

JULY 12, 2021

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JULY 12, 2021 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 5:00 P.M.

CITY COMMISSION PRESENT:

Sam R. Fugate, Mayor
Hector Hinojosa, Commissioner
Norma N. Alvarez, Commissioner
Edna Lopez, Commissioner
Ann Marie Torres, Commissioner

CITY STAFF PRESENT:

Mark McLaughlin, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Derek Williams, IT
Bill Donnell, Public Works Director
Alicia Tijerina, Interim Main Street Manager
Diana Gonzales, Human Resources Director
Deborah Balli, Finance Director
Rudy Mora, Engineer
Uchechukwu Echeozo, Director of Planning & Development Services
Ricardo Torres, Chief of Police
Susan Ivy, Parks & Recreation Director
Mike Mora, Capital Improvements Manager

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 5:00 p.m. with all five Commission members present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by Ms. Courtney Alvarez, City Attorney, followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting - June 28, 2021

Motion made by Commissioner Lopez to approve the minutes of June 28, 2021, as presented, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Torres, Fugate voting "FOR".

****AUDIENCE AND PRESENTER SOCIAL DISTANCING AND PUBLIC TESTIMONY AND PUBLIC HEARING INPUT AT PUBLIC MEETINGS OF THE CITY COMMISSION.**

To reduce the chance of COVID-19 transmission, public meetings will be held in a manner intended to separate, to the maximum practical extent, audience and presenters from personal contact with members of the Community, City Staff, and City Commission. Public testimony and public hearing input for Public Comment and all items on the agenda at public meetings of the City Commission shall be provided in written format and presented to the City Secretary and/or designee prior to the start of each meeting of the City Commission. This testimony and/or public input shall be in accordance with the City Secretary's instructions, which shall be posted on the City Secretary's outdoor public bulletin board at City Hall and on the City website and allow for electronic submission. The written public testimony shall be provided to members of the City Commission prior to voting on measures for that meeting. Written testimony shall be limited in accordance with the City Secretary requirements and shall be placed into the record of each meeting. This written testimony shall serve as the required public testimony pursuant to Texas Government Code section 551.007 and shall constitute a public hearing for purposes of any public hearing requirement under law. The meeting may be held telephonically or via videoconference; and, if so conducted, the public may participate remotely by following the instructions of the City Secretary which would be posted on the City Secretary's outdoor public bulletin at City Hall and on the City website.

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

1. Public Hearing on a request for the replat of 5th Addition, Block 1, Lots 8-16, (pt of Chamber of Commerce), (Exempt) also known as 635 E. King Ave., Kingsville, Texas. Ampler Development LLC, applicant/authorized agent;

Kingsville Chamber of Commerce, owner. (Director of Planning & Development Services).

Mayor Fugate read and opened this public hearing at 5:02 P.M.

Mr. Mark McLaughlin, City Manager reported that this request is for the re-plat the existing lots 8-16 into one single unit to enable them to carry out a commercial development.

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 5:04 P.M.

2. Public Hearing on a request for a Special Use Permit for Package Liquor Store use at Walmart Stores, Lot 3, (Kingsville Plaza), acres 1.742, also known as 2730 S. Brahma Blvd., Suite 750, Kingsville, Texas. James Byrom, applicant; Kingsville Group LLC, owner. (in C2 Retail District) (Director of Planning & Development Services).

Mayor Fugate read and opened this public hearing at 5:04 P.M.

Mr. McLaughlin stated that this is a request for a special use permit to carry out the business of operating a Package Liquor Store at the premises located at 2730 S. Brahma Blvd., Suite 750. Staff looked at the current zoning for said property and revealed a C2 (Retail District) use which does not allow for such endeavors except under a Special Use Permit.

Commission asked if this location had previously been opened as a liquor store. Staff responded yes, use to be Topsy Time Liquor Store.

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 5:05 P.M.

3. Public Hearing on a request for a Special Use Permit for Amusement, Commercial Indoor use at 9th, Block 19, Lots 17-27, E20' 28, also known as 900 E. Caesar Blk., Kingsville, Texas. Young Lee Hyo & Eun Yong Im, owners. (in C2 Retail District) (Director of Planning & Development Services).

Mayor Fugate read and opened this public hearing at 5:05 P.M.

Mr. McLaughlin stated that this is a request for a special use permit for a Commercial Indoor Amusement. The applicant would like to open an entertainment business that includes ax throwing as well. Staff has looked into the current zoning for this property and revealed a C2 (Retail District) use which does not allow for this type of establishment.

Commissioner Hinojosa asked if there would be any problems with parking within this vicinity?

Mr. McLaughlin responded that the building already exists as well as the parking, so all the parking issues were resolved when the building was built.

Commissioner Hinojosa further asked if there was any opposition to this request?

Mr. McLaughlin asked Mr. Uchechukwu Echeozo, Director of Planning & Development Services if staff received any complaints about this type of business coming to this location.

Ms. Alvarez responded that there were some questions but is not aware if there was opposition.

Mr. Echeozo commented that one neighbor had some concerns about the increase in traffic.

Mayor Fugate commented that if it generates traffic, it is also generating sales tax.

Commissioner Torres stated that one individual was concerned about the noise coming from this establishment.

Commissioner Hinojosa asked if the city mailed out letters to owners within a certain range from this location? He further commented that one of the property owners listed is incorrect, Cavazos Property. He does not think that it is owned by the Cavazos Property.

Commissioner Alvarez commented that she was not sure why a letter was not sent to the property owner that built the new house near this location.

Ms. Alvarez commented that all staff can do is go by what the appraisal district currently shows as the property owner for that property being.

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 5:08 P.M.

4. Public Hearing on the Downtown Improvement projects completed using the Main Street Grant Contract No.7219012 from the Texas Department of Agriculture as part of the Texas Community Development Block Grant Program. (Director of Planning & Development Services).

Mayor Fugate read and opened this public hearing at 5:08 P.M.

Mr. Echeozo stated that the city has concluded the work on the downtown improvements on Kleberg Avenue. A public hearing is being scheduled as part of the close-out requirements. This will allow residents details of activities completed using the grant funds. The result of this project for the downtown area on Kleberg Avenue, between 7th and 8th Street, includes the following: new sidewalks installed, disabled ramps, crosswalks, and decorative lamps.

Commissioner Hinojosa asked if the same layout will be used for the lamppost?

Mr. McLaughlin responded yes; it will be the same layout.

Commissioner Lopez asked if the curb extension located in the downtown area are of the same width, as one looks narrower than the other.

Mr. Rudy Mora, City Engineer responded that both are the same width, 25 feet wide.

Commissioner Lopez further commented that she has received some complaints regarding the curb extension and running over them as they are not able to clear the turn.

Mr. McLaughlin responded that staff has a plan in place. He further commented that there is enough room to make a turn and remain within their lane. McLaughlin further stated that if staff sees that there are tire marks left on the curb extension due to overdriving or bricks popping out, then staff will look into placing bollards.

Commissioner Torres asked about flags and brackets in the downtown area. Will flags be larger or will they remain the same size and remain in that area?

Mr. Echeozo responded that we will need to purchase larger brackets. Staff only went with smaller flags as the smaller brackets were already purchased.

Commissioner Torres further commented that the VFW can provide the larger flags and the city provide the proper brackets and poles.

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 5:14 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, Library Summer Programs, Grants Update. No formal action can be taken on these items at this time."

Mr. McLaughlin gave an update on the streets and Sage Road. Commercial sanitation trucks are running late today, but garbage pickup for today will be done. He further

announced the Maggie Salinas Pavilion dedication to take place on Saturday, July 17, 2021, at 10:30 a.m. with a reception to follow at City Hall.

Commissioner Torres thanked Mr. William Donnell, Public Works Director, and his crew for all their hard work.

Commissioner Alvarez thanked the Visitors Center staff for their hard work on the 4th of July weekend festivities.

Ms. Alvarez reported that the next Commission meeting is scheduled for July 26, 2021. The deadline for staff to submit agenda items is July 16, 2021.

IV. Public Comment on Agenda Items.³

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

Mrs. Mary Valenzuela, City Secretary read a public comment on behalf of Mr. Bruce Harvill, 1414 W. Santa Gertrudis, Apt. 1007, Kingsville, TX. The comment read as followed:

Honorable Mayor Fugate, Mayor Protem Hinojosa, City Commissioners, City Manager, City Staff, and Kingsville Residents. My name is Bruce Harvill, and I live at 1414 W. Santa Gertrudis, Apartment 1007, here in beautiful Kingsville. Thank you for allowing my comments to be read aloud this evening. Ideally, I would like to make these comments in person. Unfortunately, I suffered an unplanned oral procedure this past Friday that has distorted my speech. I would first like to address the problems the City of Kingsville is having with pot-heads – oops, a Freudian slip – that should read potholes. Many potholes have been around so long that I have given them names. There are Fred and Ethel down the street - Rick and Lucy a block over. My car's suspension does not love Lucy. In the past few months, I have heard of a map that shows which streets are slated for repaving, and which potholes are to be filled. If this map exists, I would respectfully request that it be published on the City of Kingsville website so that everyone knows what progress is being made to address this problem. Along that same avenue, for many years, the City of Kingsville has had a water drainage problem. Our part of South Texas is flat - very flat - and to drain the water, it must flow downhill - or at least that is what my father, a geology professor taught me. I am aware that the city has been awarded two large grants to address this flushing issue. However, like the pothole issue, the citizens of Kingsville might like to see what improvements are planned. Knowing the facts, and understanding the timeline, is better than believing the slew of rumors that are flying around town like Monarch butterflies. Once again, I am respectfully requesting that information be published on the City of Kingsville website. Now, I'd like you to take a stroll downtown. Or, as I like to call it, memory lane. Many people go downtown because they want to feel nostalgic. They want to experience the warm, fuzzy feelings of the past. However, they find an empty building, after an empty building, with faded paint peeling off their facades. To many people, this view is very disheartening. I am proposing that we have a downtown painting party. Heck, who doesn't like a good party, especially when it involves paint? I am not proposing anything radical – just match the current colors with a fresh coat of paint. I am reminded of the old Navy saying – if it moves salute it – if it doesn't, paint it. I think this simple beautification project could easily be completed well before the Ranch Hand Breakfast in November. I am sure that entire city departments can assist in cutting through the red tape to get this started. As one of my high school coaches said, no more excuses - only find solutions. To kick things off, I am willing to put my money where my mouth is. At great risk of my wife banishing me to sleeping on the sofa, I am willing to put up the first \$200 for paint to see "paint the town" happen sooner than later. Is anyone else willing to join in? Or, are we going to wait for another 5, or 10 years to get something done that can be accomplished within months. And finally, on a more personal level – I was somewhat nervous about making comments this evening. Like many people, there is a certain amount of fear in addressing the City Commissioners. I can state without reservation, that if I say anything that ruffles the wrong person's feathers, I could and probably will suffer negative repercussions. In the course of working on a project that was to benefit the City of Kingsville, I encountered some issues - well, more like intimidation from city employees. For example, an employee of the city has told me outright what I can and cannot post on my personal Facebook page. I also had a person claiming to be a city employee contact a business associate with false information regarding my project. This action slowed down the progress I was making in negotiations and killed the project. However, I am most bothered by my wife's

business being negatively impacted by my attempts to get three or four higher-ranking city employees to do what they are supposed to do. Allow me to tell you a little about my wife. During the Vietnam War, Linda was a proud member of the United States Army. Linda then worked as a nurse for 30 years and raised a family. Linda has recently celebrated the 45th anniversary - of her 29th birthday – meaning, she is well past retirement age. She should be sitting at home enjoying her retirement. But, instead, she opened a small business located downtown – now, she is retired or tired all over again. Linda spends between \$1,200 and \$1,500 a month of her retirement money to keep the doors of her little business open, not because she has to, but because she cannot bear to have another building downtown lying vacant. As stubborn as she is, she will continue to do so until she is no longer physically able. She sees the vision of what downtown can be. Do you? So, to those very few people who are trying to flaunt the power of their position. – Stop it. – The good ol' boy's system died years ago - the City of Kingsville does not need to back-slide to the wink-wink, cross your fingers behind your back, not telling the truth, and the most damaging of all, playing favorites within our business community. Every small, locally owned business is just as important and the big box stores and restaurant chains. Maybe, just maybe we should go back to practicing the lessons we all learned in Kindergarten – you remember, be kind to each other – share what we have – cookies and milk WILL fix nearly every problem, but the most important lesson of all – do the right thing because it is the right thing to do. Let me repeat that, do the right thing because it is the right thing to do. So, let's all promise to do the right things - at all costs. I am sure my time has expired – thank you all for listening to my comments – my God bless you all, the City of Kingsville and the great State of Texas. Good night.

No further comments were received or 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 Lopez to approve the consent agenda as presented, seconded by Commissioner Alvarez and Commissioner Hinojosa. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa, Fugate voting "FOR".

1. Motion to approve final passage of an ordinance amending the zoning ordinance by granting a Special Use Permit for Package Liquor Store use at Cadillac Terrace, Block 1, Lots 8-17, South 10' of Lot 7, and Part Alley, (Sundial Plaza) also known as 1010 S. 14th St., Kingsville, Texas. (in C2 Retail District) (Director of Planning & Development Services).

2. Motion to approve final passage of an ordinance amending the Fiscal Year 2020-2021 budget to accept and expend donations from the B.C. & Addie Brookshire Foundation for assistance with recreational programming and equipment for the Parks Department. (Parks Director).

3. Motion to approve final passage of an ordinance amending the Fiscal Year 2020-2021 budget to cover additional health care costs for staffing changes. (Parks Director).

4. Motion to approve final passage of an ordinance amending the Fiscal Year 2020-2021 budget to accept and expend in-kind services from Big House Burgers for TABC expenditures of \$2,700 for the Sip and Shop event and Stef and Bec's Boutique along with Ultra Screen Printing for Merchandise costs of \$1,137 for custom shirts. (Tourism Director).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:**VI. Items for consideration by Commissioners.⁴**

5. Consider a request for the replat of 5th Addition, Block 1, Lots 8-16, (pt of Chamber of Commerce), (Exempt) also known as 635 E. King Ave., Kingsville, Texas. (Director of Planning & Development Services).

Motion made by Commissioner Hinojosa to approve the request for the replat of 5th Addition, Block 1, Lots 8-16, (pt of Chamber of Commerce), (Exempt) also known as 635 E. King Ave., Kingsville, Texas, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Alvarez, Fugate voting "FOR".

6. Consider introduction of an ordinance amending the zoning ordinance by granting a Special Use Permit for Package Liquor Store use at in C2 (Retail District) at 2730 S. Brahma Blvd., Suite 750, Kingsville, Texas (Kingsville Plaza), also known as Walmart Stores, Lot 3; amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Director of Planning & Development Services).

Introduction item.

7. Consider introduction of an ordinance amending the zoning ordinance by granting a Special Use Permit for Commercial Indoor Amusement use in C2 (Retail District) at 900 East Caesar Blk., Kingsville, Texas, also known as 9th, Block 19, Lots 17-27, E20' 28; amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Director of Planning & Development Services).

Commissioner Lopez asked if this location was near the religion store?

Commissioner Alvarez responded that this is near the insurance office near the religion store.

Commissioner Lopez asked if special insurance was required. Ms. Alvarez responded that this type of amusement is known to be in Austin and other cities.

Introduction item.

8. Consider awarding RFQ #21-08 North and South Wastewater Treatment Plant Performance Evaluation. (City Engineer).

Mr. Mora stated that RFP# 21-08 for North and South Wastewater Treatment Plant Performance Evaluation was advertised on May 20, 2021, and May 27, 2021. Statement of Qualifications (SOQ's) was due June 15, 2021. Three (3) SOQs were received which include Ardurra (Formerly LNV) from Corpus Christi, TX, Garver from Harlingen, TX, and SWG from Weslaco, TX. The purpose of the RFQ was to provide the following: Wastewater Treatment Plant Performance Evaluation; Modifications to the Existing Wastewater Treatment Plant structures; Equipment upgrades and other improvements; Increase plant capacity within TCEQ regulations; Final Reports and Recommendations; Funding options; Other special services. The selection review committee, which consisted of the City Manager, City Engineer, Capital Improvements Manager, Public Works, Wastewater Supervisor, and Purchasing Manager reviewed the SOQs and overall selected Garver to negotiate a contract for Professional Engineering Services. Mora further stated that there is no financial impact in awarding the RFQ. Staff recommends awarding the RFQ for the North and South WWTP Performance Evaluation to Garver. The next step is to negotiate a contract for Professional Engineering Services.

Motion made by Commissioner Lopez to approve the award of RFQ #21-08 North and South Wastewater Treatment Plant Performance Evaluation, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Torres, Hinojosa, Alvarez, Lopez, Fugate voting "FOR".

9. Consider introduction of an ordinance amending the Fiscal Year 2020-2021 budget to cover additional budget costs for Engineering Department due to increased operating costs. (City Engineer).

Introduction item.

10. Consider a resolution ending the local state of disaster that was extended on March 23, 2020. (City Attorney).

Ms. Alvarez stated that when the pandemic started last year, the city approved a resolution for an emergency order regarding the pandemic. One of the items that were included in this order, based on the Governor's suspension of a part of the Open Meetings Act, was to provide for an alternate means for Boards to conduct meetings and for citizens to participate in those meetings due to the part of the suspension of the

Open Meetings Act. As things are improving, the Governor will be ceasing his suspension of the part of the Open Meetings Act come September 1, 2021. As it was a point of discussion from the Commission during the last Commission meeting, that meetings go back to in-person and allow for the public to participate in person at all Commission meetings and Board meetings. This resolution would end the order that the Commission approved on March 23, 2020 and would allow individuals to participate in all Commission and Board meetings in person.

Commissioner Alvarez asked if the Commission chooses to suspend the order in place, will the public still have the option to make their public comments via WebEx or will they need to participate in person.

Ms. Alvarez responded that the public would need to address the Commission at the podium as per City Ordinance. She further stated that if the Commission wanted to allow an alternate means for participation from the public, such as submitting public comments via email to the City Secretary, the ordinance can be revised to allow for that option.

Motion made by Commissioner Alvarez to approve the resolution ending the local state of disaster that was extended on March 23, 2020, seconded by Commissioner Torres and Commissioner Hinojosa.

Commissioner Lopez commented that she would like to see something added where the public can still email their comments, as some are unable to make it to our meetings.

Commissioner Torres asked if the meeting would still be streamed or do both?

Ms. Alvarez responded that the streaming of meetings is not something that is addressed in the code of ordinances. It is a decision that the City Manager and Commission can make. Alvarez further stated that she thought the intent was to continue streaming the meeting regardless of it was virtual or in-person participation for public comments and public hearings.

Commissioner Lopez commented that it was good that the city will be streaming the meetings with the participant being able to call in for comments.

Ms. Alvarez responded that public participation would only be through written submission and in person.

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

11. Discussion on the July 4th concert and events. (Tourism Director).

Mr. McLaughlin commented that the city had a very successful 4th of July event over the weekend. The Retail Coach Report shows, from cell phone hits, how many people were in certain areas of the city. The report shows that approximately 2,200 individuals visited for the 4th of July event. He further stated that not all downtown merchants were open during the weekend festivities. Downtown merchants commented that they had a good day and had good sales during the weekend event. Mr. McLaughlin further commented that the Foundation that does the scholarships, after all their expenses, produced \$3,700 plus a few dollars extra for their scholarship program that funds the students at Texas A&M University-Kingsville. He further stated that the event did cost the city a little overtime for the Street Department crew, as they worked after normal hours on Friday evening placing barricades for the weekend event.

Commissioner Torres asked for staff to explain the foundation to the Commission and asked if the Foundation is a 501(3) c.

Mrs. Alicia Tijerina, Interim Downtown Manager responded yes.

Commissioner Torres further asked what the Foundation does as she has never heard of this Foundation, which is the reason she is asking the question.

Mayor Fugate commented that it is a private Foundation.

Mrs. Tijerina commented that it is a Foundation that they have that they put money into to provide scholarships for students at Texas A&M University-Kingsville.

Commissioner Torres asked that what was mentioned was that it was a private Foundation or a 501(3)c? Mrs. Tijerina responded yes. Commissioner Torres further asked if the Foundation was only providing scholarships to Texas A&M University students? Mrs. Tijerina responded yes, Texas A&M University-Kingsville students only.

Commissioner Torres further asked and commented that none of this money stays in our community as not all Texas A&M students are from Kingsville. Mrs. Tijerina commented that the majority of their money goes towards scholarships, the Foundation does other community events for the city, so the money does come back to our community. Commissioner Torres asked if staff has received a report as to how much money comes back to the community? Mrs. Tijerina asked if Commissioner Torres is asking if staff received a report from the Foundation specifically? Commissioner Torres responded yes. Mrs. Tijerina responded that not that she is aware of, but she knows that they sponsor several events within our community for the Tourism Department/City and others. Tijerina further commented that the Foundation donates to several organizations such as the Boys & Girls Club and Toys for Tots. Commissioner Torres further asked if staff has ever received a report as to what and to who they provide these donations? Mrs. Tijerina responded no.

Mr. McLaughlin commented that the Foundation is a 501(3)c therefore they do not have to submit that type of information to the city.

Commissioner Torres further commented that this would be information that can be requested. Mr. McLaughlin responded that anyone could request that information. Commissioner Torres responded that this is why she is asking the question and further asked if the information had ever been requested? Mrs. Tijerina responded no. Commissioner further asked how and why was this Foundation chosen and did the Foundation come to staff or did staff go to the Foundation? Mrs. Tijerina responded that staff met with them regarding the Ranch Hand Event which then brought up this event for our community. Commissioner Torres asked if any other organization had come to the city for this type of event or has staff had spoken with any other organization? Mrs. Tijerina responded that they have spoken with several organizations, but none have volunteered to do these types of events. Tijerina further stated this Foundation sphere headed the entire event, music, and staging which takes money to get, and the Foundation and city staff were able to do this in twelve days.

Mayor Fugate commented that the city has had other organizations that have had events in our downtown. He further commented that it does not happen very often, but it has happened in the past.

Commissioner Torres asked how many individuals attended the weekend events on both Saturday and Sunday, comparing Saturday to Sunday? She commented that she does compare as she was at the parade on Saturday.

Mrs. Tijerina commented that she can say that there were more people on Sunday than on Saturday. She further commented that on Saturday there could have been a couple of hundred individuals and on Sunday for the concert, it was quite packed.

Commissioner Torres asked why staff decided to separate the events into Saturday and Sunday instead of having the events on Sunday?

Mrs. Tijerina responded that their idea was that they wanted an event for the 4th of July for Kingsville.

Commissioner Torres asked who is she referring to when she says they?

Mrs. Tijerina responded the Villarreal's. She further commented that staff had asked about Saturday, but they wanted to do the event on Sunday as it was the 4th of July.

Commissioner Torres further asked if the Foundation had total control instead of the city?

Mrs. Tijerina responded no and commented that staff thought it was a good thing to do on the 4th of July as there are no pre-scheduled events on that day, and with individuals being off on Monday, it was a good idea.

Commissioner Torres stated that she read on the application that they were the only ones that could decide who and what vendors were going to sell, and who it was going to be.

Mrs. Tijerina responded that this was not true and asked where Commissioner Torres had read this.

Mr. McLaughlin commented that when you are granted, as the prime vendor, because they are producing the resources to put this event on with money out of their pocket, as they brought in the multimillion-dollar stage which is an expense out of their pocket and did not charge the city for it. In return the city allowed them to choose the

competition they are willing to engage with. So, if they are selling alcohol, they would not be bringing in another alcohol sales vendor. If they want to do the soda and water sales, they turned it over to the Boys & Girls Club where in return they were part of the cleanup crew. Mr. McLaughlin further commented that there are some stipulations that we can make with those vendors to get these programs. He further stated that they did not charge the city for the liquor license or staging so the in-kind is that they would decide if they were going to have competition which would have reduced their amount for scholarships.

Mrs. Tijerina commented that as per TABC you could not have two vendors as it was their license that they were using.

Commissioner Torres commented that she understood the alcohol part but the section she is reading is from their application, that is very specific, which grants Chico and Elena Villarreal Foundation reserves the exclusive right for approval on items and the right to cancel a booth exhibit require, alteration and or removal of any merchandise. Torres commented that this is what she is speaking about.

Mrs. Tijerina responded that this is a standard application which is the same application that is used for the Ranch Hand Festival.

Commissioner Torres commented that this is what she is confused about because it has its Foundation, but it also has Kingsville Visitor's Center.

Mrs. Tijerina commented that this is correct as the Visitor's Center did assist them with the vendors, as they have a vendor's list. She further commented that they wanted to limit the number of people that they were going to have. They did not want two vendors selling the same thing. This would make the competition less and allowing those vendors to make more money.

Commissioner Torres commented that she liked the idea of having a concert, but as mentioned by Mr. McLaughlin, the city lost money. The city has overtime on there and we did not make more than anything. Some of the businesses around there, because of what the application stated, were not comfortable putting in any application so that they could be vendors because they thought that what it was specifically said there, they were not going to be able to. Torres further commented that this was something that concerned her, because of that. She knew it was a huge showing and she would also like to know which businesses were open and how many were open on Sunday.

Mrs. Tijerina commented that she can say which businesses were open, which there are not many that are open on Sunday, other than Blue Quail Design. After 5:00 p.m., most were not going to be open on Sunday. They opened on Sunday which was Celebrations by the Party Sisters, Eve's Heavenly Delights, Novel Blend, and Linda Vista were the only businesses that opened on Sunday, which they usually are not open. Those businesses are the only ones opened within that area. All the other merchants were never told that they could not be opened, but rather they were encouraged to be open on Sunday.

Commissioner Torres commented that this was not the consensus that was given to her that they were encouraged to open, or vendors were not encouraged to apply. She further commented that another thing is the VIP section and asked for staff to explain that to her.

Mrs. Tijerina stated that the VIP section was for the sponsors which are what it's normally for. Those that pay big money are the ones that get to sit in the private area.

Commissioner Torres asked how many seats did the city have? Mrs. Tijerina responded that she believes the city had a table. Commissioner Torres further asked who was going to sit at that table? Mrs. Tijerina responded that she did not know who was to be seated at that table. Commissioner Torres asked if anybody was told about the table? Mrs. Tijerina responded that she is not aware as she did not handle that part. Commissioner Torres commented that this is one of the questions she had as she knows that there were city employees that were not invited or even told to sit at the VIP table which concerned her that we have sponsors that are VIP, and they were told about it, but the city, the major sponsor, and.... Mrs. Tijerina responded that she is not aware and would have to ask as to why, but it may have been that the Tourism Director gave those tickets away. Tijerina further stated that she is aware that some tickets were given out on the radio for advertising as the event was done within twelve days, but she does not know if anybody would have been, as there were eight tickets, and there being four hundred employees. Commissioner Torres commented that there are five City Commissioners and asked if they had shown up, where would they have been sitting?

Mrs. Tijerina responded that if they were aware that they were coming in, they probably would have sat in the VIP section, as it has happened before. Commissioner Torres then commented that they did not know. Mrs. Tijerina responded that she is not aware of what they were told.

Commissioner Torres commented that it is a great idea to bring the concert, but there needs to be better clarification, especially to our vendors and our businesses that go out there and that want to come out to these events to make money. Especially since we have been closed for so long due to the pandemic.

Mrs. Tijerina commented that there was limited space, as the staff was not aware as to how many people would be attending, so there were only four vendors at the event.

12. Consider a resolution authorizing the Mayor to execute an Employment Agreement for the position of City Manager with Mark McLaughlin. (Mayor Fugate).

Commissioner Hinojosa stated that he would like to have page 3, Section J, 1st sentence to read "It will be the responsibility of the Manager to work with the City Commission" and further stated that this would be part of his motion.

Motion made by Commissioner Hinojosa to approve the resolution authorizing the Mayor to execute an Employment Agreement for the position of City Manager with Mark McLaughlin, with the change to page 3 Section J to read City Commission, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa, Fugate voting "FOR".

13. Discussion regarding budget preparation update and workshop regarding draft budget for FY21-22. (City Manager).

Mr. McLaughlin stated with the assistance of the Finance Department, the expected expenditures, and revenues for next year are being reviewed. With changes being made, what is thought to be the expenses for next year comes down to the general fund. The general fund has projected expenses for next year for an amount of \$21,635,863.00 of which 25% of that is a requirement, as per city ordinance, which equates to about \$5.4 million. The start of the next fiscal year will be started with an extra \$300,000 to pay the bills before the ad valorem comes in. Mr. McLaughlin stated that what is needed is \$5.7 million in the general fund, fund balance projected. Currently, the city is about \$68,000 short which means that staff will need to go back and look at revenues and expenses. Mr. McLaughlin further stated that in that revenue line there are two big multipliers that we do not know yet, the first one being ad valorem as the city does not know what is going to happen to the voter-approved tax rate, the no new revenue tax rate until staffs receives that data on July 25th. He further stated that it is his instinct that as much as the city is growing, he feels that the city's tax rate will need to go down, to stay under the approved voter tax rate. He also stated that he believes that the city will bring in more ad valorem that we put in for the budget but stills feel that there is still room to grow. The other big multiplier is the sales tax numbers. The city had a great month which is over \$102,000 over the same month last year. He stated that the city is almost a half-million dollars ahead of budget projections on sales tax. If the city adopts the same sales tax numbers for next year, without any projected growth, the city will be about half a million dollars better than what was put in the budget. Mr. McLaughlin further stated that there is room in the general fund to make it all work out. The challenge will be how many supplementals the city will be able to fund or wait to see how the year develops then do budget amendments as needed. He further stated that part of the budget includes what the city fees will be.

Mr. McLaughlin passed out to the Commission an excel sheet showing the Water and Wastewater rate study done by Grady Reed who worked with the city doing various analyses of utility rates. He stated that the study shows the water rates for two years ago. In the fiscal year 2018-2019, the rate study recommended an increase in water rates by 2%, of which the city increased the rate by 2%, which caused no deficit in the proposed rates. In the fiscal year 2019-2020, the rate study recommended an increase in water rates by 1%, of which the city did not take that recommendation and did not increase the water rates for that fiscal year but did cause a deficit for the city of 1%. In the fiscal year 2020-2021 the rate study recommended a 0% increase in water rates, which the city did not increase the rate, but still caused the city a deficit of 1%, which was carried over from the previous year. For the next fiscal year, it will be staff's recommendation to increase the water rates by 1%, to catch up to the recommended percentage from the rate study, which will bring in around \$47,000 additional revenue. This revenue will go into fund 054, a utility fund for capital projects. Mr. McLaughlin further talked about the wastewater rate study. In the Fiscal year, 2018-2019 the recommended increase for wastewater was an 18% increase to which the City Commission approved the 18% increase. This left the city with no deficit. In the fiscal year 2019-2020, the recommended rate increase was 16% but the Commission only

acted on increasing it by 8% which caused a deficit of 8%. In the fiscal year 2020-2021, it was recommended to increase by 2% but the city acted on 5%, which brought down the deficit to 5%. This would somewhat catch the city up according to the rate study. This fiscal year the city is 5% behind the rate study and it is being recommended to increase the wastewater rate by 2%, as per the rate study. What will be recommended this fiscal year is to increase it by 7% and be in line with the rate study. Mr. McLaughlin stated this will bring in an additional \$303,000 for the next budget cycle. The total additional revenue from both the water and wastewater increases will bring in an additional \$350,000 total which will go into Fund 054.

Mayor Fugate asked what the city was doing for those accounts that are receiving city services outside the city limits?

Mr. McLaughlin stated that rates for services outside the city limits are at a higher rate than those inside the city limits.

Mayor Fugate commented that he would like to see these rates.

Commissioner Hinojosa commented that those rates are at 1.5%, but maybe the city needs to consider increasing it to 1.75%.

Ms. Alvarez commented that the formula and format that is used to justify the rate are very commonly used. It would put the city in a harder position to defend, if the city were to arbitrarily increase, for example, by 5% because they are outside the city limits versus something else. Alvarez further stated that this is why the city relies on the consultant to help guide us as to what is justifiable for the current cost to run the system versus the individual's contribution to the system.

Mayor Fugate commented that he would like to see what other cities are charging for services outside the city limits.

Ms. Alvarez commented that historically in the past, the city manager would bring a rate increase to Commission and at that time of the proposal they would also present a study of the local utility rates in the surrounding areas so that the Commission can see where the city falls with regards to water and wastewater rates.

Mayor Fugate commented that he wants information from not only inside the city limits but outside as well.

Ms. Alvarez commented that the information will be individually tailored, based on the community.

Commissioner Alvarez asked that due to the rain we have been receiving, is the city losing revenues? Mr. McLaughlin responded yes, as people are not watering lawns due to the rain we have been receiving.

Mr. McLaughlin stated that as he does not have a rate study for garbage collection rates, those rates will not be increased. He did state that with regards to the Street User Fee, he has asked Mr. Michael Mora, Capital Improvements Manager to review the Street User Fee. He stated that there currently what is being collected is about \$802,000. Staff looked into how to increase the street user fee to collect more so that the city can do more. He further stated that currently there are 11 tiers for commercial with a flat fee of \$5.00 for residential. He further stated that what has been recommended is for Tier 1 to be broken up into Tier 1 A, B, & C with C staying at \$150, B at \$250, and A at \$500 per month. He further stated that if the only thing the city does is to add the tiers, the first option would only bring in an additional \$41,000 for the year. The second option is if the city adopted all three new tiers and added them in for the highest commercial businesses and raised the residential rate from \$5.00 to \$6.00 per month and kept the discount rate of 90%, the city would bring in an additional \$165,595.00 for the street department. The next option would be the same tiered system with residential fees would go from \$5.00 to \$6.00 but instead of discounting it 90%, it would be a discount of 85%, which will bring in \$243,355.00. The other option would be all the same except for discounting it to 80% which will bring in \$335,275.00. Mr. McLaughlin stated that after discussing it with staff it is his recommendation to adopt an option that will increase the residential fee from \$5.00 to \$6.00, adopt the tiers and take the discount from 90% to 85%, which will add \$243,000 and give the city about \$1 million for streets next year.

Commissioner Alvarez asked with the recommendation from the City Manager, what would be the rate for commercial businesses.

Mr. McLaughlin responded that the commercial would go up about \$300.00. He further stated that the tier shows the nonresidential proposed revenue monthly would be \$26,580.00 for a total of \$318,960.00 yearly. Residential revenue would come out to \$62,097.00 monthly for a total of \$745,174.00 yearly.

Commissioner Torres asked if the commercial would be broken down? Mr. McLaughlin responded that instead of 11 tiers it would go to 14 tiers. Commissioner Torres asked how staff would figure out which are the 14? Mr. McLaughlin responded that it would be based on square feet plus the number of vehicles. He further stated that it has a trip

factor in there that will then determine a number and if you are above a certain number, it will put you within the right tier.

Commissioner Hinojosa commented that he is aware that it takes money to operate, which most people do not realize. The minute the city starts increasing rates or fees, they will complain, especially with property values increasing. He further stated that he wishes that more citizens would attend the City Commission meetings so that they can be informed of what the city must do to provide better services. He further asked for the City Manager to prepare the budget as he feels is needed, and once the budget workshops come around, he will voice his opinion.


Commissioner Alvarez commented that our citizens are privileged in having two garbage pickups per week as other communities only have one.

Ms. Alvarez reminded the Commission of the dates that are scheduled for budget workshops, August 16th, August 17th, August 23rd, and August 24th. September 7th will be a special meeting to introduce the ordinances for the budget and tax rate, and September 13th to adopt the budget.

Commissioner Alvarez asked what time the budget workshops begin. Ms. Alvarez responded that traditionally they begin at 4:00 p.m., depending on quorum availability.

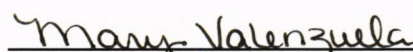
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:28 P.M.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, TRMC, CMC, City Secretary