Executive Session: Pursuant to Section 551.074, Texas Government Code, the Personnel Exception, the City Commission shall convene in Executive Session to deliberate the appointment, employment, and duties of the City Manager. (Mayor Fugate).

Mayor Fugate read the executive session and convened the meeting into closed session at 6:36 p.m.

Mr. Garza was called into closed session at 6:36 p.m. and came out at 6:47 p.m.

Mayor Fugate reconvened the meeting into open session at 6:49 p.m.

8. Consider awarding proposal to an executive search firm to assist with filling the position of City Manager. (Mayor Fugate).

Motion made by Commissioner Hinojosa to hire SGR as the search firm for the position of City Manager, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Leubert, Pecos, Lopez, Hinojosa, Fugate voting "FOR".

9. Consider the provision of Interim City Manager services, compensation, and matters related thereto. (Mayor Fugate).

Motion made by Commissioner Leubert to appoint Mrs. Deborah Balli as Interim City Manager, seconded by Commissioner Pecos.

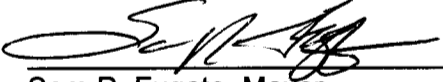
Mayor Fugate asked staff if the Commission would need to mention the stipend pay for Mrs. Balli.

Mr. Garza responded yes. The stipend pay is an additional \$5,000 per month with \$6,000 car allowance divided into bi-weekly.

Commissioner Leubert amended her motion to add the stipend pay of \$5,000 additional per month with \$6,000 car allowance dividend into bi-weekly. The amended motion was seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Pecos, Lopez, Hinojosa, Leubert, Fugate voting "FOR".

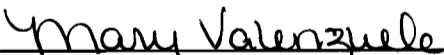
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:53 P.M.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, TRMC, CMC, City Secretary