

# City of Kingsville, Texas

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## AGENDA CITY COMMISSION

MONDAY, JULY 11, 2022

REGULAR MEETING

CITY HALL

HELEN KLEBERG GROVES COMMUNITY ROOM

400 WEST KING AVENUE

5:00 P.M.

**Conference Line call: 1 (415) 655-0001 and  
when prompted type access code: 126 210 9951 #**

**OR**

**Live Videostream:** <http://www.cityofkingsville.com/webex>

### I. Preliminary Proceedings.

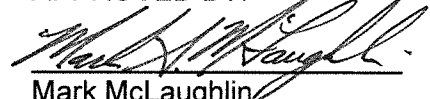
#### OPEN MEETING

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting - June 27, 2022

APPROVED BY:

  
Mark McLaughlin  
City Manager

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

None.

### III. Reports from Commission & Staff.<sup>2</sup>

*"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to, the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, 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."*

#### **IV. Public Comment on Agenda Items.<sup>3</sup>**

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

#### **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)*

1. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to provide funding for Storm Water Manhole Rehabilitation. (City Engineer).
2. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget for increased credit card fees. (Finance Director).
3. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to provide funding for the debt service payment from Fund 087 for the solid waste equipment purchased through 2021 and 2022 Tax Notes. (Finance Director).
4. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to appropriate funding for 50% of the renovation costs of the golf course remaining 15 greens and the putting green. (Parks Director).
5. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to provide additional funding for increased motor gas and oils costs for the Golf Course. (Parks Director).
6. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to appropriate additional funding for vehicle repairs on sanitation garbage trucks. (Public Works Director).
7. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to provide funding for Water Well #23 repairs. (Public Works Director).
8. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to provide additional funding for increased costs in solid waste. (Public Works Director).
9. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to provide additional funding for increased costs in the Police Department for overtime and vehicle maintenance. (Police Chief).
10. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to appropriate funding for landscape architecture services for Chamberlain Park. (Purchasing Manager).

## **REGULAR AGENDA**

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

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

11. Presentation and discussion on City of Kingsville Housing Market Analysis from Chamber of Commerce. (President/CEO Kingsville Chamber of Commerce).
12. Consider a resolution authorizing the City Manager to enter into an Agreement for Professional Services between the City of Kingsville, Texas and Winstead PC. (City Attorney).
13. Consider a resolution authorizing the City Manager to enter into an Agreement for Financial Advisory Services between City of Kingsville, Texas and Estrada Hinojosa & Company, Inc. (Finance Director/City Attorney).
14. Consider a resolution accepting a petition for and calling for a public hearing on the creation of the Somerset Public Improvement District Number 1 within the City of Kingsville, Texas pursuant to Chapter 372 of the Texas Local Government Code and authorizing the mailing and publication of notice of the public hearing. (City Manager/City Attorney).
15. Consider a resolution authorizing the City Manager to enter into an Agreement for Public Improvement District Consulting and Administrative Services between the City of Kingsville, Texas and MuniCap, Inc. (City Manager/City Attorney).
16. Consider a resolution authorizing the City Manager to enter into a Professional Services Agreement between the City of Kingsville, Texas and Somerset Land Development, LLC for development of a public improvement district. (City Manager/City Attorney).
17. Consider authorizing purchase of marketing merchandise/promotional items for Tourism (ARP Funds). (Tourism Director).
18. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to expend Tourism ARP funding for magnetic photo frame promotional items. (Tourism Director).
19. Consider authorizing reclassification/release of Tourism ARP Funds initially allocated for the airshow and not expended. (Tourism Director).
20. Consider accepting donations from B.C. and Addie Brookshire Foundation for summer camp and park capital projects. (Parks Director).
21. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to accept and expend donations from B.C. and Addie Brookshire Foundation for summer youth camps and ballfield lighting project. (Parks Director).
22. Consider authorizing use of ARP Funds for Park improvements (ball field restrooms, vacuum for Brookshire pool, auto chlorinator for Splash Pad). (Parks Director).
23. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to provide funding for the downtown planter boxes. (Director of Planning & Development Services).
24. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to provide additional funding for cost overruns on operating leases and motor gas and oil in Planning. (Finance Director).
25. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to close out Fund 089-TX CDBG Grant #7218269. (Finance Director).

26. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to provide additional funding for cost overruns on motor gas and oil in Fire. (Fire Chief).

27. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to accept and expend grant funding from the Ed Rachal Foundation for minor equipment for the Police Department. (Police Chief).

28. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to provide additional funding for motor gas and oil and SWAT overtime for the Patrol Division. (Police Chief).

29. Consider a resolution authorizing the City Manager to execute a Bank Depository Agreement with Kleberg Bank, N.A. for the City of Kingsville. (RFA#22-12) (Purchasing Manager).

30. Executive Session: Pursuant to Section 551.074, Texas Government Code, the Personnel Exception, the City Commission shall convene in Executive Session to deliberate the evaluation and duties of the City Manager. (Commissioner Torres).

## VII. Adjournment.

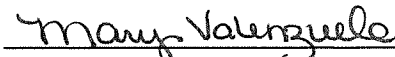
1. No person's comments shall exceed 5 minutes. Cannot be extended by Commission.
2. No person's comments shall exceed 5 minutes without permission of majority of Commission.
3. Comments are limited to 3 minutes per person. May be extended or permitted at other times in the meeting only with 5 affirmative Commission votes. The speaker must identify himself by name and address.
4. Items being considered by the Commission for action except citizen's comments to the Mayor and Commission, no comment at this point without 5 affirmative votes of the Commission.

### NOTICE

This City of Kingsville and Community Room are wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 361/595-8002 or FAX 361/595-8024 or E-Mail [mvalenzuela@cityofkingsville.com](mailto:mvalenzuela@cityofkingsville.com) for further information. Braille Is Not Available. The City Commission reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Section 551-071 (Consultation with Attorney), 551-072 (Deliberations about Real Property), 551-073 (Deliberations about Gifts and Donations), 551-074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551-086 (Certain Public Power Utilities: Competitive Matters), and 551-087 (Economic Development).

I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board located at City Hall, 400 West King Ave, of the City of Kingsville, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time:

July 8, 2022, at 11:00 A.M. and remained so posted continuously for at least 72 hours proceeding the schedule time of said meeting.



Mary Valenzuela, TRMC, CMC, City Secretary  
City of Kingsville, Texas

This public notice was removed from the official posting board at the Kingsville City Hall on the following date and time: \_\_\_\_\_

By: \_\_\_\_\_  
City Secretary's Office  
City of Kingsville, Texas



# **MINUTES OF PREVIOUS MEETING(S)**

**JUNE 27, 2022**

**A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JUNE 27, 2022, 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:**

Mary Valenzuela, City Secretary  
Courtney Alvarez, City Attorney  
Kyle Benson, IT Manager  
Derek Williams, IT  
Ricardo Torres, Police Chief  
Emilio Garcia, Health Director  
Juan J. Adame, Fire Chief  
Deborah Balli, Finance Director  
Uchechukwu Echeozo, Director of Planning & Development Services  
Janine Reyes, Tourism Director  
Bill Donnell, Public Works Director  
Charlie Sosa, Purchasing Manager  
Rudy Mora, Engineer

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate opened the meeting at 5:00 p.m. with all five City 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 - May 23, 2022**

**Regular Meeting - June 13, 2022**

**Motion made by Commissioner Lopez to approve the minutes of May 23, 2022, and June 13, 2022, as presented, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Torres, Fugate voting “FOR”.**

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

None.

**III. Reports from Commission & Staff.<sup>2</sup>**

*“At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to, the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, 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.”*

Ms. Courtney Alvarez, City Attorney commented that the next City Commission meeting is scheduled for July 11, 2022. Agenda items for this meeting are due no later than Wednesday, June 29<sup>th</sup>. The city will be closed on Monday for the 4<sup>th</sup> of July holiday.

Commissioner Torres commented that she recently attended the Civilian Response Active Shooter Training, trained by Kingsville Police Department Capt. Daniel Gonzalez. She further commented that not only should this training be mandatory for all city employees but should be shared with other businesses and the community. This is a very important training that should be shared with all. Commissioner Torres further commented that Capt. Gonzalez gave a very well presentation on the active shooter topic.

Commissioner Alvarez commented that she attended the Council of Governments meeting on Friday, June 24, 2022, where they approved a resolution for one additional employee to the Kingsville Police Department.

Mayor Fugate and Ms. Janine Reyes, Tourism Director announced events that would be occurring this upcoming weekend in Kingsville, in celebration of the 4<sup>th</sup> of July holiday.

Commissioner Torres read and presented a proclamation to Venado District Scouts Unit 811, the first group of young ladies to the Venado District Scouts, Alexandria Rios, Trinity Freeman, Rose Davis, Sophie Gonzalez, and Eva Cruz.

#### **IV. Public Comment on Agenda Items.<sup>3</sup>**

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

Mrs. Mary Valenzuela, City Secretary read the following public comment on behalf of Mr. Lance Hamm, 912 South Creek. As of today, the 27<sup>th</sup> of June 2022, I have not received a formal response to my complaint other than the City Manager emailing me that the city staff was working on a response to my complaint. In reference to Item 23, Regular Agenda, in today’s notice for the Kingsville City Commission meeting, I am in favor of the City of Kingsville adopting a formal Grievance Procedure similar to that which the City of Corpus Christi has adopted through their Ethics Committee/Ethics Complaint (link: <https://www.cctexas.com/services/general-government/ethics-complaints>). I know that my complaint to the city has not been the only complaint. It would be interesting to know how many complaints have not been answered over the years. Integrity is listed as a core value of the City of Kingsville. Integrity: “We will safeguard public trust by ensuring that our actions are consistent with our vision, mission, and core values. We are dedicated to a standard of values that promotes honesty and ethical behavior. We will treat our customers, as we would want to be treated and deliver the highest level of customer service possible.” An adoption of a City of Kingsville Grievance Procedure, in my opinion, would strongly compliment the City’s core

value of “Integrity” and will result in the City’s customers being treated fairly and treated as the City Commissioners and City Staff would want to be treated. Respectfully, Lance D. Hamm.

Mr. Terry Fitzwater, 5151 Hwy 77 South, commented that he would like to present the city commission with the newly printed Explore Kingsville and the greater Kleberg County areas magazine. Mr. Fitzwater further commented that he would like to thank Ms. Janine Reyes and Mr. Chris Maher for their assistance in putting this magazine together.

V.

### **Consent Agenda**

#### **Notice to the Public**

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#### **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 Torres. 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 Fiscal Year 2021-2022 budget to accept and expend a donation from Other’s First for firefighting equipment. (Fire Chief).**

**2. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to increase the Park maintenance motor gas & oil budget due to rising costs. (Parks Director).**

**3. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to accept and expend donations from the Kleberg County Attorney Task Force for healthy family events. (Parks Director).**

**4. Motion to approve final passage of an ordinance amending the Fiscal Year 2021-2022 budget to expend Tourism ARP funding for office furniture. (Tourism Director).**

### **REGULAR AGENDA**

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

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

**5. Presentation and discussion regarding a proposed Public Improvement District (PID) in the City of Kingsville. (City Attorney).**

Mr. Dan Martinez, Winstead PC, City of Kingsville Bond Counsel stated that in part of the development community there are several tools authorized by the State to help communities and developers work together with developments in their communities. There are several different types of entities that can be created to help benefit

communities as well as developers in terms of covering certain costs of the development themselves. Mr. Martinez stated that today's item is to explain the process and allow the commission to ask questions. Mr. Martinez stated that this is a project that is through the city and requires the city's consent and if it gets to a state where bonds are issued to cover some of this development, it will be at no cost to the city. The city's consultants are not covered by the city. There is no cost or issue to respect the city's credit or the ability to borrow money.

Ms. Melissa Killen, Law Firm from San Antonio made a PowerPoint presentation regarding Public Improvement District (PID) project. The location of this property/project is off General Cavazos Blvd. and bounded by Brahma Blvd. and E. Trant Road. It is being proposed to build 270 homes with a price point of about \$260,000. She stated that this is a portion of the property that is commercial.

Mr. McIlwain, Somerset Land Co. explained the type of commercial that will be placed in this area. He stated that they have a project like this in Sinton but on a larger scale as they developed on 1,275 acres and have been annexed into the City of Sinton. He further stated that he pledges to the City of Kingsville that a good portion of the money that is received from the bonds will be to reduce the cost of the lots and thereby the housing. In doing this they were able to attract the nation's largest home builder, D R Horton to come in and purchase every one of his lots in Sinton. He further commented that the way this works is that the attorneys for both sides will look at what the property value will be after its development and determine an amount of money in bonds that can be sold to offset some of the cost of public infrastructure roads, water, sewer, and electric. An assessment will be placed on the individual lots and homes to pay for this and there will be no cost to the city. He further stated that what they did in Sinton was that they had a fund with \$25,000 and utilized it then moved forward and replenished it. He stated that from start to finish with the City of Sinton, they made applications for a PID District in December 2019 and were accepted in the early part of 2021. He further stated that they were able to sell a \$28 million bond issue in January of this year. Mr. McIlwain spoke further about the project in Sinton. The PID bonds provide upfront and or reimbursement financing capability secured by a lien on the benefited land. The city may issue debt for the PID but does not pledge or encumber any city funds. This will not impact a city's credit rating as mentioned by bond counsel. A PID provides an ongoing revenue source for recurring reimbursement and/or operation and maintenance needs. Some of the PID authorized and eligible improvements include streets, sidewalks, water, wastewater, and drainage facilities, public safety and security services, health, and sanitation amongst other services. The city can negotiate some areas of the development as to how they would like the area to look to go with the look of the city. PID benefits to the city are development pays for itself, accelerates the timing of the development, PID debt is non-recourse to jurisdiction, has no impact on bond rating or bonding capacity, and allows the city and developer to agree to development standards. Benefits for the property owner cost certainty through fixed nature of assessments even if property values increase, the finite life of obligations due to fixed term of PID, ultimate flexibility as assessment can be prepaid without penalty at any time, no impact on "my property" by actions of others, and enhanced amenities for the higher quality community.

Commissioner Alvarez asked if the total acreage was 74 acres? Mr. McIlwain responded that it was 74 acres.

Commissioner Hinojosa asked if the average home price included the lot and home? Mr. McIlwain responded that it was the price for a finished product.

Commissioner Torres asked if this subdivision would have a Homeowners Association (HOA)? Mr. McIlwain responded that there will be an HOA. She further asked if there

is an area near a church, and will it impede the church? Mr. McIlwain responded no, as that property is currently owned by Harrel Nix. He further stated that he is not sure what they would be doing with that, but the primary reason to purchase that would be to have access to General Cavazos. He also stated that they can get about 15 to 18 single-family lots in that area, but he just got this under contract on Thursday, so they are exploring the different options and is not aware if there is a need for any type of commercial property usage at this time. He also stated that this property is zoned C2 at present, but he will need additional time to be able to get more concrete information.

Mayor Fugate commented that this will not cost the city any money upfront and there is no commitment from the city. This will not affect the city's bond abilities and does not affect the city.

Mr. Don Gonzales responded that this was correct, the city will not be affected in any way.

Mayor Fugate asked if there will be a tax abatement when the property was sold.

Ms. Killen responded that it would be an assessment fee to the homeowners. When the property owner purchases their property and home, they receive a disclosure, as per Texas Law, that states that they are purchasing the property within a public improvement district and will be assessed a rate that is determined by a formula. This will allow the purchasers ahead of time that there is an assessed rate. The money collected from the assessment rate will then goes towards the bond that was issued at the beginning to pay for all the infrastructure. Ms. Killen stated that what it comes down to is a development paying for itself. The city does not have to do anything else other than creating a public improvement district.

Mayor Fugate asked if this would affect the city's ad valorem taxes? Ms. Killen responded no.

Mr. Dan Martinez stated that the assessment that is being referred to is only within the PID and does not affect anyone else in the city. Property owners within the PID will continue to pay their normal property taxes with the inclusion of a PID assessment fee. He further stated that the benefit for the city from this project is the growth the city will be receiving. The growth will provide additional taxes to the city, county, and other taxing entities.

Mayor Fugate commented that Mr. Manny Salazar had completed a housing study for our community and further asked Ms. Alvarez for the results of that study. Ms. Alvarez responded that she was not given any information on a housing study. Mayor Fugate further commented that maybe the city can have Mr. Salazar report at the next commission meeting on the housing study. He further stated that what is being asked for today, is what the housing study shows is needed for this community.

Commissioner Hinojosa asked how the bonds would be paid and who will determine the values for these properties?

Mr. Martinez responded that the bonds will be paid through the assessments. He further stated that you can only assess so much because it can drive your tax rate up. No one will want to come into a new development and have a high tax rate plus an assessment.

Commissioner Hinojosa commented that the city would not be responsible for this bond. Mr. Martinez responded that this was correct, it is solely payable through the assessment.

Mr. McIlwain explained how the City of Sinton went through the same process that is being asked from the City of Kingsville.

Mayor Fugate asked Mr. Don Gonzalez from Estrada Hinojosa if this would be similar to the city asking to borrow money and not having to go to the Attorney General?

Mr. Gonzalez responded that when the city borrows money for its bond issue everything must be approved by the Attorney General's Office as well.

Ms. Killen stated that the funding method they are proposing is a Public Improvement District (PID). She further stated that this is a great tool for this type of project, and the city is not under obligation and does not affect the city's credit rating. This is a development that will be paying for itself. She further explained that the homeowner will need to pay an assessment and that assessment goes into a pool of money that pays back the bonds. This would be for a definite amount of time, 20 or 30 years. The city's financial advisors will let them know what length of time can be whether it's 20, 30, or 40 years. Once the time is over, then they will pay their regular city and county taxes. She further stated that the city can issue debt for the PID, and it does not pledge or encumber any city funds and does not impact a city's credit rating. She also stated that some of the items that the PID is authorized to pay for are our streets and sidewalks; water, wastewater, and drainage facilities; public safety and security services, health and sanitation; acquisition of rights of way; art installations; creation of pedestrian malls; erections of fountains; landscaping and other aesthetics; library facilities; mass transit; park, recreation, and cultural facilities; parking facilities; acquisition, renovation and/or construction of affordable housing; and formation, administration and operation expenses. She further stated that what happens is that the developer enters into an agreement with the city where the city can have some say in the development of this subdivision, as to what the city would like it to look like now and in the future. She further stated that the PID Assessment is converted to a tax rate equivalent and added to overlapping taxes. She further stated that an example would be the City of Kingsville 0.840000, Kleberg County 0.771870, Kingsville ISD 1.518900, and South Texas Water Authority 0.082426 with an existing tax rate of 3.213196 with an example of PID Annual Assessment of 1.00000 for a net total tax rate equivalent to 4.213196, paid by the property owner which is collected through the Appraisal District. She further stated that to make this affordable, what they are proposing is adding a TIRZ on top. She further gave an example of a TIRZ. The example, if you take a piece of property that is vacant and it pays taxes of \$100 per year, once the homes are built on the property the value will increase. So now each house is \$200 which is an increase of \$100 for the city. She further stated that what they will do is take half of that amount which is \$50 and place it into the bond fund, to lower the amount that the homeowner will have to pay. The city will still see a net increase of half, for example, \$100 plus 50% and at the end of the PID, the city receives the full amount. She stated that the city would not be out anything upfront and there is a fund that they will put money into and pay for the consultants and the development pays for itself and it will give the city an increased tax base, half of that will go back to pay and lower the amounts the homeowner will have to pay so that they are not so burdened. She further stated that at the end of the term, the city will get the full tax amount.

Mr. Martinez commented that this revenue is helping to pay for this infrastructure. The infrastructure gets conveyed to the city, it will be city property at the end of the term, but it will be the homeowners that will be paying for the PID. He also stated that a benefit for the PID is the development agreement. This will allow the city's presenters to negotiate the development agreement, as they cannot do whatever they want. City codes will be followed and input from the commission as to how they would like the city to look will be considered. Mr. Martinez further stated that this is a private/public partnership that allows the city to give its input without being responsible.

Ms. Killen stated that in the example that was given earlier, the rate was 4.2 then overlay the TIRZ they will get a discount of .42 so the rate will become 3.8. Property

owners will get the disclosure at the signing of their home documents making them aware of the extra fee that will go towards the infrastructure.

Commissioner Hinojosa asked if the developer will be asking the city to waive building fees?

Ms. Killen responded that they are not contemplating asking for any waiver of fees. They are intending on paying all city fees for permitting, inspections, and any other fees the city may have. Ms. Killen continued with her presentation and stated that the next step would be for them to formally submit a petition to the City Secretary. The City Commission would have to accept that petition and then schedule a date for a public hearing. She further stated that once the petition is submitted and it gets accepted with the setting of a public hearing date, notices will then go out. They will notify the property owner by mail and submit a notice to the local newspaper notifying the public of the public hearing scheduled. She further stated that they will also be entering into the professional services agreement where the developer will pledge \$25,000 to cover the city's expenses, as the city should not have to pay to go through this process. The money will be put into a fund that will be handled by the city's Finance Department and so whoever looks at this analysis, City Attorney, Bond Counsel, or Financial Advisor they will get paid from this fund. When the fund gets to a low point, they will replenish it. She further stated that then they will do the development agreement. This agreement will state how the development of the project will look like and what the obligations are or if there are any restrictions or any give and take. She further stated that then, the Commission will accept a TIRZ Petition, Preliminary Financing Plan, and set a public hearing date. The Commission holds the public hearing on TIRZ then they will consider designating a reinvestment zone. Once this gets to the end, it will be submitted to the Attorney General and they will review it. Ms. Killen stated that this is a very transparent process with a lot of steps with the Commission being kept informed during the process.

Commissioner Torres asked if this was going to be a deed-restricted community?

Mr. McIlwain responded that the Homeowners Association (HOA), D.R. Horton, will set up its rules and regulations for the homeowners.

Ms. Killen responded also that not in the individual deed but would probably reference what they call CCRs, Covenants Codes Restrictions, which are usually with the HOA. In the past couple of legislative sessions, the legislature came down on HOA's and have multiple steps in public comments and public disclosures that they would have to give to their members, which are listed on the HOA's website.

Mayor Fugate commented that most of the regulations will be coming from HOA and not coming through deed restrictions.

Mr. Martinez stated that part of the agreement will be that it will be required to have an HOA as we wouldn't want them to come and then leave and the area goes down. We want it to be a nice community that the city wants and have it attractive to new home buyers. The development agreement will also benefit the bonds as the bonds will be out there for 30 years, and we would want that community to be maintained over that time.

Commissioner Torres asked if the developer would pay the HOA? Mr. Martinez responded that the homeowners would pay their HOA fees, but it's the developer's responsibility to make sure that one is set up, which in this case will be D. R. Horton Builders.

Commissioner Hinojosa asked if this would be a gated community. Mr. McIlwain responded no.



Mr. Martinez also responded by stating that it could not be a gated community as all these are public improvements that are required by law, and they are public improvements that are conveyed to the city.

Mr. Gonzalez commented that if he was in the commission position, there are a few things that he would want to know. One is that in setting this up the city maintains some control without having the debt or liability that is associated with the project. The second important thing is that you would want to have experienced people that have done this before involved such as the developer and builder. Once the home builder purchases this land then they become the one that will be assessed. If they don't build on it they will be paying on that assessment for years to come. He also stated that what the builder would want to do is convert that assessment that they would be paying on that property into a constructed home and then sell it for some type of profit. One other important factor is that there will be a much deeper level of due diligence that will need to be done. He also stated that that level of due diligence will need to come down to not only the estimated price of these homes but what is the timetable over which they will be constructed. The sooner you put a value on the ground, the sooner you will have those assessments coming in, and the bondholders will know that they will get paid back. He also stated that the ability to be able to overlay the TIRZ over the PID district will provide an additional layer of protection as the home builder will want to be incentivized to build those homes to get them constructed and sold. With this happening and assuming that the city is willing to part with 50% of that value for a certain period of time, you will get that value increase right as the development is occurring. The other good part is that at the end of the term of the PID and TIRZ the city gets 100% of the value and 100% of the infrastructure that was put in by the developer. The city gets all of this without liability. The liability goes to the owners of that property and does not fall on the city. The liability never transfers to the city and the city will know that those assets will convey to the city at a certain point in time.

Mayor Fugate stated that this is a reflection of the city and the good work that the staff has done, and no other city nearby is getting one of these. He further asked why Kingsville?

Mr. McIlwain responded that Sinton and Odem are two other cities that they are working with. No one else is doing this as they haven't had the opportunity to do it. The reason D.R. Horton chose Kingsville is that by building affordable housing that is \$25,000 less, the people will be willing to drive the extra 30 minutes or so.

Commissioner Hinojosa stated that it was mentioned that the properties will be secured by the tax rate, but will it also be secured by the land itself and all those houses in case the bonds are not paid?

Mr. McIlwain responded that if the bonds are not paid, it falls back on him, falls back on who owns the property. If the bonds weren't paid they would go to the tax accessor to foreclose, just as if anyone else hadn't paid their taxes.

Mayor Fugate commented that it is important to this commission to have Mr. Manny Salazar do a presentation on his housing study. This will show how Kingsville is in a shortage of homes at this time.

Ms. Killen commented that PID is a hot topic at this time and at the TML Annual Conference in October there will be a seminar that will be available for attendees.

Ms. Alvarez commented that she attended a virtual Land Use Conference provided by UT and attended Texas City Attorney's conference where it is always mentioned that PIDs are much preferred over MUDs.

**6. Consider final passage of an ordinance amending the Fiscal Year 2021-2022 budget to appropriate funding for the parking lot preparation and hot mix overlay of the west, east, and north parking areas at the JK Northway. (City Manager).**

**Motion made by Commissioner Lopez to approve the final passage of an ordinance amending the Fiscal Year 2021-2022 budget to appropriate funding for the parking lot preparation and hot mix overlay of the west, east, and north parking areas at the JK Northway, seconded by Commissioner Hinojosa.**

Commissioner Hinojosa stated that at a previous meeting Kleberg County Judge Rudy Madrid committed county funds if the project was over \$158,000. He further asked if a Memorandum of Understanding (MOU) between the City and Kleberg County would be drafted? Commissioner Hinojosa further commented that he wants to hold the county responsible for its part of this project. Ms. Alvarez responded yes.

Commissioner Torres asked if the Commission would be approving this item, before receiving an MOU?

Ms. Alvarez responded that all the budget amendment does is allocates or encumbrance funds. This does not mean that city staff will be releasing the funds, as the document would have to be in place before funds are released.

Commissioner Alvarez asked if the document would be presented to the city commission for a vote?

Ms. Alvarez responded that the Commission will not need to vote on the allocation of the funding, the commission will be voting on a resolution to approve the interlocal agreement between the city and the county for the parking lot project.

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

**7. Consider final passage of an ordinance amending the Fiscal Year 2021-2022 budget to appropriate funding for the parking lot study and phase 1 buildout of parking areas around the baseball fields at Dick Kleberg Park. (ARP Funds) (City Manager).**

**Motion made by Commissioner Torres to approve the final passage of an ordinance amending the Fiscal Year 2021-2022 budget to appropriate funding for the parking lot study and phase 1 buildout of parking areas around the baseball fields at Dick Kleberg Park. (ARP Funds), seconded by Commissioner Alvarez.**

Mayor Fugate commented that he will be voting for this item, but it is not a way to start a project for the city. The \$150,000 will not come close to what is needed out there. He further stated that when something like this comes up, the commission needs to speak with staff and allow staff to come up with a plan and then present that plan to the commission, and not to come up with a dollar amount of \$150,000 that is not connected to anything. Mayor Fugate further commented that he would like to see these funds go into city streets, but it is obvious to him that the majority of the commission wants this to happen therefore this is what is going to be done. He also stated that in the future he asks that the commission visit with staff on any projects they would like to see done.

Commissioner Lopez commented that when something like this is done, the commission allows staff to locate the funds and make presentations to the commission on those projects. She further commented that she is all for the parks getting fixed, but

the commission needs to go to the city manager and see what he will present to the commission. Commissioner Lopez further stated that she is not sure what could be done with \$150,000.

Commissioner Torres commented that this was something that had been addressed with the city manager three times via telephone, person, and email, to which she has emails, so if this had been something that had been addressed, as Commissioner Lopez and Mayor Fugate just mentioned, then she wouldn't have had to bring it up. Commissioner Torres further stated that there have been several things that she has asked and spoken to the city manager about, to where now she has started to email the city manager as she wants proof of it. She further commented that this is the reason why it came up.

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

**8. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter VII, Article 6, Traffic Control Devices; providing for the restriction of parking during certain hours on both sides of East Ailsie Ave. from 14<sup>th</sup> Street to Shelly Blvd. and on both sides of East Kenedy Avenue from 17<sup>th</sup> to 18<sup>th</sup> Streets. (City Engineer).**

Mr. Rudy Mora, City Engineer commented that this request was received from the Kingsville Independent School District (KISD). He further commented that at this time, he will need to reschedule the introduction of this ordinance due to recent changes from KISD.

Commissioner Alvarez stepped away from the dais at this time.

Commissioner Hinojosa asked that instead of having KISD pay for the signage being requested, can the city waive those costs?

Mayor Fugate commented that he didn't see a problem with waiving the fees for these signs.

Commissioner Lopez commented that she had a conversation with Mr. Mora, and it will not be that many signs as certain things were not correct and further stated that she also agrees with helping out KISD regarding waiver of signage fees.

No further discussion or action is taken.

**9. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to provide funding for Storm Water Manhole Rehabilitation. (City Engineer).**

Mr. Mora stated that the purpose of the budget amendment is to rehabilitate eight existing brick manholes with an interior geopolymer liner and construct sloped benches and inverts. The manholes are located on Armstrong Street between W. Kenedy Ave. and W. Santa Gertrudis Ave. This rehabilitation will prevent deterioration of the existing manholes and allow for proper storm water drainage through the existing conveying system.

Introduction item.

**10. Consider authorizing Stormwater Manhole Rehabilitation Project to Vortex Companies via BuyBoard, as per staff recommendation. (City Engineer).**

**Motion made by Commissioner Hinojosa to authorize the Stormwater Manhole Rehabilitation Project to Vortex Companies via BuyBoard, as per staff recommendation, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Lopez, Torres, Fugate voting "FOR".**

**11. Consider a resolution authorizing the City Manager to execute a letter Agreement with the King Ranch for Use of their Running W Trademark in the Fire Department Shield. (Tourism Director).**

Ms. Janine Reyes, Tourism Director stated that the Kingsville Fire Department has been in the process of redesigning its patch for placement on uniforms and shirts. The Fire Department has requested the use of the Running W to incorporate the city's history and create a more uniform appearance that aligns with the Kingsville Police Department. This resolution will authorize a letter of agreement for permission to use the King Ranch Running W on the city logo as specified in the agreement.

**Motion made by Commissioner Lopez to approve the resolution authorizing the City Manager to execute a letter Agreement with the King Ranch for Use of their Running W Trademark in the Fire Department Shield, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Fugate voting "FOR".**

**12. Consider a resolution authorizing the City Manager to execute a letter Agreement with the King Ranch for Use of their Running W Trademark in the Police Department Shield. (Tourism Director).**

**Motion made by Commissioner Torres to approve the resolution authorizing the City Manager to execute a letter Agreement with the King Ranch for Use of their Running W Trademark in the Police Department Shield, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Fugate voting "FOR".**

**13. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget for increased credit card fees. (Finance Director).**

Mrs. Deborah Balli, Finance Director stated that credit card fees are trending to reach \$123, 000 on a \$98,000 budget, thus a \$25,000 budget amendment is being requested.

Introduction item.

**14. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to provide funding for the debt service payment from Fund 087 for the solid waste equipment purchased through 2021 and 2022 Tax Notes. (Finance Director).**

Commissioner Alvarez returns to the dais.

Mrs. Balli stated that the garbage trucks were purchased through the 20-21 tax note. The final cost and delivery of some of the trucks have already been taking place, therefore staff can now do the proper allocation. She further stated that for the 2022 Tax Note, it was budgeted the actual Tax Note payment in the Tax Note fund and needs to go over to the debt service to make the actual payment.

Introduction item.

**15. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to appropriate funding for 50% of the renovation costs of the golf course remaining 15 greens and the putting green. (Parks Director).**

Mayor Fugate stated that they have redone 3 greens at the golf course and with the County Judge being a golfer, he has offered for the county to pay for half of the greens to get redone.

Commissioner Hinojosa asked what if it is more than \$240,000, will the county still be willing to pay 50% over that amount?

Mayor Fugate responded that as this is only an introduction agenda item, there is time for the city to get a commitment from the county that states that they will pay for half of whatever it takes to get it fixed.

Introduction item.

**16. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to provide additional funding for increased motor gas and oils costs for the Golf Course. (Parks Director).**

Introduction item.

**17. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to appropriate additional funding for vehicle repairs on sanitation garbage trucks. (Public Works Director).**

Mr. Bill Donnell, Public Works Director stated that this is for Fund 087 which had a budget of \$77,000 which has been over expended by \$55,408, therefore requesting \$55,408 to cover the over expended amount for Fund 087.

Introduction item.

**18. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to provide funding for Water Well #23 repairs. (Public Works Director).**

Mr. Donnell stated that Water Well #23 located at S. 6th Street and General Cavazos was completed in 2010 and is a good producing well for the south part of the city. Shortly into May, the motor shorted out and had to get a good driller to come in and pull it out. It shows that the motor had shorted and would need to be replaced. Severe pitting and corrosion of the pump deem it non-repairable, so a new pump is proposed. Some oil tubing and bearings will also need to be replaced. The column pipe appears to be in good condition. Anodes are proposed to be installed to minimize electrolysis in the well. Mr. Donnell further stated that to get this well back online, will cost \$120,645.00.

Introduction item.

**19. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to provide additional funding for increased costs in solid waste. (Public Works Director).**

Mr. Donnell stated that when garbage trucks are down for repairs, the routes take longer causing unpredicted overtime for Sanitation drivers and Landfill Operators. Motor gas and oil have nearly doubled since October 2021. Professional services for the single-stream recycling compactor have nearly doubled from last fiscal year averaging over \$1,200 per month for hauling services. Vehicle and equipment parts are at an all-time high as parts have not been readily available most of the time. Mr. Donnell further stated that this will reduce the unappropriated General Fund 001 balance by

\$183,768 and increase the overtime by \$45,317; motor gas & oil by \$38,948; professional services by \$8,000; vehicle maintenance by \$43,000; overtime by \$14,902 for landfill overtime and motor gas & oil \$33,781.

Introduction item.

**20. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to provide additional funding for increased costs in the Police Department for overtime and vehicle maintenance. (Police Chief).**

Mr. Ricardo Torres, Chief of Police stated that the police department is requesting additional funding for overtime in the Patrol Division, Communications Division, and Criminal Investigations Bureau to finish out the remainder of this fiscal year. Chief Torres stated that a budget amendment request is being made for an amount of \$121,248.88 to finish out the year as well as for additional funding for maintenance of their older police vehicles in the amount of \$15,889.68.

Introduction item.

**21. Consider awarding Depository Services Agreement RFA#22-12 to Kleberg Bank, as per staff recommendation and authorizing staff to negotiate a contract. (Purchasing Manager).**

Mr. Charlie Sosa, Purchasing Manager stated that this item authorizes the city to enter into negotiations with Kleberg Bank for depository service contract. Publication for Request for Applications for Proposal #22-12 was published in the newspaper on May 26th and June 2, 2022. Request for applications were accepted until 2:00 p.m. on June 7, 2022, and one response was received. After staff review of RFA 22-12, it is recommended that the city negotiates with Kleberg Bank for depository services. Kleberg Bank currently is the institution on record for the city's depository services and can meet and exceed the city's financial needs.

**Motion made by Commissioner Lopez to approve awarding Depository Services Agreement RFA#22-12 to Kleberg Bank, as per staff recommendation and authorizing staff to negotiate a contract, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Torres, Hinojosa, Alvarez, Lopez, Fugate voting "FOR".**

**22. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to appropriate funding for landscape architecture services for Chamberlain Park. (Purchasing Manager).**

Mr. Sosa stated that this item authorizes the funds to be budgeted from CO 033-5-1030-000 for landscaping architect services from Robert Gignac with Gignac Landscape Architecture from Corpus Christi, TX. Mr. Gignac has been retained to design and assist with landscaping for City Hall and Chamberlain Park in the amount of \$7,200. He further stated that Mr. McLaughlin and Mayor Fugate have met with Caroline A. Forgason daughter of the late Helen Kleberg Groves on plans to landscape city hall which includes all of the city hall, Cottage green space, and the proposed Chamberlain Park area. Mr. Gignac met with Ms. Forgason, Mayor Fugate, and Mr. McLaughlin to discuss the vision Mrs. Groves had for city hall landscaping and Chamberlain Park. Mr. Gignac has designed a landscaping plan for review to be approved by Ms. Forgason. Mr. Sosa further stated that funds for this project are available through 033-5-1030-31400 for an amount of \$7,200.

Mayor Fugate commented that Mrs. Groves originally wanted college students to work on the design, but the last time staff met with Texas A&M University, the university had

32 students that were going to design 32 proposals. After the staff discussed the process, the staff decided to go with a professional landscaper which Mr. Gignac has highly recommended.

Introduction item.

**23. Discuss implementing a grievance procedure within the City of Kingsville. (Commissioner Torres).**

Commissioner Torres stated that she had sent out an email and knows that there were some grievances/complaints that were made on staff, she commented that she would not be mentioning anyone's names, and these complaints haven't been addressed. She further stated that Corpus Christi has a grievance process.

Mayor Fugate commented that looking at the City Attorney, she is saying no.

Ms. Alvarez commented that Corpus Christi has an Ethics Policy and procedures for filing complaints under that, as does the City of Kingsville.

Mayor Fugate asked if it would apply to the City Commission?

Ms. Alvarez responded that the Ethics Policy does apply to the City Commission, but what is being discussed doesn't have anything to do with ethics, it has to do with another disgruntlement.

Commissioner Torres further commented that this is one of the things that she feels that need to be implemented or discussed in the grievance procedures. When there are complaints that come in on whether or not these issues are addressed if anything is sent back. She commented that she knows that there are three now that haven't received a response and these three complaints have been a couple of months. She thinks that as we hold ethically, we do need to respond to our citizens regarding these issues.

Commissioner Alvarez asked Ms. Alvarez if there is in place a grievance procedure for employees?

Ms. Alvarez responded that there are several grievance processes. If a citizen has a complaint about an employee of the city, they will need to contact the employee's supervisor. If an employee has a complaint about another employee of any stature the city has a handbook that has policies in place so that the employee can file and have the process be heard and addressed.

Commissioner Alvarez further asked who hears these types of complaints?

Ms. Alvarez responded that Human Resources usually receives them if it's on an employee and employee. If it's a commissioner that has a complaint about a city employee that is not their direct report, then they would need to contact the city manager about whatever issue they might have with that employee. If a commission member has an issue with one of their direct reports, they can take it up with that individual employee or they can ask for a personnel executive session and have it discussed in that manner. If a citizen has a complaint the "Commission", just as any other city, can make a public comment, vote when it's election time, or most Charters have a recall provision.

Commissioner Torres asked that if a citizen has a complaint against a director or an individual who is appointed by the Commission or someone that answers directly to the Commission, is that also addressed in there?

Ms. Alvarez responded yes, but these are two different things. If a citizen has an issue with a director, they can make that complaint with the city manager as the city manager

oversees the director. If a citizen has a complaint with regards to one of the direct reports, Municipal Court Judge, City Attorney, or City Manager they could bring it to the Commission's attention, and then Commission can decide if this is something you would want to meet in executive session discuss with the pertinent employee.

Commissioner Torres further asked if a citizen has a complaint against the City Manager it then comes to the City Commission and then it is addressed that way?

Ms. Alvarez responded that the citizen could take the issue up with that position and if they are not satisfied with the outcome, they then can take it to that position's immediate supervisor, which is the Commission.

Commissioner Torres also asked if this was part of the process, is it just known or is it something that everyone is supposed to know? Is there something in writing that states that if a citizen complains about the city manager, sends him or her a complaint and it is not taken care of, then they can bring it to the Commission?

Ms. Alvarez responded that the citizen could bring it to the commission as the commission is the supervisor of the director reports.

Mayor Fugate commented that this could be problematic if citizens can file complaints about staff and have the commission take care of the complaint.

Ms. Alvarez commented that the commission can only receive complaints from the three positions that the commission appoints. She further stated that this type of grievance is different from the ethics policy that the city has and the process for filing a complaint under that which is something that was sided in the public comment that was submitted electronically today. These are two separate and different things. You can't say that the process for an ethics complaint, which has a very defined policy and a very defined procedure in it, is a can to just generic other types of grievance when satisfied with the resolution they have received.

Commissioner Hinojosa asked that as for the three appointed positions that the Commission makes, is there a grievance within the City Charter?

Ms. Alvarez responded no, which she had already reviewed in preparation for this meeting.

Commissioner Torres commented that she also looked at the City Charter and there is nothing that addressed that which is a concern of hers as well. The three positions that are appointed, if they are not giving citizens any answers or following through on their job descriptions or their job then there isn't anything that can be done. She further stated that they take the complaint to that certain individual and if that individual chooses to address then they choose to address it and if they don't, then they don't.

Ms. Alvarez commented that the citizens can come and make a public comment and inform the Commission of the problem that they are having which has happened and has been in place for over 100 years.

Commissioner Lopez commented that this would fall under personnel issues. If the complaint is one of the three positions, City Attorney, City Manager, or Municipal Court Judge if there is a complaint from a citizen, they can turn the complaint into the Commission then the commission would go into executive session with the individual whom the complaint was filed on.

Commissioner Torres asked if this is something that is in writing?

Commissioner Lopez responded that this is the procedure.

Ms. Alvarez responded that this is something that has been in place for over 100 years.



Commissioner Torres commented that because something has been done for over 100 years doesn't mean that there is something that doesn't have to be done that way.

Commissioner Lopez responded that it's part of the chain of command.

Commissioner Torres stated that now there are grievances that are out there, and nothing has been done about them.

Commissioner Hinojosa asked how this could be changed? Does the city need to have a Charter election?

Commissioner Lopez responded yes. She further stated that the Charter says that the City Manager will be hired, fired, or reprimanded by the City Commission, as the City Commission oversees that position. Lopez also stated that the City Manager, City Attorney, and Municipal Court Judge are not regular employees. Anything having to do with those three positions must be handled in executive session then come out and decide if the Commission wants to vote on something such as reprimand that position. The employees of the city have a grievance procedure. They file a grievance, and the Human Resources Department investigates it if there is a complaint it will go to that employee's supervisor and the City Manager then the grievance gets filed if nothing is worked out. As for the three positions that the City Commission oversees, there is nothing that addresses that. The only way to change the City Charter would need to get a petition, Charter Review Committee, and have an election. The Charter Review Committee comes up with changes then bring them to the Commission for approval then calls for an election where the voters will vote for the proposed change(s). Lopez stated that the Charter cannot be changed without voter approval. There has never been a grievance procedure as it has never been that way.

Commissioner Alvarez asked that if there is a complaint/grievance on one of the three individuals the director report to the Commission, who takes care of that complaint/grievance.

Both Mayor Fugate and Commissioner Lopez responded the City Commission takes care of that complaint/grievance.

Commissioner Alvarez commented that it's never come before the Commission and will not speak for Commissioner Torres, but there has been a grievance file from Mr. Hamm, but the Commission didn't know about it before.

Commissioner Lopez responded that Mr. Hamm has been emailing the Commission.

Ms. Alvarez responded that Mr. Hamm has also brought it up during two different public comments.

Commissioner Alvarez further asked if the Commission was supposed to have gone into executive session and taken care of that?

Commissioner Lopez responded no, as the complaint is against the Commission.

Commissioner Alvarez further asked then how is that complaint taken care of?

Commissioner Lopez and Mayor Fugate both responded to the voters when they vote.

Commissioner Torres asked if Mr. Hamm had filed a grievance against the City Manager?

Mrs. Mary Valenzuela, City Secretary responded that the complaint was only towards the City Commission, and she is not aware of a complaint filed against the City Manager by Mr. Hamm.

Commissioner Torres stated that there were, then asked Ms. Alvarez if she could mention the names of those individuals who have filed complaints/grievances?

Ms. Alvarez responded that she is not aware of what Commissioner Torres was speaking about.

Commissioner Torres then stated that there are three individuals, including herself, that filed a grievance against the City Manager. She stated that she is not sure if she could mention the other two individuals' names that filed the complaint. She further stated that as for her grievance it will be discussed, but for the other two complaints and asked if anyone else had received the complaints.

Mayor Fugate responded that he hasn't received anything and is not sure what Commissioner Torres is talking about.

Commissioner Alvarez stated that she knows of one, the mayor's neighbor.

Mayor Fugate asked if it was Liz Ramos?

Commissioner Torres mentioned that it was Liz and Lisa Bockholt.

Mayor Fugate commented that this was news to him as he wasn't aware.

Commissioner Lopez commented that she is not aware of this either.

Commissioner Torres asked if this could be discussed now?

Ms. Alvarez responded that this is a discussion item on implementing a grievance procedure process. This was the item that was requested so that's what was placed on the agenda. Ms. Alvarez further commented that we don't want to get into the particulars of any allegation without it being done in a different format and a different discussion item.

#### **VI. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 6:47 P.M.

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Sam R. Fugate, Mayor

#### **ATTEST:**

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Mary Valenzuela, TRMC, CMC, City Secretary

# **CONSENT AGENDA**

# **AGENDA ITEM #1**

**City of Kingsville  
Engineering Dept.**

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Rutilio P. Mora Jr, P.E., City Engineer

DATE: June 27, 2022

SUBJECT: Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to Storm Water Manhole Rehabilitation costs.

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**Summary:**

The purpose of the budget amendment is to rehabilitate eight (8) existing brick manholes with an interior geopolymer liner and construct sloped benches and inverts. The manholes are located on Armstrong Street between W. Kenedy Ave. and W. Santa Gertrudis Ave. This rehabilitation will prevent deterioration of the existing manholes and allow for proper storm water drainage through the existing conveying system.

**Financial Impact:**

Fund 068 will be used to pay for the construction costs of \$59,845.00.

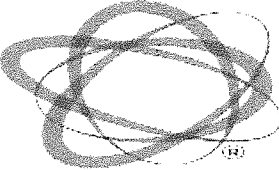
**Recommendation:**

Staff recommends approval of the Budget Amendment.

**Attachments:**

Ordinance No. 2022-\_\_\_\_\_  
Budget Amendment  
Proposal – Vortex Companies





# VORTEX

## lining systems

<b>To:</b>	City Of Kingsville	<b>Contact:</b>	Bill Donnell
<b>Address:</b>	PO Box 1458	<b>Phone:</b>	361-455-4488
		<b>Email:</b>	wdonnell@cityofkingsville.com
<b>Project Name:</b>	TX - Kingsville - 42" & 36" RV4 - MH Rehab	<b>Bid Number:</b>	206028-01
<b>Project Location:</b>		<b>Bid Date:</b>	4/7/2022

BuyBoard Contract 635-21

Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
I.19D.010	Travel And Mobilization- TML Region 11 (Coastal Bend - Corpus Christi)	1.00	EACH	\$8,970.00	\$8,970.00
I.3.010	Manhole Rehabilitation (Standard 4-ft Diameter) - 1-inch Geopolymer Liner	68.00	VF	\$400.00	\$27,200.00
II.22.016	Rebuild Bench And Invert (not To Exceed 8)	8.00	EACH	\$1,000.00	\$8,000.00
III.39.037	INFILTRATION CONTROL- CHEMICAL GROUT (not To Exceed 16.5 Cartridges, Roughly 1 Per Each MH)	16.50	EACH	\$350.00	\$5,775.00
I.19C.011	Barricades, Signs, And Traffic Handling (per Setup) *will Bill As Needed	6.00	EACH	\$1,650.00	\$9,900.00

**Total Bid Price: \$59,845.00**

#### Notes:

- Does not include any Traffic Control drawings or permits.
- Owner / Contractor will provide a portable hydrant meter for our use free of charge.
- Owner / Contractor will provide a local area and pay disposal fees to dispose the debris that is pulled from the Manholes during the prep process. Disposal site must be less than 10 miles away from job site.
- Owner / Contractor will provide access to each and every manhole and or structure. This may include but not limited locating, exposing, and raising buried MH's prior to our crew mobilizing.
- If necessary, Owner / Contractor will provide Permits & Fees. Vortex will provide our standard insurance coverage. OCP or railroad insurance & or longshoreman insurance is not included.
- If bond is needed please add 1.5%.
- Our Bid Proposal is valid for 60 days from the bid date.
- This is a unit priced contract and the actual billing will be based on installed quantities. If the installed quantities vary greater than 10% of the bid quantities, Vortex reserves the right to adjust our unit price accordingly.
- Our bid proposal as submitted reflects the current material pricing established on or before the bid date listed within our proposal. In the event of unforeseen price increases of our raw materials, Vortex reserves the right to adjust our unit rate or overall bid proposal accordingly to account for such price increases.
- Payment terms: Net 30 days. Interest will be added to balances outstanding after 30 days
- The contract price is exclusive of applicable state and local sales taxes.
- Vortex's bid proposal shall be incorporated into the subcontract agreements. Vortex will initiate this project upon an agreement or receipt of a subcontract or purchase order. Copies of payment and performance bonds must be provided to Vortex.
- **Scope of work performed by VLS:**
  - Provide pre-work submittal
  - Manufacturer Calculation for Fully Deteriorated Pipe Conditions
  - Mobilize equipment and personnel necessary to complete rehabilitation
  - Compressive Material testing
  - Surface Preparation of pipe to receive geopolymer lining
  - Spray application of specified structural GeoKrete liner
- **Proposal does NOT include following:**
  - Cold weather provisions - required when operating in temperatures 40 degrees F or below (no estimated field execution date provided)
  - Prevailing Wage or Union Rates
- VLS advises a minimum 30 day cure time of liner prior to any overhead or lateral construction (i.e. excessive vibrations, pile driving, etc.).

• • **General Notes & Conditions:**

- Non-weather related delays (may include, but NOT limited to: Owner requested changes; Road closures due to community, city or private events; Any delays or work stoppages outside the control of VLS) will result in additional fees of \$375/hr for the entire crew.
- Customer/Contractor to provide access for equipment within 50ft of pipe. Site access to be determined by physical inspection
- Customer/Contractor to provide potable water supply (i.e. hydrant & meter in place)
- Pricing based on one (1) shift (10-12 hours/day; 6 days/week) and does not include working holidays and/or Sundays.
- Quantities and pipe segments relative to depth, condition and degree of ovality are subject to field verification.
- Heavy infiltration means infiltration that meets the definition of a "runner" or "gusher", as defined by NASSCO's Pipeline Assessment Certification Program. Runner - water running into the sewer through a faulty joint or pipe wall. A continuous flow will be visible. Gusher - water entering the pipe "under pressure" through a defect or faulty joint.
- Infiltration Control up to 16.5 cartridges are included in our bid proposal. If necessary, each additional cartridge will be billed at the above unit rate.
- For any debris collected from the Manhole (MH) rehab process, if needed Owner will provide a Vac Truck to remove debris collected and dispose the debris that is pulled from the cleaning process.
- Our mobilization unit price includes timing this project up with another local project in order to create a full weeks schedule. If the Owner / Contractor is not flexible in with the install schedule and needs us to mobilize sooner, Vortex reserves the right to adjust our mobilization unit rate accordingly.
- One mobilization included. Each additional mobilization will be charged separately.
- Proposal does not include any manhole ring and cover adjustments or raising / lowering. Proposal does not include installing of any inflow dish and chimney seals.
- Our manhole rehab is figured utilizing flow through plugs. Any dewatering and or bypass pumping will be provided by Owner (if necessary). Please note, in order to install our plugs and divert the flow on force mains we assume the incoming lines are protruding at least 3" into the manhole which will allow us to attach Fernco type coupling systems. If additional bypass, dewatering, or flow control is needed it will be provided by Others.
- Heavy Cleaning and or removal of any existing coating or liner is not included in bid proposal.
- Vacuum, hydrostatic, holiday/spark testing are not included in this bid proposal.

<p><b>ACCEPTED:</b></p> <p>The above prices, specifications and conditions are satisfactory and are hereby accepted.</p> <p><b>Buyer:</b> _____</p> <p><b>Signature:</b> _____</p> <p><b>Date of Acceptance:</b> _____</p>	<p><b>CONFIRMED:</b></p> <p><b>Vortex Lining Systems</b></p> <p><b>Authorized Signature:</b> _____</p> <p><b>Estimator:</b> Nate Kennedy (832) 392-1816 nkennedy@vortexcompanies.com</p>
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**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO PROVIDE FUNDING FOR STORM WATER MANHOLE REHABILITATION.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #49

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 068 - Drainage</b>					
<u>Expenditures</u>					
3050	Street	Drainage	53100	\$59,845	

[To amend the City of Kingsville FY 21-22 Budget to provide funding for the Storm Water Manhole Rehabilitation. This expenditure will be funded by the unappropriated fund balance of the Drainage 068.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.



IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 27th day of June 2022.

**PASSED AND APPROVED** on this the 11th day of July 2022.

**EFFECTIVE DATE:**\_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

## **AGENDA ITEM #2**

**City of Kingsville  
Finance Department**

---

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Deborah Balli, Finance Director

DATE: June 09, 2022

SUBJECT: Increased Credit Card Fees Budget Amendment

---

**Summary:**

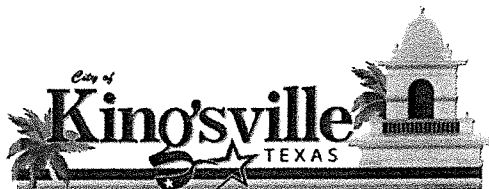
The credit card fees are trending to reach \$123,000 on a \$98,000 budget, thus a \$25,000 budget amendment request. Credit card fee revenues which offset the costs, are trending to reach \$78,000 which leaves a difference of \$45,000 that the City covers for customer's use of credit cards to pay their accounts.

**Financial Impact:**

The current credit card fees are not set high enough to cover the total amount of fees which results in the City covering the shortage. Currently the budget for the Collections division is not able to absorb the increased costs. Funding for this budget amendment will come from the unappropriated fund balance of the Utility Fund 051.

**Recommendation:**

Staff recommends the approval of the increased credit card fees budget amendment.



**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET FOR INCREASED CREDIT CARD FEES.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #40

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 051 – Utility Fund</b>					
<u>Expenditures</u>					
6201	Collections	Credit Card Fees	34200	\$25,000	

[To amend the City of Kingsville FY 21-22 Budget for increased credit card fees. This expenditure will come the unappropriated fund balance of the Utility Fund.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 27th day of June 2022.

**PASSED AND APPROVED** on this the 11th day of July 2022.

**EFFECTIVE DATE:**\_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

# **AGENDA ITEM #3**

**City of Kingsville  
Finance Department**

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TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Deborah Balli, Finance Director

DATE: June 14, 2022

SUBJECT: Budget Amendment - Debt Service Transfer for Solid Waste Equipment

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**Summary:**

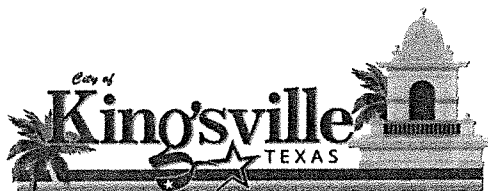
The three garbage trucks that were approved and budgeted in the FY 20-21 budget was included in the Tax Note 2021 issue. The 2021 annual payment for the garbage trucks were funded by the I&S tax rate, however, going forward should be funded by Fund 087-Solid Waste Capital Projects Fund. The wheeled trash compactor budgeted and approved in FY 21-22 should also be funded by Fund 087-Solid Waste Capital Projects Fund. This year's payment for the garbage trucks was not budgeted in FY 21-22 and the payment for the wheeled trash compactor was estimated. Now that we know the actual allocation for both items, we need to appropriate funds to cover these payments.

**Financial Impact:**

The allocation for the garbage trucks is \$111,746.79 to be funded by Fund 087-Solid Waste Capital Projects. The allocation for the wheeled trash compactor is only \$3,744.25 (interest only) and we estimated \$76,962.00. The net difference that has not been funded by Fund 087 is \$38,529.04.

**Recommendation:**

Staff recommends the approval of the budget amendment for the debt service transfer for the Solid Waste Equipment purchased through the Tax Note 2021 and Tax Note 2022.



**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO PROVIDE FUNDING FOR THE DEBT SERVICE PAYMENT FROM FUND 087 FOR THE SOLID WASTE EQUIPMENT PURCHASED THROUGH 2021 AND 2022 TAX NOTES.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #42

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 087 – Solid Waste Capital Projects</b>					
<u>Expenditures</u>					
6900	Transfer To	Transfer to Fund 011	80011	\$38,529.04	
<b>Fund 011 – GO Debt Service</b>					
0000	Transfer In	Transfer From Fund 087	75050	\$38,529.04	

[To amend the City of Kingsville FY 21-22 Budget to provide funding for the Debt Service payment from Fund 087 for the Solid Waste equipment purchased through the 2021 and 2022 Tax Notes. This expenditure will come the unappropriated fund balance of the Solid Waste Capital Projects fund balance.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission



that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 27th day of June 2022.

**PASSED AND APPROVED** on this the 11th day of July 2022.

**EFFECTIVE DATE:**\_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

# **AGENDA ITEM #4**



## City Manager's Office

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TO: Mayor and City Commissioners

CC:

FROM: City Manager

DATE: June 22, 2022

SUBJECT: LE Ramey Golf Course Greens Renovation with Kleberg County

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### Summary:

The state of play of the greens at the LE Ramey Golf Course has been less than desirable. The turf (Champions) does not grow well in our climate and higher salinity rate of the well water at the golf course. Over the past year, the Golf Course Superintendent has replaced three golf course greens with new sod using Seashore Paspalum Dynasty. This grass performs well in our climate and well water situation.

There are 15 holes that still require new sod and we've added the practice green by the clubhouse as the 16<sup>th</sup> green requiring renovation.

This agenda memo requests approval of funding from General Fund-Fund Balance to cover half the total cost for the renovations. Kleberg County Judge Rudy Madrid has agreed to pay the other half of the total cost.

### Green renovation cost estimate

- 129,600 sq feet of Dynasty Paspalum Sod - \$ 110,400
- Soil amendments/peat moss - \$ 19,200
- Gypsum - \$ 5120
- Starter Fertilizer - \$ 3200
- Sand 12 yards per green - \$17,600
- Misc Materials and equipment - \$24,000
- Labor - \$80,000

**Total for 16 Greens \$259,520.00**

**City Contribution: \$129,760.00**

**County Contribution: \$129,760.00**





### **City Manager's Office**

In addition, the labor rate is more than the \$50,000 limit and will need to be sent out for bids.

If approved by both the City Commission and County Commission, reclamation of 16 greens will take place over the fall and into next fiscal year. The plan will be to close the front nine holes and sod those greens with the new grass. Once playable, the other 9 holes will be closed for sod renovation. It takes roughly three months from a green to be removed from service, rebuilt, allowed to grow, then re-opened for play.

#### **Recommendation:**

- a. Request Commission approval the use of \$129,760 (half of the total cost of \$259,520.00) from Fund 001 fund balance for renovations to 16 greens (15 course greens and one practice green by the clubhouse) at the LE Ramey Golf Course.



## Green renovation cost estimate

129,600 sq feet of Dynasty Paspalum Sod - \$ 110,400

Soil amendments/peat moss - \$ 19,200

Gypsum - \$ 5120

Starter Fertilizer - \$ 3200

Sand 12 yards per green - \$17,600

Misc Materials and equipment - \$24,000

Labor - \$80,000

Total for 16 Greens \$259,520.00

**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO APPROPRIATE FUNDING FOR 50% OF THE RENOVATION COSTS OF THE GOLF COURSE REMAINING 15 GREENS AND THE PUTTING GREEN.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #43

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 001 – General Fund</b>					
Revenues					
4502	Golf Course	Contribution from County	58002	\$129,760	
<u>Expenditures</u>					
4502	Golf Course	Golf Course Greens Project	71215	\$259,520	

[To amend the City of Kingsville FY 21-22 Budget to appropriate funding for 50% of the renovation costs of Golf Course remaining 15 greens and 1 practice green. This expenditure will be funded by the unappropriated fund balance of General Fund and the County will contribute the other 50% cost of \$129,760.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission

that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 27th day of June 2022.

**PASSED AND APPROVED** on this the 11th day of July 2022.

**EFFECTIVE DATE:** \_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

# **AGENDA ITEM #5**



**Kingsville Parks & Recreation**  
400 W. King (mailing)  
501 Santiago Park Lane (physical)  
Kingsville, Texas 78363  
361-221-8705  
Susan Ivy, Director  
361-219-9125



**For Information on events and facilities**  
[www.cityofkingsville.com/departments/parks](http://www.cityofkingsville.com/departments/parks)  
**Email:**  
[sivy@cityofkingsville.com](mailto:sivy@cityofkingsville.com)  
**or follow us on Facebook**  
**Kingsville Parks and Recreation**

**To: Mark McLaughlin, City Manager**

**From: Susan Ivy, Parks Director**

**Date: June 17, 2022**

**Re: City Commission Agenda Request - Budget Amendment for Additional funds for Motor Gas & Oil in Division 4502 – Golf Course**

**Summary** – We are requesting Commission approval for the attached budget amendment for additional funds for motor gas and oil due to rising costs.

**History** – Due to gas price increases nationwide our Motor Gas and Oil line item, which began at \$11,000.00 for this fiscal year, has been depleted. We have transferred \$1,002.00 from within our budget to get one more load of gas but our budget is very lean right now and cannot support our need for gas for the remainder of the fiscal year. Our Estimated Annual expenditure for this year is \$18,000.00. This will require an additional \$6,000.00.

**Financial Impact** – This budget amendment will provide an additional \$6,000.00 in our motor gas & oil line item from the General Fund's unappropriated fund balance.

**Recommendation** - We ask that you approve the budget amendment as presented to you today.

**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO PROVIDE ADDITIONAL FUNDING FOR INCREASED MOTOR GAS AND OILS COSTS FOR THE GOLF COURSE.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #46

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 001 – General Fund</b>					
<u>Expenditures</u>					
4502	Golf Course	Motor Gas & Oil	21500	\$6,000	

[To amend the City of Kingsville FY 21-22 Budget to provide additional funding for increased motor gas and oil costs for the golf course. This expenditure will be funded by the unappropriated fund balance of the General Fund 001.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 27th day of June 2022.

**PASSED AND APPROVED** on this the 11th day of July 2022.

**EFFECTIVE DATE:** \_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

## **AGENDA ITEM #6**

**City of Kingsville**  
**Public Works, Solid Waste Division**

---

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: William Donnell, Director of Public Works

DATE: June 15, 2022

SUBJECT: Fund 087 Solid Waste Capital Projects Fund Budget Amendment

---

**Summary:**

This item authorizes funding for vehicle and equipment repairs required up to this date of the budget.

**Background:**

Maintaining an aging fleet of sanitation garbage trucks is expensive. To minimize maintenance costs, vehicle downtime and irregular service dates, three new garbage trucks were ordered last fiscal year. Eighteen months later two residential trucks were delivered on May 25th and placed in service. During this time the Garage mechanics worked almost daily on at least one or more of the garbage trucks. The new trucks will minimize maintenance cost, vehicle downtime and irregular services for the residents. Fund 087 is used as an additional source for vehicle maintenance and repairs for the Solid Waste Division and is currently over budget by \$55,408. All future repairs for the remainder of FY 21-22 will be funded by General Fund.

**Financial Impact:**

Funding of \$55,408 for this budget amendment request will come from the unappropriated fund balance of Fund 087-Solid Waste Capital Projects.

**Recommendation:**

Staff is recommending approval of funds to cover sanitation vehicle maintenance repairs.



**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO APPROPRIATE ADDITIONAL FUNDING FOR VEHICLE REPAIRS ON SANITATION GARBAGE TRUCKS.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #44

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 087 – Solid Waste Capital Projects</b>					
<u>Expenditures</u>					
1702	Sanitation	Vehicle Repairs	41100	\$55,408	

[To amend the City of Kingsville FY 21-22 Budget to appropriate additional funding for vehicle repairs on Sanitation garbage trucks. This expenditure will be funded by the unappropriated fund balance of the Solid Waste Capital Project Fund 087.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 27th day of June 2022.

**PASSED AND APPROVED** on this the 11th day of July 2022.

**EFFECTIVE DATE:** \_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

# **AGENDA ITEM #7**



**City of Kingsville**  
**Public Works, Water Production Division**

---

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: William Donnell, Director of Public Works

DATE: June 15, 2022

SUBJECT: Fund 054 Utility Fund Budget Amendment

---

**Summary:**

This item authorizes funding for water well services related to the repairs required at Well #23.

**Background:**

Water well #23 located at S 6<sup>th</sup> and General Cavazos Boulevard was completed in 2010 and is a good producing well for the south part of the City of Kingsville. Early in the month of May the well motor shorted out. Friedel Drilling was contacted and scheduled to pull the pump. After removal and inspection of the column pipe and pump, it is recommended to replace the pump due to production loss. Severe pitting and corrosion of the pump deems it non repairable, so a new pump is proposed. Approximately eight feet of the oil tube and several bearings will need to be replaced. The column pipe appears to be in good condition. Anodes are proposed to be installed to minimize electrolysis in the well. This well was last brushed, and sonar jetted in 2015. Quotes for repairs are attached.

**Financial Impact:**

This will reduce unappropriated Fund 054 balance by \$120,645.00 and increase Utility Plant account 054-5-6002-54300 by \$120,645.00.

**Recommendation:**

Staff is recommending approval of funds to continue unexpected repairs for Water Well #23.



# Friedel Drilling Company

555 City of Hochheim Rd.  
Yoakum, TX 77995-4824

Estimate

Phone # 3612935545  
Fax # 361-293-7085  
E-mail [fdc@friedeldrilling.com](mailto:fdc@friedeldrilling.com)

Date	Estimate #
6/2/2022	4099

City of Kingsville  
P. O. Box 1458  
Kingsville, Texas 78364

Location: Well No. 23

Description	Qty	U/M	Rate	Total
Chemicals for well	1	ea	12,583.00	12,583.00T
Scratch 12" Casing - Versadrill	12	hr	350.00	4,200.00T
Treat well with acid	10	hr	300.00	3,000.00T
Haul extra pipe and tool to and from location	5	hr	175.00	875.00T
Haul Chemicals to location	5	hr	175.00	875.00T
Haul Vac String to and from location	6	hr	175.00	1,050.00T
Rebuild tool	1	ea	2,000.00	2,000.00T
Surge chemical	3	hr	300.00	900.00T
Two men to and from location	5	hr	140.00	700.00T
Start to vacuum well	15	hr	300.00	4,500.00T
Big Air Compressor	1	DA	1,500.00	1,500.00T
Transport Vacuum tank	5	hr	175.00	875.00T
Video well	1	ea	3,300.00	3,300.00T
Sonar Jet Well	1	ea	6,800.00	6,800.00T
Tech to assist with video	5	hr	95.00	475.00T
Final Video of well with tech, if required	1	ea	3,775.00	3,775.00T
Miscellaneous Supplies	1	ea	1,200.00	1,200.00T
Hotel/Per Diem per day, if necessary	2		1,925.00	3,850.00T
**Estimate valid for 15 days.				
Regulated by: The Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711- Phone: (800) 803-9202 or (512) 463-7880			Sales Tax (0.0%)	\$0.00
			Total	\$52,458.00

# Friedel Drilling Company

555 City of Hochheim Rd.  
Yoakum, TX 77995-4824  
Phone # 3612935545

## Invoice

Date	Invoice #
6/3/2022	9122

Bill To
City of Kingsville P. O. Box 1458 Kingsville, Texas 78364

NOW ACCEPTING ALL  
MAJOR CREDIT CARDS

P.O. No.	Terms	Project
Well 23	Net 30	

Quantity	Description	U/M	Rate	Amount
21	Pull lineshaft water well (5/10/22, 5/11/22)	hr	300.00	6,300.00T
1	Video well with Tech (5/24/22)	ea	3,775.00	3,775.00T
5	Haul skidsteer to and from location	hr	175.00	875.00T
2.5	Haul pipe from location	hr	175.00	437.50T
2.5	Skidsteer on location	hr	95.00	237.50T
4	Loaded rods and tubes; bring to yard and restack pipe (5/24/22)	hr	140.00	560.00T
1	Hotel/Per Diem		1,925.00	1,925.00T
1	Miscellaneous Supplies	ea	370.00	370.00T
	**Work/Charges to date on Well No. 23			

Sales Tax (0.0%) \$0.00

Total \$14,480.00

Payments/Credits \$0.00

Balance Due \$14,480.00

Regulated by: Texas Department of Licensing and Regulation, P.O. Box 12157, Austin,  
Texas 78711, Phone: 800-803-9202 or 512-463-7880

## Friedel Drilling Company

555 City of Hochheim Rd.  
Yoakum, TX 77995-4824

Phone # 3612935545  
Fax # 361-293-7085  
E-mail [fdco@friedeldrilling.com](mailto:fdco@friedeldrilling.com)

## Estimate

Date	Estimate #
6-2-2022	4108

City of Kingsville  
P. O. Box 1458  
Kingsville, Texas 78364

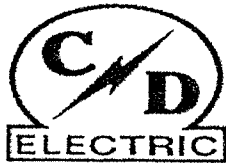
Location: Well No.

Description	Qty	U/M	Rate	Total
7 Stage 11 CHC' O/L Bowl Assembly	1	ea	14,707.00	14,707.00
**Estimate on bowl assembly only.				
**Estimate valid for 15 days.**				
**Two weeks delivery				

Regulated by: The Texas Department of Licensing and Regulation, P.O. Box 12157, Austin,  
Texas 78711 Phone: (800) 800-9202 or (512) 463-7886

**Sales Tax (0.0%)** 50.00

**Total** \$14,707.00



## **C-D Electric**

### **Motor Sales and Service**

617 HIGH STARR DRIVE  
CORPUS CHRISTI, TEXAS 78408  
DAY OR NIGHT (361) 888-4133

**DATE:** May 16, 2022  
**TO:** City of Kingsville  
**RE:** Repair Report  
**CD-JOB#** 36043

**Description:**

150 Horsepower, 1780 RPM, 460VAC, 164 amps, 3-phase, H444TP Frame, US VHS Motor WPI, Type DN11 C/N H01SGV2SLG ID#Z077698595-0007-R0002 1500#

**Scope of work:**

- Received 5/10/22-disassembled and inspected, stator burnt, has iron damage, and bad OPE bearing housing, need to cut off, burn out, take data, repair core, core test, rewind stator, dip and bake, run winding analysis, clean and paint all parts, machine OPE end shield, balance rotor and quill, install new 6215 PE and 7322 OPE bearings and lubricate, install 240V120V strip heater, reassemble, test and paint, run vibration analysis, fill out repair report.

**Estimate on Repairs**

Inspection	\$500.00
Core repair	\$1000.00
Stator rewind	\$6500.00
Materials	\$3000.00
Machine work	\$1500.00
Labor	\$2000.00
Total	\$14,500.00 10-15 working days ARO

Cost of new motor, \$19,000.00 stock FOB Mississippi 3-5 days

Thank you,

William J. Pittaway  
Owner

**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO PROVIDE FUNDING FOR WATER WELL #23 REPAIRS.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #45

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 054 – Utility Fund Capital Projects</b>					
<u>Expenditures</u>					
6002	Water Prod	Utility Plant	54300	\$120,645	

[To amend the City of Kingsville FY 21-22 Budget to provide funding for water well #23 repairs. This expenditure will be funded by the unappropriated fund balance of the Utility Fund Capital Projects Fund 054.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 27th day of June 2022.

**PASSED AND APPROVED** on this the 11th day of July 2022.

**EFFECTIVE DATE:**\_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

## **AGENDA ITEM #8**



**City of Kingsville**  
**Public Works, Solid Waste Division**

---

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: William Donnell, Director of Public Works

DATE: June 15, 2022

SUBJECT: General Fund 001 Solid Waste Budget Amendment

---

**Summary:**

This item authorizes additional funding for Overtime, Motor Gas & Oil, Professional Services, Vehicle Maintenance to cover expenses to the end of this fiscal year.

**Background:**

The economy has been devastating to the Solid Waste Division. When garbage trucks are down for repairs, the routes take longer causing unpredicted overtime for Sanitation drivers and Landfill operators. Motor Gas & Oil has nearly doubled since October 2021. Professional Services for the single stream Recycling Compactor has nearly doubled from last fiscal year averaging over \$1200 per month for hauling services. Vehicle and equipment parts are at an all-time high as parts have not been readily available most of the time.

**Financial Impact:**

This will reduce unappropriated General Fund 001 balance by \$183,768.00 and increase

001-5-1702-11200 - Overtime \$45,137

001-5-1702-21500 - Motor Gas & Oil \$38,948

001-5-1702-31400 - Professional Services \$8,000

001-5-1702-41100 - Vehicle Maintenance \$43,000

001-5-1703-11200 - Overtime \$14,902

001-5-1703-21500 - Motor Gas & Oil \$33,781

**Recommendation:**

Staff is recommending approval of funds to cover Solid Waste operating expenses.



**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO PROVIDE ADDITIONAL FUNDING FOR INCREASED COSTS IN SOLID WASTE.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #47

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 001 – General Fund</b>					
<u>Expenditures</u>					
1702	Sanitation	Overtime	11200	\$45,137	
1702	Sanitation	Motor Gas & Oil	21500	\$38,948	
1702	Sanitation	Professional Services	31400	\$8,000	
1702	Sanitation	Vehicle Maintenance	41100	\$43,000	
1703	Landfill	Overtime	11200	\$14,902	
1703	Landfill	Motor Gas & Oil	21500	\$33,781	

[To amend the City of Kingsville FY 21-22 Budget to provide additional funding for increased costs in Solid Waste. This expenditure will be funded by the unappropriated fund balance of the General Fund 001.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 27th day of June 2022.

**PASSED AND APPROVED** on this the 11th day of July 2022.

**EFFECTIVE DATE:**\_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

## **AGENDA ITEM #9**

**City of Kingsville  
Police Department**

---

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Ricardo Torres, Chief of Police

DATE: June 17, 2022

SUBJECT: Request for Budget Amendment

---

**Summary:**

The police department is requesting additional funding for overtime in the Patrol Division 2102, Communications Division 2103, and Criminal Investigations Bureau 2104 to finish out FY2021-2022.

**Background:**

Due to retirements, officer's leaving for other law enforcement opportunities and other officer's leaving the profession in general due to the negativism being directed at law enforcement, our department has experienced being up to 15 officers short this budget year during short time periods.

Because we are a Civil Service City, we hire citizens who have not attended a police academy. In order to train an officer they must attend a police academy that provides, as mandated by the Texas Commission on Law Enforcement, 696 hours of classroom training. Upon completion of the academy they do an additional 125 hours of in-service training at our department as well as a 16 week or 640 additional hours of Field Training. That is nearly a year before an officer is actually covering the position of a police officer.

We are also requesting additional funding to repair some of our vehicles. The automobile chip shortage has resulted in use having to keep older vehicles that we need to consider retiring. For now we continue to repair those vehicles for use in the field. This has resulted in higher costs for those repairs. We are just now receiving vehicles ordered for this budget years and we are hopeful that we will receive vehicles ordered in FY2020-2021 soon. However this is not guaranteed, and we request additional funding to finish out the year.

**Financial Impact:**



## **City of Kingsville Police Department**

Recently we had four officers in field training, four officers attending the academy and five open positions we are still expending salaries as well as overtime to backfill those positions. Unfortunately as we release officers in training, we have had other officers leave or retire.

This will continue to be a problem as smaller agencies in close proximity to the Port of Corpus Christi are benefitting from the economic boost that is occurring and will continue to occur in the foreseeable future. Those smaller agencies have targeted our personnel as well as once officers receive their training, they immediately make themselves marketable and are looking for employment in larger cities, as well as state and federal law enforcement.

### **Recommendation:**

We request that a budget amendment be approved for additional overtime the amount of \$121,248.88 to finish out the year as well as for additional funding for maintenance of our older police vehicles in the amount of \$15,889.68. Thank you for your consideration and assistance.



**KINGSVILLE POLICE DEPARTMENT  
BUDGET AMENDMENT REQUESTS**

Fund	Line Item	Fiscal Budget	Current Expenditures After 18 weeks	Current Balance	Average Weekly Expenditure	Budget Amendment Avg Weekly X8 weeks left in FY
<b>OVERTIME</b>						
001	5-2102-112.00	\$ 175,602.00	\$ 182,629.78	\$ (7,027.78)	\$ 10,146.10	\$ 81,168.79
001	5-2103-112.00	\$ 32,624.00	\$ 40,200.52	\$ (7,576.52)	\$ 2,233.36	\$ 17,866.90
001	5-2104-112.00	\$ 15,143.00	\$ 15,751.31	\$ (608.31)	\$ 875.07	\$ 7,000.58
				\$ (15,212.61)		\$ 106,036.27
				Funding for negative balances		\$ 15,212.61
						<b>\$ 121,248.88</b>
<b>VEHICLE MAINTENANCE</b>						
001	5-2102-411.00	\$ 44,900.00	\$ 40,859.18	\$ 4,040.82	\$ 2,269.95	\$ 18,159.64
						<b>\$ 15,889.68</b>
						<b>\$ 137,138.56</b>
				Total needed in Overtime and Vehicle Maintenance		

**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO PROVIDE ADDITIONAL FUNDING FOR INCREASED COSTS IN THE POLICE DEPARTMENT FOR OVERTIME AND VEHICLE MAINTENANCE.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #48

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 001 – General Fund</b>					
<u>Expenditures</u>					
2102	Patrol	Overtime	11200	\$88,196.57	
2103	Communications	Overtime	11200	\$25,443.42	
2104	CID	Overtime	11200	\$7,608.89	
2102	Patrol	Vehicle Maintenance	41100	\$15,889.68	

[To amend the City of Kingsville FY 21-22 Budget to provide additional funding for increased costs in the Police Department for overtime and vehicle maintenance. This expenditure will be funded by the unappropriated fund balance of the General Fund 001.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.



IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 27th day of June 2022.

**PASSED AND APPROVED** on this the 11th day of July 2022.

**EFFECTIVE DATE:** \_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

# **AGENDA ITEM #10**

**City of Kingsville  
Finance Department**

---

TO: Mayor and City Commissioners  
CC: Mark McLaughlin, City Manager  
FROM: Charlie Sosa, Purchasing Manager  
DATE: June 9, 2022  
SUBJECT: City Hall and Proposed Chamberlain Park Landscaping

---

**Summary:**

This item authorizes the funds to be budgeted from CO 033-5-1030-000 for Landscaping Architect Services, Robert Gignac with Gignac Landscape Architecture from Corpus Christ, Texas, 78411. Robert Gignac has been retained to design and assist with landscaping for City Hall and Chamberlain Park in the amount of \$7,200.00.

**Background:**

City Manager and Mayor have met with Caroline A. Forgason daughter of former Helen Kleberg Groves on plans to landscape the City Hall which includes all City Hall, Cottage green space and the proposed Chamberlain Park area. Robert Gignac met with Caroline A. Forgason, Mayor, and City Manager to discuss the vision Mrs. Helen Kleberg Groves had for City Hall landscaping and Chamberlain Park. Mr. Gignac has designed a landscaping plan for review to be approved by Caroline A. Forgason. Please see attached landscaping plan.

**Financial Impact:**

Funds are available through 033-5-1030-31400 of which \$7200.00 are available.

**Recommendation:**

It is recommended the City authorizes the budget amendment in the amount of \$7,200.00 for City Hall Landscaping to Robert Gignac of Gignac Landscape Architecture 3833 S. Staples Ste. N-119, Corpus Christi, Texas, 72411.





City of Kingsville, TX

# Budget Report

## Account Summary

For Fiscal: 10/2021-09/2022 Period Ending: 06/30/2022

Fund: 033 - CO SERIES 2016 - GENERAL

Expense

033-5-1030-31400

Professional Services

Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Encumbrances	Variance Favorable (Unfavorable)	Percent Remaining
0.00	0.00	3,600.00	3,600.00	3,600.00	-7,200.00	0.00 %
0.00	0.00	3,600.00	3,600.00	3,600.00	-7,200.00	0.00 %
0.00	0.00	3,600.00	3,600.00	3,600.00	-7,200.00	0.00 %
0.00	0.00	3,600.00	3,600.00	3,600.00	-7,200.00	0.00 %
Expense Total:						
Fund: 033 - CO SERIES 2016 - GENERAL Total:						
Report Total:						

Budget Report

For Fiscal: 10/2021-09/2022 Period Ending: 06/30/2022

# Group Summary

Account Type	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Encumbrances	Variance	
						Favorable (Unfavorable)	Percent Remaining
Fund: 033 - CO SERIES 2016 - GENERAL Expense	0.00	0.00	3,600.00	3,600.00	3,600.00	-7,200.00	0.00 %
	0.00	0.00	3,600.00	3,600.00	3,600.00	-7,200.00	0.00 %
	0.00	0.00	3,600.00	3,600.00	3,600.00	-7,200.00	0.00 %
Report Total:							
	0.00	0.00	3,600.00	3,600.00	3,600.00	-7,200.00	0.00 %

Fund: 033 - CO SERIES 2016 - GENERAL Total:

Report Total:

## Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Encumbrances	Variance	
						Favorable (Unfavorable)	Percent Remaining
033 - CO SERIES 2016 - GENERAL	0.00	0.00	3,600.00	3,600.00	3,600.00	-7,200.00	0.00 %
Report Total:	0.00	0.00	3,600.00	3,600.00	3,600.00	-7,200.00	0.00 %

Robert Gignac, ASLA

April 12, 2022

Mr. Carlos Sosa  
200 East Kleberg Avenue  
City of Kingsville  
Kingsville Texas 78363

Re: Landscape Architectural Services – Landscape Master Plan  
City Hall and adjacent Park Area

Dear Carlos:

Per our recent meeting concerning the development of Landscape Master Plan for the City Hall, please accept this letter as our proposal to perform the landscape architectural services for the referenced project.

Gignac Landscape Architecture is structuring the fee proposal for the Landscape Master Plan into a lump sum agreement. This proposal does not include construction documents.

Design services for the project shall include the following:

<b>Landscape Master Plan Development</b>
--

- Field-locate existing plant material which will be incorporated into the new design.
- Recommend landscape maintenance and related improvements for existing plant material which will be designated to be included within the new design.
- Develop and provide a couple of schematic designs for review and approval which identify proposed plantings, future play areas, bathroom, nature walks, formal statue plaza. 'Active play areas baseball and site amenities & enhancements.
- Develop a Landscape Master Plan to follow the design criteria set forth by the Design Committee.
- The design includes decorative paving and with site amenities (benches, trash receptacles, etc.).
- Generate planting plans and details to convey planting intent.
- Coordinate all future improvements with the Design Committee.

Landscape Architectural Fees Shall Include:

- The necessary conference and site visits for the preparation of preliminary studies and final designs.
- The production of complete landscape architectural drawings and specifications.

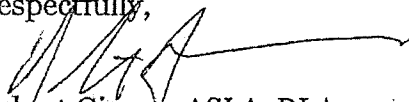
City of Kingsville shall supply or reimburse the Following:

- All base and site maps. (AutoCAD)
- Existing utility layout (water source, electrical layout and drainage layout)
- Topographic plans.
- Approval of preliminary conceptual designs and sketches.
- All ADA requirements.
- All mechanical & structural designs.
- All printing, plotting and reproduction fees.
- Includes two additional site visits.

Gignac Landscape Architectural proposes to perform the outline landscape architectural services for a lump sum fee of Seven Thousand Dollars \$7,000.00.

Gignac Landscape Architecture appreciates the opportunity to be of service to the City of Kingsville Texas. Should you have any questions or require additional information, please contact me.

Respectfully,

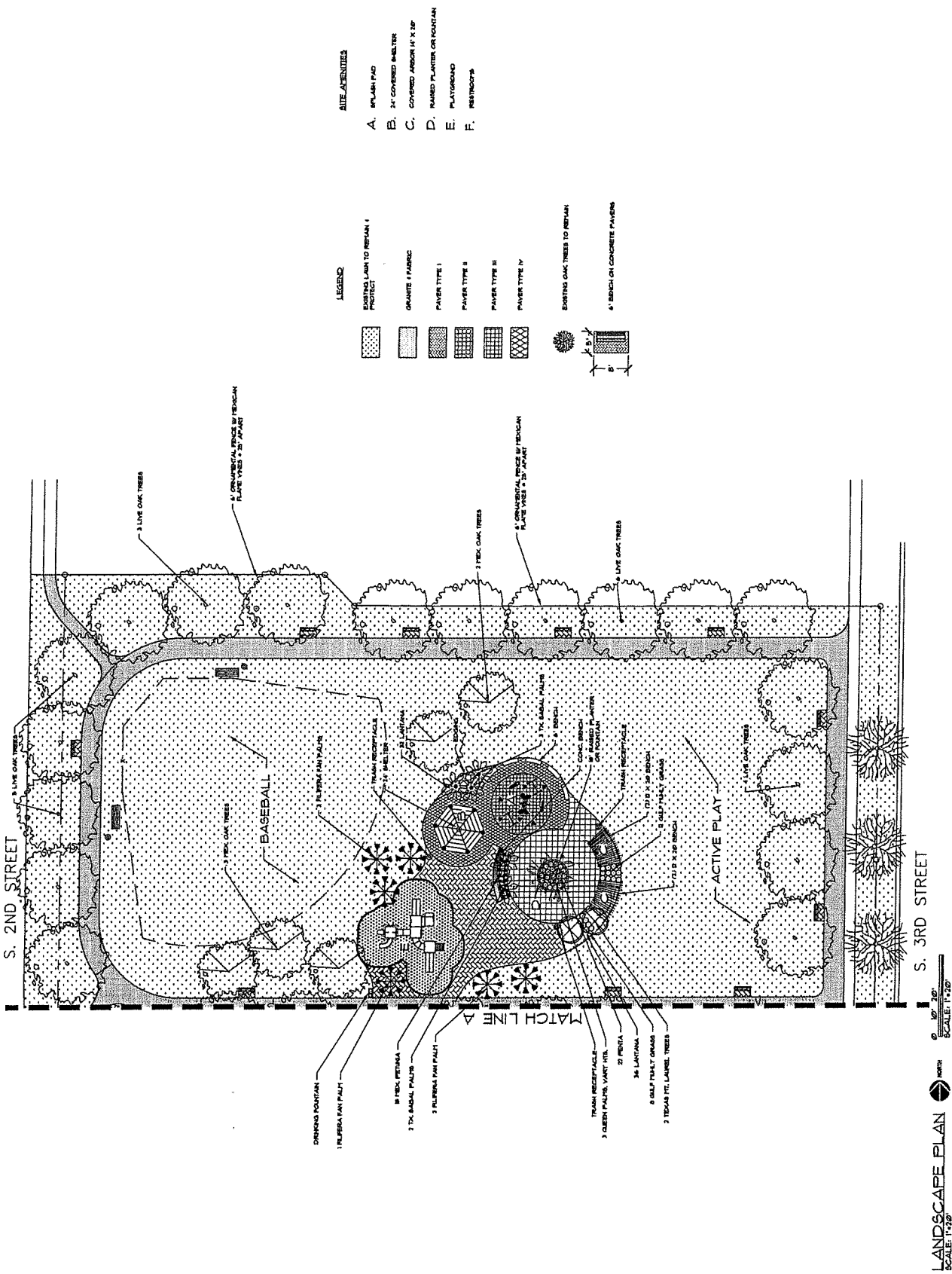
  
Robert Gignac, ASLA, RLA  
Landscape Architect  
Gignac Landscape Architecture

Accepted By: \_\_\_\_\_

Title: \_\_\_\_\_







**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO APPROPRIATE FUNDING FOR LANDSCAPE ARCHITECTURE SERVICES FOR CHAMBERLAIN PARK.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #41

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 033 – CO Series 2016</b>					
<u>Expenditures</u>					
1030	City Special	Professional Services	31400	\$7,200	

[To amend the City of Kingsville FY 21-22 Budget to appropriate funding for landscape architecture services for Chamberlain Park. This expenditure will come from the unappropriated fund balance of the CO Series 2016 Fund.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 27th day of June 2022.

**PASSED AND APPROVED** on this the 11th day of July 2022.

**EFFECTIVE DATE:**\_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

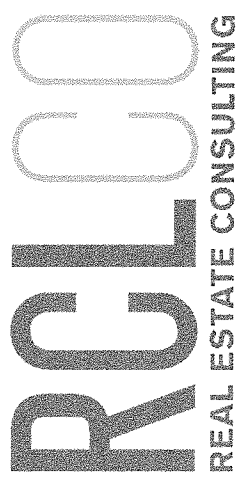
\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

# **REGULAR AGENDA**

# **AGENDA ITEM #11**



# **CITY OF KINGSVILLE MARKET ANALYSIS**

**KINGSVILLE, TEXAS**

Prepared for the Kingsville Chamber of Commerce  
December 17, 2021

# ABOUT RCLCO



Since 1967, RCLCO has been the “first call” for real estate developers, investors, the public sector, and non-real estate companies and organizations seeking strategic and tactical advice regarding property investment, planning, and development.

RCLCO leverages quantitative analytics and a strategic planning framework to provide end-to-end business planning and implementation solutions at an entity, portfolio, or project level. With the insights and experience gained over 50 years and thousands of projects—touching over \$5B of real estate activity each year—RCLCO brings success to all product types across the United States and around the world.

Learn more about RCLCO at [www.RCLCO.com](http://www.RCLCO.com).

## REPORT AUTHORS

### *Project Director:*

Todd LaRue, Managing Director

▲ P: (512) 215-3157 | E: [TLARUE@RCLCO.COM](mailto:TLARUE@RCLCO.COM)

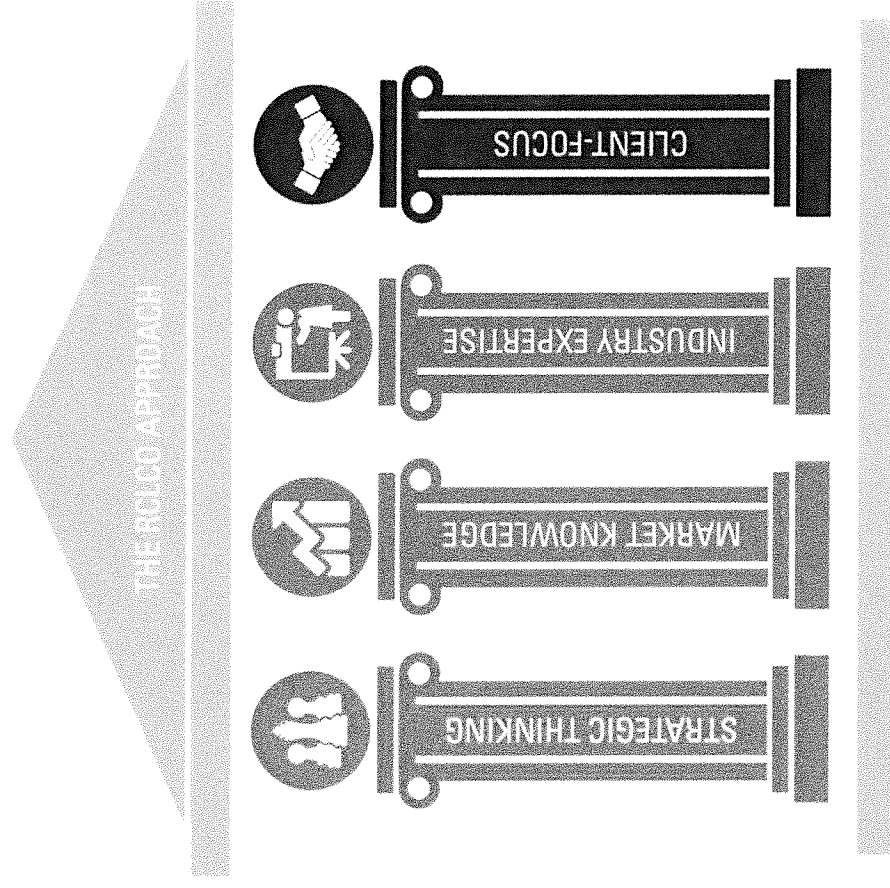
### *Project Manager:*

Cameron Pawelek, Principal

▲ P: (512) 212-7198 | E: [CPAWELEK@RCLCO.COM](mailto:CPAWELEK@RCLCO.COM)

### *Lead Associate:*

Patricia Bacalao, Associate





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## REGIONAL AND LOCAL CONTEXT

With a population of approximately 25,000 people, the City of Kingsville shares a storied history, an economy driven by multiple key institutions, and as the county seat of Kleberg County, remains an important part of Texas's Coastal Bend region. Bordered by the famed King Ranch, with which it shares both a long-running history and a namesake, Kingsville is also home to the Naval Air Base Kingsville, a key naval training facility and source of roughly 1,000 jobs, and Texas A&M University Kingsville, with its 7,500 full-time students and approximately 1,000 faculty and staff members. Although the city faced some economic downturns over the past ten years due to a concentration of energy sector jobs, which impacted the Coastal Bend economy as a whole, Kingsville's economically resilient anchor institutions help insulate from economic fluctuations. While these institutions provide stability and bring new households to the area, these sectors are not typically growth engines for the local economy and Kingsville struggles with retaining these households over the long-term, resulting in little to no growth over the past few decades (see pages 7 to 10 for an economic and demographic overview of the area).

## KINGSVILLE MARKET TRENDS

Kingsville's residential market has seen limited activity over the past decade, with only one new conventional multifamily development, three student housing communities, and a few for-sale housing communities built since 2010. The current housing stock, including single-family homes and multifamily communities, was largely built in the 1940s to 1980s, during Kingsville's most prolonged period of growth. Local stakeholders point to the lack of new, middle-income housing as a key reason why households who are employed in Kingsville may choose to live elsewhere in the Corpus Christi MSA, in addition to the underperformance of Kingsville schools and limited retail and entertainment options. As construction wraps up on Highway 77 to elevate it to interstate standards and join the Interstate 69-E system, the leakage to Corpus Christi could either accelerate or begin to reverse if Kingsville concentrates its efforts on becoming a community of choice in the region (see pages 15 to 21 for more on Kingsville's residential market).

Similar to the residential market, Kingsville's commercial real estate, including retail and office, has experienced limited growth over the past decade. However, the impact of Interstate 69-E and renewed emphasis on retail attraction has already resulted in recent wins, with a few national retailers attracted to highway-oriented locations, a trend that is likely to continue. In addition, a few local groups have started to revitalize vacant commercial spaces in downtown Kingsville, including an effort to convert the Texas Theatre to an entertainment venue and restaurant.

## RECOMMENDATIONS AND CONCLUSIONS

While the market opportunities in Kingsville remain limited in comparison to other submarkets in the broader Corpus Christi area, the market has the capacity to support between 35 and 55 new homes per year. The highest demand for new for-sale housing is for homes in the \$150,000 to \$300,000 range, which aligns with mid-to-high household incomes and mostly family buyers. With no purpose-built, single-family rentals in the Kingsville market, there is also an opportunity to add between 50 and 70 new single-family homes for rent per year, with the majority geared towards mid-to-high income households, as well as military families. While multifamily renters are a smaller segment of the market, there could be an opportunity to add a multifamily community consisting of 100-150 units every four to five years.

In order for Kingsville to capitalize on these opportunities, RCLCO recommends that the City seek out partnerships with local developers and investors to concentrate on smaller residential and commercial developments near downtown to create initial momentum and enhance the area's quality of life. A few strategies, highlighted in the development toolkit on pages 27 and 28, including pattern zoning and a downtown Tax Increment Reinvestment Zone (TIRZ), would help augment the City's ongoing economic development efforts and reduce barriers for market growth.

RCLCO identified the below strengths, weaknesses, opportunities, and threats to Kingsville's future growth:

## STRENGTHS

▲ **Strong Anchor Institutions:** Kingsville's history and identity is grounded in three longstanding anchor institutions: Naval Air Station Kingsville, Texas A&M Kingsville, and the famed King Ranch. Military and public sector jobs are critical to Kingsville's economy, with over 1,000 jobs at NAS Kingsville and nearly 300 jobs at the U.S. Customs and Border Protection station. In addition, Texas A&M Kingsville is home to 7,500 full-time students and approximately 1,000 faculty and staff members, serving a key attractor to the area and an important partner for the city's civic institutions.

▲ **Appealing Small Town Character:** With a population of approximately 25,000 and a historic downtown, Kingsville has retained some of its small town appeal that can provide a sense of community that is challenging to find in suburban neighborhoods of large metros. With some quality of life enhancements and added residential offerings, Kingsville has the potential to become a "community of choice" for households seeking the small town character and pace of life.

## WEAKNESSES

▲ **Job Diversity and Availability:** Several Kingsville leaders and stakeholders mentioned the challenge of attracting industry beyond the major anchor institutions already in town and growing diversity of job opportunities offered to spouses and other household members of employees at these key institutions. For this reason, many employees choose to live in the Corpus Christi MSA and commute to Kingsville to be closer to spousal employment, but there is an opportunity to reverse these patterns as Kingsville evolves into a more attractive, affordable alternate to Corpus Christi.

▲ **K-12 Education Quality:** Kingsville ISD has historically underperformed in comparison to other high-achieving school districts in Corpus Christi. The district earned a 84/100 from the Texas Education Agency accountability ratings and scored a 59/100 failing grade on academic growth. For this reason, many families choose to live in the nearby London (94/100 TEA Rating), Tuloso-Midway (89/100 TEA), and Flour Bluff (90/100) school districts. However, Kingsville ISD

recently changed up the composition of the school board and hired a new superintendent, which could improve the school district's reputation over time. As another bright spot, the K-12 schools that are part of the Santa Gertrudis ISD and affiliated with King Ranch and Texas A&M Kingsville are high performing schools, with Academy High School on the TAMUK campus earning a 93/100 rating.

▲ **Housing Availability:** As explained more thoroughly in the residential portion of this market study (pages 16-20), there is currently a dearth of quality, affordable housing in Kingsville on both the rental and for-sale side, creating limited options for households looking to move to Kingsville.

## OPPORTUNITIES & THREATS

▲ **Interstate 69E Connection:** The process of elevating Highway 77, the main highway cutting through Kingsville, to interstate standards is expected to finish construction by mid-2022. Once complete, Highway 77 will join the Interstate 69E system as part of a key connection between South Texas and the Houston area, likely spurring additional highway-oriented retail in Kingsville. In addition, this will likely cut down on commute times to Corpus Christi by up to 15 minutes, creating better access to Corpus Christi employment from Kingsville, although with a potential downside of exacerbating the leakage issue by enabling more households to live in Corpus Christi and commute to Kingsville.

▲ **King Ranch:** As the largest working ranch in the United States, King Ranch covers approximately 825,000 acres of ranching and agricultural land near its namesake town. As a major agribusiness and prominent brand, King Ranch has the potential to bring in more tourism and hospitality spend into the Kingsville area, particularly as King Ranch undergoes a leadership transition.

▲ **Infrastructure Improvements:** Kleberg County and the City of Kingsville were the recent recipients of \$46 million in state funding to address drainage concerns and other disaster mitigation infrastructure, which will have long-term benefits for the sustainability, quality of life, and overall resiliency of the area.

▲ **Economic Development & Opportunity Zones:** The City of Kingsville has shown a willingness to invest more money into economic development and provide grants to new businesses. This effort, combined with the tax benefits from north Kingsville's Opportunity Zone designation, could begin to move the needle on commercial development.

Source: RCLCO

## REGIONAL OVERVIEW

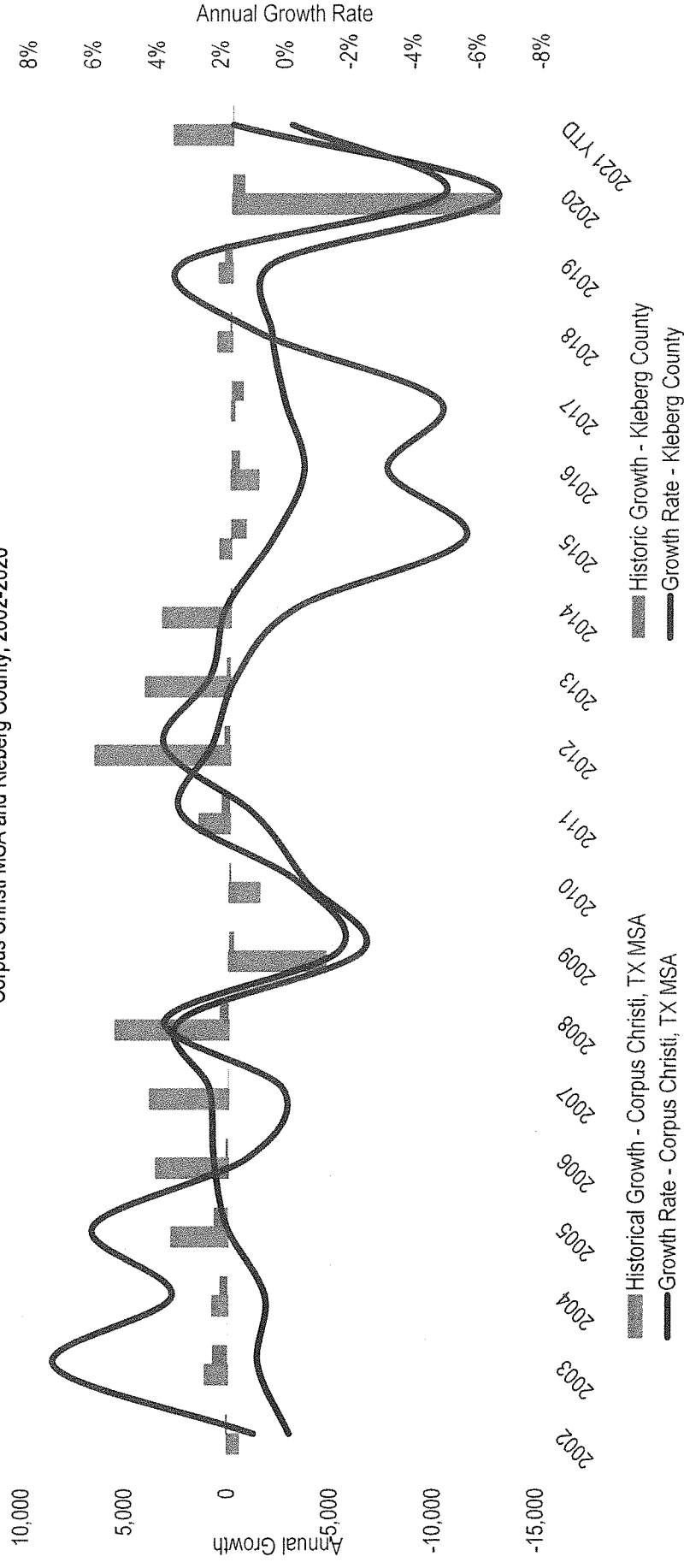
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## WITH SIMILAR SENSITIVITIES TO FLUCTUATIONS IN THE OIL & GAS SECTOR, EMPLOYMENT IN KLEBERG COUNTY FOLLOWS CORPUS CHRISTI MSA EMPLOYMENT TRENDS

- ▲ Like many Gulf Coast economies, with a heavy concentrations of downstream refineries and petrochemical jobs, over the past ten years, Kleberg County and the overall Corpus Christi MSA has experienced the impact of both an energy sector downturn from 2015 to 2017 and the COVID-19 pandemic in 2020. In Kleberg County, approximately 2,000 jobs were lost from 2014 to 2017, although stable institutions, such as Texas A&M Kingsville and NAS Kingsville further insulate it from economic fluctuations.
- ▲ In the long-term, Kleberg County employment growth has matched Corpus Christi growth, both area's employment growing an average of just under 1% over the past twenty years. Moving forward, MSA employment is expected to grow at an average of 1.4%, a sign of overall regional growth that will likely extend into Kleberg County.

### Employment Growth

Corpus Christi MSA and Kleberg County; 2002-2020



Source: Bureau of Labor Statistics; Moody's Analytics

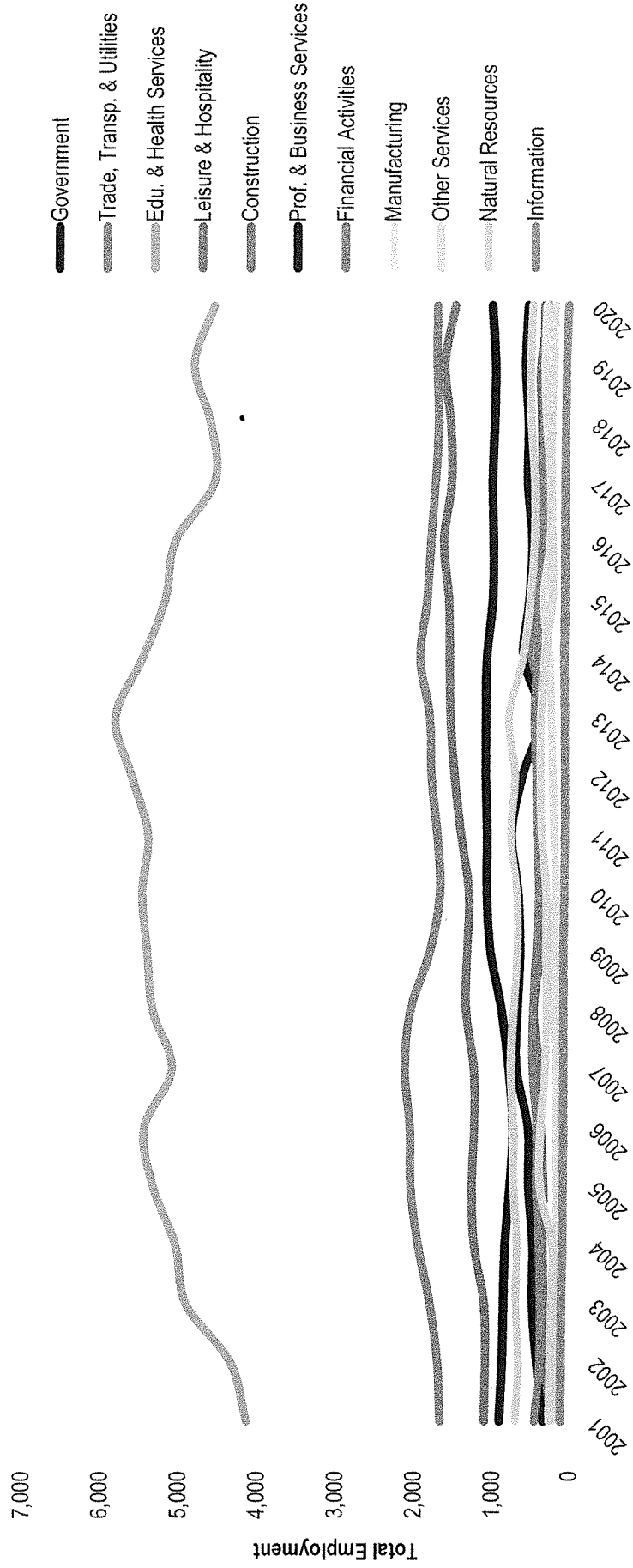


## COMPRISING OVER 40% OF KLEBERG COUNTY NON-AGRICULTURAL EMPLOYMENT, EDUCATION AND HEALTH SERVICES IS THE COUNTY'S LARGEST INDUSTRY

- ▲ The Education and Health Services sector contains several of Kingsville's largest and most stable employers, including Texas A&M Kingsville, Kingsville ISD, and Christus Spohn Hospital, representing approximately 2,000 jobs combined. However, student enrollment at Texas A&M Kingsville has remained flat to slightly decreasing over the five years, a possible indication of limited growth opportunities in this sector unless new recruitment strategies are implemented.
- ▲ Leisure and Hospitality is one of Kleberg County's fastest growing industries, with employment in the sector growing 15% from 2010 to 2020, likely due to the area's ranchlands and coastal access. Meanwhile, the role the energy sector plays in the Kleberg County economy has reduced over time, with the Natural Resources sector dropping from representing 6.1% of non-agricultural employment in 2005 to 4.6% in 2020.

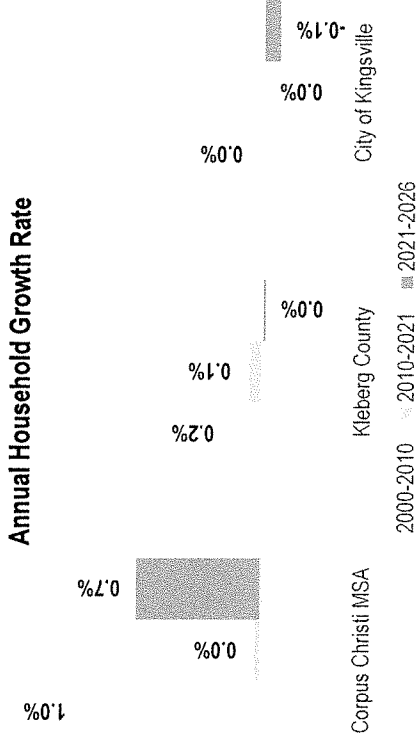
### Historical Non-Agricultural Employment by Industry

Kleberg County; 2001-2020



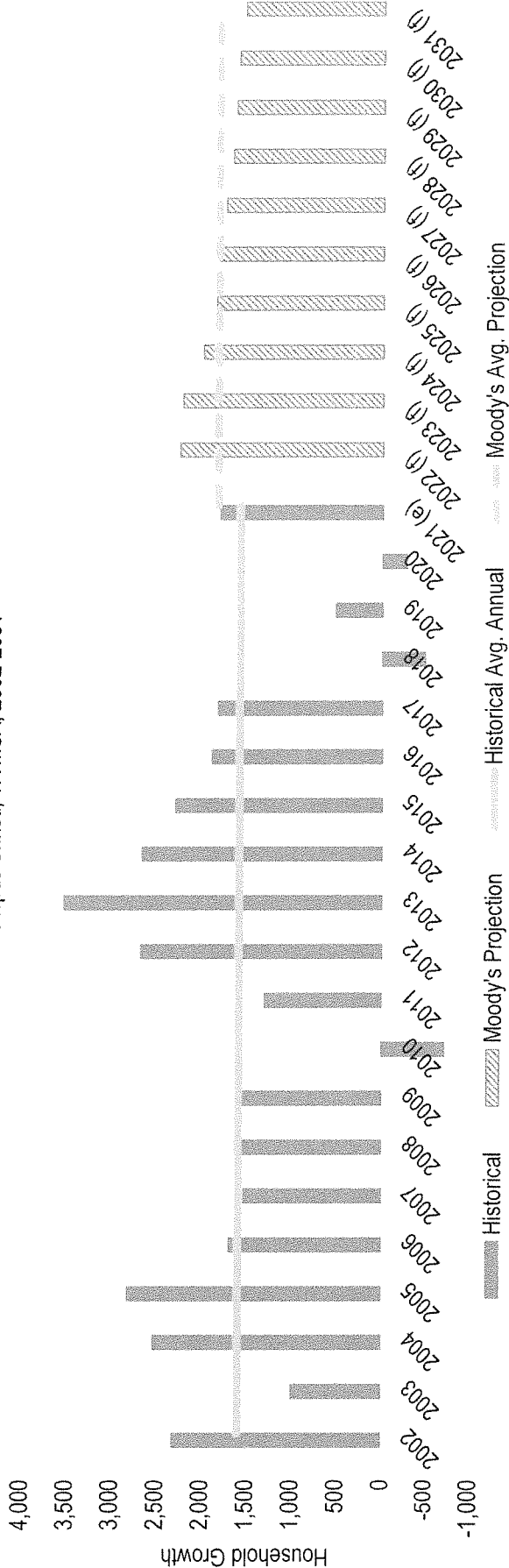
## THE CORPUS CHRISTI MSA IS PROJECTED TO EXPERIENCE MODERATE HOUSEHOLD GROWTH, PRESENTING AN OPPORTUNITY FOR KLEBERG COUNTY TO CAPITALIZE ON PROXIMITY AND REVERSE ITS FLAT-LINED GROWTH PATTERNS

Closely tracking employment patterns, the Corpus Christi MSA grew by an average of nearly 2,400 households annually from 2011 to 2016, during the recovery from the Great Financial Crisis (GFC) and rapid growth in the oil and gas sector. Following the COVID-19 recession, household growth is expected to match post-GFC growth levels and exceed the long-term average growth by 600 annual households. While Kingsville is not expected to match Corpus Christi's level of household growth, given the proximity and improved interstate access in coming years, the city could begin to capture some of this regional growth by providing affordable residential options and improving quality of life.



### Historical and Forecasted Household Growth

Corpus Christi, TX MSA; 2002-2031



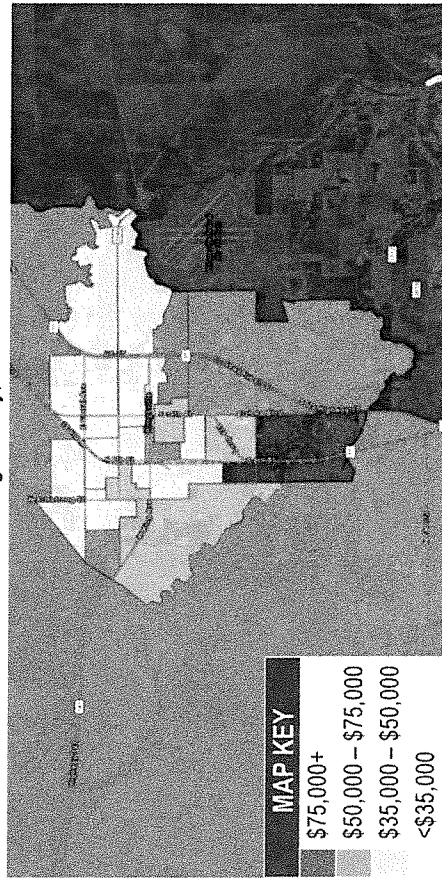
Note: (e) denotes estimated figure; (f) denotes forecasted figure;  
Source: Moody's Analytics; Esri; RCLCO

# DEMOGRAPHIC OVERVIEW

## GIVEN KINGSVILLE'S STUDENT POPULATION, LOCAL HOUSEHOLDS SKEW YOUNGER AND LESS AFFLUENT THAN THE CORPUS CHRISTI MSA

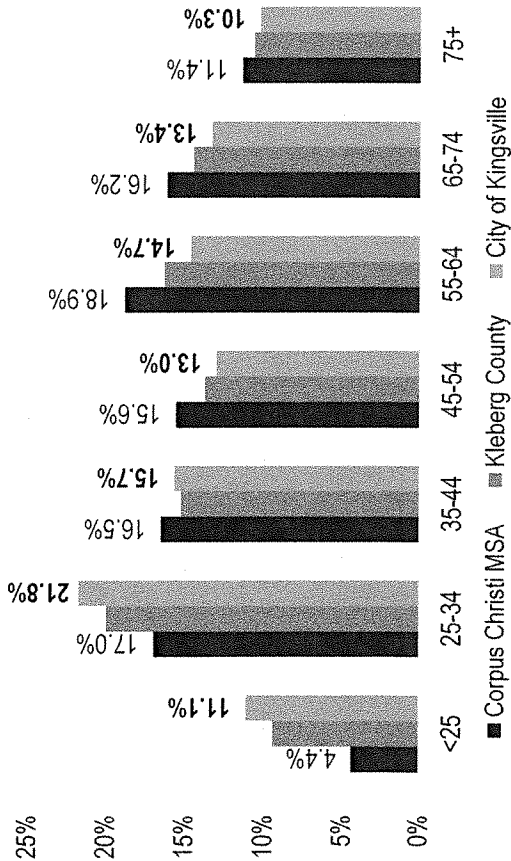
- ▲ **Low to Middle-Income Households:** Nearly 40% of Kingsville's households earn between \$35K and \$100K a year, illustrating a potential market depth of low to middle-income households that has typically been underserved in the housing market.
- ▲ **Rental Propensities:** Despite area's lack of existing large-scale rental communities, roughly 60% of Kingsville households rent, compared to 35% of Corpus Christi MSA households, likely due to the concentration of more transient groups like college students and military households.

**Median Household Income**  
Kleberg County; 2021



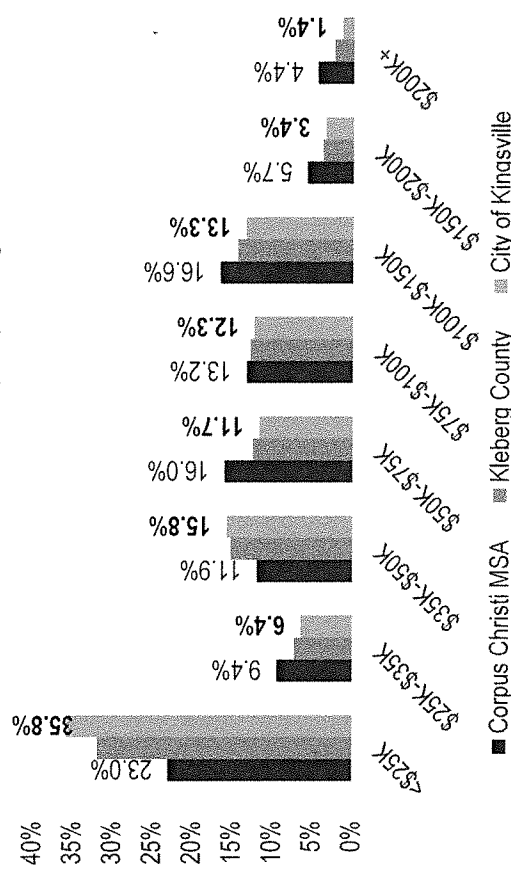
### Household Distribution by Age

Corpus Christi MSA, Kleberg County, City of Kingsville; 2021



### Household Distribution by Income

Corpus Christi MSA, Kleberg County, City of Kingsville; 2021



Source: Esri; RCLCO



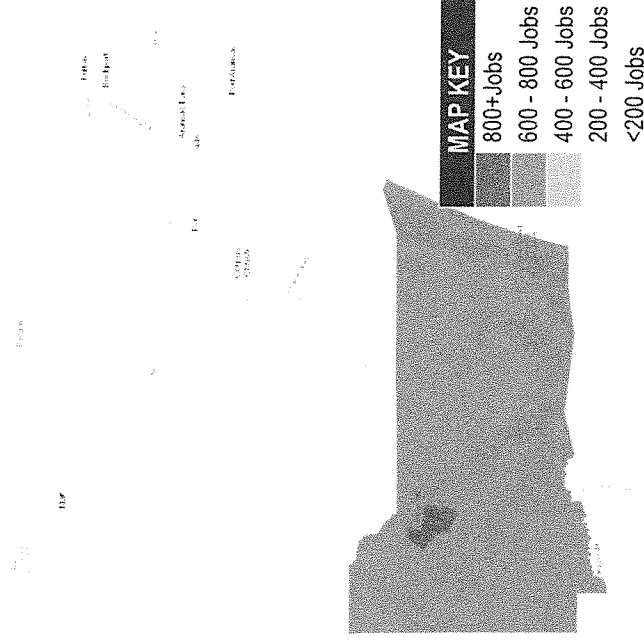
## COMMUTING PATTERNS

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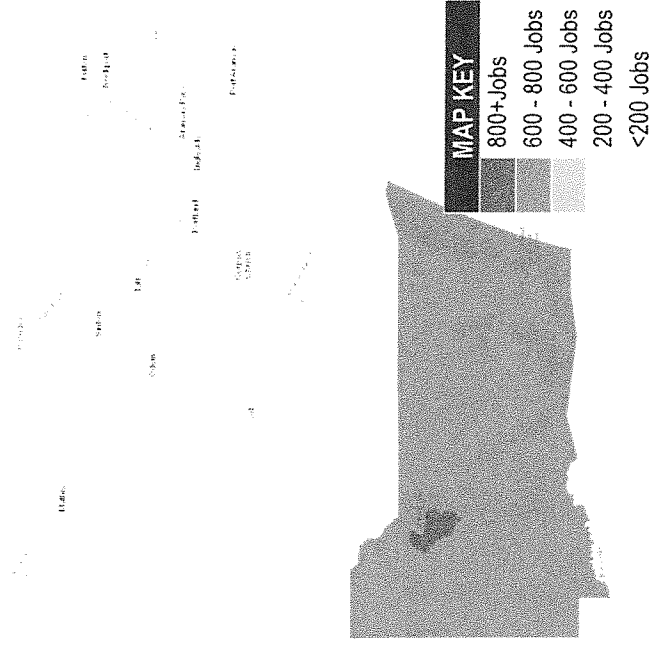
## KINGSVILLE EXPERIENCES SOME LEAKAGE OF POTENTIAL HOUSEHOLDS TO CORPUS CHRISTI, ALTHOUGH KINGSVILLE RESIDENTS BENEFIT FROM ACCESS TO CORPUS CHRISTI EMPLOYERS

- Approximately 20% of employees who work in Kingsville live 30 to 45 minutes away in the Corpus Christi MSA, primarily in residential Southside neighborhoods. These Kingsville employees might be drawn to living in Corpus Christi because of more residential options, variety of retail and entertainment, and added employment opportunities for spouses or other members of the household.
- Meanwhile, 20% of Kingsville residents work in the Corpus Christi MSA area, extending into Portland and Ingleside. This base of commuters illustrates the potential of Kingsville to serve as a bedroom community to Corpus Christi, particularly after Highway 77 is converted to part of Interstate 69E and cuts down on travel time.
- Unless further quality of life enhancements are implemented, improved interstate access does have the potential to exacerbate the leakage of households to Corpus Christi by also reducing the commute time into Kingsville.

### Work Destination of Kingsville Residents City of Kingsville; 2019



### Home Origin of Kingsville Employment City of Kingsville; 2019



# TOP EMPLOYERS

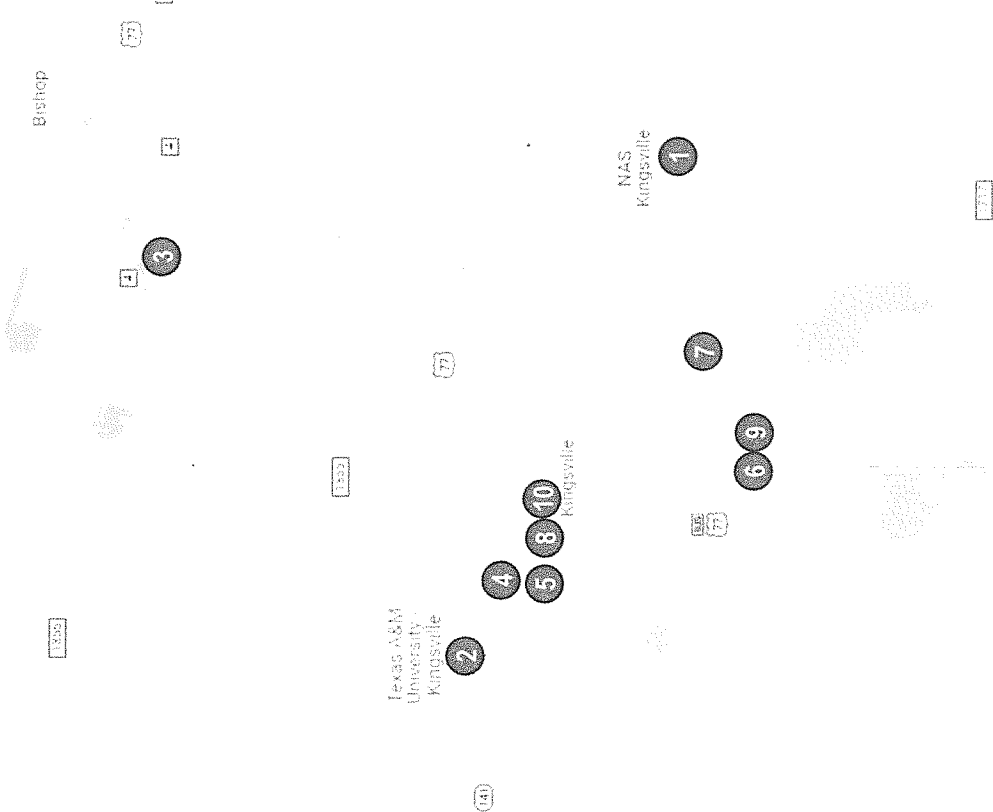
## PUBLIC INSTITUTIONS COMPRISE THE MAJORITY OF KINGSVILLE JOBS, ALTHOUGH INCREASED INVESTMENT IN ECONOMIC DEVELOPMENT IS LIKELY NEEDED TO ATTRACT MORE PRIVATE SECTOR EMPLOYMENT

- ▶ The top ten employers in Kingsville represent approximately 42% of the city's employment, with the remainder employed through smaller companies or employers located outside of Kingsville.
- ▶ The majority of Kingsville top employers are concentrated in and around historic Downtown Kingsville, with an additional hub in south Kingsville near the highway.
- ▶ Public institutions are six of the top ten employers in Kingsville. Although these anchor institutions are important to Kingsville's economic stability and identity, Kingsville's growth opportunities lie in attracting private industry into town, and increased economic development investment could help catalyze this growth.

Top Employers  
City of Kingsville; 2021

MAP KEY	EMPLOYER	NUMBER OF EMPLOYEES
1	NAS Kingsville	1,500
2	Texas A&M Kingsville	950
3	Celanese	600
4	Kingsville ISD	502
5	City of Kingsville	290
6	Walmart	250
7	U.S. Customs & Border Patrol	246
8	HEB	275
9	Christus Spohn Hospital	250
10	Kleberg County	300

Map of Top Employers  
City of Kingsville; 2021



# RESIDENTIAL MARKET

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# RENTAL TRENDS

## THE KINGSVILLE RENTAL MARKET IS PRICED AT A DISCOUNT TO CORPUS CHRISTI AND IS DEFINED BY LIMITED INVENTORY GROWTH, FLAT ABSORPTION, AND MODERATE RENT GROWTH

- ▲ In comparison to Corpus Christi, the Kleberg County / Kingsville market has less activity in terms of new project deliveries and absorption but has shown more consistent rent growth and lower vacancies.
- ▲ Given the limited inventory growth, absorption seems to be driven by trends in the regional economy and variation in the household levels for Kingsville's largest rental segments: military households affiliated with NAS Kingsville, who may only be temporarily based in Kingsville, and students and faculty/staff at Texas A&M Kingsville, which provides a stream of renters who may not typically plant more permanent roots in Kingsville.

	KLEBERG COUNTY	CORPUS CHRISTI, TX MSA
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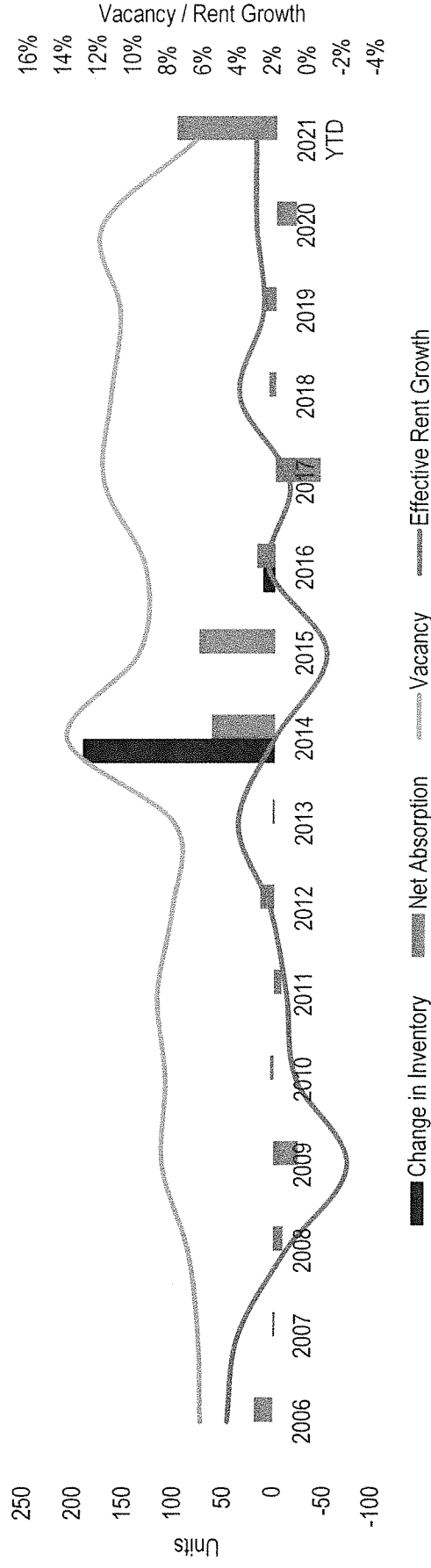
### CURRENT CHARACTERISTICS (2021 YTD)

Properties	35	365
Units	1,864	29,983
Avg. Effective Rent	\$894	\$1,057
Vacancy	6.3%	9.8%

### SHORT-TERM TRENDS (2016-2020)

Avg. Rent Growth	2.4%	1.5%
Avg. Vacancy	10.8%	11.3%
Avg. Net Absorption	-6	538
Avg. Completions	2	813

**Apartment Completions, Absorption, Vacancy, and Rent Growth**  
Kleberg County; 2006-2021 YTD



Source: CoStar, RCLCO



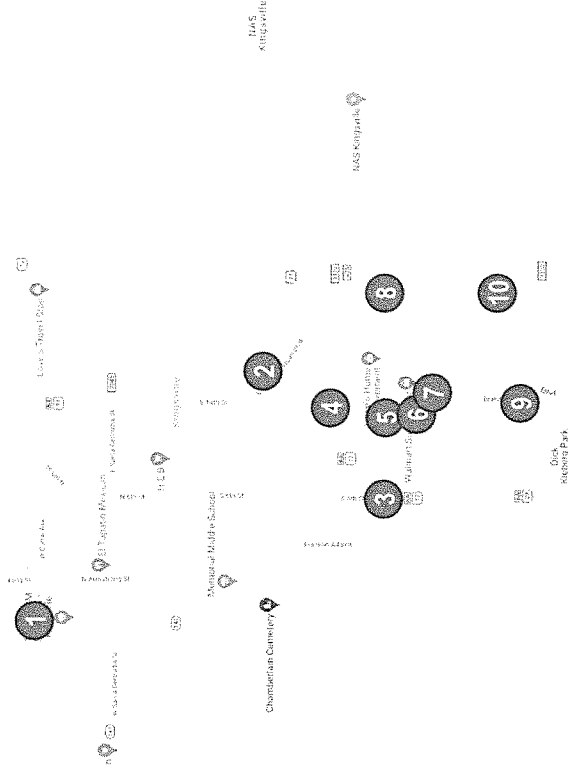
# RENTAL SUPPLY

## WHILE THERE IS LIMITED NEW RENTAL PRODUCT IN KINGSVILLE, EXISTING COMMUNITIES PERFORM WELL

To further understand the rental opportunity in Kingsville, RCLCO surveyed 10 non-student oriented, multifamily communities across the city, with a large concentration near Highway 77 on the south side of town, within close proximity to NAS Kingsville, Walmart, and Christus Spohn Hospital.

- Interviews with leasing agents indicate that renters at multifamily communities include military cadets, officers and contractors, border patrol agents, health care workers, and Texas A&M Kingsville students, faculty, and staff (although most undergrads live on-campus, which has extra capacity because the housing program was planned during a period of higher enrollment).
- The overall market occupancy in Kingsville is currently at 94%, with an average asking rent of nearly \$900 or \$0.99 per square foot. Most multifamily communities were built in the 1970s and 1980s, with only one new midscale rental community, Oak Tree, built in the last ten years, although three student housing rental communities were delivered near TAMUK during this time. However, the newest, highest-quality communities perform strongly, commanding high rents and approaching full occupancy, indicating possible pent-up demand for new, quality rental product.

### Rental Communities City of Kingsville; 2021



MAP KEY	COMMUNITY NAME	YEAR BUILT	YEAR LAST RENOVATED	MARKET RATE	OCCUPANCY RATE	AVG. ASKING RENT	AVG. ASKING RENT \$/SF
1	University Square Apartments	1968	N/A	224	99%	\$656	\$0.81
2	Kingsville Pointe	1950	N/A	241	88%	\$929	\$0.82
3	Kingsman Apartments	1972	N/A	75	91%	\$697	\$1.02
4	Canopy Apartments	1974	N/A	64	97%	\$823	\$0.87
5	Casa del Rey Apartments	1972	N/A	88	91%	\$753	\$0.87
6	Apple Creek Apartments	1984	N/A	121	97%	\$820	\$0.99
7	Bordeaux Apartments	1984	2006	120	97%	\$859	\$1.05
8	Oak Tree	2014	N/A	192	98%	\$1,215	\$1.46
9	Arroyo	1972	N/A	61	95%	\$729	\$0.81
10	Hawks Landing	1997	2016	102	98%	\$1,268	\$1.15
AVERAGE		1979	2011	129	94%	\$894	\$0.99

Source: Leasing agent interview; Property website; Axiometrics; CoStar; RCLCO

# RENTAL DEMAND

## DEMAND DRIVERS & POTENTIAL OPPORTUNITIES

Likely due to the impact of NAS Kingsville and Texas A&M Kingsville, the largest rental pool is low-to-mid income households under the age of 35, comprising 52% of annual rental demand. In addition, 60% of demand is for single-family rentals, largely generated by the significant representation of family renters and mature households – nearly 50% of overall annual rental demand comes from families.

With no purpose-built single-family rentals in the Kingsville market, there is an opportunity to add between 50 and 70 new single-family homes for rent per year, with the majority geared towards mid-to-high income households earning over \$50,000 per year. These income levels also align with Texas A&M Kingsville faculty and high-level administrators, who would be more attracted to living in Kingsville if high-quality housing were available.

While multifamily renters are a smaller segment of the market, there could be an opportunity to add a midscale multifamily community consisting of approximately 100 to 150 units every four to five years, primarily renting at higher price points than the current average asking rent of roughly \$900. There are currently parcels in southern Kingsville near the hospital and NAS Kingsville and to the north near TAMUK that would be suitable for multifamily development over the long-term due to their size and proximity to anchor institutions.

**Annual Single-Family & Multifamily Renter Demand by Age and Income**  
Kleberg County; 2021 – 2026

INCOME	AGE					TOTAL
	<25	25-34	35-54	55-64	65+	
UNDER \$50,000	313 24%	363 28%	143 11%	50 4%	26 2%	895 70%
\$50,000 - \$74,999	54 4%	62 5%	33 3%	9 1%	3 0%	161 13%
\$75,000 - \$99,999	28 2%	46 4%	28 2%	8 1%	2 0%	111 9%
\$100,000 - \$149,999	15 1%	44 3%	27 2%	5 0%	1 0%	92 7%
\$150,000 AND OVER	2 0%	8 1%	5 0%	2 0%	0 0%	17 1%
<b>TOTAL</b>	<b>411 32%</b>	<b>524 41%</b>	<b>237 19%</b>	<b>73 6%</b>	<b>32 3%</b>	<b>1,276 100%</b>

**Annual Demand for New Units by Income and Rent Range**  
Kleberg County; 2021 – 2026

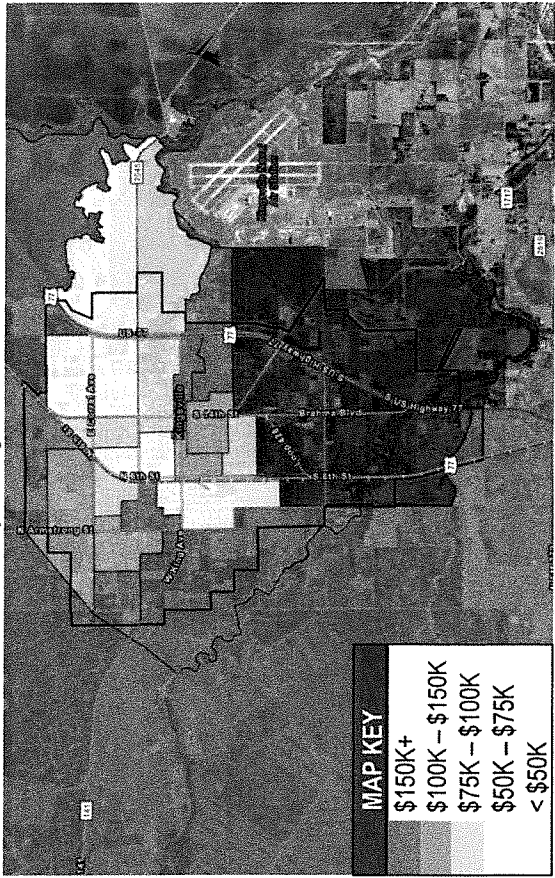
SUMMARY OF DEMAND BY INCOME AND RENT RANGE			ANNUAL SINGLE-FAMILY RENTAL DEMAND FOR NEW UNITS		ANNUAL MULTIFAMILY RENTAL DEMAND FOR NEW UNITS		TOTAL ANNUAL RENTAL DEMAND FOR NEW UNITS	
INCOME RANGE	RENT RANGE							
UNDER \$35,000	UNDER \$1,000		19	29%	13	30%	31	30%
\$35,000 - \$49,999	\$1,000 - \$1,200		8	12%	6	15%	14	13%
\$50,000 - \$74,999	\$1,200 - \$1,450		12	19%	8	20%	20	19%
\$75,000 - \$99,999	\$1,450 - \$1,800		10	16%	6	15%	17	16%
\$100,000 - \$149,999	\$1,800 - \$2,250		12	19%	6	16%	18	18%
\$150,000 AND OVER	\$2,250 AND OVER		3	5%	1	4%	4	4%
<b>Total</b>			<b>63</b>	<b>100%</b>	<b>41</b>	<b>100%</b>	<b>104</b>	<b>100%</b>

# FOR-SALE SUPPLY

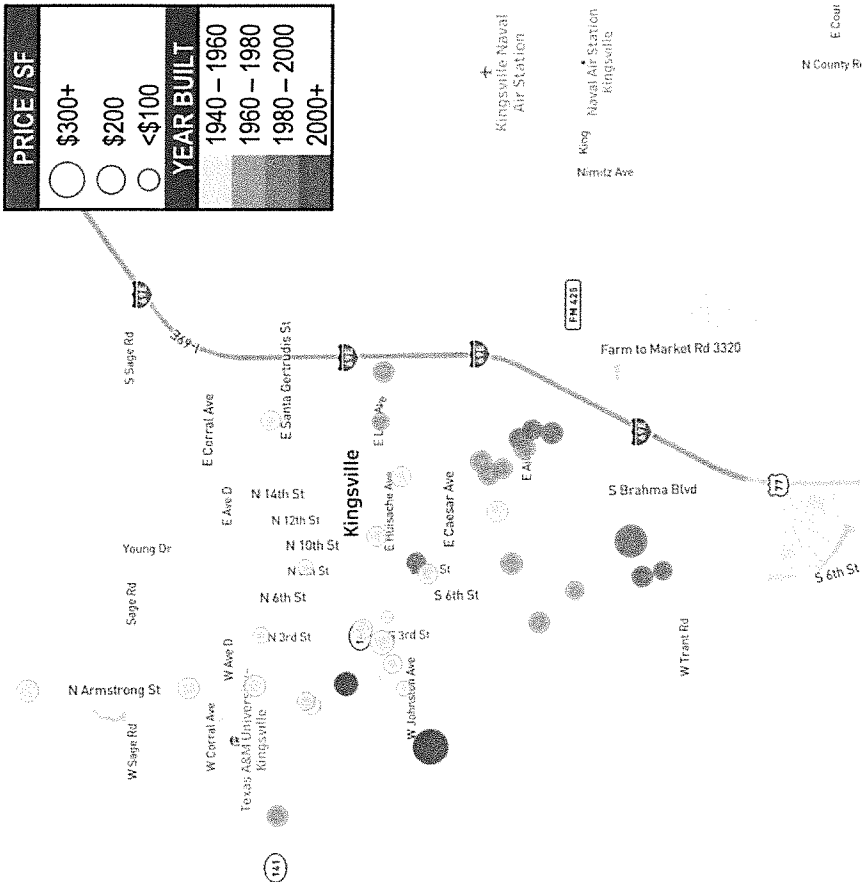
## THE KINGSVILLE FOR-SALE SUPPLY TYPICALLY SKEWS OLDER, WITH NEWER, MORE EXPENSIVE HOMES CONCENTRATED IN THE CITY'S SOUTHSIDE

- ▲ The majority of Kingsville's for-sale housing stock was built between 1940 and 1980s. Over time, the path of growth shifted from Kingsville's downtown core down to the city's southside neighborhoods, capitalizing on proximity to NAS Kingsville and the hospital.
- ▲ Median home values are the lowest in the city's northeast neighborhoods and increase in the areas most proximate to Kingsville's anchor institutions. These anchor institutions will likely be key to supporting new housing development in the future.

**Median Home Value by Census Block**  
City of Kingsville, 2021



**Sample of For-Sale Listings**  
City of Kingsville; Q3 2021



	LISTING PRICE	SQUARE FEET	YEAR BUILT	\$/SF
Average	\$191,643	1,894	1962	\$101
Q1	\$114,925	1,233	1949	\$93
Median	\$168,250	1,518	1958	\$111
Q3	\$212,188	2,202	1971	\$96

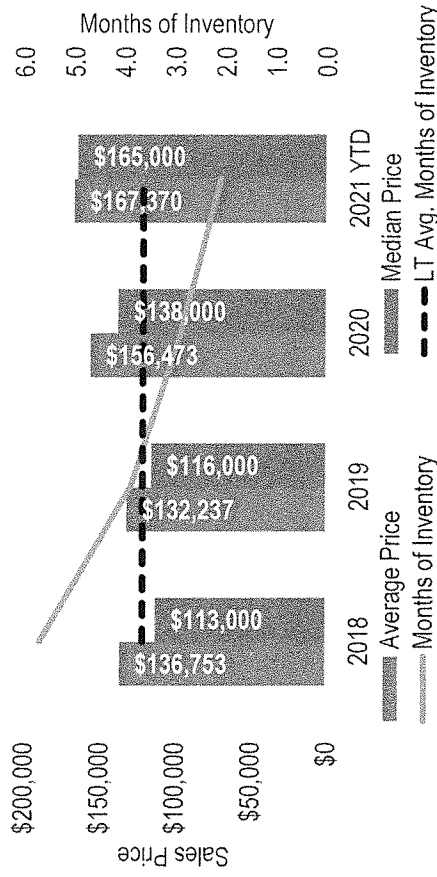


# FOR-SALE TRENDS

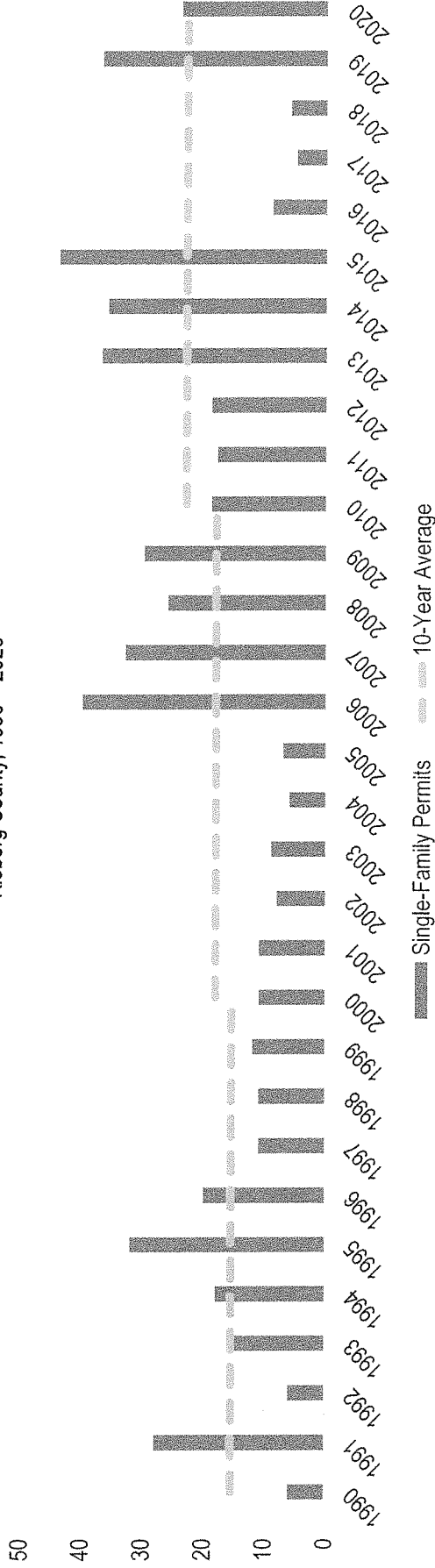
## ALTHOUGH KINGSVILLE HOME PRICES HAVE INCREASED OVER THE PAST FEW YEARS, IT REMAINS A MORE AFFORDABLE MARKET TO CORPUS CHRISTI

- ▲ Kingsville's median and average home prices increased 46% and 22% respectively from 2018 to 2021 to date. However, in comparison the Corpus Christi's current median home price of \$260,000, the Kingsville market remains significantly more affordable, particularly to low- and middle-income households.
- ▲ Similar to many Texas markets, Kingsville's inventory has been decreasing over the past several years and is currently at an all-time low. Local realtors and stakeholders have corroborated the lack of adequate supply. The current months of inventory of 2.1 months is similar to Corpus Christi's 2.1 months, demonstrating a similar level of demand and competitiveness.
- ▲ While permitting activity has increased on average over the past ten years, it likely remains below the levels required to replace an aging household stock and provide quality housing to households moving to the area.

**For-Sale Single-Family Residential Trends**  
City of Kingsville; 2018-2021 YTD



**Annual Single-Family Permits**  
Kleberg County, 1990 – 2020



Source: HUD; South Texas MLS; Texas Realtors; Texas A&M University Texas Real Estate Center.

# FOR-SALE DEMAND

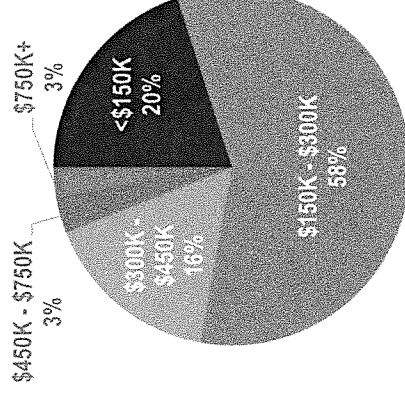
## DEMAND DRIVERS & POTENTIAL OPPORTUNITIES

The Kingsville market has the capacity to support between 35 and 55 new for-sale homes per year. The highest demand for new for-sale housing is for homes in the \$150,000 to \$300,000 range, which aligns with mid-to-high household incomes and mostly family buyers. This demand could be met through groups of small local and regional builders and investors planning 10-15 homes each in different parts of town. There is particular need for new infill housing in the smaller parcels near downtown, as a residential household base would help energize downtown redevelopment. Developers interested in developing larger single-family communities could also consider splitting the community into for-sale and rental phases to capitalize on the concentration of family renters in the area.

**Annual Owner Demand for New Units by Age and Income**  
Kleberg County; 2021 – 2026

INCOME	AGE					TOTAL
	<25	25-34	35-54	55-64	65+	
UNDER \$35,000	0 1%	0 1%	1 2%	1 2%	2 4%	4 9%
\$35,000 - \$49,999	1 1%	1 1%	1 2%	1 2%	2 4%	5 10%
\$50,000 - \$74,999	1 3%	1 2%	2 4%	1 3%	1 3%	6 14%
\$75,000 - \$99,999	1 2%	3 6%	3 6%	2 4%	1 3%	9 21%
\$100,000 - \$149,999	2 5%	5 10%	5 10%	2 5%	2 3%	15 34%
\$150,000 - \$199,999	0 0%	1 3%	1 3%	1 2%	0 1%	4 8%
\$200,000 AND OVER	0 0%	1 1%	1 1%	1 1%	0 1%	2 5%
<b>TOTAL</b>	<b>6 12%</b>	<b>11 23%</b>	<b>13 29%</b>	<b>8 17%</b>	<b>9 19%</b>	<b>46 100%</b>

**Demand for New Units by Affordable Home Price**  
Kleberg County; 2021 – 2026



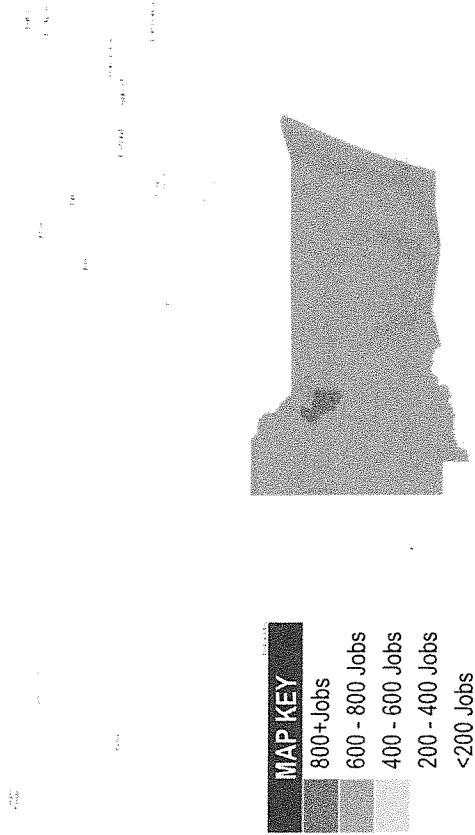
SUMMARY OF DEMAND BY AFFORDABLE HOME PRICE	
PRICE RANGE	ANNUAL OWNER DEMAND FOR NEW UNITS
UNDER \$150,000	9
\$150,000 - \$299,999	27
\$300,000 - \$449,999	7
\$450,000 - \$749,999	1
\$750,000 AND OVER	1
<b>Total</b>	<b>46</b>
	<b>100%</b>

# CORPUS CHRISTI DEMAND

## IF KINGSVILLE BEGINS TO PROVIDE MORE QUALITY HOUSING AND COMPELLING RETAIL AND ENTERTAINMENT OPTIONS, IT COULD BEGIN TO ATTRACT MORE KINGSVILLE-EMPLOYED CORPUS CHRISTI HOUSEHOLDS

- Based on the 20% of Kingsville employees who are currently living in the Corpus Christi MSA, there would be opportunity to attract 50-60 additional renter households and 10-15 owner households to the Kingsville area from Corpus Christi. While the scale of the opportunity is relatively small, this trend could grow over the long-term as Kingsville develops its housing stock and implements some quality of life improvements, in addition to increased spousal employment opportunities, which would lead more households to consider living in Kingsville.
- As construction on Interstate 69-E wraps up in the near term, shortening the commute time between Kingsville and Corpus Christi, it could enhance Kingsville's ability to serve as a bedroom community to Corpus Christi, but it could also exacerbate the trend of Kingsville employees living in Corpus Christi. However, if more quality, affordable housing options were available, and the local school district improves, Kingsville could become a more attractive and affordable option to Corpus Christi, where the median house price is currently \$260,000.

Home Origin of Kingsville Employment  
City of Kingsville, 2019



	EMPLOYMENT
2021 Kingsville Employment	12,000
% of Kingsville Employees Living in Corpus Christi	20%
Total Kingsville Employees Living in Corpus Christi	2,400

	RENTERS	OWNERS
% Tenure	40%	60%
Total Households	960	1,440
% in Turnover	30%	5%
Households in Turnover	288	72
% Consider Kingsville	20%	15%
Upside to Kingsville Demand from Corpus Christi Households	58	11

# COMMERCIAL MARKET

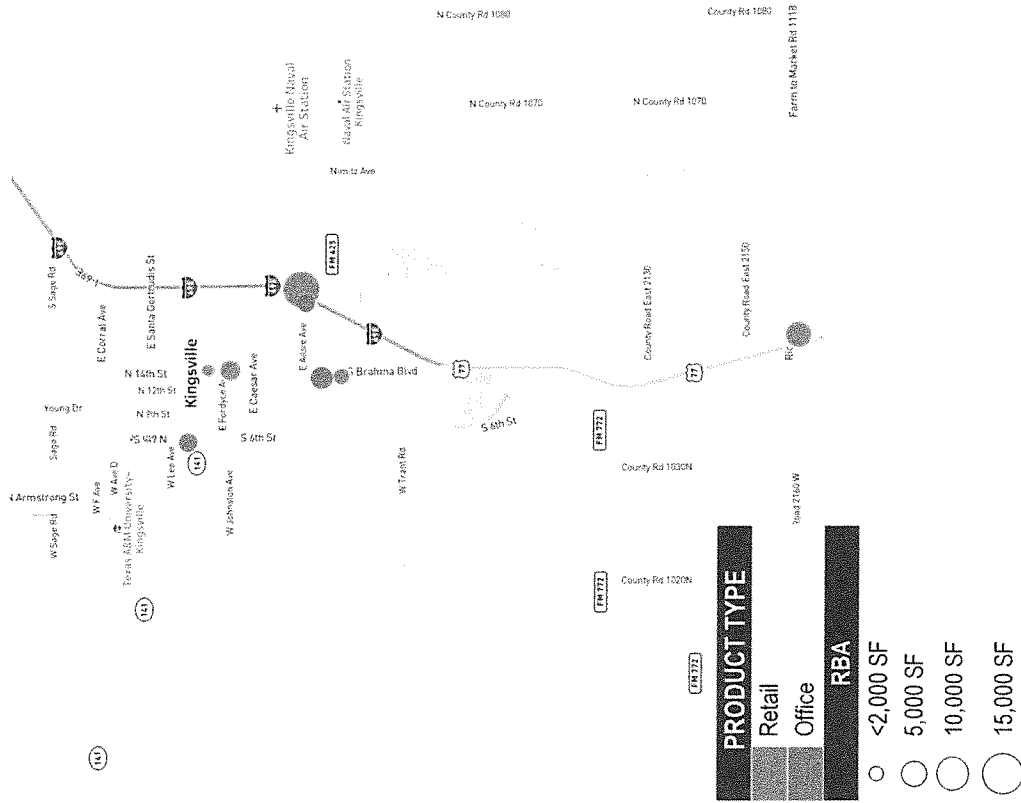
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# RETAIL & OFFICE SUPPLY

## KINGSVILLE HAS LIMITED STOCK OF NEWER OFFICE AND RETAIL PRODUCT, MOST OF WHICH IS NEIGHBORHOOD-ORIENTED. RECENTLY, NATIONAL RETAILERS HAVE ENTERED THE MARKET, PRIMARILY ALONG HIGHWAY 77

- Recent retail wins include the opening of Marshalls, Harbor Freight, Chick-fil-a, and Starbucks in South Kingsville, with the latter two occupying highway-visible retail space. As Highway 77 joins the I-69E system, more national retailers will likely become attracted to the Kingsville market with higher traffic counts.
- Most commercial land uses are concentrated in either south Kingsville, near the existing Walmart, and downtown Kingsville. Downtown Kingsville, in particular, has the potential to become a lively main street hub, as more historic storefront spaces are renovated and occupied. A few local groups are in the process of opening a new entertainment/restaurant concept at the old Texas Theatre, and there are talks of new boutiques and wine bars opening in the near future.
- Most of the existing rentable office space skews older and is occupied by small, neighborhood-serving, flex, and medical offices. The average office building was built between 1960 and 1980 and occupies under 10,000 square feet.

## Retail and Office Properties, Built After 2010 City of Kingsville; 2021





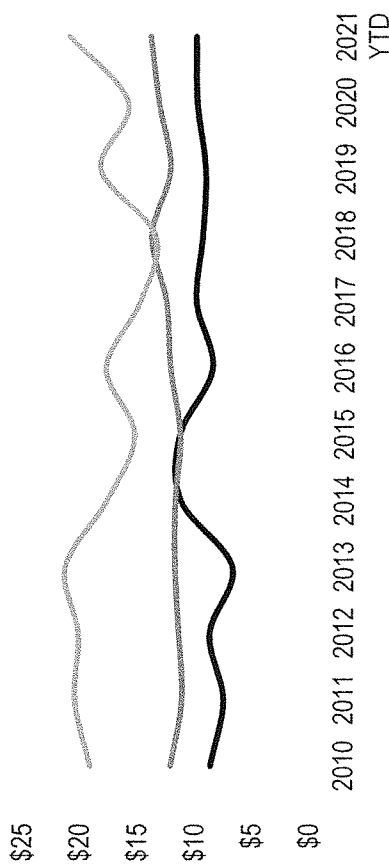
# RETAIL TRENDS & OPPORTUNITIES

## KINGSVILLE IS A MORE AFFORDABLE ALTERNATIVE TO RETAIL LOCATIONS IN CORPUS CHRISTI, ALTHOUGH CHALLENGED BY VACANCIES AND ABSORPTION ISSUES

- ▲ The Kingsville retail market has seen little activity, with very few new deliveries. Most new retail tenants, including national retailers, have opened in existing retail structures. Retail vacancy has hovered around an average of 9% over the past five years, more than double Corpus Christi MSA's 4% average vacancy rate, an indication that available space has outpaced demand. The significant negative absorption in 2020 could likely be the result of pandemic-related store closures.
- ▲ Retail NNN rents in Kingsville have remained stable, in the \$9 to \$11 per square foot range for the past five years. This represents a 25% discount to Corpus Christi MSA retail rents and could attract some retailers looking to capitalize on interstate visibility.
- ▲ Although there is limited household growth for a significant retail opportunity, RCLCO estimates that the primary retail opportunities lie in bringing in national retailers to highway-oriented establishments in South Kingsville, adding food and beverage options near the university, and most significantly, incentivizing more independent shops and restaurants to open and support the revitalization of downtown Kingsville.

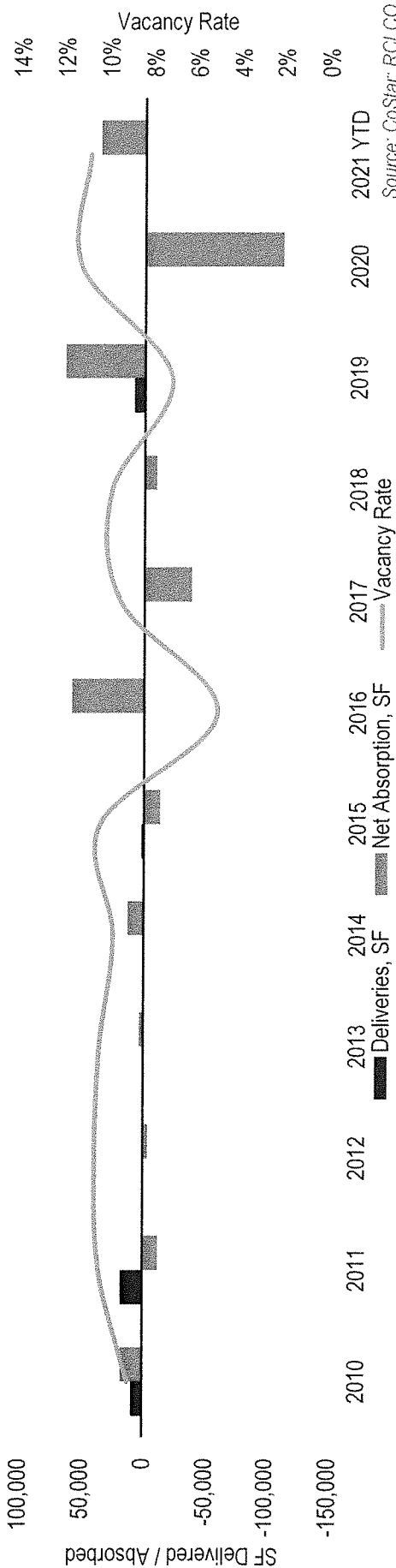
### Historical Retail Rents

Corpus Christi MSA and City of Kingsville; 2010-2021 YTD



### Retail Completions, Absorption, and Vacancy

City of Kingsville; 2010-2021 YTD

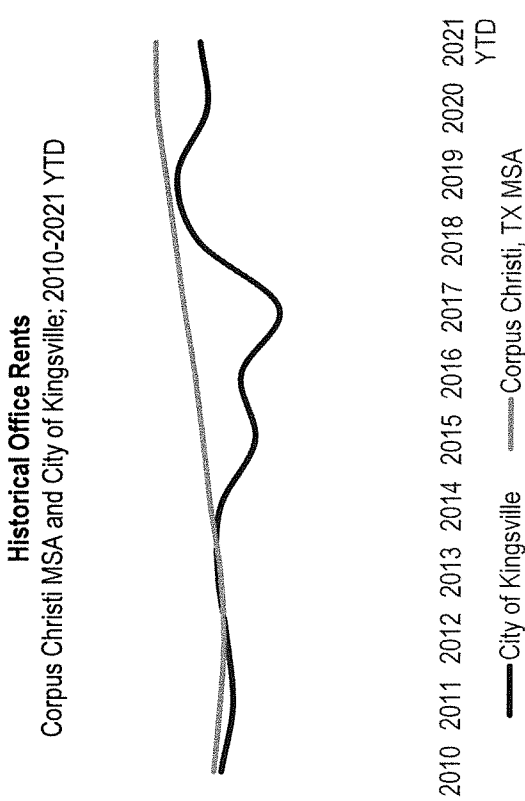


Source: CoStar; RCLCO

# OFFICE TRENDS & OPPORTUNITIES

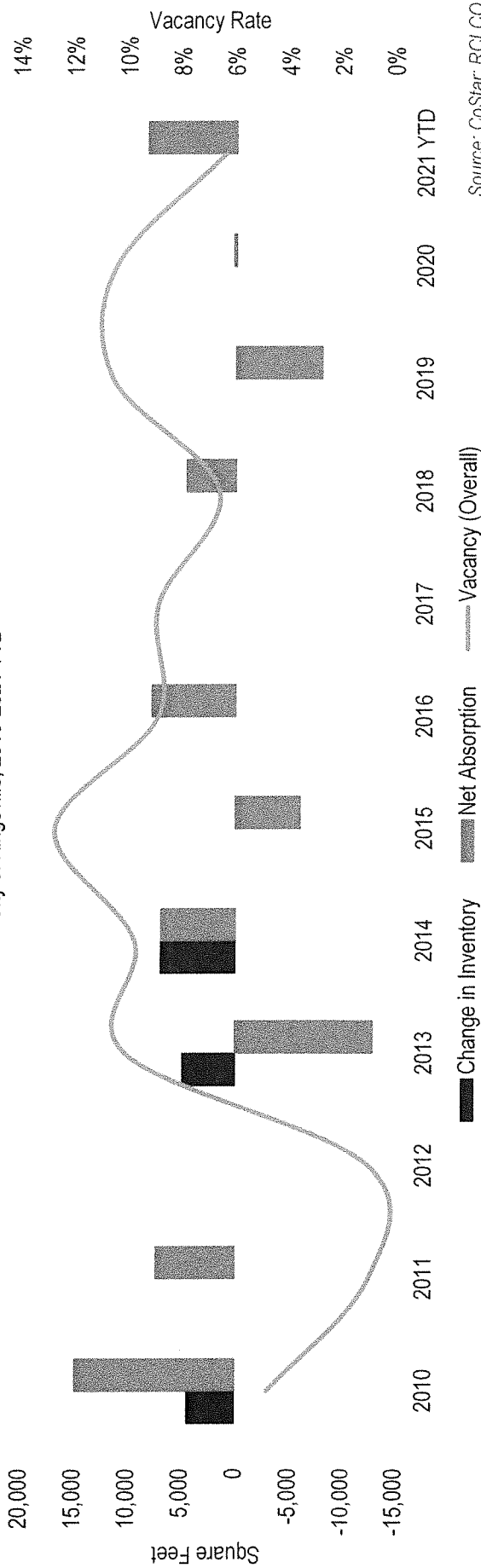
## THE KINGVILLE OFFICE OPPORTUNITY IS LIKELY LIMITED TO SMALL NEIGHBORHOOD-SERVING AND MEDICAL OFFICE

- Office space in Kingsville is primarily neighborhood-serving, characterized by smaller footprint neighborhood deliveries, lower base rents PSF (\$20 PSF versus \$25 PSF in the Corpus Christi MSA currently), and similar vacancies as the MSA, with an 8% 5-year average vacancy for both Kingsville and the MSA, although Kingsville experiences more fluctuations in vacancy due to the smaller inventory.
- Similar to the retail market, there is limited growth to support significant office development, although RCLCO estimates that there is potential to turn currently empty storefronts in downtown Kingsville into higher-quality neighborhood-serving office spaces for realtor, law, and accounting practices. There is also an opportunity to add additional medical office as a natural extension of the Christus Spohn Hospital to help serve an aging population.



## Office Completions, Absorption, and Vacancy

City of Kingsville; 2010-2021 YTD



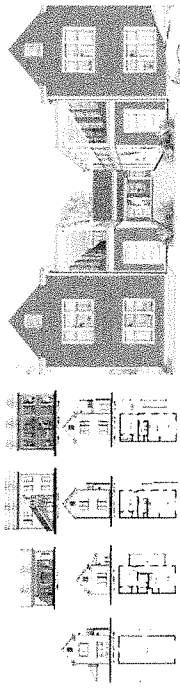

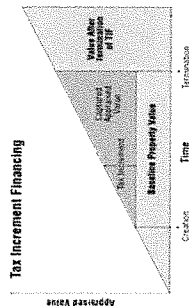
Source: CoStar, RCLCO

## OPPORTUNITIES & TOOLKIT

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## THE FOLLOWING TOOLS ARE AVAILABLE TO KINGSVILLE TO SPUR NEW DEVELOPMENT AND JUMP-START GROWTH:

PROGRAM	PATTERN ZONING	TAX INCREMENT REINVESTMENT ZONE (TIRZ)
<b>Description</b>	 <p>Pattern zoning is a technique intended to lower barriers to executing high-quality, incremental infill projects. Working with vernacular styles and local climate conditions, pattern zoning uses preapproved plans for various single-family and small-scale multifamily buildings, and can also be applied to commercial buildings. All building types provide low-rise density that fits into walkable neighborhoods.</p>	  <p>TIRZs are a form of tax increment financing created to incentivize both development and redevelopment. A TIRZ establishes a "base tax value" for a designated geographic area and then reallocates some or all of the additional ad valorem property taxes in the zone for typically 20-25 years. TIRZ funds can only be used within the TIRZ and can fund infrastructure, landscaping, streetscaping, or any type of public enhancements.</p>
<b>Applicable Land Uses</b>	Residential and commercial in and around downtown Kingsville, or near Texas A&M Kingsville	Landscape/streetscape, façade improvements and commercial/residential building rehabilitation for downtown Kingsville
<b>Benefits &amp; Advantages</b>	The pattern zone includes licensed architectural designs and an expedited permitting system for incremental infill projects that meet higher design standards. The program makes it convenient to build housing at scales appropriate to existing neighborhoods, and leads to cost savings. In general, the pattern zone reduces the administrative burden for the city, and cuts the design and entitlement costs for applicants.	A TIRZ is used to expedite development in an area of the city that may not otherwise develop in a timely manner, by using property taxes to help pay for the costs. There are other taxes that get generated from new development, such as business personal property, sales tax revenue, and any percentage of uncommitted real property tax revenue that will benefit the city almost immediately. Instead of a façade grant or individual project grants, it is a mechanism that accomplish various projects simultaneously.
<b>Potential Challenges</b>	Although the pattern zone will reduce permitting barriers in the long-run, it might require some upfront costs and education	The city still has to pay for supportive services (police/fire departments); does not need public vote, but community outreach is part of the process.
<b>Example/ Case Study</b>	City of Bryan, TX Midtown Pattern Zone, adopted 2020	Approximately 180 TIRZs throughout Texas; local example: Corpus Christi TIRZ #3 Downtown Reinvestment Zone

Source: City of Bryan, Texas. Congress for New Urbanism; City of Flower Mound; Texas Comptroller: RCLCO

# DEVELOPMENT TOOLKIT

## THE FOLLOWING TOOLS ARE AVAILABLE TO KINGSVILLE TO SPUR NEW DEVELOPMENT AND JUMP-START GROWTH:

PROGRAM	GRANTS TO SPUR NEW DEVELOPMENT	INVESTMENT IN ECONOMIC DEVELOPMENT AND JOB ATTRACTION	LEVERAGING ANCHOR INSTITUTIONS
<b>Description</b>	 <p>In the past, the City of Kingsville has provided small grants and property tax abatements to developers and investors in order to incentivize residential and commercial development, previously resulting in the new residential communities of Paulson Falls and Wild Wood Trail.</p>	 <p>Kingsville's future household growth is reliant on diversifying the local economy and growing the job base beyond the major public institutions in town. Investment in economic development could attract private sector employers from outside of Kingsville and help grow local businesses through programs such as a Small Business Development Center, etc.</p>	 <p>Kingsville's storied history with the famed King Ranch can be further leveraged as part of Kleberg County's growing hospitality industry. The City of Kingsville could partner with King Ranch to expand its presence in downtown, create more eco-tourism experiences and tours at the ranch, or develop a hospitality concept.</p>
<b>Applicable Land Uses</b>	<p>Residential and commercial throughout Kingsville</p>	<p>Space for a Small Business Development Center in collaboration with Texas A&amp;M Kingsville; Private Office/Flex space for new businesses</p>	<p>Hospitality, eco-tourism</p>
<b>Benefits &amp; Advantages</b>	<p>For a sample 100-home for-sale single-family community, RCLCO estimates that the potential annual gross tax revenue to the city and county could be roughly \$720K per year between property taxes and sales taxes, before accounting for the cost of increased services*.</p>	<p>Providing more employment opportunities would convince more households to both live and work in Kingsville. Increasing the economic development budget to a level commensurate with Kingsville's size and economy would help maintain competitiveness with peer cities.</p>	<p>An opportunity to collaborate with King Ranch's new leadership, play up a unique aspect of Kingsville's identity and culture, attract more visitors, and increase tourism spending in Kingsville.</p>
<b>Potential Challenges</b>	<p>Identifying best uses of economic development funds and attracting quality developers</p>	<p>Sourcing extra funding for economic development activities</p>	<p>Undetermined vision and priorities from King Ranch new leadership</p>
<b>Example/ Case Study</b>	<p>Various cities across Texas</p>	<p>Tarleton State University SBDC; Brownwood, TX SBDC</p>	<p>Bronco Off-Road Experience</p>

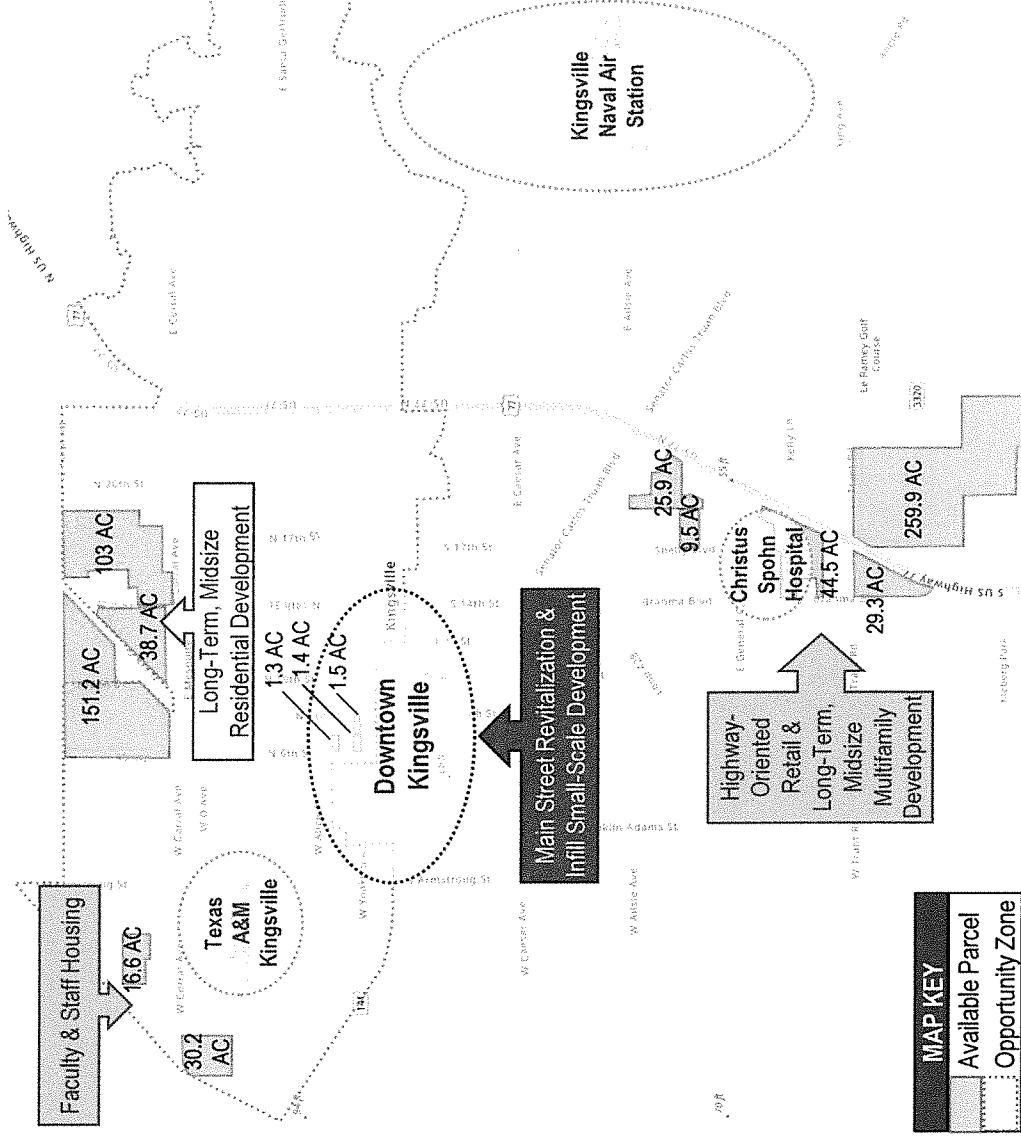
\*Assumptions: \$200K average home value; 3.21% property tax rate. \$37,500K annual expenditures per household. 2% city/county sales tax. Source: Tarleton State University SBDC; RCLCO Kingsville Chamber of Commerce | Market Analysis | City of Kingsville

## TO CONCENTRATE EFFORTS AND CREATE MOMENTUM, RCLCO RECOMMENDS THAT KINGSVILLE PRIORITIZE DOWNTOWN DEVELOPMENT IN THE NEAR-TERM

▲ To build on existing economic development programs without dispersing focus, RCLCO recommends that the City concentrate its development efforts into downtown development and revitalization. Projects could include infrastructure and streetscape improvements, new signage, culture and quality of life enhancements, attracting more food and beverage options, and most significantly, incentivizing more infill, small-scale residential development, including for-sale and rental options. A strong residential base and on-going commercial investments will likely create long-lasting returns for the city.

▲ Over the long-term, as downtown revitalization efforts gain traction, Kingsville can begin to target other parcels throughout the city. Secondary priorities can include highway-oriented retail along the upgraded Interstate 69-E and mid-scale multifamily development near the hospital and naval base to provide housing for military personnel and healthcare workers. The City could also partner with Texas A&M Kingsville to incentivize more faculty and staff housing near the university and encourage more faculty members to live in Kingsville full-time.

Available Parcel Map and Opportunity Zone



## DISCLAIMERS

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Our conclusions are based on our analysis of the information available from our own sources and from the client as of the date of this report. We assume that the information is correct, complete, and reliable.

We made certain assumptions about the future performance of the global, national, and local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing these conclusions. However, given the fluid and dynamic nature of the economy and real estate markets, as well as the uncertainty surrounding particularly the near-term future, it is critical to monitor the economy and real estate markets continuously and to revisit the aforementioned conclusions periodically to ensure that they are reflective of changing market conditions.

It has become increasingly clear that the U.S. economy is in a recession, and yet the extent of the damage to the economy and the ability to rebound from a still unfolding disruption are unknown. These events underscore the notion that stable and moderate growth patterns are historically not sustainable over extended periods of time, the economy is cyclical, and real estate markets are typically highly sensitive to business cycles. Further, it is particularly difficult to predict inflection points, including when economic and real estate expansions will end, and when downturn conditions return to expansion.

Our analysis and recommendations are based on information available to us at the time of the writing of this report, including the likelihood of a downturn, length and duration, but it does not consider the potential impact of additional/future shocks on the national and/or local economy, and does not consider the potential benefits from major "booms" that may occur. Similarly, the analysis does not reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. Also, it is important to note that it is difficult to predict changing consumer and market psychology. As such, we recommend the close monitoring of the economy and the marketplace, and updating this analysis as appropriate.

Further, any project and investment economics included in our analysis and reports should be "stress tested" to ensure that potential fluctuations in revenue and cost assumptions resulting from alternative scenarios regarding the economy and real estate market conditions will not cause unacceptable levels of risk or failure.

In addition, and unless stated otherwise in our analysis and reports, we assume that the following will occur in accordance with current expectations by market participants:

- ▶ Tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth)
- ▶ Availability and cost of capital and mortgage financing for real estate developers, owners and buyers
- ▶ Competitive supply (both active and future) will be delivered to the market as planned, and that a reasonable stream of supply offerings will satisfy real estate demand
- ▶ Major public works projects occur and are completed as planned

Should any of the above change, this analysis should be updated, with the conclusions reviewed accordingly (and possibly revised).

# GENERAL LIMITING CONDITIONS

**RCLCO**  
REAL ESTATE CONSULTING

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co." or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of RCLCO. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO.





## AUSTIN

100 Congress Avenue, Suite 2000  
Austin, TX 78701

## LOS ANGELES

11601 Wilshire Boulevard, Suite 1650  
Los Angeles, CA 90025

## ORLANDO

964 Lake Baldwin Lane, Suite 100  
Orlando, FL 32814

## WASHINGTON, DC

7200 Wisconsin Avenue, Suite 1110  
Bethesda, MD 20814

# **AGENDA ITEM #12**



**RESOLUTION #2022-\_\_\_\_\_**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF KINGSVILLE, TEXAS AND WINSTEAD PC FOR BOND COUNSEL SERVICES; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Kingsville used the services of Winstead PC as bond counsel for the City for several years and desires to continue such service through an updated agreement via an engagement letter;

**WHEREAS**, the agreement spells out the services to be provided and that the agreement may be cancelled at any time;

**WHEREAS**, the law firm of Winstead PC has the knowledge and experience to perform the specialized bond counsel services;

**WHEREAS**, the City and Winstead PC have worked to prepare a contract for bond counsel services between the City of Kingsville and Winstead PC and the parties both agree to the terms of the proposed contract, which includes the ability to terminate with or without cause at any time.

**BE IT RESOLVED** by the City Commission of the City of Kingsville, Texas:

I.

**THAT** the City Manager is authorized and directed as an act of the City of Kingsville, Texas to enter into a Professional Agreement between the City of Kingsville, Texas and Winstead PC for bond counsel services, in accordance with Exhibit A hereto attached and made a part hereof.

II.

**THAT** all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

**THAT** this Resolution shall be and become effective on and after adoption.

**PASSED AND APPROVED** by a majority vote of the City Commission on the  
\_\_\_\_\_ 11th day of July, 2022.

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

310 S. Saint Mary's Street      210.277.6800 OFFICE  
Suite 920      210.277.6810 FAX  
San Antonio, Texas 78205      winstead.com

Daniel M. Martinez  
direct dial: 210.277.6803  
dmartinez@winstead.com

July 6, 2022

Mayor and City Commission  
City of Kingsville, Texas  
400 West King Avenue  
Kingsville, Texas 78363

The purpose of this Engagement Letter is to set forth the basis of engagement of WINSTEAD PC ("Bond Counsel") by the CITY OF KINGSVILLE, TEXAS (the "Issuer" or "City") for professional services to be rendered as Bond Counsel in connection with the authorization, sale, and delivery of bonds, certificates of participation, notes, or other evidences of indebtedness (herein for ease of reference called "bonds") by and as requested by the Issuer and other related services, including public improvement district services. Unless specifically modified herein, Bond Counsel's Standard Terms of Engagement for Legal Services, attached hereto as Exhibit A (the "Standard Terms"), shall apply to this agreement. This agreement supersedes all previous agreements whether written or oral.

1. Bond Counsel Services. Bond Counsel will prepare and perform legal proceedings and perform other necessary legal services as requested by the City with reference to the authorization, sale, and delivery of the bonds, including the following:

- a. Prepare all resolutions, ordinances, and other instruments pursuant to which bonds will be authorized, sold, and delivered in consultation with the governing body and other representatives of the Issuer, the managing Underwriter, if any, and any other person as directed by the Issuer.
- b. Prepare any agreements authorizing or securing the bonds, including any trust indentures if necessary.
- c. Attend meetings of the governing body of the Issuer to the extent required or requested with reference to the issuance of the bonds.
- d. Attend meetings with prospective bond purchasers bond rating agencies to the extent required or requested.
- e. Prepare documents calling any bond election, giving notice thereof, and canvassing the results, and, if requested, handle preclearance of the election by the United States Department of Justice under the federal Voting Rights Act if required.
- f. Assist in obtaining loans, credit enhancement, or other related services from federal or state agencies or private institutions.
- g. Cooperate with the Issuer and its consultants in the preparation of official statements or other securities laws disclosure documents (the "official statement"), including review of the information therein describing the bonds, the security therefor, and the federal income tax status thereof.

- h. Obtain approval of the bonds and the project to be financed, if necessary, from the Attorney General of the State of Texas and registration of the bonds by Comptroller of Public Accounts of the State of Texas.
- i. Supervise the execution of the bonds and delivery thereof to the original purchasers.
- j. When the bonds are delivered, render an opinion (the "Opinion") covering the validity of the bonds and the tax exempt status of the interest thereon under federal income tax laws.
- k. We will also provide the Underwriter, if applicable, with a supplemental opinion covering certain sections of the official statement when required, as described in (g) above.

2. Our duties do not include the preparation of the official statement or performing an independent investigation to determine the accuracy, completeness, or sufficiency of the official statement or rendering advice that the official statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading (except to the extent described in (k) above); or, after closing, providing continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the bonds will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the bonds); or addressing any other matter not specifically set forth above that is not required to render our bond opinion.

3. The Opinion will be based on facts and law existing as of its date. In rendering the Opinion, Bond Counsel will rely upon the certified proceedings and other certifications of public officials, and other persons, furnished to it without undertaking to verify the same by independent investigation, and Bond Counsel will assume continuing compliance by the Issuer with applicable laws relating to the bonds. During the course of this engagement, Bond Counsel will rely on the Issuer to provide Bond Counsel with complete and timely information on all developments pertaining to any aspect of the bonds and their security. Bond Counsel understands that the Issuer will direct members of its staff and other employees of the Issuer to cooperate in this regard.

4. Bond Counsel Compensation.

The fees to be charged as Bond Counsel for the issuance of bonds, notes, certificates or obligations of the Issuer will be based upon the following schedule:

<u>Principal Amount of the Obligations</u>	<u>Per \$1,000</u>
\$0 - \$10,000,000	\$1.2500*
\$10,000,001 - \$25,000,000	\$1.1250
\$25,000,001 - \$50,000,000	\$0.8750
\$50,000,001 - \$200,000,000	\$0.6250
Over \$200,000,000	\$0.5000
Refunding of Obligations: Percentage of Base Fee	130%
* With a minimum fee of \$17,000	

Our fee for the services related to bonds, notes or other obligations issued by or involving a public improvement district or other instrumentality, corporation or special district of the City will be equal to two percent (2.0%) of the principal amount of each new series of bonds or combination new

money and refunding bonds and one and one-quarter percent (1.25%) of the par amount of the principal amount of all refunding bonds issued by the City.

Bond Counsel's fee may vary: (a) if the principal amount of the bonds actually issued differs significantly from the amount originally contemplated; (b) if material changes in the structure or schedule of the financing occur; or (c) if unusual or unforeseen circumstances arise which require a significant increase in time or responsibility of Bond Counsel. Bond Counsel will promptly advise the Issuer of any circumstances that require an adjustment of Bond Counsel's original fee.

5. Bond Counsel fees will be payable at the time of the delivery of, and payment for, the bonds. Fees do not include actual expenses and disbursements reasonably and necessarily incurred by Bond Counsel, including the statutory examination fee charged by the Attorney General of Texas. Bond Counsel will not bill for any significant or unusual expense unless an authorized representative of the Issuer has previously authorized such expense.

6. Fees and expenses of others (such as consultants, appraisers, outside counsel, any co-bond counsel, disclosure counsel, general counsel, and other special counsel) will not be paid by us. Arrangements for billing and payment for services of others should be made directly between the appropriate parties.

7. The compensation or reimbursement of Bond Counsel under this agreement shall be due and payable only out of the proceeds of the sale of bonds or other funds of the Issuer available for such payment; there shall not be individual liability on any member of the Issuer's governing body or other official of the Issuer for payment of any amounts due hereunder. This agreement may be terminated by either party at any time, in which event, Bond Counsel will expect to be paid any compensation earned and expenses incurred to the date of such termination.

8. Other Legal Services. The fees discussed above do not include any advice concerning various subjects such as the creation of public improvement districts or other instrumentalities or corporations of the City, ongoing administration of public improvement districts or other instrumentalities or corporations of the City, updates to service and assessment plans and assessment rolls, application of bond proceeds, new developments in the law concerning bond issues, and changes in industry practices or special services or significant projects outside the scope of traditional legal services performed by Bond Counsel. If specifically approved by the Issuer to so act, Bond Counsel may act as "special counsel" to the Issuer within its fields of experience and will provide legal services not normally included in the legal services performed by Bond Counsel. The fees for any such services contemplated by this paragraph 8 would be performed on a time charge basis and payable monthly at our standard billable rates, unless otherwise agreed.

9. Limited Scope of Representation. The engagement of the firm is limited to providing legal advice as Bond Counsel. The firm shall not be responsible for advising the Issuer as the financial structuring or marketing of the transaction or as to the adequacy of the contracts, guaranties, collateral, or overall creditworthiness of the security for the bonds, or of any project participants. In the performance as Bond Counsel, Bond Counsel neither warrants nor guarantees that a court will not invalidate either procedures or contracts relating to any subject matter of this engagement, nor does the firm warrant or guarantee the actual performances rendered by other participants.

10. Conflicts of Interest. The Issuer is advised that Bond Counsel represents other public entities as general counsel and bond counsel, including special districts located in the extraterritorial jurisdiction of the Issuer, and that Bond Counsel represents other participants in the public finance industry (e.g. underwriters, credit enhancers, and trustees) in transactions not involving the Issuer. The

Firm also represents clients who may undertake matters with the Issuer that do not involve Bond Counsel or the issuance of bonds by the Issuer. By acceptance of this agreement, the Issuer agrees that such representation does not represent a conflict of interest for Bond Counsel or the Firm and that our standard terms for conflicts of interest below also apply.

11. Attorney-Client Relationship. Upon execution of this agreement, the Issuer will be a client of Bond Counsel and an attorney-client relationship will exist between us. It is also expressly agreed that: (i) our client for purposes of this representation is the Issuer and not any of its individual members, officers, or employees or any other entity having any interest in any of the Issuer or the projects being financed; and (ii) accordingly, that this engagement will not establish an attorney-client relationship between the firm and any such individual or entity. Bond Counsel assumes that all other parties to any transaction will retain such counsel as they deem necessary and appropriate to represent their interests therein and that all other parties understand that in any transaction Bond Counsel represents only the Issuer, Bond Counsel is not counsel to any other party, and Bond Counsel is not acting as an intermediary among the parties. The services as Bond Counsel are limited to those contracted for in this agreement; and the Issuer's execution of this agreement letter will constitute an acknowledgement of those limitations. Bond Counsel's representation of the Issuer will not affect, however, its responsibility to render an objective Opinion.

12. Bond Counsel's representation of the Issuer and the attorney-client relationship created by this agreement will be concluded upon termination of this agreement. Subsequent to any closing, even if our relationship is terminated, Bond Counsel will mail the appropriate Internal Revenue Service Form 8038 and prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the bonds.

13. Records. Upon the request of the Issuer, papers and property furnished by the Issuer will be returned promptly by Bond Counsel upon receipt of payment for outstanding fees and client charges. Bond Counsel's own files, including lawyer work product pertaining to the transaction, will be retained by Bond Counsel. For various reasons, including the minimization of unnecessary storage expenses, Bond Counsel reserves the right to dispose of any documents or other materials retained by it after the termination of this agreement.

14. Termination. The Issuer may terminate this agreement at any time; however, Bond Counsel will be compensated for work done and expenses incurred prior to termination.

15. Severability. Any provisions or portion of this agreement prohibited as unlawful or enforceable under any applicable law of any jurisdiction shall as to such jurisdiction be ineffective without affecting other provisions of this agreement.

16. Counterparts. This agreement may be executed in counterparts, which together will constitute the entire agreement.

\* \* \*

In the event of a conflict between this Engagement Letter and the Standard Terms, the terms of this Engagement Letter will control.

THE STATE BAR OF TEXAS INVESTIGATES AND PROSECUTES PROFESSIONAL MISCONDUCT COMMITTED BY TEXAS ATTORNEYS. ALTHOUGH NOT EVERY COMPLAINT AGAINST OR DISPUTE WITH A LAWYER INVOLVES PROFESSIONAL MISCONDUCT, THE STATE BAR'S OFFICE OR PID COUNSEL WILL PROVIDE YOU WITH INFORMATION ABOUT HOW TO FILE A COMPLAINT. PLEASE CALL 1-800-932-1900 TOLL-FREE FOR MORE INFORMATION.

**WINSTEAD PC**

By: \_\_\_\_\_

Daniel M. Martinez, Shareholder

**CITY OF KINGSVILLE, TEXAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted this \_\_\_\_\_

## EXHIBIT A

### Standard Terms of Engagement for Legal Services - General ("Standard Terms of Engagement")

This Standard Terms of Engagement contains the standard terms of our engagement as your lawyers. Unless modified in writing by mutual agreement, these terms will be an integral part of the letter to which this Standard Terms of Engagement is attached (collectively, "Engagement Letter"). Therefore, we ask that you review this Standard Terms of Engagement carefully and contact us promptly if you have any questions. We suggest that you retain a copy of the Engagement Letter in your file.

**Scope of Winstead's Representation.** The legal services that we will provide are limited to the matters described in the accompanying letter. Unless set forth in the attached letter, our engagement does not include any advice or other legal services relating to federal or state securities laws, including appearing or practicing before the U.S. Securities and Exchange Commission (SEC), or your disclosure obligations under such laws, and we understand that you will not, without our prior written consent, include documents or information we provide to you in any filings with federal or state securities regulators, including the SEC. It is our policy that the person or entity that we represent is the person or entity that is identified in our Engagement Letter and does not include any affiliates of such person or entity, unless specifically referred to in the accompanying letter. It is also our policy that the attorney-client relationship will terminate upon our completion of any services that you have retained us to perform.

**Approach to Providing Services.** Each client is served by a client relationship attorney (the "Client Relationship Attorney"). The Client Relationship Attorney should be someone in whom you have confidence and with whom you enjoy working; you should assume the attorney sending the Engagement Letter is the designated Client Relationship Attorney. You are free to request a change of Client Relationship Attorney at any time. Subject to the supervisory role of the Client Relationship Attorney, the work or parts of it may be performed by other lawyers and support personnel in the firm. If you are concerned about our performance or the performance of the Client Relationship Attorney, you may call our Chief Executive Officer at (214) 745-5400, or our Executive Director, at (214) 745-5400.

**Additional Services We Provide.** We frequently offer business services, many at no charge, that provide significant value to our clients and friends. For example, we provide advisories and seminars that offer timely insights and legislative updates on a variety of issues. Information received through these advisories and seminars are not to be considered as legal advice for any particular legal matter.

**Services We Expressly Do Not Provide.** Members of our law firm are from time to time serving in elected or appointed positions with various governmental or regulatory bodies. Members of our law firm must discharge those duties without regard to their employment or association with the firm, and more importantly, it would be a prohibited conflict of interest for them to give any special consideration, benefit, or access to you or any other client of the firm. Accordingly, you acknowledge and confirm that this engagement of the firm is not in consideration for or in contemplation of any expected benefit to be derived from the activities of any elected or appointed official.

You also understand that, in the course of such public service, these persons may be called upon to take positions, cast votes, adopt rules and regulations or otherwise act in a manner adverse to your business interests. You acknowledge that such events are not conflicts of interest or ethical violations of the firm's duties to you as a client. You further acknowledge that in the course of the firm's engagement by other clients expressly for lobbying any governmental body at the federal, state, county, or municipal level, we could be advocating positions or attempting to achieve outcomes or results for such clients that adversely affect you or your industry (often without our knowledge). You agree that the engagement of the Firm for the legal services contemplated herein does not, in and of itself, create a conflict of interest or ethical violation by virtue of our lobbying activities. We further do not undertake or assume any duty to advise you as to what clients or positions we have undertaken in a lobbying role which would be detrimental to you or your industry.

**Potential Conflicts.** Because we represent many other companies and individuals, it is possible that during the time that we are representing you, some of our present or future clients may become involved in transactions or disputes with you. You agree that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse. We agree, however, that your prospective consent to conflicting representation shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used by such client to your material disadvantage.

**Advice about Possible Outcomes.** We may express opinions or beliefs concerning this matter or various courses of action and the results that might be anticipated. Any such statement made by any lawyer of our Firm is intended to be an expression of opinion only, based on information available to us at the time, and should not be construed as a promise or guarantee.



**Client Responsibilities.** You agree to pay our invoice for services and expenses as explained below. In addition, you agree to be candid and cooperative with us and to keep us informed with complete and accurate factual information and documents relevant to our representation.

**Fees.** We will bill you on a regular basis, normally each month, for fees, disbursements and charges. You agree to make payment upon receipt of invoice unless other billing arrangements have been agreed to in writing. Moreover, you agree that your obligation to pay our fees is not dependent on the outcome of our legal representation.

The principal basis for computing our fees will be the amount of time spent on the matter by various lawyers and legal assistants multiplied by their individual hourly billing rates. Our billing rates for lawyers currently range from \$190 an hour for new associates to \$625 an hour for senior partners. Time devoted by legal assistants is charged at rates currently ranging from \$125 to \$220 per hour. Our billing rates are subject to change from time to time. We are often asked to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. If we provide an estimate, it should not be construed as a maximum or fixed-fee quotation. The ultimate cost frequently is more or less than the amount estimated. In undertaking representation of a client on a contingent fee basis, any such contingent fee arrangement must be reflected in a written contingent fee agreement.

If you disagree with the fees or expenses on any invoice, please contact the Client Relationship Attorney or our Executive Director immediately. If you do not report a concern about the fees to us within 60 days after receipt of an invoice, then it will be presumed that the fees were reasonable and the services provided were necessary. We will give you prompt notice if your account becomes delinquent more than 30 days beyond the date of the invoice, and you agree to bring the account or the retainer deposit current. If the delinquency continues and you do not arrange satisfactory payment terms, we may terminate the representation. In litigation matters, our ability to terminate or withdraw from the case may be subject to court approval. We reserve the right to pursue collection of any unpaid balance of your account. You agree to pay the costs of collecting the debt, including court costs, filing fees and a reasonable attorney's fee.

**Disbursements and Charges.** We will charge our clients not only for legal services rendered, but also for other ancillary services provided. Examples include charges for in-house messenger deliveries, computerized research services, and the use of our facsimile, laser printing, and photocopy machines. While our charges for these services are measured by use, they do not, in all instances, reflect our actual out-of-pocket costs. While we are constantly striving to maintain these charges at rates that are lower than those maintained by others in our markets, in some instances the amounts charged may exceed the actual costs to the firm. The current charges for some typical additional services are as follows:

Standard Duplication	\$ .18/page*
Facsimile	\$1.00/page*
Messenger, Postage, Westlaw / Lexis	At cost**
Long Distance Telephone	At cost**

\*These charges represent our best estimate of our actual direct cost incurred for material, manpower, and equipment usage. Oversized and other unusual duplication may be charged at a higher rate.

\*\*Cost is determined using standard rate scales of the vendors of these products.

We may disburse funds on your behalf for filing fees, overnight deliveries, necessary travel and other miscellaneous items as required to complete the scope of our services. We will bill you at actual cost for these types of expenses. We may also submit bills and invoices to you for payment to vendors directly.

**Retainer and Clients' Funds.** If the attached letter requires the payment of a retainer, you grant us a security interest in the retainer deposit. Unless otherwise agreed, the retainer deposit will be credited toward your unpaid invoices, if any, at the conclusion of services. If our bills are not paid within 30 days of the date of the invoice, we may apply the retainer to those unpaid bills. At the conclusion of our legal representation, the remaining balance will be returned to you. If the retainer deposit proves insufficient to cover current expected fees, expenses and charges, it may have to be increased. Any understanding regarding a retainer deposit, which is inconsistent with the foregoing, must be expressly confirmed in the Engagement Letter or subsequent written communication from us.

Retainer deposits which are received to cover specific cost items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts applied or withdrawn. Any amount remaining after disbursement will be returned to you.

All retainers and clients' funds are held in clients' funds accounts in trust for your benefit at financial institutions in Texas. If the deposit, whether it be a retainer or other amount which we will hold for you, represents a significant amount and/or will be held for a long period of time, you may request that the deposit be placed in a segregated interest-bearing account. When the funds are small or are to be held for only a short period of time, it is our practice to place the funds in a pooled account (which does not

earn interest) maintained in accordance with State Bar of Texas rules. Unless you instruct us otherwise, we will follow the above practices with respect to client funds held on your behalf.

**Termination of Engagement.** You may at any time terminate our services and representation upon written notice to the firm. Such termination shall not, however, relieve you of the obligation to pay for all services already rendered, including work in progress and remaining incomplete at the time of termination, and to pay for all expenses incurred on your behalf through the date of termination.

We reserve the right to terminate our representation of you at any time by providing advance written notice to you. If permission for withdrawal is required by a court or arbitration panel, we will promptly request such permission, and you agree not to oppose our request.

**Conclusion of Representation: Retention and Disposition of Documents.** Unless previously terminated, our representation of you with respect to the agreed upon scope of representation will terminate upon sending you our final statement for services rendered. Following such termination, any otherwise nonpublic information you have supplied to us, which is retained by us, will be kept confidential in accordance with applicable rules of professional conduct. Your papers and property will be returned to you upon receipt of payment for outstanding fees, expenses and charges unless a court orders otherwise. We may retain our own files, including lawyer work product, pertaining to the representation. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any documents or other materials retained by us after the termination of the engagement.

Unless you actually engage us after the closing to provide additional advice on issues arising from this representation, we have no continuing obligation to advise you with respect to future legal developments.

# **AGENDA ITEM #13**

**RESOLUTION #2022-\_\_\_\_\_**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT FOR FINANCIAL ADVISORY SERVICES BETWEEN THE CITY OF KINGSVILLE, TEXAS AND ESTRADA HINOJOSA & COMPANY, INC.; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Kingsville previously performed a search for financial advisory which was awarded to Estrada Hinojosa & Company, Inc.;

**WHEREAS**, that contract is coming up for renewal and the City still has a need for financial advisor services for the City of Kingsville;

**WHEREAS**, the City and Estrada Hinojosa have worked to prepare a contract for Financial Advisory Services between the City of Kingsville and Estrada Hinojosa and the parties both agree to the terms of the proposed contract, which includes a five-year term from the date approved by Commission, no automatic renewals, and the ability to terminate with or without cause upon thirty days written notice.

**BE IT RESOLVED** by the City Commission of the City of Kingsville, Texas:

I.

**THAT** the City Manager is authorized and directed as an act of the City of Kingsville, Texas to enter into a Financial Advisory Services Agreement between the City of Kingsville, Texas and Estrada Hinojosa & Company, Inc., in accordance with Exhibit A hereto attached and made a part hereof.

II.

**THAT** all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

**THAT** this Resolution shall be and become effective on and after adoption.

**PASSED AND APPROVED** by a majority vote of the City Commission on the \_\_\_\_\_ 11th day of July, 2022.

---

Sam R. Fugate, Mayor

**ATTEST:**

---

Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

---

Courtney Alvarez, City Attorney

**AGREEMENT  
FOR  
FINANCIAL ADVISORY SERVICES  
By and Between**

**CITY OF KINGSVILLE, TEXAS  
(Hereinafter referred to as the "Issuer")**

**And**

**ESTRADA HINOJOSA & COMPANY, INC.  
(Hereinafter referred to as "EH")**

It is understood that the Issuer will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot be determined and that in connection with the authorization, sale, issuance and delivery of such indebtedness of the Issuer, we have been requested to submit a proposal to provide professional services to the Issuer in the capacity of Financial Advisor. We are pleased to comply with this request and submit the following proposal for consideration. This proposal, if accepted by the Issuer, shall become the agreement (the "Agreement") between the Issuer and Estrada Hinojosa & Company, Inc. effective at the date of its acceptance as provided for herein below.

**I.**

This Agreement shall apply to any and all evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereinafter referred to collectively as the "Debt Instruments") from time to time during the period in which this Agreement shall be effective.

**II.**

We agree to provide our professional services and our facilities as Financial Advisor and agree to direct and coordinate all programs of financing as may be considered and authorized during the period in which this Agreement shall be effective and to assume and carry those expenses set out in Appendix A, provided, however, that our obligations to incur expenses shall not include any costs incident to litigation, mandamus action, test case or other similar actions.

**III.**

We agree to perform the following duties normally performed by financial advisors and all other duties as, in our judgement, may be necessary or advisable:

1. We will conduct a survey of the financial resources of the Issuer to determine the extent of its capacity to authorize, issue and service debt. This survey will include an analysis of existing debt structure as compared with the existing and projected sources of revenues which may be pledged to secure payment of debt service and, where appropriate, will include a study of the trend of the assessed valuation, taxing power and present and future taxing requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the Debt Instruments then under consideration, the survey will take into account any outstanding indebtedness payable from the revenues thereof, additional revenues, as projected by consulting engineers employed by the Issuer, resulting from improvements to be financed by the Debt Instruments under consideration. We will also take into account future financing needs and operations as projected by the Issuer's staff and consulting engineers or other experts, if any, employed by the Issuer.

2. On the basis of the information developed by the survey described above, and other information and experience available to us, we will submit to the Issuer our recommendations on the Debt Instruments under consideration including such elements as the date of issue, interest payment dates, schedule of principal maturities, portions of prior payment, security provisions, and any other additional provisions designed to make the issue attractive to investors. All recommendations will be based upon our professional judgement with the goal of designing Debt Instruments which can be sold under terms most advantageous to the Issuer and at the lowest interest cost consistent with all other considerations.

3. We will advise the Issuer of current bond market conditions, forthcoming bond issues and other general information and economic data which might normally be expected to influence interest rates or bidding conditions so that the date of sale of the Debt Instruments may be set at a time which, in our opinion, will be favorable.

4. We understand the Issuer has retained, or will retain, firms of municipal bond attorneys (the "Bond Counsel") whose fees will be paid by the Issuer. In the event it is necessary to hold an election to authorize the Debt Instruments then under consideration, we will assist in coordinating the assembly and transmittal to Bond Counsel of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices, and certificates in connection with the election.

5. We will recommend the method of sale of the Debt Instruments that, in our opinion, is in the best interest of the Issuer and will proceed, as directed by the Issuer, with one of the following methods:

a. Competitive Sale: We will advise the Issuer regarding the sale of the Debt Instrument whereby we coordinate the submission of competitive bids from prospective buyers of the Debt Instruments in accordance with established procedures.

b. Negotiated Sale: We will recommend one or more investment banking firms as managers of an underwriting syndicate for the purposes of negotiating the purchase of Debt Instruments and in no event will we participate either directly or indirectly in the underwriting of the Debt Instruments. We will collaborate with any senior managing underwriter selected and Counsel to the underwriters in the preparation of the Official Statement or Offering Memorandum. We will cooperate with the underwriters in obtaining any Blue Sky Memorandum and Legal Investment Survey, preparing the Bond Purchase Contract, Underwriters' Agreement, and any other related documents. The costs thereof, including the printing of the documents, will be paid by the underwriters.

6. When appropriate, we will advise financial publications of the forthcoming sale of the Debt Instruments and provide them with all pertinent information.

7. We will coordinate the preparation of the Notice of Sale and Bidding Instructions, Official Statement, Official Bid Form, and such other documents as may be required. We will submit to the Issuer all such documents for examinations, approval, and certification. After such examination, approval and certification, we will provide the Issuer with a supply of all such documents sufficient to its needs and will distribute by mail sets of the same to prospective bidders and to banks, life, fire and casualty insurance companies, investment counselors and other prospective purchasers of the Debt Instruments. We also provide sufficient copies of the Official Statement to the purchaser of the Debt Instruments in accordance with the Notice of Sale and Bidding Instructions. The expenses associated with printing and distribution of these documents will be paid by the Issuer.

8. We will, after consulting the Issuer, arrange for such reports and opinions of recognized independent consultants we deem necessary and required for the successful marketing of the Debt Instruments.

9. Subject to the approval of the Issuer, we will organize and make arrangements for such information meetings as, in our judgement, may be necessary.

10. We will make recommendations to the Issuer as to the advisability of obtaining a credit rating, or ratings, for the Debt Instruments as, in our opinion, is required for submission to the appropriate company, institution or institutions. In those cases where the advisability of personal presentation of information to the rating agency, or agencies, may be indicated, we will arrange for such personal presentations. The expenses associated with the preparation of information and personal presentations will be paid by the Issuer.

11. We will make recommendations to the Issuer as to the advisability of obtaining municipal bond insurance or other credit enhancement, or qualifications for same, for the Debt Instruments and, when directed by the Issuer, we will coordinate the preparation of such information as, in our opinion, is required for submission to the appropriate company, institution or institutions. In those cases where the advisability of personal presentation of information to the appropriate company, institution or institutions may be indicated, we will arrange for such personal presentations. The expenses associated with the preparation of information and personal presentations will be paid by the Issuer.

12. We will assist the staff of the Issuer at any advertised sale of Debt Instruments in coordinating the receipt, tabulation and comparison of bids and we will advise the Issuer as to the best and lowest qualifying bid. We will provide the Issuer with our recommendations as to acceptance or rejection of such bid.

13. As soon as a bid for the Debt Instruments is accepted by the Issuer, we will proceed to coordinate the efforts of all concerned to the end that the Debt Instruments may be delivered and paid for as expeditiously as possible. We will assist the Issuer in the preparation or verification of final closing figures incident to the delivery of the Debt Instruments.

14. We will maintain liaison with Bond Counsel in the preparation of all legal documents pertaining to the authorization, sale, and issuance of the Debt Instruments. Bond Counsel will provide an unqualified legal opinion as to the legality of the issuance of the Debt Instruments at the time of delivery.

15. If requested, we will counsel with the Issuer in the selection of a Paying Agent/Registrar for the Debt Instruments and will assist in the preparation of agreements pertinent to these services and the fees incident thereto.

16. In the event formal verification by an independent auditor or any calculations incident to the Debt Instruments is required, we will make arrangements for such services.

17. We agree to do, or cause to be done, all work pertaining to the Debt Instruments, regarding approval, as may be required, by the Attorney General, registration by the Comptroller of Public Accounts and delivery to the purchaser. The expenses associated with the printing of the Debt Instruments will be paid by the Issuer.

18. After the closing of the sale and delivery of the Debt Instruments, we will deliver to the Issuer a schedule of annual debt service requirements on the Debt Instruments. In coordination with Bond Counsel, we will assure that the Paying Agent/Registrar has been provided with a copy of the authorizing ordinance, order, or resolution.

19. We will attend any and all meeting of governing body of the Issuer, its staff, representatives or committees as requested and at the Issuer's expense, at all times when we may be of assistance or service and the subject of financing is to be discussed.

20. We will advise the Issuer and its staff of changes, proposed or enacted, in Federal and State laws and regulations which would affect the municipal bond market.

21. We will work with the Issuer, its staff and any consultants employed by the Issuer in developing financial feasibility studies and analyzing alternative financing plans.



IV.

In addition to the services set out above, we agree to provide the following services when so requested:

1. We will provide our advice as to the investment of certain funds of the Issuer. At the direction of the Issuer, we will purchase or cause to be purchased, those investments authorized, and we will charge a normal and customary commission for each such transaction where appropriate.
2. We will provide our advice and assistance with regard to exercising any call and/or refunding of any outstanding Debt Instruments.
3. We will provide our advice and assistance in the development of, and financing for, any capital improvement programs of the Issuer.
4. We will provide our advice and assistance in the development of the long-range financing plan of the Issuer.
5. We will provide any other financial planning services as may be requested by the Issuer.

V.

The fee due Estrada Hinojosa & Company, Inc. in accordance with Appendix A attached hereto, and any other fees as may be mutually agreed and all expenses for which Estrada Hinojosa & Company, Inc. is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Debt Instruments to the purchaser, unless the contract is terminated prior to completion of any delivery of debt instruments undertaken by EH in which case any fees and expenses will be due and payable upon presentation.

VI.

This agreement shall become effective at the date of acceptance by the Issuer set out herein below for a period of five years from the date of acceptance and will be subject to automatic annual renewal thereafter. Provided, however, this Agreement may be terminated with or without cause by the Issuer or EH upon thirty (30) days written notice. In the event of such termination, it is understood and agreed that only the amount due to Estrada Hinojosa & Company, Inc. for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement. This Agreement is submitted in triplicate originals. When accepted by the Issuer, it, together with all Appendices attached hereto, will constitute the entire Agreement between the Issuer and Estrada Hinojosa & Company, Inc. for the purposes and the considerations herein specified. Acceptance will be indicated by the signature of authorized officials of the Issuer together with the date of acceptance on all three copies and the return of two executed copies to Estrada Hinojosa & Company, Inc.

Respectfully submitted,

ESTRADA HINOJOSA & COMPANY, INC.

By: \_\_\_\_\_  
Donald J. Gonzales  
Authorized Representative

This agreement is accepted by the Issuer this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

CITY OF KINGSVILLE, TEXAS

By: \_\_\_\_\_  
City Manager  
City of Kingsville, Texas

ATTEST:

By: \_\_\_\_\_  
City Secretary  
City of Kingsville, Texas

## APPENDIX A

### COMPENSATION

In consideration for the services rendered by Estrada Hinojosa & Company, Inc., to the Issuer under the terms and conditions of the attached Agreement, it is understood and agreed that the fee payable to Estrada Hinojosa & Company, Inc. for special projects directed by the Issuer that may not lead to a transaction the following hourly rates apply:

Sr. Vice President-Sr. Managing Director	\$350.00
Vice President	\$300.00
Assistant Vice President	\$250.00
Senior Associate & Analysts	\$200.00
Associate	\$150.00
Administrative	\$100.00

The Transaction Fee due to the Financial Advisor for all Debt Instruments will be calculated based on the higher of the total project amount or gross proceeds generated for each financing based on the fee schedule below:

Base-fee - Any Issue - \$5,000

Plus	\$13.00	per	\$1,000	up to	\$250,000	or	\$8,250	for	\$250,000	Bonds
Plus	\$12.00	per	\$1,000	next	\$250,000	or	\$11,250	for	\$500,000	Bonds
Plus	\$8.00	per	\$1,000	next	\$500,000	or	\$15,250	for	\$1,000,000	Bonds
Plus	\$5.00	per	\$1,000	next	\$1,500,000	or	\$22,750	for	\$2,500,000	Bonds
Plus	\$3.00	per	\$1,000	next	\$2,500,000	or	\$30,250	for	\$5,000,000	Bonds
Plus	\$2.00	per	\$1,000	next	\$5,000,000	or	\$40,250	for	\$10,000,000	Bonds
Plus	\$1.50	per	\$1,000	over	\$10,000,000					

Fees for revenue bonds or other self-supporting obligations including those obligations placed or directly issued to governmental entities or Private Placements and/or other Debt Instruments involving Escrow Agreements and Refunding Bonds:

It is understood and agreed that we will charge, in addition to our Financial Advisory fee, a computer fee and/or structuring fee and Official Statement, Private Placement Memorandum and/or application preparation fee. On Texas Water Development Board, State/Federal Grant/Loan or similar Programs, the fees set forth above plus 25% will be used to compute a fee based on the total project cost. In addition, we will bill for out-of-pocket expenses including, but not limited to application fees and various expenses as set forth below. Continuing disclosures will be billed separately on an annual basis in the amount of \$5,000.00 based on client providing necessary information in a timely manner.

#### Control of Fees and Expenses

At the time that Debt Instruments or Grant Proceeds are delivered, the Company will bill the Issuer for each issue of Debt Instruments or Grant Proceeds an amount which will include the fee calculated on the above schedule as well as costs and expenses, where applicable, incurred on behalf of the Issuer for the following items, if applicable:

- Bond Counsel fees
- Bond rating and/or credit enhancement fees
- Computer Structuring and cash flow modeling
- Messenger, overnight delivery, market data technology photocopying, postage, and telephone
- Personal meetings with bond rating agencies and/or credit enhancement providers or lenders
- Preparation and printing of the Notice of Sale, Official Statement, Applications, Uniform Bid Form and Private Placement Memorandum
- Preparation and printing of physical securities
- Reports of independent auditors or consultants
- Verification fees
- Travel expenses of Issuer and Company personnel

Our fees are contingent on the receipt of final assistance and payable solely from proceeds unless an hourly or alternate payment arrangement is made. Expenses are borne by the Firm until a fee statement and expense reimbursement are submitted in accordance with the contract between the Issuer and our Firm. Our capital base allows Estrada Hinojosa to operate on this basis without creating ongoing costs to the Issuer. At any time between bond issues, Estrada Hinojosa is prepared to report to the Issuer upon request, the hours spent on financial advisory services and the accumulated expenses being carried forward.

## APPENDIX B

### DISCLOSURE STATEMENT REQUIRED

#### BY

#### MUNICIPAL SECURITIES RULEMAKING BOARD

This Disclosure Statement is provided by Estrada Hinojosa & Co., Inc. ("Municipal Advisor") to the **CITY OF KINGSVILLE, TEXAS** ("Client") in connection with the Municipal Advisor Engagement Letter and is dated as of the same date as the Agreement. This Disclosure Statement provides information regarding conflicts of interest pursuant to MSRB Rule G-42(b) and the events required to be disclosed to Client pursuant to MSRB Rule G-42 (c)(ii).

#### Part A (Disclosures of Conflicts of Interest)

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any *actual or potential* material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Accordingly, Municipal Advisor makes the following disclosures with respect to material conflicts of interest in connection with the Scope of Services under the Agreement, together with explanations of how Municipal Advisor addresses or intends to manage or mitigate each conflict. To that end, with respect to all of the conflicts disclosed below, Municipal Advisor mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates Municipal Advisor to deal honestly and with the utmost good faith with Client and to act in Client's best interests without regard to Municipal Advisor's financial or other interests.

In addition, because Municipal Advisor is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of Municipal Advisor is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service, and strict adherence to its fiduciary duty. Furthermore, Municipal Advisor's supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of Municipal Advisor potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

1. **Compensation-Based Conflicts.** If fees due under this Agreement are partially based on the size of a bond Issue and contingent upon the delivery of the bonds, this form of compensation has the potential to create a conflict of interest. While customary in the municipal securities market, the potential conflict of interest arises from the incentive for a Municipal Advisor to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

2. **Other Municipal Advisor or Underwriting Relationships.** Municipal Advisor serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, Municipal Advisor serves as municipal advisor to other municipal advisory clients and, in such cases, owes a duty to such other clients just as it does to Client under this Agreement. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering.

In acting in the interests of its various clients, Municipal Advisor could potentially face a conflict of interest arising from these competing client interests. In other cases (such as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities), the interests of Municipal Advisor to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that Municipal Advisor serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair Municipal Advisor's ability to fulfill its duties to Client.

3. **Broker-Dealer Business.** Municipal Advisor is a broker-dealer that provides underwriting services to its clients, in addition to serving as a municipal advisor. Such underwriting activities may be undertaken on behalf of, or as counterparty to, current or potential investors in the securities of Client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of Client, such as when their buying or selling of Client's securities may have an adverse effect on the market for Client's securities, and the interests of such other clients could create the incentive for Municipal Advisor to make recommendations to Client that could result in more advantageous pricing for the other clients. Any potential conflict arising from Municipal Advisor effecting or otherwise assisting such other clients in connection with underwriting transactions is mitigated by means of such activities being engaged in on customary terms under an active and long-standing regulatory structure, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by Municipal Advisor to Client under this Agreement.

At this time, there are no *actual* material conflicts of interest known to Municipal Advisor in connection with the current Agreement. Municipal Advisor has listed the *potential* conflicts of interest to comply with MSRB Rule G-42.

## **Part B (Disclosures of Information Regarding Legal Events and Disciplinary History)**

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. The following legal or disciplinary events may be material to Client's evaluation of Municipal Advisor or the integrity of Municipal Advisor's management or advisory personnel:

1. In March 2012, the Municipal Advisor paid a \$10,000 fine to settle a FINRA enforcement matter arising from the late filing of Final Official Statements.
2. In July 2015, the Municipal Advisor paid a \$17,500 fine to settle a FINRA enforcement matter arising from the late and/or inaccurate reporting of municipal bond trades.
3. In September 2015, the Municipal Advisor settled an enforcement action brought by the United States Securities and Exchange Commission as a result of their Municipal Continuing Disclosure Initiative (MCDI). As part of the settlement, the Municipal Advisor paid a \$40,000 fine.

A full report of the Municipal Advisor's disciplinary history, including the events summarized above, can be found on the Municipal Advisor's Form MA and Form MA-I filings. These filings are available online in the EDGAR database maintained by the United States Securities and Exchange Commission at this location: <https://www.sec.gov/cgi-bin/browse-edgar?company=estrada+hinojosa&owner=exclude&action=getcompany>

The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by Municipal Advisor in its capacity as a broker-dealer on Form BD or Form U4 as applicable. The disclosures filed on Form MA and Form MA-I were all filed on Form BD or U4 for the applicable event. Detailed information provided by Municipal Advisor on Form BD or Form U4 is publicly accessible through reports generated by FINRA's BrokerCheck at <http://brokercheck.finra.org>. For purposes of accessing such BrokerCheck reports, Municipal Advisor's CRD number is 19299.

The disclosure items listed above were all related to the Underwriting business segment of Estrada Hinojosa & Co., Inc.; not from any activity relating to our Municipal Advisory business segment. The events themselves were technical in nature and did not involve any investor harm or market disruption. The Municipal Advisor's last material update to Form MA was done on September 1, 2016.

## **Part C Future Supplemental Disclosures**

As required by MSRB Rule G-42, this Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of Municipal Advisor. Municipal Advisor will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

Sincerely,

*Estrada Hinojosa + Company, Inc.*

Estrada Hinojosa & Company, Inc.

**APPENDIX C**  
**DISCLOSURE STATEMENT REQUIRED**

**BY**

**THE STATE OF TEXAS**

Estrada Hinojosa hereby represents and warrants that the following statements are true and correct:

- (a) boycott Israel,
- (b) boycott energy companies,
- (c) have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association, or
- (d) unless affirmatively declared by the United States government to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization), appear on a list of scrutinized companies prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,

or

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

EH Representatives are authorized to make the foregoing verification and representation on behalf of the Municipal Advisor in any bid for or contract in which the Municipal Advisor participates is executed, and to verify therein that the Municipal Advisor, will boycott Israel, boycott energy companies, or discriminate against a firearm entity or firearm trade association during the term of any such contract, but solely (a) to enable the client to comply with Sections 2252.152, 2252.908, 2271.002, and 2274.002 (as enacted by both Senate Bill 13 and Senate Bill 19 in the Regular Session of the 87th Legislature of Texas), Texas Government Code, (b) to the extent such Sections do not contravene applicable federal or Texas law, and (c) before this letter has lapsed. The Attorney General of Texas may rely on the verifications described in the preceding paragraph of this letter, and the authorization contained in this paragraph of this letter, on the same conditions when approving award of any such bid or contract.

Sincerely,

*Estrada Hinojosa & Company, Inc.*

Estrada Hinojosa & Company, Inc.

**NOTIFICATION REQUIRED BY MUNICIPAL SECURITIES RULE MAKING BOARD RULE G-10 INVESTOR  
EDUCATION AND PROTECTION**

The rule referred to requires us to provide you with information related to municipal advisory services provided by Estrada Hinojosa & Co., Inc. ("EH"). Please note that EH is registered with the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). As such, EH is subject to the regulations and rules established by the SEC and MSRB which apply to municipal advisory activities.

The website for the SEC is [www.sec.gov](http://www.sec.gov) and the website for the MSRB is [www.msrb.org](http://www.msrb.org). In addition to having educational materials about the municipal securities market, the MSRB website has an investor brochure that describes the protections that may be provided by the MSRB Rules and how to file a complaint against EH or an EH representative with the FINRA Investor Complaint Center.

## **APPENDIX D**

### **SPECIAL PURPOSE DISTRICT OR TAX INCREMENT REINVESTMENT ZONE (TIRZ) PROJECT SERVICES AND RELATED DEBT FINANCING SCHEDULE**

#### **COMPENSATION**

In consideration for the services rendered by Estrada Hinojosa & Company, Inc., to the Issuer including, but not limited to Special Purpose Districts, Tax Increment Reinvestment Zone (TIRZ) or some other entity that may be created under the terms and conditions of the attached Agreement, it is understood and agreed that the fee payable to Estrada Hinojosa & Company, Inc. for special projects directed by the Issuer that may not lead to a transaction the following base fee will apply:

Base Fee:    \$25,000

Base Fee will be the minimum fee due if a financing is not completed plus any expenses.

Transaction Fee:

Fees related to debt issuance related to any Special Purpose District, including but not limited to Public Improvement District, Emergency Services District, Fresh Water Supply District or Tax Increment Reinvestment Zone (TIRZ) or any other Public Facility Corporation, Local Government Corporation or some other entity the City may create to facilitate a financing shall be 2% of the gross amount of debt proceeds generated from any financing plus any expenses, unless otherwise mutually negotiated for each financing.



# **AGENDA ITEM #14**

**RESOLUTION ACCEPTING A PETITION FOR AND CALLING FOR A PUBLIC HEARING ON THE CREATION OF THE SOMERSET PUBLIC IMPROVEMENT DISTRICT NUMBER 1 WITHIN THE CITY OF KINGSVILLE, TEXAS PURSUANT TO CHAPTER 372 OF THE TEXAS LOCAL GOVERNMENT CODE AND AUTHORIZING THE MAILING AND PUBLICATION OF NOTICE OF THE PUBLIC HEARING**

WHEREAS, the City Commissioners of the City (the "City Commission") of Kingsville, Texas (the "City") has received petitions (the "Petitions") requesting creation of a public improvement district (the "PID") under Chapter 372 of the Texas Local Government Code (the Act), from the record owners of taxable real property representing more than fifty percent (50%) of the appraised value of the real property liable for assessment (as determined by the most recent certified appraisal roll for Kleberg County) in the proposed PID and the record owners of taxable real property that constitute more than 50% of all of the area of all taxable real property that is liable for assessment under the proposal; and

WHEREAS, the Petitions, a copy of which is attached hereto as Exhibit A, has been examined, verified, and found to meet the requirements of Section 372.005(b) of the Act and to be sufficient for consideration by the City Commission; and

WHEREAS, the boundaries of the proposed PID are described in the attachment to the Petition and shown on the map attached hereto as Exhibit B, said area for the PID being within the City; and

WHEREAS, the City Commissioners accept the Petition and desire to schedule a public hearing to consider the creation of the PID to finance the following public improvements: onsite roads (including, but not limited to a collector road) and associated utility improvements (water, sewer, drainage), offsite sewer extension (and if needed, offsite roads, water, and drainage), onsite public improvements for residential lots (sewer, water, streets, and drainage), the improvement and construction of water, sanitary sewer, drainage, dry utilities (gas and electric), detention ponds, storm sewer, road, landscaping in public rights of way, or sidewalks, right of way acquisition costs, easement acquisition costs, appraisal costs, geotechnical and hydrological engineering costs, environmental inspections/testing/and remediation costs, well plugging costs, demolition costs, floodplain reclamation costs, tree mitigation costs, park/entry/amenity improvement costs, including any cost or expense of purchasing, constructing, maintaining, acquiring, owning, operating, repairing, leasing, improving, extending, or paying for inside (i.e. onsite) and outside (i.e. offsite) the district boundaries; flood plain and wetlands regulation and endangered species permits, stormwater permits, including mitigation; and all works, improvements, facilities, plants, equipment, appliances, interest in property, and contract rights needed thereof, and administrative facilities needed in connection therewith, related surveying, engineering, and legal fees, costs and expenses, and all rights of way and other interests in land necessary or convenient in connection therewith, as well as reasonable contingencies, associated with the costs of public improvements (collectively, the "Authorized Improvements"). Further, the public improvements financed by the District may include public improvements in compliance with Chapter 372 and in accordance with governing laws. These Authorized Improvements shall promote the interests of the City and confer a special benefit upon the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

SECTION 1: THAT a public hearing is hereby scheduled at 5:00 p.m. on August 8, 2022, at City Hall, Helen Kleberg Groves Community Room, 400 West King Avenue, Kingsville, Texas 78363 to receive public comment on the creation of the PID in the area described in the petitions attached as Exhibit A and as shown on the map in Exhibit B, pursuant to the Act; and

SECTION 2: THAT notice of said hearing, in the substantially final form presented herewith in Exhibit C, with such changes as may be approved by the City's counsel, shall be published in a newspaper of general circulation in the City before the 15<sup>th</sup> day prior to the hearing as required by the Act; and

SECTION 3: THAT written notice, in the substantially final form presented herewith with such changes as may be approved by the City's counsel, shall be mailed to each property owner, as reflected on the tax rolls, of property subject to assessment under the PID, before the 15<sup>th</sup> day prior to the date set for the hearing.

Passed by the City Commission of the City of Kingsville this 11<sup>th</sup> day of July 2022.

---

Sam Fugate, Mayor  
City of Kingsville, Texas

ATTEST:

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Mary Valenzuela, TRMC, CMC, City Secretary  
City of Kingsville, Texas

APPROVED AS TO FORM:

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Courtney Alvarez, City Attorney  
City of Kingsville, Texas

**EXHIBIT A**

**PETITIONS**

**PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT TO BE  
NAMED THE SOMERSET PUBLIC IMPROVEMENT DISTRICT NUMBER 1**

**THE STATE OF TEXAS                   §  
  §  
CITY OF KINGSVILLE           §**

**TO:   THE HONORABLE MAYOR AND COMMISSIONERS OF THE CITY OF KINGSVILLE**

The undersigned petitioner (the "Petitioner"), acting pursuant to the provisions of Chapter 372 of the Texas Local Government Code, as amended (the "Code"), submits this petition ("Petition") to the City Secretary to request the creation of a public improvement district (the "District") in the territory described in Exhibit A attached hereto (the "Subject Property") within the City of Kingsville, Texas (the "City"), and in support of this petition the Petitioner presents the following:

**Section 1.   Petitioner.** In compliance with the requirements of the Code, Section 372.005(b), as determined by the current tax roll of the Kleberg County Appraisal District, the Petitioner constitute: (i) the owners of taxable real property representing more than fifty-percent (50%) of the appraised value of taxable real property proposed to be liable for assessment under the proposal described herein, and (ii) the record owners of taxable real property that constitutes more than fifty-percent (50%) of the area of all taxable real property that is liable for assessment under such proposal.

**Section 2.   Name.** A public improvement district is being requested, which shall be named the "Somerset Public Improvement District Number 1" (referred to herein as the "District").

**Section 3.   General Nature of the Proposed Public Improvements.** The general nature of the work proposed to be done may include, but is not limited to, onsite roads (including, but not limited to a collector road) and associated utility improvements (water, sewer, drainage), offsite sewer extension (and if needed, offsite roads, water, and drainage), onsite public improvements for residential lots (sewer, water, streets, and drainage), the improvement and construction of water, sanitary sewer, drainage, dry utilities (gas and electric), detention ponds, storm sewer, impact fees for capacity, road, landscaping in public rights of way, or sidewalks, right of way acquisition costs, easement acquisition costs, appraisal costs, geotechnical and hydrological engineering costs, environmental inspections/testing/and remediation costs, well plugging costs, demolition costs, water and sewer impact fees, floodplain reclamation costs, tree mitigation costs, park/entry/amenity improvement costs, including any cost or expense of purchasing, constructing, maintaining, acquiring, owning, operating, repairing, leasing, improving, extending, or paying for inside (i.e. onsite) and outside (i.e. offsite) the district boundaries; flood plain and wetlands regulation and endangered species permits, stormwater permits, including mitigation; and all works, improvements, facilities, plants, equipment, appliances, interest in property, and contract rights needed thereof, and administrative facilities needed in connection therewith, related surveying, engineering, and legal fees, costs and expenses, and all rights of way and other interests in land necessary or convenient in connection therewith, as well as reasonable contingencies, associated with the costs of public improvements (collectively, the "Authorized Improvements"). Further, the public improvements financed by the District may include public improvements in compliance with Chapter 372 and in accordance with governing laws.

**Section 4. Estimated Cost of Proposed Public Improvements.** The estimated cost is approximately \$15,000,000 (including formation, issuance and other financing costs) (the “Authorized Improvement Cost”).

**Section 5. Boundaries.** The proposed boundaries of the District are described in Exhibit A attached hereto.

**Section 6. Proposed Method of Assessment.** The Petitioner requests that the City authorize the District to accomplish its purposes and costs of services and improvements by an assessment against the Subject Property based on the special benefits accruing to the Subject Property because of the Authorized Improvements. The Code provides that the Authorized Improvement Cost may be apportioned to and assessed against the Subject Property in any manner that results in imposing equal shares of the cost on property similarly benefitted including, but not limited to, per front foot or square foot; value of the property as determined by the governing body, with or without regard to improvements on the property; or in any other manner that results in imposing equal shares of the cost on property similarly benefitted. The assessment methodology will result in each parcel paying equal shares costs of the Authorized Improvements with the assessments based on the special benefit conferred on the parcels by such improvements.

**Section 7. Apportionment of Costs between the City and the District.** The Petitioner proposes that the Authorized Improvement costs be apportioned solely to the District to the extent the Authorized Improvements confer a special benefit on the Subject Property. Approval and creation of the District will not obligate the City to provide any funds to finance the Authorized Improvements. All costs of the District shall be paid by and apportioned to the District, and not to the City, as a whole.

**Section 8. Management of the District.** The Petitioner requests that the District be managed by the City with, at the City’s option, the assistance of a third-party administrator hired by the City and paid for as part of the administrative costs of the District.

**Section 9. Advisory Body.** An advisory board may be established by the City to develop and recommend an improvement plan to the City Commission.

The signer of this petition requests the establishment of the District and this petition will be filed with the City Secretary in support of the creation of the District by the City Commission as herein provided.

[Signatures follow on next pages]

Wherefore, this Petition satisfies all of the requirements of the Code for the creation of the District, and the Petitioner respectfully request the City create the District and include the Subject Property within such District, as described herein.

Respectfully submitted, this 29 day of June 2022.

**PETITIONER:**

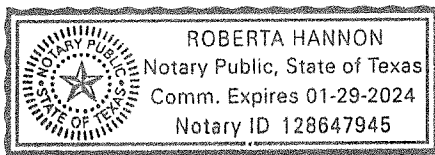
**EUGENE Q. MAY TRUST**

BY: Harrel D. Nix  
Harrel D. Nix, Trustee

**ACKNOWLEDGMENT**

STATE OF TEXAS       §  
                                  §  
COUNTY OF KLEBERG   §

This instrument was acknowledgment before me on this 29 day of June, 2022 by Harrel D. Nix.



Roberta Hannon  
Notary Public, State of Texas

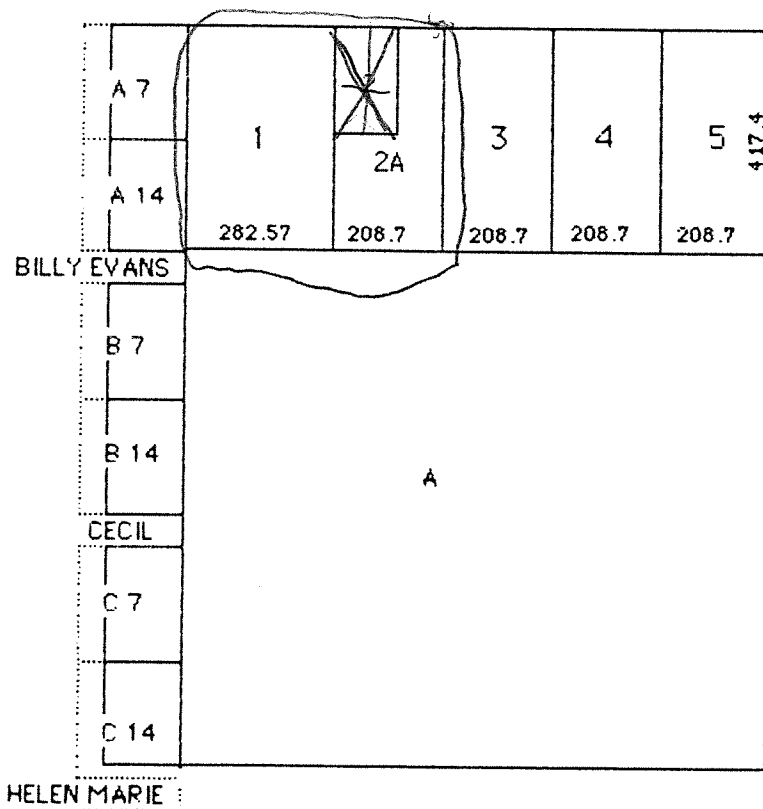
Printed Name of Notary: Roberta Hannon

Commission Expiration: 01-29-2024

**Exhibit A**  
**Subject Property**  
**(PID Boundaries)**  
**[Insert metes and bounds here & Map]**



206



3	2	1
4	5	6
7	9	8
10	12	13
11		

A 2-900-021-02000-192 YAKLIN, EDDIE L  
27.22 ACRES

1.	1-071-001-01000-192	MAY, EUGENE Q. TRUST 2.71 ACRES
2.	1-071-001-02000-192 (PT OF LOT 2)	GOETSCH, WESLEY L 0.55 ACRES
2A.	1-071-001-02001-192 (PT OF LOT 2)	MAY, EUGENE Q. TRUST 1.45 ACRES
3.	1-071-001-03000-192	NIELSEN, BEVERLY A 2.0 ACRES
4.	1-071-001-04000-192	JEAN, SHEILA R 2.0 ACRES
5.	1-071-001-05000-192	ALLEN, WARREN S. 2.0 ACRES

(SEE CHANDLER DETAIL MAP)

K T & I CO.  
FARM LOT 2  
40.0 ACRES

**EXHIBIT B**

MAP

**EXHIBIT C**  
Notice of Public Hearing

NOTICE OF PUBLIC HEARING OF THE CITY COMMISSION OF THE CITY OF  
KINGSVILLE TO CONSIDER THE ADVISABILITY OF THE CREATION OF A PUBLIC  
IMPROVEMENT DISTRICT WITHIN THE CITY TO MAKE CERTAIN IMPROVEMENTS  
OVER CERTAIN PROPERTIES LOCATED WITHIN THE CITY

NOTICE IS HEREBY GIVEN THAT the City Commission of the City of Kingsville, Texas (the "City"), pursuant to Chapter 372.005 Local Government Code, as amended, (the "Act"), will hold a public hearing at 5:00 p.m. on Monday, August 8, 2022, at City Hall, 400 West King Ave., Kingsville, Texas 78363, for the purpose of considering the establishment of a public improvement district to be located within the City.

In accordance with the Act, the City Secretary has received petitions (the "Petitions") from certain property owners within the City (the "Petitioners") that request the establishment of a public improvement district for the Somerset development within the City.

The Petitions and the legal description of the properties to be included in the public improvement district is on file and open for public inspection in the office of the City Secretary at the address stated above. The public hearing is being held with respect to the advisability of creating a public improvement district for the Somerset development and the Authorized Improvements (as defined below) to be made therein.

General Nature of the Authorized Improvements: The purpose of the public improvement district is to provide funds for public improvement projects authorized by the Act that are necessary for development of District property, which public improvements will include: onsite roads (including, but not limited to a collector road) and associated utility improvements (water, sewer, drainage), offsite sewer extension (and if needed, offsite roads, water, and drainage), onsite public improvements for residential lots (sewer, water, streets, and drainage), the improvement and construction of water, sanitary sewer, drainage, dry utilities (gas and electric), detention ponds, storm sewer, road, landscaping in public rights of way, or sidewalks, right of way acquisition costs, easement acquisition costs, appraisal costs, geotechnical and hydrological engineering costs, environmental inspections/testing/and remediation costs, well plugging costs, demolition costs, floodplain reclamation costs, tree mitigation costs, park/entry/amenity improvement costs, including any cost or expense of purchasing, constructing, maintaining, acquiring, owning, operating, repairing, leasing, improving, extending, or paying for inside (i.e. onsite) and outside (i.e. offsite) the district boundaries; flood plain and wetlands regulation and endangered species permits, stormwater permits, including mitigation; and all works, improvements, facilities, plants, equipment, appliances, interest in property, and contract rights needed thereof, and administrative facilities needed in connection therewith, related surveying, engineering, and legal fees, costs and expenses, and all rights of way and other interests in land necessary or convenient in connection therewith, as well as reasonable contingencies, associated with the costs of public improvements (collectively, the "Authorized Improvements"). Further, the public improvements financed by the District may include public improvements in compliance with Chapter 372 and in accordance with governing laws. These Authorized Improvements shall promote the interests of the City and confer a special benefit upon the Property.

Estimated Cost of the Authorized Improvements: The estimated cost to fund the Authorized Improvements is \$15,000,000.

Boundaries of the Proposed District: The public improvement district would include the Property as depicted in Exhibit A.

Proposed Method of Assessment for the Public Improvement District. The City shall levy assessments on each lot within the public improvement district in a manner that results in imposing equal shares of the costs on property similarly benefited. All assessments may be paid in full at any time (including accrued and unpaid interest), and certain assessments may be paid in annual installments (including interest and debt). If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed in part by the assessment and must continue for a period necessary to retire the indebtedness on those Authorized Improvements (including interest).

Proposed Apportionment of Costs between the District and the City for the Public Improvement District. All of the costs of the Authorized Improvements will be paid from assessments levied on properties in the public improvement district and/or from other sources of funds, if any, available to the Petitioners, including lawfully available funds of the City from the sources and in the amounts as directed by the City Commission.

All interested persons are invited to attend such public hearing to express their views with respect to the establishment of a public improvement district for the Somerset development and the Authorized Improvements to be made therein. Questions or requests for additional information may be directed to [xxx].\_\_\_\_\_

Any interested persons unable to attend the hearing may submit their views in writing to Mary Valenzuela, City Secretary at [mvalenzuela@cityofkingsville.com](mailto:mvalenzuela@cityofkingsville.com) prior to the date scheduled for the hearing.

This Notice of Public Hearing is given and the public hearing is being held pursuant to the requirements of the Act.

GIVEN THIS \_\_\_\_\_ day of \_\_\_\_\_, 2022.

CITY OF KINGSVILLE, TEXAS

## EXHIBIT A

### Boundaries

Approximately 58 acres located in the City of Kingsville, bound by General Cavazos Blvd., Brahma Blvd., and E. Trant Rd. A full description of the boundaries of the proposed Somerset Public Improvement District Number 1 is available at City Hall, 400 West King Ave., Kingsville, Texas 78363.

# **AGENDA ITEM #15**



**STATEMENT OF QUALIFICATION FOR PID CONSULTING AND  
ADMINISTRATION SERVICES**

Prepared & submitted by:

**MuniCap, Inc.**  
to  
**City of Kingsville**

July 6, 2022



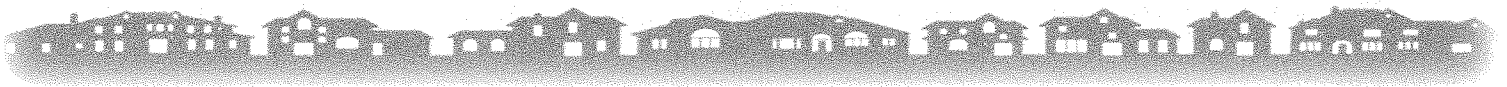
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## ***I. OVERVIEW***

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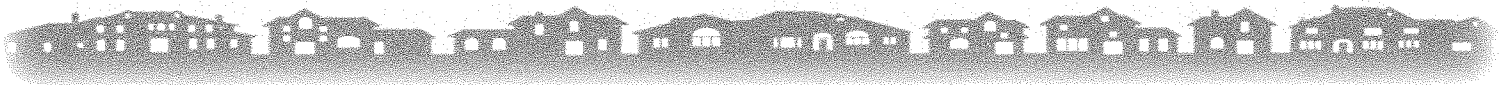
MuniCap, Inc. is a public finance consulting firm with offices located in **Houston and Irving, TX**; Columbia, MD; Pittsburgh, PA; Charleston, SC; and Richmond, VA, that specializes in public-private-partnerships through special district formation and administration. This specialization has allowed MuniCap to develop the highest level of expertise in our field. Nearly 100 percent of MuniCap's revenues are derived from services related to special district activities. Key highlights of MuniCap's capabilities to provide the services requested include:

- MuniCap has developed its practice over the last quarter century based on our underlying philosophy and four key values:
  - (1) **provide the highest degree of expertise within our field,**
  - (2) **provide a great work product tailored to our clients needs,**
  - (3) **provide outstanding customer service, and**
  - (4) **provide excellent value for our work.**
- MuniCap constantly strives to help create and nurture opportunities for **mutually beneficial public-private partnerships** between municipalities and developers towards the overall development and growth objectives of municipalities;
- MuniCap very **mindful of the impact of Public Improvement Districts (PIDs) on the community** and our utilization of best practices for public policy reflects this evolving insight;
- MuniCap has assisted in the creation of over **400 special districts** in more than thirty states and the District of Columbia for which over **\$9.8 billion** in bonds have been issued;
- MuniCap has **more than 17 years** of experience in administering PIDs in Texas and over twenty-four years of experience with special district administration nationally;
- MuniCap has been involved in the creation, administration and/or assessment consulting of over 110 PIDs since 2005.
- MuniCap is committed to providing **the highest quality customer** service to both client municipalities and subsequent PID constituents through continuous trainings, ease of access to online and physical PID related information, constant monitoring and feedback;
- Due to our breadth and depth of local and national experience, MuniCap has been **instrumental in establishing industry standards in Texas** and other states that has been utilized and duplicated by others. Over the twenty-four years that MuniCap personnel have worked with special assessment and tax increment financing, we have developed many influential innovations.
- **MuniCap has been instrumental in establishing the format and content of PID and PID/TIRZ policies and PID and PID/TIRZ creation documents** for a multitude of jurisdictions. This involvement was based on our depth of understanding of the requirements and approval processes for projects subject to a high risk of public scrutiny.





- **MuniCap pioneered the PID Service and Assessment Plan (SAP) format in compliance with statutory Texas Attorney General requirements and relevant development and financial details.** Our SAP format was approved by the Texas Attorney General's office as part of the first PID infrastructure bond issuance in 2007 in Trophy Club, TX and has since been replicated by most entities preparing an SAP for similar purposes. As the first PID approved by the Texas Attorney General for special assessment revenue bond issuance, we worked extensively with its office, both in developing an understanding of the Texas Attorney General's perspective and collaborating with the Texas Attorney General's staff regarding PIDs.
- **MuniCap offers the most comprehensive services related to PIDs in the industry.** No other firm offers the full range of services related to PIDs as MuniCap. These services include not just development of SAPs and annual updates of these plans, but district administration services first developed and continually enhanced by MuniCap. These services, which are not always provided by other firms, include a comprehensive homeowner disclosure program, PID accounting and audit assistance, and post issuance compliance monitoring.
- **MuniCap has made the commitment to meet the highest standards of best practices and is registered with the Municipal Securities Rulemaking Board (MSRB).** As registered municipal advisors, MuniCap and its employees are subject to a strict set of rules and professional guidelines covering standards of service, conflict of interest disclosures, and client relationships. These rules ensure a fiduciary responsibility to our client, which is not required by firms that are not municipal advisors. **These rules ensure a fiduciary responsibility to our client, which is not required from firms that are not MAs.**



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## ***II. KEY PERSONNEL & EXPERIENCE***

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MuniCap, Inc. prides itself in assembling some of the most qualified, knowledgeable and proficient experts in the industry.

Our team responsible for the proposed engagement will include 13 professionals in the Texas office supplemented by 45 professionals in the company, including dedicated departments for PID consulting, administration, and accounting, including CPAs.



### **PROJECT MANAGER/LEAD CONSULTANT**

- SENIOR VICE PRESIDENT
- Abdi Yassin
- Dallas: (469) 490-2801| Houston: (713) 834-1112
- [abdi.yassin@municap.com](mailto:abdi.yassin@municap.com)



### **ASSISTANT PROJECT MANAGER - ADMINISTRATION**

- VICE PRESIDENT
- Joshua Arendt
- (469) 490-2803
- [joshua.arendt@municap.com](mailto:joshua.arendt@municap.com)



### **TECHNICAL CONSULTANT - ADMINISTRATION**

- MANAGER
- Mark Pfirman
- Dallas: (469) 490-2805| Houston: (713) 834-1112
- [mark.pfirman@municap.com](mailto:mark.pfirman@municap.com)



### **ASSISTANT PROJECT MANAGER – PID ASSESSMENT CONSULTING**

- MANAGER
- Devon Whitlock
- (469) 490-2804
- [devon.whitlock@municap.com](mailto:devon.whitlock@municap.com)



### **ASSISTANT PROJECT MANAGER - ACCOUNTING**

- SENIOR VICE PRESIDENT
- Molly Dearstine
- (443) 539-4114
- [molly.dearstine@municap.com](mailto:molly.dearstine@municap.com)



### **TECHNICAL CONSULTANT - ACCOUNTING**

- MANAGER
- Jason Jee
- (443) 539-4117
- [jason.jee@municap.com](mailto:jason.jee@municap.com)



### **ADVISOR**

- PRESIDENT
- Keenan Rice
- (443) 539-4102
- [keenan.rice@municap.com](mailto:keenan.rice@municap.com)



**PROJECT MANAGER/LEAD CONSULTANT**

**SENIOR VICE PRESIDENT**  
**Abdi Yassin**

**KEY EXPERIENCE:**

Mr. Yassin has over 16 years of experience providing project management services to governmental entities related to special districts, having served as an operations manager in charge of government contract management, budget administration, and capacity building for special districts. Mr. Yassin will have primary responsibility for ensuring all PID consulting and administrative needs and responsibilities of the City are adequately met, including but not limited to: assisting the City with development agreement negotiations and creating PIDs, preparing the initial PID projections, service and assessment plan and the annual service plan updates, coordinating and monitoring the billing and collection of annual assessment installments, designing and implementing a comprehensive PID homebuyer disclosure program, and preparing and disseminating any required continuing disclosure reporting obligations for the proposed PIDs within the City.

Mr. Yassin started his work efforts with MuniCap having worked on the first PID in the City of Lavon in 2006 that was structured for subsequent issuance of PID special assessment revenue bonds. Since that time, Mr. Yassin has become a leading and sought-after industry expert in PID financing as well as other creative financings related to PIDs and tax increment reinvestment zones. Mr. Yassin has actively involved in over 150 special assessment and/or tax increment financing projects nationwide and specializes in the most complicated and challenging structures due to his strong problem-solving skills. Mr. Yassin has provided project management to a multitude of special assessment districts and has been responsible for the management of all of MuniCap's districts in Texas. In his role, Mr. Yassin continually strives to facilitate successful public-private partnerships through the use of special districts like PIDs and TIRZs, issuance of debt for infrastructure financing, ensuring that the municipality is receiving adequate benefit and protection, while helping to ensure the financings contribute to the success of the development project and the overall development plan of the municipality.

Mr. Yassin has a PhD in Urban Planning and Public Policy and received a Master's Degree in Real Estate Finance from the University of Texas at Arlington, a Master's Degree in Accounting and Business Advisory Services, and an MBA in Management Information Systems from the University of Baltimore, Merrick School of Business. Mr. Yassin is a registered Municipal Advisor (Series 50) and a Municipal Advisor Principal (Series 54).

A few of the special district projects on which Mr. Yassin has worked on include:

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**CITY OF CELINA, TX**

*Assisted in creating and managing over 27 PIDs and 13 TIRZ districts*

**TOWN OF TROPHY CLUB, TX – TROPHY CLUB PID**

*The first special assessment revenue bonds in Texas for residential development*

**TOWN OF LITTLE ELM, TX – VALENCIA PID**

*The first special assessment revenue bonds in Texas combining PID with TIRZ offsets*

**CLUB MUNICIPAL MANAGEMENT DISTRICT (MMD)**

*The first special assessment revenue bonds issued for an MMD using the PID statute*

**CITY OF LAVON, TX – HERITAGE PID**

*The first PID service and assessment plan structure fully compliant with the PID statute and subsequently approved by the AG for PID special assessment revenue bonds*

**CITY OF HACKBERRY, TX – HIDDEN COVE PID**

*Special assessment and contract revenue combination bonds for a residential development*

**TOWN OF FLOWER MOUND, TX – RIVERWALK PID**

*Special assessment revenue bonds for mixed use development*



## **PROJECT MANAGER – PID ADMINISTRATION**

**VICE PRESIDENT**  
**Josh Arendt**

### **KEY EXPERIENCE:**

Mr. Arendt joined MuniCap in 2016 and now serves as the vice president for administrative services for all Texas districts. Some of the key tasks he leads and provide oversight on include:

- Develop client relationships to understand the needs and assist City staff in administering special districts
- Work with City Council and City staff to educate on all aspects of special district financing so informed decisions can be implemented and attend public meetings and workshops to present various reports, including the Annual Service and Assessment Plan Update, to City Council
- Educate future homeowners and residents of the City, including related entities (i.e. realtors, mortgage companies, escrow agents, etc.), through the development of an expanding homebuyers disclosure program, which includes inquiry follow ups, educational seminars, and access to our property database to search for relevant information on a specific property (<https://municap.clearbasinsystems.com/search>).
- Work with the respective Central Appraisal District and respective County Tax Assessor-Collector's office to understand existing processes and help facilitate the addition of annual installment billing onto the county property tax statement
- Lead an experienced and qualified team of administrative municipal advisors to provide insightful reporting, disclosure and compliance monitoring, and address special district related inquiries in a prompt and timely manner

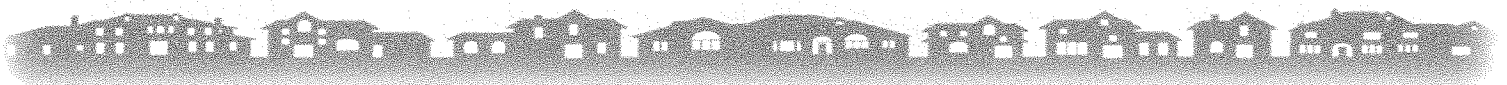
Mr. Arendt has a Bachelor of Science degree from Methodist University, where he graduated summa cum laude, with a degree in Business Administration. Prior to joining MuniCap, Mr. Arendt provided services as a Professional Golfers' Association (PGA) professional in various high-end, private clubs in Florida, Alabama, Maryland, Colorado, and Delaware. These experiences have been very influential in building his organizational, business development, and communication skills, which have shaped his approach to client relations and service.

Mr. Arendt is a registered Municipal Advisor (Series 50) and a Municipal Advisor Principal (Series 54).

A few of the special district projects on which Mr. Arendt has worked on include:

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**CITY OF CELINA (20+ PIDs)**  
**CITY OF FORT WORTH (2 PIDs)**  
**TOWN OF LITTLE ELM (6 PIDs)**  
**CITY OF AUBREY (2 PIDs)**  
**CITY OF ROWLETT (2 PIDs)**  
**CLUB MUNICIPAL MANAGEMENT DISTRICT NO. 1**



## **TECHNICAL CONSULTANT – PID ADMINISTRATION**

**MANAGER**  
**Mark Pfirman**

### **KEY EXPERIENCE:**

Mr. Pfirman joined MuniCap in 2018 and now serves as a manager for administrative services for all Texas districts. Some of the key tasks he leads and provide oversight on include:

- Lead periodic meetings with city staffs to discuss updates and improvements for special purpose districts administered by MuniCap.
- Calculate and allocate annual special assessment amounts for each property within various PIDs and MMDs. Attend public meetings and workshops to present various reports, including the Annual Service and Assessment Plan Update, to City Council.
- Undertake education programs for future homeowners and residents of the City, including related entities (i.e. realtors, mortgage companies, escrow agents, etc.), through the development of an expanding homebuyers disclosure program, which includes inquiry follow ups, educational seminars, and access to our property database to search for relevant information on a specific property (<https://municap.clearbasinsystems.com/search>).
- Work with various county tax offices and appraisal district offices to track and calculate tax increment revenues for TIRZ districts throughout the state.
- Manage the day-to-day tasks of a team administrative municipal advisors to provide insightful reporting, disclosure and compliance monitoring, and address special district related inquiries in a prompt and timely manner. Provide periodic reporting to senior leadership regarding project status.

Mr. Pfirman is a graduate of the College of William & Mary and has a Bachelor of Arts with a major in government and a minor in history. Mr. Pfirman interned for the RMR Group, an alternative asset management company, where he gained experience in commercial real estate acquisitions and research.

Mr. Pfirman is a registered Municipal Advisor (Series 50).

A few of the special district projects on which Mr. Pfirman has worked on include:

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**CITY OF CELINA (20+ PIDs)**

**CITY OF LEAGUE CITY (4 PIDs)**

**TOWN OF LITTLE ELM (6 PIDs)**

**MERCER CROSSING PUBLIC IMPROVEMENT DISTRICT**

**CLUB MUNICIPAL MANAGEMENT DISTRICT NO. 1**

**NORTH PARKWAY MUNICIPAL MANAGEMENT DISTRICT NO. 1**



**KEY EXPERIENCE:**

Mr. Whitlock joined MuniCap in 2018 and is responsible for assisting with each of the services associated with issuance of PID bonds, including generating the feasibility study, drafting the service and assessment plan, reviewing and proposing continuing disclosure requirements and ensuring compliance of information included in bond-related documents. Furthermore, Mr. Whitlock has continued to enhance and prepare the financial models for all new Texas districts and additional phases of existing districts requiring bond issuance and/or levy of assessments. Part of these efforts require thorough research of surrounding jurisdictions and tax structures to ensure feasibility and marketability of each district.

Mr. Whitlock has worked to develop and expand the consulting related services and documents MuniCap provides. Mr. Whitlock is committed, with the assistance of Mr. Yassin, to find viable solutions for all projects and ensure such structure and deal points comply with the PID statute, PID policy, and municipality related development objective goals.

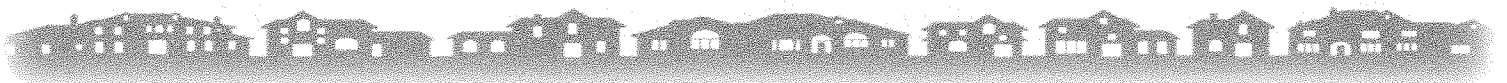
Mr. Whitlock graduated from the University of Missouri with a Bachelor of Science Business Administration, with an emphasis in marketing. Prior to joining MuniCap, Mr. Whitlock served as a quantitative analyst at SAMCO Capital Markets, Inc., where his primary responsibilities included developing official statements, aiding in closing transactions, continuing disclosure requirements, and pursuing refunding opportunities of client debt. He began his career as an analyst at the Municipal Advisory Council of Texas, where his duties included creating and updating the Texas Municipal Reports for various Texas entities, which provide detailed analysis of municipal issuers' financial position, the overall economy, and detailed view of their debts.

Mr. Whitlock is registered with the Financial Industry Regulatory Authority as a General Securities Representative (Series 7), Municipal Advisor Representative (Series 50) and Uniform Securities Agent State Law (Series 63).

A few of the special district projects on which Mr. Whitlock has worked on include:

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**CITY OF CELINA (20+ PIDs)**  
**TOWN OF LITTLE ELM (6 PIDs)**  
**CITY OF ROWLETT (2 PIDs)**  
**MEDINA COUNTY, WOODLANDS**  
**CITY OF SHERMAN, BEL AIR VILLAGE**  
**CITY OF BURLESON, PARKS AT PANCHASARP FARMS**  
**CITY OF SINTON, SOMERSET**  
**CLUB MUNICIPAL MANAGEMENT DISTRICT NO. 1**



## **ACCOUNTING LIAISON**

**SENIOR VICE PRESIDENT**  
**Molly Dearstine**

### **KEY EXPERIENCE:**

Ms. Dearstine has been responsible for establishing each of the accounting-specific products that MuniCap offers since starting at MuniCap in 2008. Of the 400 bond issuances in which MuniCap has assisted with, she and her staff produce accounting related work product for over 140, of which over sixty of those are located within Texas. Since arriving at MuniCap, Ms. Dearstine has grown her department from a professional staff of one to five, inclusive of CPAs. As a result, Ms. Dearstine has assisted with the preparation of the accounting product for every single district in which her team is responsible for generating work product.

Ms. Dearstine and her team are responsible for providing oversight to the bond fund administration of all projects and the corresponding annual trustee activity report included in the firm's annual continuing disclosure product. In addition, her staff, with her supervision and management, completes requisition review, prepares general ledgers for our municipal client's financial statements, generates financial statements for independent districts, coordinates audits, collates W-9 and related information for 1099 reporting to the IRS, prepares annual IRS compliance reports, calculates the annual arbitrage rebate calculations and prepares corresponding reports to ensure IRS compliance.

Ms. Dearstine is a registered Municipal Advisor (Series 50) and a Municipal Advisor Principal (Series 54).

**CITY OF CELINA, TX (TWENTY-SIX PROJECTS)**

**TOWN OF LITTLE ELM, TX (SIX PROJECTS)**

**CITY OF HACKBERRY, TX (FIVE PROJECTS)**

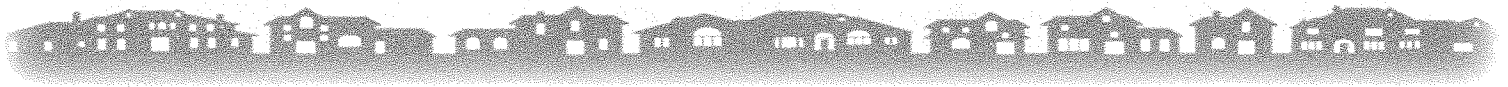
**CITY OF BALTIMORE, MD, HARBOR POINT**

**CITY OF BALTIMORE, MD, EAST BALTIMORE RESEARCH PARK**

**ECONOMIC DEVELOPMENT GROWTH ENGINE INDUSTRIAL DEVELOPMENT BOARD OF THE**

**CITY OF MEMPHIS AND COUNTY OF SHELBY, TN, GRACELAND**

**CITY OF ARLINGTON, VA, BALLSTON QUARTER COMMUNITY DEVELOPMENT AUTHORITY**



**KEY EXPERIENCE:**

Mr. Rice has worked almost exclusively in the area of public/private partnerships, tax increment and special assessment financing for the last thirty years. As a result of his extensive experience with tax increment and special assessment financing, he is recognized as one of the most experienced and knowledgeable professionals in the country in the fields of tax increment and special assessment financing. Mr. Rice has provided assistance on over 400 tax increment and special assessment financing projects nationwide (including similar financings using PILOTs, special taxes, and other forms of project tax revenues). Mr. Rice has been an integral part of most of MuniCap's tax increment and special assessment financing practice; his experience is essentially the same as MuniCap's experience.

MuniCap was founded by Keenan Rice, who relocated to Maryland in 1997 after being a senior principal at one of the leading public finance consulting firms in California, where he also specialized in tax increment, special assessment, and similar forms of financing. Mr. Rice developed a strong expertise in public finance, tax increment and special assessment financing, and public/private partnerships during the eight years he worked in this area in California. MuniCap is a continuation of Mr. Rice's specialized professional practice for the last thirty years.

Prior to beginning his career in public finance, Mr. Rice was a vice president at a major real estate development firm. Before working in real estate development, Mr. Rice was a real estate loan officer for a major financial institution. Mr. Rice's experience in real estate development has been very helpful to his work in tax increment and special assessment financing, as he has an in-depth understanding of the development process that can come only from hands-on experience. Similarly, Mr. Rice's experience as a real estate loan underwriter provided valuable understanding of the specific financial and underwriting issues related to real estate finance.

Mr. Rice graduated with honors with a degree in accounting from Texas Tech and also received a master's degree in finance with a specialty in real estate finance from the University of North Texas. Mr. Rice has been a guest lecturer at a number of universities and at numerous conferences hosted by the Government Finance Officers Association, The Bond Buyer, the Urban Land Institute, and other professional associations.

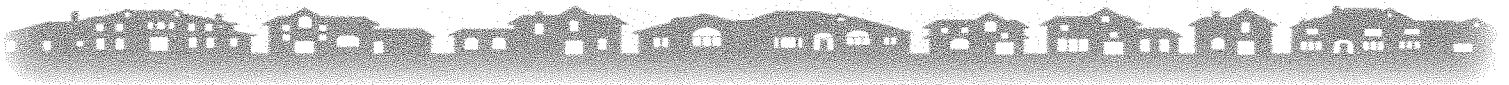
Mr. Rice graduated with honors with a Bachelor's Degree in Accounting from Texas Tech, as well as a Master's Degree in Finance with a specialty in Real Estate from the University of North Texas. Mr. Rice has been a guest lecturer at a number of universities and at numerous conferences hosted by the Government Finance Officers Association, The Bond Buyer, the Urban Land Institute, and other professional associations.

Mr. Rice is a registered Municipal Advisor (Series 50), a licensed investment advisor representative (Series 65), and a Municipal Advisor Principal (Series 54).

A few of the special district projects on which Mr. Rice has worked on include:

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**CITY OF LAVON, TX – HERITAGE PID**  
**TOWN OF TROPHY CLUB, TX – TROPHY CLUB PID**  
**CITY OF WAXAHACHIE, TX – WAXAHACHIE PID**  
**CITY OF DALLAS, TX – DOWNTOWN CONNECTION TIF**





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### ***III. MUNICAP EXPERIENCE***

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#### **TEXAS RELATED EXPERIENCE**

MuniCap was one of the first firms in Texas to provide PID consulting and administration. MuniCap has remained a pioneer in the field, continuing to advance standards in the industry and comprehensive services for PIDs. MuniCap has been working with PIDs in Texas for **over 16 years** and has extensive experience in developing and adapting successful PID financing and administrative best practices to meet specific client and project needs. MuniCap has been involved in the creation, administration and/or assessment consulting of **more than 110 Public Improvement Districts in Texas since 2006** and currently administers 81 PIDs in Texas.

#### **NATIONAL EXPERIENCE**

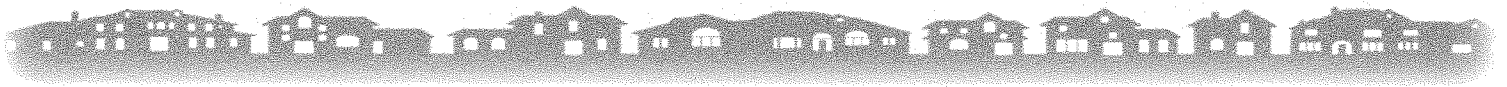
MuniCap has provided services for over 400 special districts in thirty states across the country. Since 1997, MuniCap has assisted in facilitating over \$9.8 billion in public financing with special districts in almost 30 states. MuniCap's national experience means that we have a thorough knowledge of public policy issues facing special assessment financing, as well as a comprehensive understanding of the best practices for addressing those issues. Specifically, MuniCap has thoroughly researched best practices nationally and made this a specific point of expertise. Meanwhile, our experience with a multitude of Texas and local governments nationwide gives us a framework to address the constraints unique to the City's proposed PIDs.

#### **EXPERIENCE WITH FIRST-TIME PID DEBT ISSUERS AND ONGOING ADMINISTRATION**

MuniCap has so far worked with **more than 30 first time PID debt issuer municipalities** in Texas, which allowed us to establish many of the current best practices used for PIDs that are created and administered by third party administrators across the state. MuniCap has been administering PIDs on an ongoing basis in Texas since 2006 and currently administers 81 districts. We also have extensive experience in taking over existing districts, especially those districts with some existing challenges, and streamlining the administration process in accordance with the applicable statutory framework, development and bond related agreements and proven best practices.

#### **Our approach to commence the administration process includes:**

- Review and assess City's existing and or desired processes and policies.
- Educate City staff regarding the PID related activities and responsibilities, as needed.
- Assess desire and existing capacity of City to take on the PID related activities and work on matching current desire and capacity with the preferred level of involvement in the PID activities.
- Assist in setting up and synchronizing City audit process to include PID financial transactions.
- Prepare a comprehensive task schedule identifying all tasks required throughout the year, the timing of the tasks, and the parties responsible for the tasks.
- Hold regular monthly or quarterly meetings with City staff to review ongoing PID related activities.



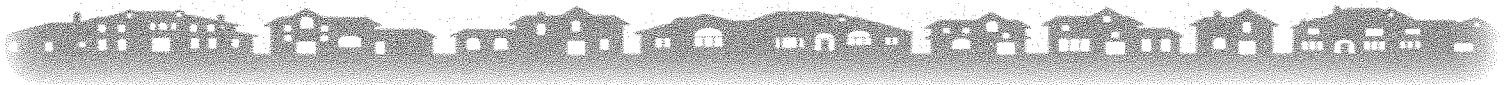
### EXPERIENCE WITH HOMEBUYER DISCLOSURE

As part of the continuing effort to ensure adequate disclosure to homebuyers, MuniCap has developed and implemented a comprehensive homebuyer disclosure program to ensure adequate notices are provided to prospective homebuyers by the developer and builders in accordance with the program. Our program includes the following:

- (i) notice of the special assessment district recorded in the appropriate land records for the property;
- (ii) workshops and meetings to educate (in bilingual settings as needed) builders and sales representatives regarding the district and notice of the special assessment district provided by builders in addendum to contracts;
- (iii) collection of a copy of the addendum signed by each buyer from builders with such copy being provided to the County;
- (iv) signage indicating that the property for sale is located in a PID located in conspicuous places in all model homes;
- (v) an overview of the PID provided to builders to be included in sales packets;
- (vi) estimates of annual installments of assessments through maturity;
- (vii) notification to settlement companies through the builders to include special assessments on HUD 1 forms and inclusion in total estimated assessments for the purpose of setting up tax escrows;
- (viii) notice of the PID in the homeowner association documents;
- (ix) regular and sustained education program to builders and relators regarding the PID; and
- (x) Availability of online resources for both general project and property specific PID information.

### EXPERIENCE WITH TAX ASSESSORS/ COLLECTORS

**As a pioneer of the third party PID administration services in Texas**, we have extensive experience in working with county tax collectors and independent tax collectors. We helped in the software and process setup for the **first county tax collector in North Texas that started collecting non-ad valorem assessments for infrastructure improvement PIDs** and have diligently worked to facilitate similar collections by subsequent county tax collectors. MuniCap also has extensive experience in dealing with tax collectors that have resisted collection for non-ad valorem special assessments and succeeded in convincing such counties to resume the assessment collections through persistent and coordinated efforts with various stakeholders in the process.



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## ***IV. PID CONSULTING AND ADMINISTRATION PROGRAM***

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Our PID consulting and administration process includes comprehensive implementation plans for assessment levy, bond issuance, and district administration after assessments are levied and/or bonds are issued.

### **I. PID CONSULTING**

Our PID consulting process for assessment levy and bond issuance includes the preparation and/or update of the PID policy, if applicable, the preparation of the PID feasibility report and the Service and Assessment Plan (SAP) with related assessment roll(s) for financing the public improvements through PID financing. The following services are typically provided by MuniCap on similar financings, but all services are provided upon request. The process more specifically includes:

#### **1 PID CONSULTING/ASSESSMENT LEVY AND BOND ISSUANCE**

**Assist in creation and/or update of capital and operations and maintenance PID policies.**

**Ensure PID policy incorporates both proven best practices and the County's specific requirements.**

**Review plan of finance outlined in the SAP in conjunction with PID policy to ensure consistency.**

**Review public improvements and estimated costs to ensure eligibility and appropriate allocation of benefit.**

**Estimate available tax increment revenues that act as an offset to assessments.  
Determine the appropriate assessment amount for differing property types.**

**Prepare SAP for the PID that includes the assessment methodology and the assessment roll.**

**Prepare projections for purposes of bond issuance.**

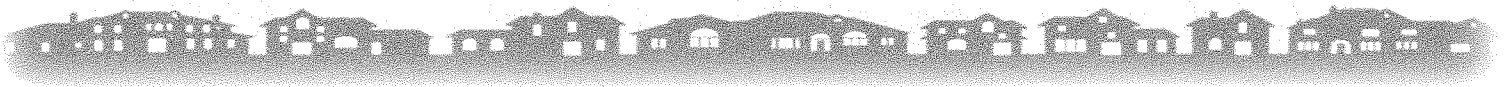
**Review bond documents in conjunction with SAP to ensure consistency.**

**Provide certification required for the issuance of PID debt as reasonably approved by MuniCap.**

**Review assessed values for residential and commercial properties located within the PID.**

**Convert the assessment burden on the differing residential and commercial property types to the equivalent tax rate.**

**Determine the County's total equivalent tax rate, inclusive of the PID assessment equivalent tax rate.**



**Confirm the County's total equivalent tax rate, inclusive of the PID assessment equivalent tax rate, is no greater than the County's maximum equivalent tax rate requirement.**

**If County's maximum equivalent tax rate requirement is exceeded, prepare a calculation of the amount required to be prepaid to ensure the County's total equivalent tax rate, inclusive of the PID assessment equivalent tax rate, is less than the County's maximum equivalent tax rate requirement.**

**Complete communication associated with a prepayment with the necessary stakeholders.**

## **II. PID ADMINISTRATION**

Our comprehensive PID administration process after assessment levy and/or bond issuance includes annual special assessment determination, annual assessment plan update, bond proceeds disbursement review, bond fund administration, homeowners assistance/public information, delinquency management, continuing disclosure services, annual trustee activity report, IRS compliance related services, and/or PID policy update/modifications, if applicable, but all services are provided upon request. The process more specifically includes:

### **2 ANNUAL SPECIAL ASSESSMENT DETERMINATION**

The lead advisor and project manager will review the governing documents and identify the applicable provisions for the calculations of annual special assessments. The lead advisor and project manager will evaluate each provision as part of the initial review, identify issues that would impact the calculations, if any, and bring to the County's attention prior to commencing the calculations, along with alternative solutions and recommendations and best practices in consultation with the lead consultant.

MuniCap will prepare a task schedule for each task required, the data required, and the party responsible for completing each task. MuniCap will host a conference call with the County to review these tasks. This schedule informs the County of the required tasks throughout the year and provide confidence the necessary work is being done.

MuniCap will perform the necessary background research by using available assessor's property records, working with relevant County personnel, the project engineers, and the developer to identify and properly classify all parcels within the PID in accordance with the applicable provisions in the SAP. The research will include, among other details, identification of original parcels, subsequent parcel subdivision details and parcel consolidations. Our team will develop and maintain a database of all parcels within the PID including all relevant parcel details. Our research will also include relevant updates to the public improvements financed including budget changes.

MuniCap will, in consultation with the lead advisor and project manager, compile all relevant PID related expenses including debt service obligations, PID administration expenses, applicable reserve funding requirements and delinquency related charges, if any, in collaboration with the County. As part of this process, we will work with the County to regularly evaluate the requirements and amounts available for reserves, if any. MuniCap will research and compile all



PID revenues, available annual assessment offsets and other available funds to prepare the PID budget. Once the PID annual budget is prepared, we will allocate the annual assessments to each parcel in accordance with the approved allocation methodology to determine the annual special assessments to be collected from each parcel within the PID.

### **3 ANNUAL ASSESSMENT PLAN UPDATE**

MuniCap will prepare an annual service plan update to reflect:

**All updates to the public improvements budget and details.**

**Update of the five-year service plan by incorporating project progress and relevant timeline updates for public improvement construction and related annual PID indebtedness.**

**The PID annual budget.**

**Updates to the assessment methodology, if any.**

**Parcel related updates including subdivisions, consolidations, change of planned use along with the reallocation of special assessments.**

**The allocation of annual special assessments to each parcel within the PID.  
and,**

**Prepayments of special assessments, and updates to the assessment roll.**

We will send the draft annual service plan updates to the County and the developer team well in advance of the council meeting document submission dates to incorporate inputs and update and send the final annual service plan update to the County within the annual service plan update approval timeline agreed with the County. MuniCap personnel shall also meet with County staff to discuss the annual service plan update and attend only council meetings when these documents are on the agenda.

### **4 BOND PROCEEDS DISBURSMENT REVIEW**

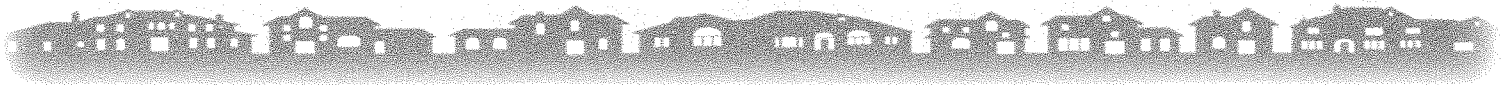
Once bonds are issued and bond proceeds are available for disbursement, our four CPA staff accounting division, lead by Molly Dearstine, will complete the following:

**Review the bond proceed disbursement request in conjunction with the bond documentation.**

**Diligently review each line item and amount being requested for reimbursement by ensuring adequate proof of payment.**

**Generate a list of questions related to any line items that raise question either to the nature of the amount being requested or the information being provided as support.**

**Communicate to the County the outcome of the review of the disbursement requisition, along with any additional information to be requested or questions to be answered.**



**Execute any certification of review of the bond proceed disbursement requisition on behalf of the County.**

**At the request of the County, provide fully completed bond proceeds disbursement requisition to the trustee for reimbursement to the developer.**

**Ensure all certificate of completions are executed and filed at the time of the corresponding public improvement completion.**

**Coordinate the conveyance of the public improvement to the County once the necessary certificate(s) have been filed.**

## **5 BOND FUND ADMINISTRATION**

Once PID debt has been issued, the lead advisor and project manager will review applicable bond indenture and other relevant documents that govern the trust account activities to identify required task list.

**Our support staff will work with the trustee to setup access to trust account statements, develop a monthly trust account reconciliation process and monitor fund activities.**

**We will promptly inform the trustee and the County if we notice any incorrect or improper fund activity and work with the appropriate party to make sure such items are corrected.**

**Our accounting department will post journal entries and maintain a general ledger for each district.**

**We will provide the County and/or external auditors all financial information required for County internal accounting or external auditing.**

**We will update the assessment roll for any applicable principal payment of bonds.**

MuniCap, as a registered investment advisor, at the request of the County, can evaluate and coordinate the investment of PID debt funds, including a review of qualified investment options pursuant to the PID debt related documents.

As the PID administrator, MuniCap will have access to information comprising the metrics required to determine the potential for refunding of any outstanding PID debt. Accordingly, MuniCap will monitor the metrics for a refunding and communicate to the County when it is appropriate to consider.

## **6 HOMEOWNERS ASSISTANCE/PUBLIC INFORMATION**

MuniCap provides recommendations and assistance with the most thorough disclosure services in the industry. We will work to inform developers, builders and homebuyers about assessments. The lead advisor and project manager will meet as frequently as needed to educate the builders and their sales team to make sure the builders have a clear understanding of the assessments and the



assessment related provisions.

**MuniCap will work with appropriate county staff and bond counsel to ensure proper recording of relevant assessment related documents.**

**MuniCap will educate builders about notices of the special assessments recorded in the appropriate land records for the property, as well as the general mechanics as to how the assessments work.**

**MuniCap will work with builders to post signage located in conspicuous places in all model homes indicating that the property for sale is located in a PID and provide the builders with detailed projected annual assessment schedules for each development type and work with the builders to include such details in their property sales contract.**

**MuniCap will collect of a copy of an addendum signed by each buyer from builders and provide a copy of to the County, or keep in our records.**

**MuniCap will provide a toll-free number for inquiries regarding the special assessments and will work to facilitate dissemination of accurate and relevant information regarding the special assessments.**

**MuniCap will provide access to relevant special assessment related information on its website and work with the client municipalities and other community channels to provide a link to such information.**

## **7 DELINQUENCY MANAGEMENT**

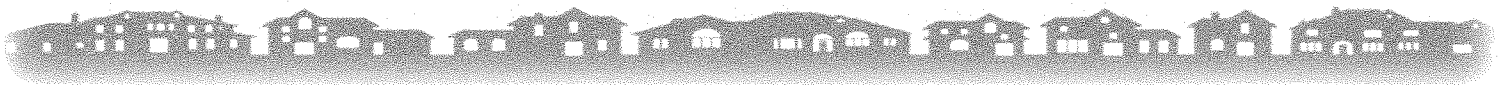
As part of the initial assessment process, we will work with the County to make sure a proper delinquency reserve is established and a delinquency attorney is retained by the County, which typically involves expanding the scope of the County's existing delinquency attorneys to include the special assessment delinquency collection and enforcement.

The lead advisor and project manager will work with the tax collector to establish a regular collection reporting process and use such reports to prepare and send timely delinquency status reports to the County and maintain a delinquency database. We will also provide the delinquency

details to the delinquency attorneys and coordinate any delinquency enforcement activities between the County and the delinquency attorneys, as needed.

## **8 CONTINUING DISCLOSURE SERVICES**

MuniCap recognizes the critical nature of continuing disclosure obligations, believes in the value of continuing disclosure and provides industry leading disclosure services valued by the bond markets. The lead advisor and project manager will review all applicable disclosure agreements and developed a detail timeline and task assignment for each disclosure undertaking.



For annual County disclosure reports, MuniCap will collect the required inputs for the annual issuer disclosure report and prepare a draft annual disclosure report for the County. We will send the draft annual disclosure report to the County for review well ahead of the filing deadline and work with the County to make sure all relevant parts are properly addressed. Once the County approves such draft report, we will finalize and disseminate the annual disclosures as required by the applicable disclosure agreements.

For quarterly developer disclosures, MuniCap will prepare a template for quarterly developer disclosures that will be sent to developers to facilitate timely and comprehensive disclosure of development activities as required by applicable disclosure agreements. We typically discuss the quarterly disclosure requirement and the template with the developer team at the beginning of such undertakings, review disclosures submitted by the developer for consistency and completeness and work with the developers to update drafts, as needed. We will also send the disclosures for County review, as typically required by the disclosure agreements and disseminate such quarterly disclosures as required by the applicable disclosure agreements.

With respect to significant events, we will notify the County immediately upon learning such reportable significant events. We will work with the County to prepare the required significant event notice, have such notices reviewed by the appropriate personnel and disseminate in the manner and within the timeframe prescribed by the applicable disclosure agreement.

## **9 ANNUAL TRUSTEE ACTIVITY REPORT**

MuniCap will work with the appropriate County staff to determine the County's desired types and frequency of reports regarding the trust accounts and fund activities. We will review and prior PID transactions in detail and prepare a summary of findings identifying errors that need to be addressed, if any, along with recommendations. Such recommendations will incorporate inputs by the lead consultant and will incorporate alternative solutions and best practices for addressing each error. Once such prior errors are corrected, we will perform regular review of the transactions and submit a report to the County based on the type and frequency of such reports agreed with the County.

## **10 IRS COMPLIANCE RELATED SERVICES**

MuniCap will work with the County and accounting liaison to assist with maintenance of an audit file and preparation of a report confirming compliance with applicable requirements of the tax certificate for the bonds. This task includes the following:

**Confirm that all public improvements have been transferred to a public entity, once appropriate, as required by the applicable agreement with the developer.**

**Confirm with any relevant parties to confirm that there are no post-closing agreements that give any private business user a special legal entitlement to any public improvement, except for those agreements reviewed by bond counsel**

**Confirm that there have been no sales leases, or other dispositions of any public improvements, except for dispositions reviewed by bond counsel**





**Confirm that there have been no modifications to any public improvement, except for those which are in compliance with agreement with the developer providing for the construction of the public improvements or as otherwise approved by bond counsel.**

**Maintain an audit file with documentation to verify information related to compliance with the tax certificate.**

**Prepare a report to the County each year explaining the efforts of Administrator to verify confirmation of compliance with the tax certificate, documentation in the audit file, and identifying any missing information or requirements of the tax certificate not confirmed.**

**Request and compile all information related to IRS-required tax reporting (i.e. W-9's) from all vendors, as needed (including at the time of debt issuance) and report this information annually to all vendors and the IRS in accordance with IRS regulations.**

## **11 PID POLICY UPDATES/MODIFICATIONS**

MuniCap will review the County's existing PID policy as part of the initial assessment of the PID administration services engagement. Based on our extensive experience in working with such special district policies within the state and across the country, we will recommend updates, as needed. We also keep track of enhancements to such policies by other municipalities and will regularly and promptly inform the County about applicable such enhancements for cons

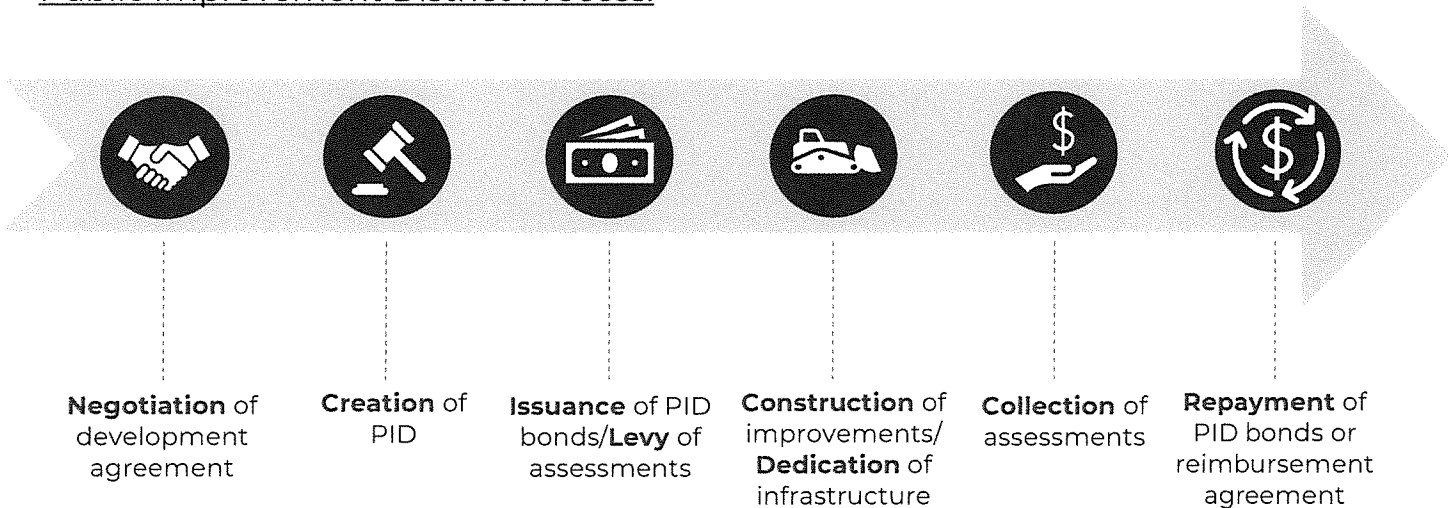


## PUBLIC IMPROVEMENT DISTRICT 101

### What is a Public Improvement District?

A Public Improvement District (PID) is an economic development tool, governed by Chapter 372 of the Texas Local Government Code, that is available to local governments to encourage new development, redevelop urban renewal areas, or rebuild public infrastructure.

### Public Improvement District Process:



### Why PIDs?

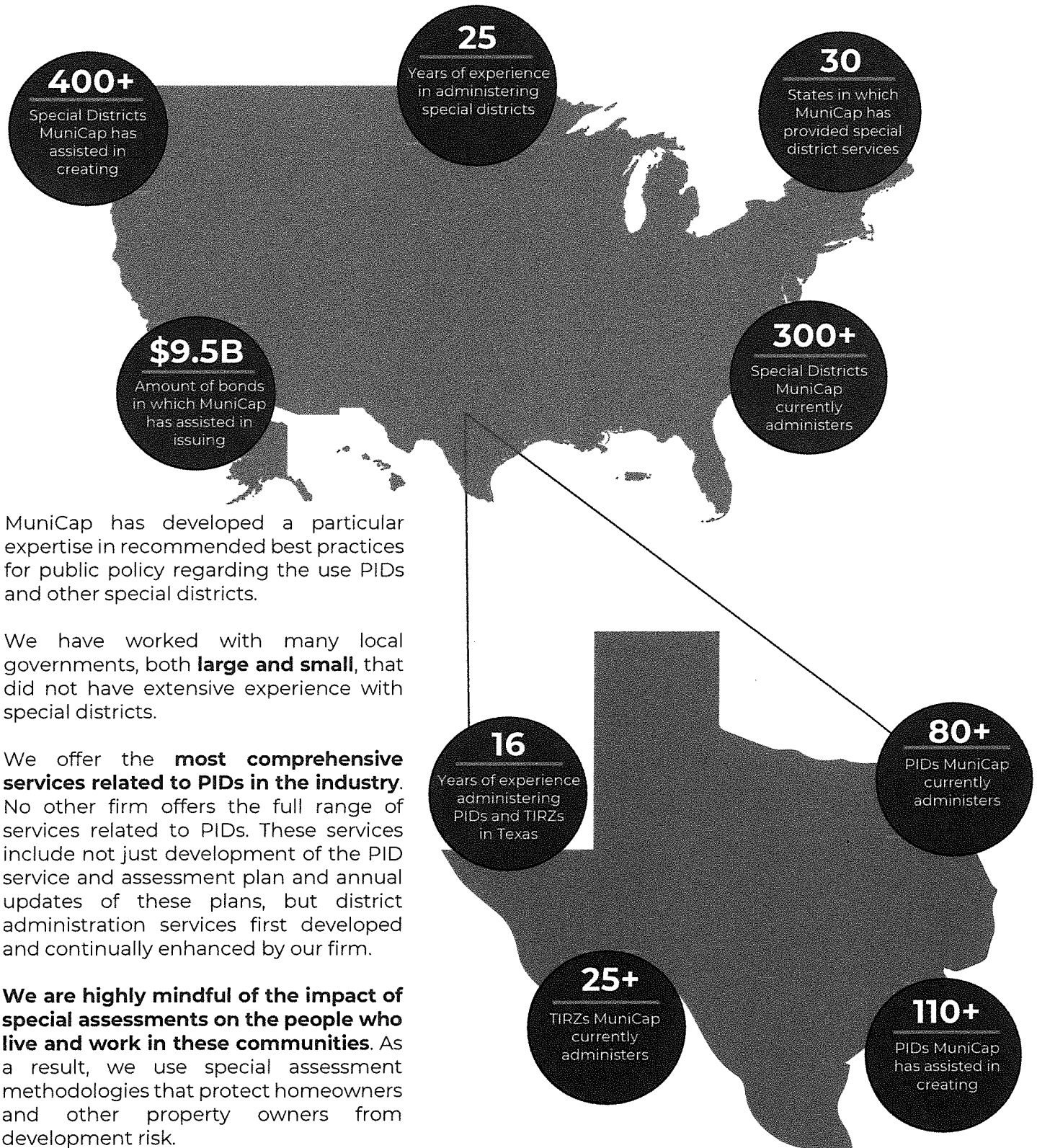
- PID creation can be quick and efficient
- The cost to create and administer a PID is relatively low (this can be beneficial for smaller tracts of land)
- The municipality is the governing body of the PID (not a separate political subdivision)
- There is no financial obligation or recourse to the municipality
- PIDs are typically managed by a third-party, which minimizes the impact on current municipality operations
- PIDs have a limited life (typically 30 years)
- Property owners are given the ability to prepay assessments at any time or pay annually.
- Each property receives an allocable portion of the benefit of the improvements and financial obligations are known up front

### Benefits of PIDs

- Provides for the funding of public infrastructure
- Increases the municipal tax base with new/upgraded development
- Reduces use of general fund revenues to fund infrastructure
- Funds public infrastructure sooner than capital improvement plan
- Allows municipalities to negotiate and implement development standards that are no longer allowed under Texas law
- PID pays for certain public infrastructure allowing for developers to provide higher quality amenities
- Provides for an alternative implementation tool for development of projects
- Can provide for affordable residential housing, if required by the municipality

## MUNICAP EXPERIENCE

MuniCap, Inc. is a public finance consulting firm, with both local and national experience that specializes in developing and implementing creative approaches to funding public infrastructure, facilities, and services for real estate development.



## **PID CONSULTING & ADMINISTRATION SERVICES**

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MuniCap, Inc. offers the most comprehensive PID consulting and administration services in the industry. Our role typically includes, but is not limited to, the following services:

### PID Policy

Assisting the municipality in creating or updating the PID policy to meet municipalities desired procedures, policies, needs, and development related goals

### Development Agreement

Review and provide feedback on development agreements and identify and incorporate optimal financing structures

### District Creation

Assist municipality in review of PID petitions, setting public hearing dates, and assistance with statutory required notices and publications

### Financial Analysis

Identify infrastructure needs and constraints, prepare funding estimates and tax revenues, determine annual debt service payment capacity, review and research comparable projects, and determine projected revenues

### Assessment Levy

Prepare statutorily required official plans, prepare exhibits and meeting materials, prepare estimated fiscal and economic impact of proposed projects, and determine special benefit and assessment methodology

### Bond issuance

Review and assist in due diligence, collaborate with financial advisor of municipality to assist in debt structuring, review and prepare financing documents and provide feedback on financial market related conditions

### Service Plan Updates

Determine annual budget for annual installments, allocate annual installments to be collected from each lot type, revise and update service plan with update development information, and present findings to governing

### Assessment Collection

Determine and provide collection amounts to tax assessor collector, verify assessments accurately applied to each respective parcel, assist municipality in tracking collections and transfers, and supplemental billing for projects as needed.

### Homebuyer Disclosure

Prepare required notice forms and disclosure packets, Coordinate and attend educational meetings with homebuilders, realtors and mortgage companies, monitor and collect signed disclosure forms, provide and host property search database

### Delinquency Management

Prepare reports detailing property that is delinquent in assessment payments, monitor and provide updates to municipality on collection status, and assist the municipality and delinquency attorney in foreclosure process

### Continuing Disclosure

Prepare annual disclosure report detailing development related updates, assist in preparing quarterly developer disclosure report in accordance with bond related documentation, file significant event notices, and disseminate annual reports

### Accounting Services

Review and track invoices, maintain general ledger, financial statement preparation, annual audit coordination, requisition review, IRS required tax reporting and compliance monitoring, arbitrage rebate calculations, and preparation of rebate report

## **GENERAL DISCLOSURES AND DISCLAIMERS**

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MuniCap, Inc. ("MuniCap") is not advising or recommending any action be taken with respect to any prospective, new or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms and other similar matters concerning such financial products or issues).

Information and material contained in MuniCap's work product should be discussed with any and all internal and/or external advisors and experts that it deems appropriate before acting on the information and material.

The provisions of this presentation are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations adopted thereunder.

**RESOLUTION #2022-\_\_\_\_\_**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT FOR PUBLIC IMPROVEMENT DISTRICT CONSULTING AND ADMINISTRATIVE SERVICES BETWEEN THE CITY OF KINGSVILLE, TEXAS AND MUNICAP, INC.; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Kingsville has created and/or is planning to create various Public Improvement Districts ("PIDs") and will require specialized services related to the preparation of a services and assessment plan for the PIDS and issuance of bonds for the PIDs;

**WHEREAS**, if the City issues bonds and/or various debt obligations for the PIDs it creates, the City will require specialized services related to the administration of the PIDs;

**WHEREAS**, MuniCap, Inc. has the knowledge and experience to perform the specialized PID consulting and administrative services;

**WHEREAS**, the City and MuniCap, Inc. have worked to prepare a contract for PID consulting and administrative services between the City of Kingsville and MuniCap, Inc. and the parties both agree to the terms of the proposed contract, which includes the ability to terminate with or without cause upon sixty days written notice.

**BE IT RESOLVED** by the City Commission of the City of Kingsville, Texas:

I.

**THAT** the City Manager is authorized and directed as an act of the City of Kingsville, Texas to enter into an Agreement for Public Improvement District Consulting and Administrative Services between the City of Kingsville, Texas and MuniCap, Inc., in accordance with Exhibit A hereto attached and made a part hereof.

II.

**THAT** all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

**THAT** this Resolution shall be and become effective on and after adoption.

**PASSED AND APPROVED** by a majority vote of the City Commission on the  
\_\_\_\_\_ 11th day of July, 2022.

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

**AGREEMENT FOR PUBLIC IMPROVEMENT DISTRICT  
CONSULTING AND ADMINISTRATIVE SERVICES**

THIS AGREEMENT is made and entered into as of \_\_\_\_\_, 2022, by and between the **City of Kingsville, Texas** hereinafter called "City" and **MuniCap, Inc.**, hereinafter called "Administrator," for administrative services related to the City's project. The City and Administrator, in consideration of the mutual promises and conditions herein contained, agree as follows:

WHEREAS, the City has created and/or is planning to create various Public Improvement Districts (the "PIDs") and will require specialized services related to the preparation of a service and assessment plans for the PIDs and issuance of bonds for the PIDs; and

WHEREAS, the City anticipates the issuance of bonds and/or various debt obligations for the PIDs created by the City; and

WHEREAS, upon issuance and sale of the bonds, the City will require specialized services related to the administration of the PIDs, as more fully set forth in this Agreement; and

WHEREAS, Administrator has expertise to provide those specialized services; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, and for good and valuable consideration, the Administrator and the City agree as follows:

1. Following signatures by both parties, this Agreement shall become effective. Capitalized terms not otherwise defined herein shall have the meaning given thereto in the Service and Assessment Plan, Indentures, or the applicable documents for debt or financing instrument(s).

2. In regards to the work and services to be performed,

A. Administrator shall provide financial and administrative services to the City related to the administration of the PIDs as described in Exhibit A, "Administrator's Scope of Services" which is attached and incorporated by reference.

B. Administrator shall supply all tools and means necessary to perform those services and produce those work products described in Exhibit A.

C. As part of the work and services to be performed, Administrator shall furnish intermediate reports to the City from time to time, when requested, in such form and number as may be required by the City, and shall make such final reports as may be required by the City concerning the work and services performed.

D. Should any errors caused by Administrator be found in any services or work products, Administrator will correct those errors, and if the errors are in final services or products, make such corrections at no additional charge, by revising the services and work products as necessary to eliminate the errors.

E. The work and services shall be performed personally by Administrator, and no other person or corporation shall be engaged for the work or services by Administrator, except upon the written approval of the City, provided, however, that this provision shall not apply to arbitrage rebate calculations, secretarial, clerical, and similar incidental services needed by Administrator.

3. Administrator's compensation for these services shall be as provided for in Exhibit B attached and incorporated by reference. Compensation due to Administrator will be paid upon the submission to City of an invoice providing for compensation as provided for in Exhibit B. Compensation for additional services not included in Exhibit A shall require the approval of City.

4. The City shall provide access to all documents reasonably necessary to the performance of Administrator's duties under this Agreement. All such documents shall remain the property of the City. Except as may be necessary for performance of this Agreement, and to the extent not generally known as available to the public, the Administrator shall not use or disclose information concerning the City without prior written consent of the City.

5. Administrator may not disclose information relating to the work and services performed under this Agreement to any person not entitled to receive it. Notwithstanding the foregoing, City shall have full access to all information relating to work and services performed by Administrator under this Agreement.

6. In performance of work and services under this Agreement, Administrator shall act solely as an independent contractor, and nothing contained or implied in this Agreement shall at any time be construed as to create the relationship of employer and employee, partnership, principal and agent, or joint venturers as between the City and Administrator.

7. This Agreement relates to the PIDs identified in Exhibit D and shall terminate on full repayment of the bonds and/or other debt obligations for each PID, or as otherwise provided herein. The City shall notify the Administrator whenever a new PID is created by the City and Exhibit D shall be updated from time to time accordingly. This Agreement may be terminated with or without cause effective on 60 days written notice. Administrator shall be compensated for services rendered up through the effective date of the termination and payment shall be rendered on a pro rata monthly basis based upon the annual payment due under Exhibit B.

8. Any notices to be given hereunder by either party to the other may be affected either by personal delivery in writing or by mail and shall be effective upon confirmation of receipt. Mailed notices shall be addressed to the parties at the addresses appearing below, or such other address as given by written notice from one party to the other.



To Administrator:

Abdi Yassin  
MuniCap, Inc.  
600 E. John Carpenter Freeway  
Suite 150  
Irving, Texas 75062

With a Copy to:

Keenan Rice  
MuniCap, Inc.  
8965 Guilford Road  
Suite 210  
Columbia, Maryland 21046

To City:

City of Kingsville  
400 W. King Avenue  
Kingsville, TX 78363  
Attn: City Manager

With a Copy to:

City of Kingsville  
400 W. King Avenue  
Kingsville, TX 78363  
Attn: City Attorney

9. This Agreement, including the Exhibits, supersedes any other agreements, either oral or written, between the parties, and contains all of the covenants and agreements between the parties with respect to the rendering of such services. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied in this Agreement, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement (including any modification to an Exhibit) will be effective if it is in writing and signed by the parties to this Agreement.

10. Administrator is registered as a “municipal advisor” under Section 15B of the Securities Exchange Act of 1934 and rules and regulations adopted by the Securities Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”). Pursuant to MSRB Rule G-10, Administrator (MuniCap, Inc.) is required to provide City with the following information:

- A. Administrator has determined, after exercising reasonable diligence, that it has no known material conflicts of interest that would impair its ability to provide advice to City in accordance with its fiduciary duty to municipal-entity clients and the standard

of care required by MSRB Rule G-42(a)(i) concerning obligated person clients. To the extent any material conflicts of interest arise after the date of this Agreement, Administrator will provide information concerning any material conflicts of interest in the form of a written supplement to this Agreement.

- B. As part of this registration, Administrator is required to disclose any legal or disciplinary event that is material to the City's evaluation of the Administrator or the integrity of its management or advisory personnel. The Administrator has determined that no such event exists.
- C. Copies of Administrator filings with the SEC are available via the SEC's EDGAR system by searching "Company Filings," which is available via the Internet at: <https://www.sec.gov/edgar/searchedgar/companysearch.html>. Search for "MuniCap" or for Administrator's CIK number, which is 0001614774.
- D. The MSRB has made available on its website ([www.msrb.org](http://www.msrb.org)) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

11. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of that or any other provision of this Agreement.

12. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way. Exclusive venue shall lie in Kleberg County, Texas (the "County").

13. The law of the State of Texas governs the interpretation of this Agreement and its attachments. Venue for any litigation regarding this Agreement or its attachments must be filed in the state district or federal district courts located in the County.

14. This Agreement is for services and is governed by Subchapter I, Chapter 271 of the Local Government Code.

IN WITNESS WHEREOF this Agreement has been executed as of the date and year first above written.

**MuniCap, Inc.**  
a Maryland corporation

BY: \_\_\_\_\_  
Keenan S. Rice  
President

IN WITNESS WHEREOF this Agreement has been executed as of the date and year first above written

**City of Kingsville**  
a Texas Home Rule Municipality

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
ITS: \_\_\_\_\_

**Exhibit A**  
***Administrator's Scope of Services for PIDs***

Administrator shall provide services to the PIDs in accordance with this scope of services. There are eight sections to this scope of services relating to eight general types of consulting and administrative services provided. These eight sections are as follows: (i) consulting services related to service and assessment plan and bond issuance, (ii) administrative support services related to the special assessments, (iii) delinquency management, (iv) prepayment of special assessments, (v) arbitrage rebate, (vi) continuing disclosure, (vii) IRS compliance monitoring, and (viii) accounting services. The specific services to be provided by Administrator are as follows:

**I. CONSULTING SERVICES RELATED TO SERVICE AND ASSESSMENT PLAN AND BOND ISSUANCE**

Consulting services are those services associated with assistance with development agreement and preparation of the Service and Assessment Plan ("SAP") with related assessment roll(s) for financing the public improvements of the development with the issuance of public improvement district bonds. The following services are typically provided by the Administrator on similar financings, but all services are provided on an as requested basis.

- (a) Administrator shall ensure compliance with the PID policy for each PID, if applicable. Administrator shall assist the City with PID related sections of a development agreement, as applicable.
- (b) Administrator shall prepare the SAP for the PID. The SAP shall include among others the assessment methodology and the assessment roll for the PID. In conjunction with the preparation of the service plan, Administrator shall help estimate the assessments on various types of properties and revenues available to apply to the assessment and prepare projections for the issuance of bonds secured by the assessments.
- (c) Administrator shall also review descriptions of the service plan and assessment methodology included in bond documents, including the offering statement, to help confirm these documents and the service plan are consistent.
- (d) Administrator shall provide the certification required for the issuance of the bonds as reasonably approved by Administrator.
- (e) Administrator shall provide services to assist with the issuance of bonds on an as requested basis, including attending meetings, participating in conference call, reviewing documents, providing advice, and preparing projections of revenues to repay the bonds.

**II. ADMINISTRATIVE SUPPORT SERVICES RELATED TO THE SPECIAL ASSESSMENTS**

Administrative and management support services are those services associated with the annual determination of the special assessments to be collected from the property subject thereto, updating the Service and Assessment Plan and the special assessment roll, management of Assessment funds and accounts, and providing public information.

## **A. Calculate and Allocate the Annual Installment**

This task entails determining the Annual Installment to be collected from each parcel and includes the following sub-tasks:

### **1. Background Research**

This task involves gathering and organizing the information required to form a database necessary to calculate and to allocate the Annual Installment and includes the following:

- a. Subdivision Research:** Identify parcel subdivisions and any other information relevant to collection of the Annual Installments.
- b. Assessor's Parcel Research:** Upon publication of property tax roll, review assessor parcel maps to compile a list of the assessor's parcels that will be valid for the collection of the Annual Installments and determine the assessed value of each parcel.
- c. Ownership/Exempt Property Research:** Research changes in ownership, dedication, and offers of dedication of property to public agencies and other exempt uses. Identify date property conveyed or offered to exempt entities.
- d. Database Management:** Prepare database to include all relevant property characteristics for the parcels in each PID.

### **2. Calculate the Annual Installment to be Collected**

This task involves calculating the Annual Installment to be collected and includes the following sub-tasks:

- a. Preparation of Budget:** Prepare a budget for each PID for the subsequent fiscal year on the basis of the SAPs, as updated each year.
- b. Calculate Other Funds Available:** Calculate other funds available, such as TIRZ credits, capitalized interest and reserve fund income to be applied to the budget, as applicable.
- c. Allocate Annual Assessment to the Assessed Lots:** Allocate the Annual Installment to be collected to the Assessed Lots in each PID on the basis of the SAPs as updated each year.

### **3. Determine Amendments to the Annual Assessment Roll**

This task involves determining the amendments to the Annual Assessment Roll and making those amendments pursuant to the SAP.

### **4. Revise Service and Assessment Plan**

This task involves updating the service and assessment plan to explain the research, methodology, and assumptions utilized in the preparation of the budget, the Annual Installments to be collected, the allocation of the Annual Installment to be collected from the Assessed Lots, and the amendments to the Annual Assessment Roll. In conjunction with the revised service and assessment plan, the Administrator shall monitor and report on opportunities to refund the bonds to reduce the costs of debt service.

### **5. Support Services Related to Billing of Annual Installments**

- a. **Present Findings to the City:** The updated service and assessment plan prepared by the Administrator will be provided to the City for its approval.
- b. **Provide Assessment Roll to County:** The Administrator shall assist the City with its required notification to the County of the amount of the Annual Installments to be collected each year.
- c. **Supplemental Billing:** The Administrator shall assist the County or City with any supplemental billing that shall be necessary.

## **B. Administration of Assessment Funds**

This task involves the review and reconciliation of the account statements for funds and accounts maintained by the Trustee. The accounts and transactions are checked for accuracy and consistency with the Indenture. This task includes evaluation and coordination of investment funds, including a review of qualified investment options pursuant to the Indenture.

## **C. Public Information**

### **1. General Public Assistance**

This task involves responding to telephone calls from property owners and other interested parties who have questions regarding the special assessments. These calls may be related to a tax bill or an inquiry related to the purchase or sale of property subject to the special assessments. The Administrator shall provide a toll-free phone number for property owners to call with questions. Additionally, this number may be given to people who call the City or County to obtain information about the special assessments.

## **2. Homebuyer Disclosure**

The Administrator shall monitor notice provided to prospective homebuyers by the developer and builders in accordance with the home buyer disclosure program, including without limitation, the following notices:

- a. Notice of the special taxing district recorded in the appropriate land records for the property;
- b. Notice of the special taxing district provided by builders in addendum to contracts or closing documents on brightly colored paper;
- c. Collection of a copy of the addendum signed by each buyer from builders with such copy being provided to the City;
- d. Signage indicating that the property for sale is located in a PID located in conspicuous places in all model homes;
- e. An overview of each PID provided to builders to be included in sales packets;
- f. Estimates of monthly ownership costs including special assessments;
- g. Notification to settlement companies through the builders to include special assessments on HUD 1 forms and inclusion in total estimated assessments for the purpose of setting up tax escrows;
- h. Notice of each PID in the homeowner association documents and provide assessment related information and copies on Administrator's website;
- i. Announcements of each PID on the City's web site and community channel.

## **D. Administrative Review**

At the request of the City, the Administrator shall review any notice from a property owner alleging an error in the calculation of any matters related to the Annual Assessment Roll, and if necessary, meet with the property owner, consider oral and written evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred, and take other corrective action as required to correct the error.

## **III. DELINQUENCY MANAGEMENT**

These services are provided only if special assessments are levied and there are delinquencies in the payment of special assessments.



**A. Delinquent Special Assessment Report**

After the end of the collection period, the Administrator will prepare a report which lists each parcel delinquent in the payment of the Annual Installment and the corresponding amount of delinquency, plus penalties.

**B. Delinquency Follow-Up**

The Administrator will keep Trustee and City informed of special circumstances that come to the attention of the Administrator, such as bankruptcies and foreclosures.

**IV. PREPAYMENT OF SPECIAL ASSESSMENTS**

Administrator shall coordinate the prepayment of special assessments with the City, Trustee, property owners, and title companies. This coordination shall include calculation of the amount due to prepay the special assessment and transmittal of a letter with the prepayment amount, prepayment instructions, and the recordable form of the special assessment lien release to the title company or other such steps as required by the Indenture and related documents.

**V. ARBITRAGE REBATE SERVICES**

Arbitrage rebate services encompass those activities associated with computing the rebate liability (if any) related to the series of bonds issued for each PID. The computations will be prepared as described in Section 148(f)(2) of the Internal Revenue Code of 1986, as amended. Administrator shall coordinate the arbitrage rebate requirements of the bonds, including the following:

**A. Background Research**

This task involves the review of documents, including the Indenture, non-arbitrage certificate, IRS form 8038-G, trustee fund/account statements, and prior rebate reports, and consultations with bond counsel or special counsel, as needed. The funds subject to arbitrage rebate and any available exceptions will be identified. The flow of funds in the accounts with the Trustee will be identified as necessary to perform the arbitrage rebate calculations.

**B. Calculation of Bond Yield**

This task involves preparation of a debt service table and an independent calculation of the yield on the bonds. The resulting yields will be verified with those stated on the non-arbitrage certificate.

**C. Calculation of Rebate Liability**

This task involves computation of the allowable arbitrage earnings and comparison of the results to the actual investment earnings for each issue.

#### **D. Preparation of Rebate Report**

This task involves the preparation of a written report containing the findings of the financial analysis and an explanation of the underlying methodology followed to compute the rebate liability for each issue. In addition to identifying any arbitrage liability, each report contains a separate investment yield comparison and analysis for each fund. Standard features also include the following items as defined by U.S. Treasury Regulations:

- Explanation of calculation methodology
- Overview of applicable rebate requirements and treasury regulations
- Summary of all pertinent dates
- Identification of major assumptions
- Review of sources and uses of funds
- Bond yield calculation
- Investment yield by fund with comparison to bond yield
- Rebate liability by fund
- Aggregate liability for the issue

#### **E. Rebate Liability Discharge**

This task involves coordination of the filing of IRS Form 8030-T and providing instructions for installment payments as necessary.

#### **F. Assistance with IRS Inquiries**

This task involves providing assistance in the event of an IRS inquiry related to any PID bond issue and includes providing supporting documentation used to prepare the calculations and explanation of the calculations in a meeting with the IRS, if necessary. These services are provided on a time and material basis and are not included in the base fee.

### **VI. CONTINUING DISCLOSURE SERVICES**

#### **Continuing Disclosure/Annual Report Preparation**

##### **1. Annual Report Preparation**

The Administrator will prepare an annual report as required by the continuing disclosure agreements, as needed.

##### **2. Developer Quarterly Reports**

The Administrator will request from the Developer the reports pursuant to the continuing disclosure agreement.

### **3. Significant Event Notices**

Upon notification by any responsible party or if Administrator independently becomes aware of such knowledge, Administrator will prepare notices of material events covering the events enumerated in the disclosure agreements. The Administrator will provide the information to the dissemination agent engaged at the time of any bond issuance.

### **4. Dissemination**

The Administrator will work directly with the dissemination agent or be engaged directly as the dissemination agent at the time of any bond issuance as designated by the City. If the Administrator is engaged as the dissemination agent, the Administrator will disseminate the annual reports, quarterly reports from the Developer, and notices of significant events to the MSRB and the appropriate state information repository (SID) in a timely manner as set forth in the continuing disclosure agreement. The Administrator shall also disseminate information to bond holders requesting information as provided for in the continuing disclosure agreements.

## **VII. IRS COMPLIANCE MONITORING**

### **A. Compliance Monitoring**

This task involves maintenance of an audit file and preparation of a report confirming compliance with applicable requirements of the tax certificate for the bonds. This task includes the following subtasks:

#### **1. Ownership and Transfer of Public Improvements**

Confirm that all public improvements have been transferred to a public entity, once appropriate, as required by the applicable agreement with the developer.

#### **2. No Post-Closing Agreements**

Confirm with any relevant parties to confirm that there are no post-closing agreements that give any private business user a special legal entitlement to any public improvement, except for those agreements reviewed by bond counsel.

#### **3. No Disposition of the Public Improvements**

Confirm that there have been no sales leases, or other dispositions of any public improvements, except for dispositions reviewed by bond counsel.

#### **4. No Modifications**

Confirm that there have been no modifications to any public improvement, except for those which are in compliance with agreement with the developer providing for the construction of the public improvements or as otherwise approved by bond counsel.

#### **5. Maintenance of Audit File**

Maintain an audit file with documentation to verify information related to compliance with the tax certificate.

## **6. Preparation of Report**

Prepare a report to the City each year explaining the efforts of Administrator to verify confirmation of compliance with the tax certificate, documentation in the audit file, and identifying any missing information or requirements of the tax certificate not confirmed.

### **B. Tax Reporting**

Administrator will request and compile all information related to IRS-required tax reporting (i.e. W-9's) from all vendors, as needed (including at the time of debt issuance) and report this information annually to all vendors and the IRS in accordance with IRS regulations.

## **VIII. ACCOUNTING SERVICES**

This task includes the following subtasks:

### **A. Review and Track Invoices (standard)**

Administrator shall enter any payment certifications received from each PID into the accounts receivable journal, check the invoice against approved contracts or purchase orders, prepare certificates for the payment of the invoice by the Trustees, and forward the invoice with the Administrator's and Trustee's certificate to an officer of the City authorized to approve the disbursement of funds by each PID.

### **B. Maintain General Ledger (standard)**

Administrator shall enter transactions in a general ledger for each PID to maintain accounting records to be used for the preparation of financial statements, as needed.

### **C. Financial Statement Preparation (additional)**

Administrator shall record financial transactions for each PID in the appropriate ledgers of each PID and prepare annual financial statements for each PID, as needed.

### **D. Annual Audit Coordination (additional)**

The Administrator shall coordinate with the auditor the preparation of an audit of the financial records of each PID. Administrator shall incorporate internal controls as recommended by the auditor.

**E. Requisition Review (standard)**

The Administrator shall review all requisition documentation, as needed, and verify confirmation of compliance with the Development, Acquisition and Financing Agreement or any other applicable agreement, confirm proper documentation in the audit file, and identify any missing information or requirements not confirmed, as needed.

**IX. OTHER SERVICES**

The Administrator will conduct an initial assessment of special district operational experience of City staff and create a detailed administrative task matrix and timeline for services provided herein. The Administrator will also provide and/or facilitate educational sessions and workshops to City Council and staff, as needed, as part of an ongoing special district awareness and capacity building.

The Administrator may provide other services requested by the City for which the Administrator has expertise, such as evaluating options to refund the bonds at a lower interest rate. Such services shall be provided only if confirmed in writing (including by email) and shall be billed on a time and material basis as provided for in Exhibit B. Upon request and as additional services billed on an hourly basis, Administrator shall provide additional services to assist with matters related to any PID. The services provided herein do not include conducting due diligence on information provided to or used by Administrator. The Administrator will not rely on information it does not believe to be reasonable and valid, but it will not investigate the validity of information unless requested to so as additional work. Administrator's services do not include any services not specified herein or specified at the time additional services are requested, including review of legal, engineering, and land use issues.

**Exhibit B**  
***Consulting and Administration Services Fee Schedule for PIDs***

**I. CONSULTING SERVICES RELATED TO THE SERVICE AND ASSESSMENT PLAN AND BOND ISSUANCE**

Administrator shall provide services as described in Section I of Exhibit A for a total fee of \$45,000 for each separate assessment levy and/or bond issuance plus out of pocket expenses as described below, dependent upon the size and scope of each PID. Such amount shall be paid to the Administrator from bond proceeds and/or developer funds. The total amount of \$45,000 represents a fee for services described in Section I.A and Section I.B of Exhibit A in the total amount of \$35,000 and fee for services shown in Section I.C through I.E of Exhibit A for an amount of \$10,000. The Administrator shall also provide services as described in Section I of Exhibit A for a fee not to exceed \$30,000 for each subsequent phase of development requiring levy of assessments and/or bond issuance and an amount not to exceed \$30,000 for services related to refunding bonds. The estimated amount for each subsequent phase of development and refunding will be established upon receipt of additional information related to the PID. **Administrator's invoices shall be paid solely from available funds of the PID or from developer deposit with the City.**

**II. ADMINISTRATIVE SERVICES RELATED TO THE SPECIAL ASSESSMENTS**

Administrative services, as set forth in Section II of Exhibit A, shall be provided on a time and material basis with total annual estimated costs of \$30,000 per PID assessment levy and/or bond issuance, plus an amount not to exceed of \$4,000 for one-time initial set up costs, dependent upon the size and scope of each PID. Administrative services, as set forth in Section II of Exhibit A, shall be provided on a time and material basis with total annual estimated cost of \$25,000 per subsequent phase of each PID requiring separate levy of assessments. These costs should decrease once additional phases are built and/or the development is complete. These amounts include preparation of and attendance at an annual meeting of the City to review the update of the annual service and assessment plan. Fees shall be billed based on the number of hours worked at Administrator's prevailing hourly rates, which are currently shown in the fee schedule below for "Additional Work", as agreed by City and Administrator. **Administrator's invoices shall be paid solely from available funds of the PID or from developer deposit with the City.**

**III. DELINQUENCY MANAGEMENT**

Services related to delinquency management, as set forth in Section III of Exhibit A, are provided on a time and material basis and are included in the total annual estimates described above in Section II of this Exhibit B.

**IV. PREPAYMENTS OF SPECIAL ASSESSMENTS**

Services related to prepayment of special assessments, as set forth in Section IV of Exhibit A, are billed directly to the party requesting the prepayment and paid from prepayment proceeds.

## **V. ARBITRAGE REBATE SERVICES**

Annual arbitrage rebate is provided for a cost of \$1,250 per bond series plus an initial setup fee of \$500 per bond series. Calculations provided each five (5) years in lieu of annual calculations are provided for a cost of \$4,000 per bond series plus an initial setup fee of \$500 per bond series.

## **VI. CONTINUING DISCLOSURE SERVICES**

The costs of preparing the annual report and dissemination are provided on a time and material basis and are included in the total annual estimates described in Section II of this Exhibit "B."

## **VII. IRS COMPLIANCE MONITORING**

Services related to IRS compliance monitoring are estimated to cost \$1,500 a year per PID with one-time set costs of \$1,500 per PID.

## **VIII. ACCOUNTING SERVICES**

The costs of our standard accounting services are provided on a time and material basis and are included in the total annual estimates described above in Section II of this Exhibit B. The costs of our additional accounting services are provided, if requested, on a time and material basis and are not included in the total annual estimates described above in Section II of this Exhibit B. Such additional work will be as additional work on a time and material basis using the hourly rates shown herein.

## **REIMBURSABLE EXPENSES**

Out of pocket expenses are billed at actual costs without any mark up. Administrator shall receive written approval from the City before incurring any expenses in excess of one-hundred dollars (\$100).

The fees provided for herein may be increased from time to time to reflect increased costs of labor and services; provided however, that in no event shall such increase be made more than one time per year and such increase shall not exceed 10% of the fee charged immediately prior to the increase. Administrator shall provide City with one-hundred and twenty (120) days advance written notice of each such increase.

## ADDITIONAL WORK

Services or meetings not included in the scope of work set forth in Exhibit A to this Agreement are identified as additional work and shall be billed at Administrator's prevailing hourly rates, which currently are as follows:

Title	Hourly Rate
President	\$350
Executive Vice President	300
Senior Vice President	275
Vice President	250
Manager	225
Senior Associate	200
Associate	175

Administrator's hourly rates may be adjusted from time to time to reflect increased costs of labor and services.

Administrator shall not provide additional work without City's prior written (including email) authorization.

Administrator shall send an invoice to City each month showing the work performed, the person performing the work, the date the work was performed, the amount of the time worked, and the hourly rates for the work. The invoice shall be accompanied by a certificate to the trustee, if applicable, to be signed by the City instructing the trustee to pay the invoice. Within thirty days of receiving the invoice, the City shall forward each correctly billed invoice to the trustee with a signed certificate instructing the trustee to pay the invoice. **Administrator's invoices shall be paid solely from available funds of the PIDs.**

Administrator specifically acknowledges that it shall have no recourse against City for payment of any fees except exclusively from PID funds as noted in the Agreement.



**Exhibit C**  
***Timelines***

**I. CONSULTING SERVICES RELATED TO THE SERVICE AND ASSESSMENT PLAN AND BOND ISSUANCE**

Administrator shall deliver work products described in Section I of Exhibit A based on the document delivery timeline to be set by the City and the Administrator on a case by case basis.

**II. ADMINISTRATIVE SERVICES RELATED TO THE SPECIAL ASSESSMENTS**

Administrator shall submit draft SAP updates for initial City staff review by \_\_\_\_\_ of each year.

Administrator shall submit draft annual continuing disclosure reports to the City 30 days prior to the due date for such disclosure reports.

**Exhibit D**

***List of PIDs – to be updated with each new PID***

1. Kingsville Public Improvement District No.1 (Somerset Project)

## **AGENDA ITEM #16**

**RESOLUTION #2022-\_\_\_\_\_**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF KINGSVILLE, TEXAS AND SOMERSET LAND DEVELOPMENT, LLC FOR DEVELOPMENT OF A PUBLIC IMPROVEMENT DISTRICT; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Kingsville has created and/or is planning to create a Public Improvement District ("PID") to help finance certain public improvements necessary to provide water, wastewater, drainage and roadway facilities and development amenities for the proposed subdivision development within the City;

**WHEREAS**, a petition to create a PID on the property has been submitted to the City pursuant to Chapter 372 of the Texas Local government Code;

**WHEREAS**, the City and Somerset Land Development, LLC ( the "Developer"), desire to negotiate a development agreement to provide for terms and conditions related to the proposed project;

**WHEREAS**, the City and Developer recognize and agree that the fees and associated expenses and costs for professional services anticipated to be incurred by the City related to the proposed project cannot be recouped by the City through standard administrative or permit fees;

**WHEREAS**, the City's engagement of professionals to perform the professional services and its participation in the undertakings described in the attached document are voluntary and of value to the Developer and the Developer desires to reimburse the City's fees and expenses related to the professional services;

**WHEREAS**, the City and Somerset Land Development, LLC have worked to prepare a Professional Services Agreement between the City of Kingsville and Somerset Land Development, LLC related to the development of the proposed PID and the parties both agree to the terms of the proposed contract, which includes the ability to terminate with or without cause upon written notice.

**BE IT RESOLVED** by the City Commission of the City of Kingsville, Texas:

I.

**THAT** the City Manager is authorized and directed as an act of the City of Kingsville, Texas to enter into a Professional Services Agreement between the City of Kingsville, Texas and Somerset Land Development, LLC for development

of a public improvement district, in accordance with Exhibit A hereto attached and made a part hereof.

II.

**THAT** all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

**THAT** this Resolution shall be and become effective on and after adoption.

**PASSED AND APPROVED** by a majority vote of the City Commission on the  
11th day of July, 2022.

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (the "Agreement") dated the 11<sup>th</sup> of July 2022 (the "Effective Date"), is entered into by, between, among and for the benefit of the City of Kingsville, Texas, a municipal corporation, acting by and through its governing body, the City Commission of the City of Kingsville (the "City"), and Somerset Land Development, LLC, a Texas limited liability company (the "Developer") (collectively, the "Parties").

**WHEREAS**, the Developer desires that City enter into negotiations related to a new development of area located within the City (the "Project"); and

**WHEREAS**, the Developer desires that a public improvement district ("PID") be created to help finance certain public improvements necessary to provide water, wastewater, drainage and roadway facilities and development amenities for the Property more particularly described in Exhibit A attached hereto (the "Property"); and

**WHEREAS**, a petition to create a PID on the Property pursuant to Chapter 372 of the Texas Local Government Code has been submitted to the City; and

**WHEREAS**, the City and the Developer desire to negotiate a development agreement to provide for terms and conditions related to the Project (the "Development Agreement"); and

**WHEREAS**, the City and the Developer recognize and agree that the City will incur fees and associated expenses and costs for professional services for work to negotiate, develop, draft, and consider various concepts and documents in connection with its consideration of the PID and Development Agreement, including, but not limited to the following: appraisal, legal publications, notice, public hearing expenses, attorney's fees, assessment administrator fees and special consultant fees (collectively, the "Professional Services"); and

**WHEREAS**, the City and the Developer recognize and agree that the fees anticipated to be incurred by the City for Professional Services related to the Project cannot be recouped by the City through standard administrative or permit fees; and

**WHEREAS**, the City's engagement of professionals to perform the Professional Services and its participation in the undertakings described above are voluntary and of value to the Developer and the Developer desires to reimburse the City's fees and expenses related to the Professional Services.

**NOW THEREFORE**, in consideration of the mutual promises set forth in this Agreement, the City and the Developer agree as follows:

1. **Recitals.** The representations, covenants and recitations set forth in the foregoing recitals and in this Agreement are material to this Agreement and are hereby incorporated into and made a part of this Agreement as through they were fully set forth in this paragraph.
2. **Developer Payment.**
  - a. **Delivery.** Developer shall deliver, or shall have delivered, to the City the sum of twenty-five thousand dollars (\$25,000.00) upon execution of this Agreement to pay for the Professional Services and the related expenses incurred by the City ("Developer Payment").
  - b. **Invoices.** Fees for all Professional Services to be covered by the Developer Payment(s) shall be evidenced by monthly invoices that describe the work performed by date and time entries (copies of which invoices shall be provided to Developer at least 10 days before they are paid).
  - c. **Segregation of Funds.** The Development Payments shall be deposited in a segregated account and not commingled with any other City funds.

- d. **Replenishment of Funds.** If the cost of Professional Services exceeds the Developer Payment, the City shall notify the Developer in writing and the Developer shall: i) make one or more additional payment(s) of twenty-five thousand dollars (\$25,000.00) each within thirty (30) days of such written request and such additional payment will be deposited by the City and utilized in the same manner described above, or (ii) negotiate in good faith to amend this Agreement to provide for a reasonable amount of additional payment by Developer.
- e. **Non-contingent.** The payment(s) made by the Developer under this Agreement are not contingent upon any negotiations between the City and the Developer.
- 3. **Termination.**
  - a. **Means.** This Agreement may be terminated by either party with or without cause upon delivering to the other party written notice of termination. Unless earlier terminated by Developer or City, this Agreement shall automatically terminate when the City has created the PID and the initial series of PID Bonds have been issued by the entity designated to issue such bonds.
  - b. **Stop Work.** Upon termination of this Agreement for any reason, the City shall take all reasonable steps necessary to terminate the accrual of costs to the Developer.
  - c. **Refund.** Upon termination of this Agreement for any reason, any balance of the Developer Payments and any balance of any additional payment(s) made by Developer under this Agreement that exceed the City's fees, costs and expenses incurred as of termination shall be returned to Developer.
- 4. **Relationship.** Nothing in this Agreement creates a relationship between Developer and the City's Professional Services providers. Furthermore, this Agreement does not grant the Developer access to any privileged or confidential data provided to the City by the City's Professional Services providers.
- 5. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties regarding Professional Services.
- 6. **Notices.** All notices, demands or other communications given in connection with or required under this Agreement must be in writing and delivered to the person whom it is directed and may be given by a) overnight delivery using a nationally recognized overnight courier, b) sent by electronic mail (e-mail) with a PDF attachment with an original copy thereof transmitted to the recipient by one of the means described in the clauses a), c), or d), c) personal delivery, or d) United States certified mail, return receipt requested, postage prepaid, addressed to the addressee. All notices, demands and other communications shall be given to the Parties at the addresses set forth below, or at any other addresses that they have theretofore specified by written notice delivered in accordance herewith:

If to the City, to:

City of Kingsville  
400 W. King Ave.  
Kingsville, Texas 78363  
Attention: Mark McLaughlin, City Manager

With a copy to the City Attorney:

City of Kingsville  
P.O. Box 1458  
Kingsville, Texas 78364  
Attention: Courtney Alvarez

If to the Developer, to:

Wiley McIlwain  
Somerset Land Development, LLC  
424 S County Road 1140  
Riviera, Texas 78379

With a copy to:

Melissa Killen  
Killen, Griffin & Farrimond, PLLC  
10101 Reunion Place, Suite 250  
San Antonio, Texas 78216

7. **Captions.** All captions used herein are only for the convenience of reference and shall not be construed to have any effect or meaning as to the Agreement between Parties hereto.
8. **Unintended Omission.** If any punctuation, word, clause, sentence, or provisions necessary to give meaning, validity, or effect to any other word, clause, sentence, or provision of this Agreement is omitted, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence, or provision shall be supplied by inference.

**EXECUTED** in multiple counterparts, each of which shall constitute an original.

[Signature pages to follow]



CITY OF KINGSVILLE, TEXAS

\_\_\_\_\_  
Sam R. Fugate, Mayor

ATTEST:

\_\_\_\_\_  
Mary Valenzuela, City Secretary  
City of Kingsville, Texas

APPROVED AS TO FORM:

\_\_\_\_\_  
Courtney Alvarez, City Attorney  
City of Kingsville, Texas

STATE OF TEXAS                   §  
  §  
COUNTY OF KLEBERG           §

This instrument was acknowledged before me this \_\_\_\_\_ day of July 2022, by  
Sam R. Fugate, Mayor, City of Kingsville, on behalf of said City.

\_\_\_\_\_  
Notary Public, State of Texas

(NOTARY SEAL)

SOMERSET LAND  
DEVELOPMENT, LLC

\_\_\_\_\_  
Wiley McIlwain, Principal

STATE OF TEXAS                   §  
   §  
COUNTY OF KLEBERG           §

This instrument was acknowledged before me this \_\_\_\_\_ day of July 2022, by  
Wiley McIlwain, Principal of Somerset Land Development, LLC.

\_\_\_\_\_  
Notary Public, State of Texas

(NOTARY SEAL)

# **AGENDA ITEM #17**

Action Item

# CITY OF KINGSVILLE



P. O. BOX 1458 - KINGSVILLE, TEXAS 78364

Date: June 28, 2022

To: City Commission via City Manager Mark McLaughlin

CC: Courtney Alvarez, City Attorney, Mary Valenzuela, City Secretary and Deborah Balli, Finance Director

From: Janine Reyes, Director of Tourism Services/Public Information Officer

**Summary:** The City of Kingsville Visitors Center has set forth several goals beyond the increase in Hotel Occupancy Taxes over the past few years. Two of those goals include a better measure on marketing success and an increase in merchandise revenue. Since we set those goals, our merchandise sales have increased by 1,706.65% as represented in the table below.

FY 17-18	\$240.93
FY 18-19	\$2,802.02
FY 19-20	\$3,661.69
FY 20-21	\$4,352.75
FY 21-22 (Incomplete)*	\$4,247.54 through July*

Merchandise sales not only increase revenue, but also branding awareness. We have increased sales by diversifying merchandise and seeking out opportunities to sale that merchandise to the public. Typically, when we purchase an item for merchandise, we will comp a select few to give away in baskets or promotional material, so frequently merchandise and promotional items are one in the same. To measure print advertisements, we sought to identify a promotional item that could double as merchandise for locals and provide us a promotional tool to measure some high-profile print and digital advertising that King Ranch and Tourism are co-oping. These ads include the back of the Official State of Texas Map (Total Cost: \$6,392.55) and TourTexas.com (Total Cost: \$3979.00), a website run through the state that provides marketing leads. As a measure for the return on investment in those ads, we have created a coupon for guests to redeem at our office. Currently we are giving away Texas shaped Wine Walk magnets, but we would like to give away a nicer item that is not distributed at other events. We would like to purchase custom made laser cut photo frames that brand our city. These items would double as merchandise for guests interested in purchasing them. We intend to sale them at a cost of \$8 each. Pricing on 1,400 magnets is \$3.50 apiece. If we purchase 2,800 the price is decreased to \$2.95 apiece.

**Financial Impact:** Total cost is estimated at \$5,190 or \$8,646 depending on quantity. The proposed funding source for this expense is ARPA funds earmarked for tourism. The City of Kingsville City Commission authorized ARPA funding in the amount of \$173,544 in HOT revenue related losses on January 24, 2022. The remaining balance in ARPA funds after commission-approved expenses to date is \$122,094.

**Recommendation:** Staff recommends Commission approve the larger quantity purchase of promotional City of Kingsville magnetic photo frames. These items would also serve as merchandise and produce a revenue stream.





CHARLES PRODUCTS, LLC  
12290 WILKINS AVE.  
ROCKVILLE, MD 20852  
(301) 881-1966

## ORDER CONFIRMATION

2224456

DATE 6/27/2022

SELL TO	SHIP TO	ORDER INFORMATION
CITY OF KINGSVILLE, TX ALICIA TIJERINA 1501 N. HWY 77 Kingsville, TX 78364	CITY OF KINGSVILLE, TX ALICIA TIJERINA 1501 N. HWY 77 Kingsville, TX 78364	<b>REF #</b> N/A <b>CUST #</b> 9853 <b>Ship-to Code</b> 9853 <b>PO #</b> 1440 <b>SALES REP</b> AUSTIN PINKERTON apinkerton@charlesproducts.com <b>Shipment Method</b>

PAGE 1 OF 1

ITEM #	DESCRIPTION	QTY	UNIT	UNIT PRICE (\$)	NET UNIT PRICE (\$)	EXTEND AMT (\$)
04/9264	FRAME, LASERCUT, MAGNET 3x 4 CITY OF KINGSVILLE, TX	1,440	Each	3.50	3.50	5,040.00
SETUP	SETUP CHARGE FRAMES @ 1440 PCS KINGSVILLE DESIGN	1	Each	150.00	150.00	150.00

NOTE: THE FREIGHT CHARGES ARE AN ESTIMATE ONLY & THE ACTUAL COST OF FREIGHT WILL BE ADDED TO THE INVOICE.

Charles Products, LLC 12290 Wilkins Ave. Rockville, MD 20852
--

ORDER TOTALS	
<b>SUBTOTAL (USD \$)</b>	<b>5,190.00</b>
<b>TOTAL (USD \$)</b>	<b>5,190.00</b>



CHARLES PRODUCTS, LLC  
12290 WILKINS AVE.  
ROCKVILLE, MD 20852  
(301) 881-1966

## ORDER CONFIRMATION

2224732

DATE 7/6/2022

SELL TO	SHIP TO	ORDER INFORMATION
CITY OF KINGSVILLE, TX ALICIA TIJERINA 1501 N. HWY 77 Kingsville, TX 78364	CITY OF KINGSVILLE, TX ALICIA TIJERINA 1501 N. HWY 77 Kingsville, TX 78364	<b>REF #</b> N/A <b>CUST #</b> 9853 <b>Ship-to Code</b> 9853 <b>PO #</b> 2880 <b>SALES REP</b> AUSTIN PINKERTON apinkerton@charlesproducts.com <b>Shipment Method</b> <b>REQUESTED DELIVERY DATE</b> 7/6/2022

PAGE 1 OF 1

ITEM #	DESCRIPTION	QTY	UNIT	UNIT PRICE (\$)	NET UNIT PRICE (\$)	EXTEND AMT (\$)
04/9264	FRAME, LASERCUT, MAGNET 3x 4 CITY OF KINGSVILLE, TX	2,880	Each	2.95	2.95	8,496.00
SETUP	SETUP CHARGE KINGSVILLE DESIGN @ 2,880 PCS	1	Each	150.00	150.00	150.00

NOTE: THE FREIGHT CHARGES ARE AN ESTIMATE ONLY & THE ACTUAL COST OF FREIGHT WILL BE ADDED TO THE INVOICE.

Charles Products, LLC 12290 Wilkins Ave. Rockville, MD 20852
--

ORDER TOTALS	
<b>SUBTOTAL (USD \$)</b>	8,646.00
<b>TOTAL (USD \$)</b>	8,646.00

# vancouver aquarium

FRAME HOLDS 6" x 8" PHOTO



Picture Frame

5" x 7"

Fort Worth Zoo



# **AGENDA ITEM #18**

## CITY OF KINGSVILLE



P. O. BOX 1458 - KINGSVILLE, TEXAS 78364

Date: June 28, 2022

To: City Commission via City Manager Mark McLaughlin

CC: Courtney Alvarez, City Attorney, Mary Valenzuela, City Secretary and Deborah Balli, Finance Director

From: Janine Reyes, Director of Tourism Services/Public Information Officer

**Summary:** The City of Kingsville Visitors Center has set forth several goals beyond the increase in Hotel Occupancy Taxes over the past few years. Two of those goals include a better measure on marketing success and an increase in merchandise revenue. Since we set those goals, our merchandise sales have increased by 1,706.65% as represented in the table below.

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FY 21-22 (Incomplete)*	\$4,247.54 through July*

Merchandise sales not only increase revenue, but also branding awareness. We have increased sales by diversifying merchandise and seeking out opportunities to sale that merchandise to the public. Typically, when we purchase an item for merchandise, we will comp a select few to give away in baskets or promotional material, so frequently merchandise and promotional items are one in the same. To measure print advertisements, we sought to identify a promotional item that could double as merchandise for locals and provide us a promotional tool to measure some high-profile print and digital advertising that King Ranch and Tourism are co-oping. These ads include the back of the Official State of Texas Map (Total Cost: \$6,392.55) and TourTexas.com (Total Cost: \$3979.00), a website run through the state that provides marketing leads. As a measure for the return on investment in those ads, we have created a coupon for guests to redeem at our office. Currently we are giving away Texas shaped Wine Walk magnets, but we would like to give away a nicer item that is not distributed at other events. We would like to purchase custom made laser cut photo frames that brand our city. These items would double as merchandise for guests interested in purchasing them. We intend to sale them at a cost of \$8 each. Pricing on 1,400 magnets is \$3.50 apiece. If we purchase 2,800 the price is decreased to \$2.95 apiece.

**Financial Impact:** Total cost is estimated at \$5,190 or \$8,646 depending on quantity. The proposed funding source for this expense is ARPA funds earmarked for tourism. The City of Kingsville City Commission authorized ARPA funding in the amount of \$173,544 in HOT revenue related losses on January 24, 2022. The remaining balance in ARPA funds after commission-approved expenses to date is \$122,094.

**Recommendation:** Staff recommends Commission approve the larger quantity purchase of promotional City of Kingsville magnetic photo frames. These items would also serve as merchandise and produce a revenue stream.





CHARLES PRODUCTS, LLC  
12290 WILKINS AVE.  
ROCKVILLE, MD 20852  
(301) 881-1966

## ORDER CONFIRMATION

2224456

DATE 6/27/2022

SELL TO	SHIP TO	ORDER INFORMATION
CITY OF KINGSVILLE, TX ALICIA TIJERINA 1501 N. HWY 77 Kingsville, TX 78364	CITY OF KINGSVILLE, TX ALICIA TIJERINA 1501 N. HWY 77 Kingsville, TX 78364	REF # N/A CUST # 9853 Ship-to Code 9853 PO # 1440 SALES REP AUSTIN PINKERTON apinkerton@charlesproducts.com Shipment Method

PAGE 1 OF 1

ITEM #	DESCRIPTION	QTY	UNIT	UNIT PRICE (\$)	NET UNIT PRICE (\$)	EXTEND AMT (\$)
04/9264	FRAME, LASERCUT, MAGNET 3x 4 CITY OF KINGSVILLE, TX	1,440	Each	3.50	3.50	5,040.00
SETUP	SETUP CHARGE FRAMES @ 1440 PCS KINGSVILLE DESIGN	1	Each	150.00	150.00	150.00

NOTE: THE FREIGHT CHARGES ARE AN ESTIMATE ONLY & THE ACTUAL COST OF FREIGHT WILL BE ADDED TO THE INVOICE.

Charles Products, LLC 12290 Wilkins Ave. Rockville, MD 20852
--

ORDER TOTALS	
SUBTOTAL (USD \$)	5,190.00
TOTAL (USD \$)	5,190.00

07/06/22 11:43:57 AM CHARLES-2022-06-27-001



CHARLES PRODUCTS, LLC  
12290 WILKINS AVE.  
ROCKVILLE, MD 20852  
(301) 881-1966

## ORDER CONFIRMATION

2224732

DATE 7/6/2022

SELL TO	SHIP TO	ORDER INFORMATION
CITY OF KINGSVILLE, TX ALICIA TIJERINA 1501 N. HWY 77 Kingsville, TX 78364	CITY OF KINGSVILLE, TX ALICIA TIJERINA 1501 N. HWY 77 Kingsville, TX 78364	REF # N/A CUST # 9853 Ship-to Code 9853 PO # 2880 SALES REP AUSTIN PINKERTON apinkerton@charlesproducts.com Shipment Method REQUESTED DELIVERY DATE 7/6/2022

PAGE 1 OF 1

ITEM #	DESCRIPTION	QTY	UNIT	UNIT PRICE (\$)	NET UNIT PRICE (\$)	EXTEND AMT (\$)
04/9264	FRAME, LASERCUT, MAGNET 3x 4 CITY OF KINGSVILLE, TX	2,880	Each	2.95	2.95	8,496.00
SETUP	SETUP CHARGE KINGSVILLE DESIGN @ 2,880 PCS	1	Each	150.00	150.00	150.00

NOTE: THE FREIGHT CHARGES ARE AN ESTIMATE ONLY & THE ACTUAL COST OF FREIGHT WILL BE ADDED TO THE INVOICE.

Charles Products, LLC 12290 Wilkins Ave. Rockville, MD 20852
--

ORDER TOTALS	
SUBTOTAL (USD \$)	8,646.00
TOTAL (USD \$)	8,646.00

# vancouver aquarium

FRAME HOLDS 6" x 8" PHOTO

vancouver  
aquarium





Picture Frame

5" x 7"

Fort Worth Zoo

**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO EXPEND TOURISM ARP FUNDING FOR MAGNETIC PHOTO FRAME PROMOTIONAL ITEMS.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #52

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 205 – Tourism ARP Funding</b>					
<u>Expenditures</u>					
1071	Tourism	Promotional	23200	\$8,646	

[To amend the City of Kingsville FY 21-22 Budget to expend Tourism ARP funds for photo frame promotional items. This expenditure will come from unappropriated Tourism ARP funding.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 11th day of July 2022.

**PASSED AND APPROVED** on this the 25th day of July 2022.

**EFFECTIVE DATE:**\_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney



# **AGENDA ITEM #19**



P. O. BOX 1458 - KINGSVILLE, TEXAS 78364

**Date:** June 29, 2022

**To:** City Commission via City Manager Mark McLaughlin

**CC:** Courtney Alvarez, City Attorney and Mary Valenzuela, City Secretary

**From:** Janine Reyes, Director of Tourism Services

**Summary:** Kingsville City Commission approved the use of American Rescue Plan Act funds to pay for presenting sponsorship for the Wings Over South Texas Air Show in the amount of \$25,000 on January 24, 2022.

After closer review of the contract with MWR for sponsorship of the Wings Over South Texas Air Show, staff determined this use of funding would not be appropriate for sponsorship. As a result, the Wings Over South Texas Air Show presenting sponsorship was funded by Hotel Occupancy Taxes within the Tourism budget.

A total of \$173,544 was placed into an ARPA account for use by the Tourism Department. This amount was determined using the Revenue Replacement Calculator for use of ARPA funds. To date, Kingsville City Commission has approved the use of \$79,450 in Tourism ARPA funds. If the \$25,000 commitment of ARPA funds for the Wings Over South Texas Air Show is reversed, the total amount of ARPA funds approved for use and anticipated for expenditure would be \$54,450 leaving a balance of \$119,094 in available Tourism Department ARPA funds.

**Financial Impact:** An increase in \$25,000 in available Tourism ARPA funds.

**Recommendation:** Staff recommends Commission approve the release of \$25,000 in ARPA funding previously earmarked for the Wings Over South Texas Air Show.



# City of Kingsville Tourism Proposed ARPA Fund Project

Calculated ARPA Beginning Balance	-\$173,544.00
Wayfinding Signs	\$33,000.00
WOST Air Show	\$25,000.00
WOST Air Show reversal	-\$25,000.00
Train Depot Painting	\$12,500.00
Tourism Couch Set	\$8,100.00
Tourism Couch Set Freight ESTIMATE	\$850.00
Promotional Photo Frames - NOT APPROVED	\$5,000.00
Total Remaining	-\$114,094.00



# **AGENDA ITEM #20**

Accept Donations

**Kingsville Parks & Recreation**  
400 W. King (mailing)  
501 Santiago Park Lane (physical)  
Kingsville, Texas 78363  
361-221-8705  
Susan Ivy, Director  
361-219-9125



For Information on events and facilities  
[www.cityofkingsville.com/departments/parks](http://www.cityofkingsville.com/departments/parks)

Email:  
[sivy@cityofkingsville.com](mailto:sivy@cityofkingsville.com)  
or follow us on Facebook  
Kingsville Parks and Recreation

To: Mark McLaughlin, City Manager

From: Susan Ivy, Parks Director

Date: June 30, 2022

Re: City Commission Agenda Request Receipt of Donations from Brookshire Foundation

Summary – Requesting approval to receive and record two donations from the B.C. and Addie Brookshire Foundation totaling \$33,450.00.

History – Parks has, for many years, solicited and received donated funds from the Brookshire Foundation to assist with youth programming, pool improvements and equipment and park improvements. We have solicited and received funding this year for \$8,450.00 to be used to help fund our Summer Youth Camps and \$25,000.00 to be used toward lighting our ball fields. Attached you will find our solicitation and the checks we received. The \$25,000 will be used as grant match to a Texas Parks & Wildlife grant we will be submitting on August 1<sup>st</sup> for Dick Kleberg Park Improvements including lighting of one or more baseball/softball/soccer fields.

Financial Impact – These donations will increase our summer camp budget by \$8,450.00 and our Park Capital Projects by \$25,000.00.

We ask that you approve the receipt of these donations and authorize the expenditure of these funds for the purpose for which they were donated and approve the associated budget amendment.



Administrator: William R Weempe  
Account Number: P1000100  
Account Name: Brookshire Charitable Foundation

2233314

Transaction #: 9277929  
Date: 06/15/2022  
Amount: \$25,000.00

**Explanation:**

City Commission Parks Master Plan - Park Improvements

CITY OF KINGSVILLE  
PARKS AND RECREATION



P.O. Box 20571 San Antonio, Texas 78228-2057

**FROST WEALTH ADVISORS  
TRUST CHECK**

30-241140  
GT

2233314

P1000100 William R Weempe  
City Commission Parks Master Plan - Park Improvements

Brookshire Charitable Foundation

06/15/2022

PAY

Twenty Five Thousand Dollars & 00/100

\$25,000.00

TO  
THE  
ORDER  
OF

CITY OF KINGSVILLE  
PARKS AND RECREATION

2233314



2233313

Administrator: William R Weempe  
Account Number: P1000100  
Account Name: Brookshire Charitable Foundation

Transaction #: 9277928  
Date: 06/15/2022  
Amount: \$8,450.00

**Explanation:**

Kingsville City Parks and Recreation 2022 Summer Camp

CITY OF KINGSVILLE  
PARKS AND RECREATION



P.O. Box 2980 San Antonio, Texas 78204-2980

**FROST WEALTH ADVISORS  
TRUST CHECK**

50-21140  
01

2233313

P1000100 William R Weempe  
Kingsville City Parks and Recreation 2022 Summer Camp

Brookshire Charitable Foundation

06/15/2022

**PAY**

**Eight Thousand Four Hundred Fifty Dollars & 00/100**

**\$8,450.00**

**TO  
THE  
ORDER  
OF**

CITY OF KINGSVILLE  
PARKS AND RECREATION

⑈ 2233313⑈



# **AGENDA ITEM #21**

Budget Am

**Kingsville Parks & Recreation**  
400 W. King (mailing)  
501 Santiago Park Lane (physical)  
Kingsville, Texas 78363  
361-221-8705  
Susan Ivy, Director  
361-219-9125



**For Information on events and facilities**  
[www.cityofkingsville.com/departments/parks](http://www.cityofkingsville.com/departments/parks)

**Email:**

[sivy@cityofkingsville.com](mailto:sivy@cityofkingsville.com)

**or follow us on Facebook**

**Kingsville Parks and Recreation**

**To: Mark McLaughlin, City Manager**

**From: Susan Ivy, Parks Director**

**Date: June 30, 2022**

**Re: City Commission Agenda Request Receipt of Donations from Brookshire Foundation**

**Summary – Requesting approval to receive and record two donations from the B.C. and Addie Brookshire Foundation totaling \$33,450.00.**

**History –.** Parks has, for many years, solicited and received donated funds from the Brookshire Foundation to assist with youth programming, pool improvements and equipment and park improvements. We have solicited and received funding this year for \$8,450.00 to be used to help fund our Summer Youth Camps and \$25,000.00 to be used toward lighting our ball fields. Attached you will find our solicitation and the checks we received. The \$25,000 will be used as grant match to a Texas Parks & Wildlife grant we will be submitting on August 1<sup>st</sup> for Dick Kleberg Park Improvements including lighting of one or more baseball/softball/soccer fields.

**Financial Impact –** These donations will increase our summer camp budget by \$8,450.00 and our Park Capital Projects by \$25,000.00.

**We ask that you approve the receipt of these donations and authorize the expenditure of these funds for the purpose for which they were donated and approve the associated budget amendment.**



2233314

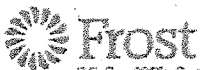
Administrator: William R Weempe  
Account Number: P1000100  
Account Name: Brookshire Charitable Foundation

Transaction #: 9277929  
Date: 06/15/2022  
Amount: \$25,000.00

**Explanation:**

City Commission Parks Master Plan - Park Improvements

CITY OF KINGSVILLE  
PARKS AND RECREATION



PO Box 29901, San Antonio, Texas 78229-4901

**FROST WEALTH ADVISORS  
TRUST CHECK**

2233314

P1000100 William R Weempe  
City Commission Parks Master Plan - Park Improvements

Brookshire Charitable Foundation

06/15/2022

PAY

Twenty Five Thousand Dollars & 00/100

\$25,000.00

TO  
THE  
ORDER  
OF

CITY OF KINGSVILLE  
PARKS AND RECREATION

2233314



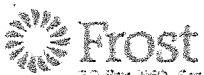
2233313

Administrator: William R Weempe  
Account Number: P1000100  
Account Name: Brookshire Charitable Foundation

Transaction #: 9277928  
Date: 06/15/2022  
Amount: \$8,450.00

**Explanation:**  
Kingsville City Parks and Recreation 2022 Summer Camp

CITY OF KINGSVILLE  
PARKS AND RECREATION



**FROST WEALTH ADVISORS  
TRUST CHECK**

2233313

P1000100 William R Weempe  
Kingsville City Parks and Recreation 2022 Summer Camp

Brookshire Charitable Foundation

06/15/2022

PAY

Eight Thousand Four Hundred Fifty Dollars & 00/100

\$8,450.00

TO  
THE  
ORDER  
OF

CITY OF KINGSVILLE  
PARKS AND RECREATION

2233313

**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO ACCEPT AND EXPEND DONATIONS FROM AND B.C. AND ADDIE BROOKSHIRE FOUNDATION FOR SUMMER YOUTH CAMPS AND BALLFIELD LIGHTING PROJECT.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #55

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 001 – General Fund</b>					
<u>Revenues</u>					
4513	Recreation	Park Donations	58003	\$8,450	
<u>Expenditures</u>					
4513	Recreation	Recreation Programs	31499	\$8,450	
<b>Fund 093 – Park Maintenance</b>					
<u>Revenues</u>					
4503	Park Maint	Park Donations	58003	\$25,000	
<u>Expenditures</u>					
4503	Park Maint	Parks Field Improvements	71228	\$25,000	

[To amend the City of Kingsville FY 21-22 Budget to accept and expend donations from the B.C. and Addie Brookshire Foundation for Summer Youth Camps and Ballfield Lighting Project. This expenditure will come from the donations received for the designated purposes.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 11th day of July 2022.

**PASSED AND APPROVED** on this the 25th day of July 2022.

**EFFECTIVE DATE:** \_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

## **AGENDA ITEM #22**

**Kingsville Parks & Recreation**  
400 W. King (mailing)  
501 Santiago Park Lane (physical)  
Kingsville, Texas 78363  
361-221-8705  
Susan Ivy, Director  
361-219-9125



**For Information on events and facilities**  
[www.cityofkingsville.com/departments/parks](http://www.cityofkingsville.com/departments/parks)  
Email: [sivy@cityofkingsville.com](mailto:sivy@cityofkingsville.com)  
or follow us on Facebook  
**Kingsville Parks and Recreation**

**To: Mark McLaughlin, City Manager**

**From: Susan Ivy, Parks Director**

**Date: June 30, 2022**

**Re: City Commission Agenda Request to authorize the expenditure of ARPA funds on Park Improvements**

**Summary** – Requesting approval to use ARPA funds authorized by loss of revenue calculations for Parks & Recreation during Covid Closures. Our calculation prepared by Finance Director Deborah Balli totals \$92,753.00. Commission has previously approved \$41,105.38 to install sidewalks at the newly renovated ball fields and the tank replacement at the splash pad. This leaves \$51,647.62 available for continued improvements. We are wanting to concentrate on more improvements to the restrooms but do not have all the quotes to present yet.

#### **History**

We are now requesting funds to be used as follows:

- 1) Plumbing replacement at Field 1 and 3 restrooms- \$2,100.00
- 2) New vacuum for Brookshire Pool- \$5,020.26
- 3) Auto Chlorinator for Splash Pad- \$8,000.00 PLUS \$1,000 FOR AUTO READ CAPABILITY VIA CELL PHONE COMPUTER WHICH BY LAW REDUCES THE NUMBER OF TIMES WE HAVE TO HAVE STAFF PHYSICALLY MONITOR THE CHEMICALS.

**Financial Impact** – These improvements will reduce the available of ARPA funds for Park Improvements by \$15,120.26.

**Recommendation** -- We ask that you approve the expenditures listed above from ARPA funds.



# **AGENDA ITEM #23**

**City of Kingsville**  
**Planning and Development Services Department**

---

TO: Mark McLaughlin, City Manager

CC: Ms. Deborah Balli, Finance Director

FROM: Uche Echeozo, Director

DATE: June 29, 2022

SUBJECT: Budget Amendment for Civil Works on Kleberg Avenue: Erection of 2nos. Planters and rehabilitation of existing ones

---

**Summary:** Etech Construction Inc. – the contractor for the sidewalk project has submitted an invoiced amount of **\$12,290.00 (Twelve thousand, two hundred and ninety US Dollars)** for the erection of 2nos planters on Kleberg Avenue, and the renovation of the existing ones, as well as sidewalk curb and gutter repairs.

**Background:** The Downtown improvement (Sidewalk) project is a grant-funded project administered by the City. Sequel to the conclusion of the last project, and the removal of two oak trees on Kleberg Avenue, it became necessary to erect two new planters (to house the tree replacement), repair sidewalk curb and gutter, and renovate the existing planters. A proforma has been submitted by the contractors and subsequently reviewed by the City. We are requesting a budget amendment for the sum of **\$15,000** to facilitate this (including a potential increase in cost of materials).

**Financial Impact:** \$15,000 – From Fund 33.

**Recommendation:** Approved the amendment.



# ETECH Construction, Inc.

PO Box 690504  
San Antonio, TX 78269  
(210) 315-2296

## PROPOSAL

Revised

To: Uchechukwu Echeozo Job Name / Location:  
City of Kingsville Kleberg Ave @ 8<sup>th</sup> St

Date: 03/21/2022

### DESCRIPTION:

(2) 12X10 LF:  
Saw Cut  
Demolition  
Haul Off  
Base #2  
Street Pavement  
3' Valley Gutter  
Concrete Steps  
Sidewalk

**TOTAL: \$2,290.00**  
**Lump Sum**

**We propose** hereby to furnish materials as noted and labor-complete in accordance with the above specifications. For the sum of:  
\$2,290.00

Payment to be made as follows:

All material is guaranteed to be specific. All work to be completed in professional manner according to standard practices. Any alteration or deviation from above specifications including extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Worker's Compensation insurance.

**Acceptance Of Proposal** -The above prices, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. Payments will be made as outline above.

Signature\_\_\_\_\_

# ETECH Construction, Inc.

PO Box 690504  
San Antonio, TX 78269  
(210) 315-2296

## PROPOSAL

To: Uchechukwu Echeozo  
City of Kingsville

Job Name / Location:  
Kleberg Ave @ 8<sup>th</sup> St

Date: 03/21/2022

### DESCRIPTION:

- (2) New Planters (as specified in plans) on the West side of the intersection of E. Kleberg Ave and N. 8<sup>th</sup> St.
- (2) Repair Existing Planters on the South side of the intersection of E. Kleberg Ave and N. 7<sup>th</sup> St.

**TOTAL: \$10,000.00**  
**Lump Sum**

**We propose** hereby to furnish materials as noted and labor-complete in accordance with the above specifications. For the sum of: \$10,000.00

Payment to be made as follows:

All material is guaranteed to be specific. All work to be completed in professional manner according to standard practices. Any alteration or deviation from above specifications including extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Worker's Compensation insurance.

**Acceptance Of Proposal** -The above prices, specifications and conditions are satisfactory and hereby accepted. You are authorized to do the work as specified. Payments will be made as outline above.

Signature \_\_\_\_\_

**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO PROVIDE FUNDING FOR THE DOWNTOWN PLANTER BOXES.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #53

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 033 – CO Series 2016</b>					
<u>Expenditures</u>					
1030	City Special	Downtown Revitalization	71216	\$15,000	

[To amend the City of Kingsville FY 21-22 Budget to provide funding for the downtown planter boxes. This expenditure will come from unappropriated CO Series 2016 fund balance.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 11th day of July 2022.

**PASSED AND APPROVED** on this the 25th day of July 2022.

**EFFECTIVE DATE:**\_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

# **AGENDA ITEM #24**

**City of Kingsville  
Finance Department**

---

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Deborah Balli, Finance Director

DATE: June 23, 2022

SUBJECT: Planning Dept. Budget Amendment

---

**Summary:**

Operating costs for printers in the Planning Department were not budgeted fully in FY 21-22 due to equipment movements and the price of fuel has significantly increased causing shortages in the motor gas and oil line item.

**Financial Impact:**

This Budget Amendment request for \$8,707 will be funded through the unappropriated fund balance of General Fund 001.

**Recommendation:**

Staff recommends the approval of the budget amendment for increased costs in the Planning Department for operating leases and motor gas and oil.





**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO PROVIDE ADDITIONAL FUNDING FOR COST OVERRUNS ON OPERATING LEASES AND MOTOR GAS AND OIL IN PLANNING.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #50

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 001-General Fund</b>					
<u>Expenditures-5</u>					
1601	Planning	Leases	64100	\$5,981	
1602	Bldg	Motor Gas & Oil	21500	\$1,300	
1602	Bldg	Leases	64100	\$1,426	

[To amend the City of Kingsville FY 21-22 Budget to provide additional funding for operating leases and motor gas & oil for Planning Department. Funding will come from the unappropriated fund balance of General Fund 001.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 11th day of July 2022.

**PASSED AND APPROVED** on this the 25th day of July 2022.

**EFFECTIVE DATE:** \_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

# **AGENDA ITEM #25**

**City of Kingsville  
Finance Department**

---

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Deborah Balli, Finance Director

DATE: July 05, 2022

SUBJECT: Budget Amendment – Fund 086 Closeout

---

**Summary:**

Fund 086 was a fund used to account for a Texas CDBG grant that was completed in FY 21-22. Once grants are closed and all expenditures and revenues have been accounted for, there may be funding left over. Such is the case with fund 086. Once the final revenues were booked and the last invoice was paid, there was a small difference that was transferred back to Fund 051. A budget amendment is requested to record these final transactions and the support documentation shows that the grant is fully closed with zero balances in all balance sheet accounts.

**Financial Impact:**

Small balance was transferred back to Fund 051.

**Recommendation:**

Staff recommends the approval of the budget amendment request to close out grant Fund 086.





City of Kingsville, TX

# Budget Report

## Account Summary

For Fiscal: 10/2021-09/2022 Period Ending: 07/31/2022

Fund: 086 - TX CDBG Grant #7218269									
Revenue									
086-4-7000-72010	State Grants	0.00	0.00	0.00	2,534.20	2,534.20	0.00 %		
Revenue Total:		0.00	0.00	0.00	2,534.20	2,534.20	0.00 %		
Expense									
086-5-6000-80051	Transfer to Fund 051	0.00	0.00	0.00	645.33	-645.33	0.00 %		
086-5-6000-80054	Transfer to Fund 054	0.00	0.00	0.00	3,825.00	-3,825.00	0.00 %		
Expense Total:		0.00	0.00	0.00	4,470.33	-4,470.33	0.00 %		
Fund: 086 - TX CDBG Grant #7218269 Surplus (Deficit):									
Report Surplus (Deficit):		0.00	0.00	0.00	-1,936.13	-1,936.13	0.00 %		

Group Summary

Account Typ...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance		Percent Remaining
					Favorable (Unfavorable)	Remaining	
Fund: 086 - TX CDBG Grant #7218269							
Revenue	0.00	0.00	0.00	2,534.20	2,534.20	0.00 %	
Expense	0.00	0.00	0.00	4,470.33	-4,470.33	0.00 %	
Fund: 086 - TX CDBG Grant #7218269 Surplus (Deficit):	0.00	0.00	0.00	-1,936.13	-1,936.13	0.00 %	
Report Surplus (Deficit):	0.00	0.00	0.00	-1,936.13	-1,936.13	0.00 %	

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance
					Favorable (Unfavorable)
086 - TX CDBG Grant #7218269	0.00	0.00	0.00	-1,936.13	-1,936.13
Report Surplus (Deficit):	0.00	0.00	0.00	-1,936.13	-1,936.13



City of Kingsville, TX

# Balance Sheet

## Account Summary

As Of 09/30/2022

Account	Name	Balance	
<b>Fund: 086 - TX CDBG Grant #7218269</b>			
<b>Assets</b>			
<u>086-0-01000</u>	Claim on Pooled Cash	0.00	
<u>086-0-32000</u>	Due From Other Governments	0.00	
	<b>Total Assets:</b>	<b>0.00</b>	<b><u>0.00</u></b>
<b>Liability</b>			
<u>086-1-21300</u>	Accounts Payable	0.00	
<u>086-1-22000</u>	Retainage Payable	0.00	
<u>086-1-27000</u>	Deferred Revenues	0.00	
	<b>Total Liability:</b>	<b>0.00</b>	
<b>Equity</b>			
<u>086-2-61002</u>	Restricted-TXCDBG Grant	1,936.13	
	<b>Total Beginning Equity:</b>	<b>1,936.13</b>	
Total Revenue		2,534.20	
Total Expense		4,470.33	
<b>Revenues Over/Under Expenses</b>		<b>-1,936.13</b>	
	<b>Total Equity and Current Surplus (Deficit):</b>	<b>0.00</b>	
	<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>		<b><u>0.00</u></b>



**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO CLOSE OUT FUND 089 – TX CDBG GRANT #7218269.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #57

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 086 – TX CDBG Grant #7218269</b>					
<u>Revenues</u>					
7000	WW	State Grants	72010	\$2,534.20	
<u>Expenditures</u>					
6900	Transfer	Transfer to Fund 051	80051	\$645.33	
6900	Transfer	Transfer to Fund 054	80054	\$3,825.00	
<b>Fund 051 – Utility Fund</b>					
<u>Revenues</u>					
0000	Transfer	Transfer from Fund 086	75086	\$645.33	
<b>Fund 054 – UF Capital Projects</b>					
0000	Transfer	Transfer from Fund 086	75086	\$3,825.00	

[To amend the City of Kingsville FY 21-22 Budget to close out Fund 086 – TX CDBG Grant #7218269. These revenues & expenditures represent the final numbers and closes out the grant fund.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 11th day of July 2022.

**PASSED AND APPROVED** on this the 25th day of July 2022.

**EFFECTIVE DATE:** \_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

# **AGENDA ITEM #26**

**City of Kingsville  
Department Name**

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TO: Mayor and City Commissioners  
CC: Mark McLaughlin, City Manager  
FROM: Juan J. Adame, Fire Chief  
DATE: June 23, 2022  
SUBJECT: Fire Department Budget Amendment

---

**Summary:**

Due to the increased fuel cost the Kingsville Fire Department has exceed the amount of funds budgeted to cover the cost of fuel.

**Background:**

The fire department budgeted \$20,500 for the cost of fuel. These funds have been expended. Additional funding is requested to cover the cost of fuel for the reest of the fiscal year.

**Financial Impact:**

The fire department is requesting a budget amendment in the amount of \$10,500 to cover the cost of fuel for the remainder of the budget year.

**Recommendation:**

The fire department recommends a budget transfer in the amount of \$10,500.



**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO PROVIDE ADDITIONAL FUNDING FOR COST OVERRUNS ON MOTOR GAS AND OIL IN FIRE.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #51

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 001-General Fund</b>					
<u>Expenditures-5</u>					
2200	Fire	Motor Gas & Oil	21500	\$10,500	

[To amend the City of Kingsville FY 21-22 Budget to provide additional funding for motor gas & oil for the Fire Department. Funding will come from the unappropriated fund balance of General Fund 001.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 11th day of July 2022.

**PASSED AND APPROVED** on this the 25th day of July 2022.

**EFFECTIVE DATE:**\_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

# **AGENDA ITEM #27**

## City of Kingsville Police Department

---

TO: Mayor and City Commissioners

CC: Mark McLaughlin/City Manager

FROM: Ricardo Torres, Chief of Police

DATE: July 5, 2022

SUBJECT: Request for budget amendment to accept and expend \$21,000.00 awarded by the Ed Rachal Foundation for equipment and software.

---

### **Summary:**

The Kingsville Police Department is requesting a budget amendment to accept and expend \$21,000.00 awarded by the Ed Rachal Foundation for equipment and software.

### **Background:**

The Kingsville Police Department had a bicycle patrol program. The bicycles have aged and need to be replaced. We will use the grant funds awarded for the purchase of eight bicycles and equipment to be used by the officers of the department as part of the patrol function.

As part of our less lethal response equipment we are replacing our PepperBall® launchers. We are including the purchase of two new PepperBall® launchers and associated equipment.

As part of our field training program we will purchase software to better track the progress of our police cadets. It will also help us to maintain critical training records to defend our city and the officers from litigation.

### **Financial Impact:**

The budget for the equipment is listed below:

#### **BIKE QUOTE**

.8- Scott Aspect 950 Mountain Bike:	\$800.00ea : \$6400.00
.16-Heavy Duty Tubes:	\$15.00ea: \$240.00
.8- Kickstands:	\$22.00ea: \$176.00.
.8- Bike Racks Rear Mount:	\$33.00ea: \$264.00
.8- Police Bags for Rear Rack:	\$90.00ea :\$720.00
.8- Specialized Align Helmets White:	\$55.00ea : \$440.00





**City of Kingsville  
Police Department**

.8- Specialized BG Gel Gloves:	\$35.00ea: \$280.00
.8- Specialized Water Bottle Zee Cage:	\$25.00ea : \$200.00
.8- Camelbak Thermal Water Bottles:	\$18.00ea: \$144.00
.8- Nite Rider Digital Patrol LED Lights:	\$400.00ea: \$3200.00
.8- Nite Rider Police Taillight:	\$70.00ea : \$560.00
.8- Odyssey Grandstand Aluminum Pedals:	\$40.00ea : \$ 320.00
.8- Specialized Switch Tool Emergency Air Pumps:	\$30.00ea : \$240.00
.1- Specialized Air Tool Floor Pump:	\$60.00
8- Specialized RBX Cycling Shorts:	\$70.00ea: \$560.00
.8- Park Tool WTK-2 Essential Tool Kit:	\$30.00ea = \$240.00
.8- Serfas E-Gel Hybrid Saddles:	\$25.00ea: \$200.00
.1- Park Tool PCS-9.3 Home Repair Stand:	\$220.00
.1- Park Tool SK-4 Home Starter Tool Kit:	\$185.00

**TOTAL            \$14,649.00**

.2 VKS™ Launchers with EL2™ Hopper  
.2 Free Seats in the PepperBall® Training Course of Your Choice  
150 Count of VXR™ Inert Powder Projectiles  
90 Count of Live-X™ Projectiles  
One SCUBA Fill Tank  
One Air Fill Adapter

**TOTAL            \$1,999.00**

FTO Cloud-Based Training Program

- |                       |            |
|-----------------------|------------|
| • One-Time Set Up Fee | \$1,000.00 |
| • Annual Subscription | \$3,000.00 |

**TOTAL            \$4,000.00**

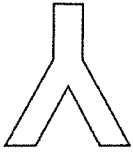
***GRAND TOTAL REQUEST \$20,648.00***

This grant does not have a cash match and was fully funded in the amount of \$21,000.00.

**Recommendation:**

We request a budget amendment to accept and expend \$21,000.00 awarded by the Ed Rachal Foundation for equipment and software for inclusion in this year's budget to expend said funds.





# ED RACHAL FOUNDATION

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June 28, 2022

Mark McLaughlin  
City of Kingsville Police Department  
P.O. Box 1458  
Kingsville, TX 78363

Dear Mark McLaughlin:

I am happy to inform you that the Board of Directors of the Ed Rachal Foundation approved a grant to City of Kingsville Police Department in the amount of \$21,000.00. The grant funds will be forwarded upon our receipt of the enclosed completed Grant Agreement. Please do not fill in the date of payment line.

If you have any questions, please email [bbillings@edrachal.org](mailto:bbillings@edrachal.org).

Sincerely,

Bettie Billings  
Assistant Comptroller

Enclosure

## GRANT AGREEMENT

Grant Number 2021-195

Organization City of Kingsville Police Department

Address P.O. Box 1458 Kingsville, TX 78363

Amount of Grant \$21,000.00

Date of Payment \_\_\_\_\_

Project Name Bike Patrol / Pepperball Launcher / Field Training Software Project

The following terms are agreed upon as conditions for this grant:

1. The tax-exempt status verified in the proposal is still valid; any changes in the organization that could lead to a change in this status will be reported to the Ed Rachal Foundation immediately.
2. The organization has considered the impact of this grant on its operations and determined that this grant will not affect the organization's public charity status.
3. The organization will keep and maintain records of expenditures adequate to readily verify the use of the grant funds. A report detailing the expenditure of grant funds will be completed and returned to the Ed Rachal Foundation. Please reference the grant number assigned to this award in your report.
4. Grant funds will be used solely for the purposes described in the Grant Application. The organization agrees to repay to the Ed Rachal Foundation any portion of the funds not expended for the purposes outlined in the Grant Application, unless permission to redirect the unused grant funds is authorized by the Ed Rachal Foundation.
5. The grant amount reflected above is the TOTAL extent to which the Ed Rachal Foundation is financially obligated at this time. Should these funds be used for a continuing program, any additional funds must be authorized pursuant to a separate Grant Application.
6. The organization will cooperate fully with the Ed Rachal Foundation's independent auditors in the completion of the Ed Rachal Foundation's annual audit.
7. All funds will be expended within the State of Texas and to the benefit of the residents of Texas. No portion of the funds provided will be used for lobbying or political purposes.

Ricardo Torres

Signature

July 5, 2022

Date

Ricardo Torres, Chief of Police

Printed Name and Title

**RESOLUTION # 2022- 23**

**A RESOLUTION AUTHORIZING THE CITY TO SUBMIT AN APPLICATION TO THE ED RACHAL FOUNDATION FOR GRANT FUNDS FOR EQUIPMENT FOR THE KINGSVILLE POLICE DEPARTMENT.**

**WHEREAS**, the City Commission of the City of Kingsville finds it in the best interest of the citizens of Kingsville that the Kingsville Police Department participate in an application for grant monies for equipment to be used by the department members; and

**WHEREAS**, the officers have the need for various equipment to improve public safety such as PepperBall launchers and associated equipment, field training software to track cadet progress, and bicycles and related equipment for the Patrol Division to ensure they are able to meet the needs presented from various service calls and community events; and

**WHEREAS**, the Kingsville Police Department has been called on to participate in various community events and to provide assistance to neighboring communities who also participate in the Coastal Bend Council of Governments Master Mutual Aid Agreement; and

**WHEREAS**, the requested equipment would assist with the diverse types of scenarios that can be encountered when the police officers respond to an event and provide public safety services within the community; and

**WHEREAS**, the Ed Rachal Foundation does not require a cash match and may award part, none, or all of the funds requested, though any monetary award would require a budget amendment; and

**WHEREAS**, the City Commission of the City of Kingsville through this resolution has authorized the Police Chief to submit the grant and administer the grant and necessary paperwork if the grant is awarded to the City;

**NOW THEREFORE, BE IT RESOLVED** by the City Commission of the City of Kingsville, Texas:

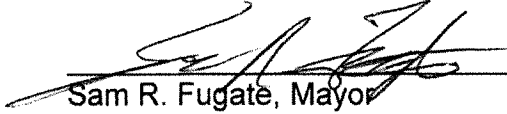
I.

**THAT** the City Commission approves the submission of a grant application to the Ed Rachal Foundation for equipment for the Kingsville Police Department, with no anticipated cash match and authorizes the Police Chief to submit the grant and administer the grant and necessary paperwork if the grant is awarded to the City.

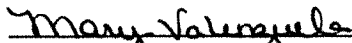
II.

**THAT** this Resolution shall be and become effective on or after adoption.

**PASSED AND APPROVED** by a majority vote of the City Commission the 25th day of April, 2022.

  
Sam R. Fugate, Mayor

**ATTEST:**

  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM**

  
Courtney Alvarez, City Attorney

**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO ACCEPT AND EXPEND GRANT FUNDING FROM THE ED RACHAL FOUNDATION FOR MINOR EQUIPMENT FOR THE POLICE DEPARTMENT.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #59

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 124 – Ed Rachel Foundation</b>					
<u>Revenues</u>					
0000	Police	Foundation Grant	72037	\$21,000	
<u>Expenditures</u>					
2102	Police	Minor Equipment	21700	\$21,000	

[To amend the City of Kingsville FY 21-22 Budget to accept and expend grant funding from the Ed Rachal Foundation for minor equipment for the Police Department. Funding will come from the grant funds received for the stated purposes.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 11th day of July 2022.

**PASSED AND APPROVED** on this the 25th day of July 2022.

**EFFECTIVE DATE:**\_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

# **AGENDA ITEM #28**



**City of Kingsville  
Police Department**

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TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Ricardo Torres, Chief of Police

DATE: June 30, 2022

SUBJECT: Request for Budget Amendment

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**Summary:**

The police department is requesting additional funding for overtime and motor gas and oil in the Patrol Division 2102 to finish out FY2021-2022.

**Background:**

We are requesting \$43,000.00 additional funding for the Patrol Division 2102 due to the increase in cost for gas and oil. During our budget process for this year in June-July 2021 the price of fuel was approximately \$2.30 to \$2.60 per gallon. We did plan for the cost of gas and oil to go up but not near the price well over \$4.00 per gallon that it has been during most of this fiscal year. We require more funds to finish out the year.

The SWAT Overtime line item was left out due to an oversight during the last budget cycle. Savings from positions that have not been filled were used to cover some of the overtime costs. However we will need \$6,000.00 to finish out the year. These funds are used to cover expenses for SWAT call outs as well as overtime for training.

**Financial Impact:**

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 001 – General Fund</b>					
<u>Expenditures</u>					
2102	Patrol	Motor Gas & Oil	21500	\$43,000	
2102	Patrol	Overtime-SWAT	11206	\$6,000	



**City of Kingsville  
Police Department**

**Recommendation:**

We request that a budget amendment be approved for additional expense in Motor Gas & Oil in the amount of \$43,000.00 to finish out the year as well as for additional funding for Overtime for SWAT in the amount of \$6,000.00. The total request is for the amount of \$49,000.00 Thank you for your consideration and assistance.



**ORDINANCE NO. 2022-\_\_\_\_\_**

**AN ORDINANCE AMENDING THE FISCAL YEAR 2021-2022 BUDGET TO PROVIDE ADDITIONAL FUNDING FOR MOTOR GAS AND OIL AND SWAT OVERTIME FOR THE POLICE PATROL DIVISION.**

**WHEREAS**, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

**BE IT ORDAINED** by the City Commission of the City of Kingsville that the Fiscal Year 2021-2022 budget be amended as follows:

CITY OF KINGSVILLE  
DEPARTMENT EXPENSES  
BUDGET AMENDMENT #54

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
<b>Fund 001 – General Fund</b>					
<u>Expenditures</u>					
2102	Patrol	Motor Gas & Oil	21500	\$43,000	
2102	Patrol	Overtime-SWAT	11206	\$6,000	

[To amend the City of Kingsville FY 21-22 Budget to provide additional funding for motor gas & oil and SWAT overtime for the Police Patrol division. This expenditure will come from unappropriated fund balance of General Fund 001.]

II.

**THAT** all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

**THAT** if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

**THAT** this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

**INTRODUCED** on this the 11th day of July 2022.

**PASSED AND APPROVED** on this the 25th day of July 2022.

**EFFECTIVE DATE:**\_\_\_\_\_

\_\_\_\_\_  
Sam R. Fugate, Mayor

**ATTEST:**

\_\_\_\_\_  
Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Courtney Alvarez, City Attorney

# **AGENDA ITEM #29**

**City of Kingsville  
Purchasing Department**

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TO: Mayor and City Commissioners  
CC: Mark McLaughlin, City Manager  
FROM: Charlie Sosa Purchasing Manager  
DATE: June 30, 2022  
SUBJECT: Depository Services

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**Summary:**

This item authorizes the City to enter into a contract with Kleberg Bank, for the Depository Services Contract.

**Background:**

We published a Request for Applications for Proposal #22-12 in the newspaper on May 26, 2022 and June 2, 2022. Request for Applications were accepted until 2:00 PM on June 7, 2022. One response was received. It was from Kleberg Bank. Staff reviewed RFA #22-12 and found the information received to be responsive.

**Financial Impact:**

None at this time.

**Recommendation:**

It is recommended the City contracts with Kleberg Bank, 100 E. Kleberg Ave., Kingsville Texas for Depository Services. Kleberg Bank is currently the institution on record for the City's Depository Services, located here in Kingsville, a per staff recommendation.



**RESOLUTION #2022-\_\_\_\_\_**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A BANK DEPOSITORY AGREEMENT WITH KLEBERG BANK, N.A. FOR THE CITY OF KINGSVILLE; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Kingsville has a Bank Depository Contract with Kleberg Bank, N.A., which was approved via Resolution #2017-87 at a meeting on December 17, 2017;

**WHEREAS**, the City went out for public bids on bank depository services RFA#22-12 by advertising it in the newspaper on May 26, 2022 and June 2, 2022 and receiving applications until June 7, 2022, and received one bid response;

**WHEREAS**, on June 28, 2022, the City Commission awarded RFA #22-12 for Depository Services to Kleberg Bank, N.A. and authorized staff to negotiate a contract with Kleberg Bank, N.A.;

**WHEREAS**, staff and Kleberg Bank, N.A. have negotiated a contract and staff believes it to be in the best interest of the City of Kingsville to enter into a Bank Depository Agreement with Kleberg Bank, N.A.;

**NOW THEREFOR, BE IT RESOLVED** by the City Commission of the City of Kingsville, Texas:

I.

**THAT** the City Manager is authorized and directed as an act of the City of Kingsville, Texas to execute the Bank Depository Agreement with Kleberg Bank, N.A., in accordance with Exhibit A hereto attached and made a part hereof.

II.

**THAT** all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

**THAT** this Resolution shall be and become effective on and after adoption.

**PASSED AND APPROVED** by a majority vote of the City Commission on the 11th day of July, 2022.

---

Sam R. Fugate, Mayor

**ATTEST:**

---

Mary Valenzuela, City Secretary

**APPROVED AS TO FORM:**

---

Courtney Alvarez, City Attorney



## BANK DEPOSITORY AGREEMENT

This Bank Depository Agreement (the "Agreement") is made and entered into this 30th day of June, 2022 by and between City of Kingsville (the "City") and Kleberg Bank, N.A. (the "Bank").

### **Section I - Designation as Depository**

The City, through action of its Governing Body, hereby designates the Bank as its depository for banking services for a 4 year period commencing October 1, 2022 through September 30, 2026.

### **Section II - Designation of Custodian**

The City and Bank hereby designate The Independent Bank (the "Custodian") to hold in trust, according to the terms and conditions of the City Request for Application, RFA #22-12 dated July 7, 2022, (the "RFP") all securities pledged as depository collateral in accordance with the City's Investment Policy. Any and all fees from the Custodian associated with the safekeeping of securities pledged to the benefit of the City shall be borne by the Bank.

### **Section III - Collateral**

City time and demand deposits, inclusive of interest, in excess of the Federal Deposit Insurance Corporation insurance shall be secured at all times by collateral, acceptable to the City and in accordance with the Public Funds Collateral Act (Texas Government Code 2257), pledged by the Bank and held in trust by the Custodian in an amount equal to at least 102% of the total of those funds. Custodian will provide a monthly report of the collateral directly to the City.

Such pledged securities shall be subject only to the joint written instructions of both (a) authorized representatives of the City and (b) specifically authorized representatives of the Bank. The Bank shall have the right, with the prior written consent of the City, to substitute or replace, any or all of the pledged securities with collateral acceptable to the City. If City fails to provide written consent within 10 days, the Bank may substitute or replace, any or all pledged securities with like collateral. In this case a full report will be provided to the City.

### **Section IV - Financial Position**

The Bank will provide a statement of its financial position upon request. The Bank will provide an annual statement audited by its independent auditors including a letter as to its "fair representation" upon request.

### **Section V - Authorized City Representative**

For the term of this contract, the City and Bank designate the individuals as listed in Exhibit B as authorized to represent and act for the City in any and all matters including collateral assignment and substitution, execution of agreements and transfer of funds. Any change in these representatives will be made in writing.

### **Section VI - Scope of Services**

The Bank's response to the City's RFP, dated July 7, 2022, (the "Response") is incorporated into this Agreement for all purposes, including service charges, time deposit, demand deposit and loan rates, and should be attached as Exhibit A. If any provisions of the Response and this Agreement are in conflict, this Agreement will control.

The Bank shall faithfully perform all of its duties and obligations required by the laws of the State of Texas for public funds depositories and shall upon presentation pay all checks drawn on it against collected funds on demand deposits, and shall, at the expiration of the Agreement, turn over to its successor all funds, City-owned securities, property and things of value held as depository.

The City shall have the power to determine and designate the character and amount of the funds to be deposited in the Bank. The City may arrange for time deposits and Bank may accept such deposits subject to the terms of the Bank's Response.

This Agreement, along with all Exhibits and other incorporated documents shall constitute the entire Agreement between the parties.

#### **Section VII - Bank Compensation**

Bank has agreed to waive its right to compensation. However, as outlined in the depository bid, certain bank services in Item IV of Exhibit A are excluded from this agreement and maybe contracted separately.

#### **Section VIII - Default**

The Bank shall be in default if it fails to pay all or part of a demand deposit, a matured time deposit, or a matured certificate of deposit, including accrued but unpaid interest, at a specified maturity date. The Bank shall also be in default if ruled "bankrupt", "insolvent" or "failed" by a federal or state banking regulator, or if a receiver is appointed for the Bank.

In the event of a default, failure or insolvency of the Bank, the City shall be deemed to have vested full title to all securities pledged under this Agreement. The City is empowered to take possession of and transfer and or sell any and all securities. If the security is liquidated, any proceeds over the defaulted amount, plus expenses related to liquidation, shall be returned to the Bank. This power is in addition to other remedies which the City may have under this Agreement and without prejudice to its rights to maintain any suit in any court for redress of injuries sustained by the City under this Agreement.

#### **Section IX - Non-Assignability**

This Agreement is not assignable in whole or in part but is binding on the parties, their successors and assigns.

**Section X - Termination** This Agreement may only be terminated by mutual agreement with sixty (60) days prior written notice to the parties.

#### **Section XI - Law Governing**

All applicable provisions and requirements of the laws of the State of Texas governing depositories for the City shall be a part of this Agreement.

#### **Section XII - Bank Authorization**

The Bank represents and warrants that this Agreement is made pursuant to and is duly authorized by the Board of Directors of the Bank and recorded in the official records of the Bank.

CITY

\_\_\_\_\_

\_\_\_\_\_

Name and Title

ATTEST:

\_\_\_\_\_

BANK

\_\_\_\_\_

\_\_\_\_\_

Name and Title

ATTEST:

\_\_\_\_\_

Exhibit A

**Kleberg Bank, N.A. - Depository Bid Summary**  
**City of Kingsville**  
**For**  
**October 1, 2022 through September 30, 2026**

- I. All funds deposited under this agreement shall be operating funds, money market accounts, or certificate of deposits as outlined.
- II. Monthly Service Charge: City of Kingsville will pay **\$0.00 per month** for all services as indicated in this agreement.
- III. Items included at no additional charge: processed items, such as credits, debits and ACH items, ACH origination, ACH Payroll processing, Remote Deposit Capture equipment, Remote Deposit Capture processing, Positive Pay services, monthly statements, stop-payment orders, domestic wire transfers, funds transfers, depository bags, cashier's checks, charge-backs, check orders and balance inquiries.
- IV. Bidder proposed the following services at the standard fees as disclosed by the Banks current Commercial Fee Schedule in addition to the monthly service charge: International wire transfers (\$50/each), Lock Box services and Merchant Services (credit/debit card processing).
- V. Interest Rates on Deposits: Kleberg Bank understands the needs of the City to operate its daily business with low cost accounts and transfer excess funds into higher yielding accounts. We have an offering to support this structure:
  - i. **Operating Accounts:** Despite their operating nature, Kleberg Bank pays 0.05% on all operating funds. This rate is variable and subject to change based on market interest rate changes.
  - ii. **Excess Funds:** Kleberg Bank will pay based on the following criteria:
    1. **Money Market Accounts** – The City of Kingsville is eligible for a custom Money Market Account rate – **currently paying 0.50%**. This rate is variable and subject to change based on market interest rate changes.
    2. **Certificates of Deposit** – Offered rates are dependent on market conditions, however as of June 1, 2022 we have CD rates up to **1.50%**, depending upon term.
      - a. 6 Months CD – 1.00%
      - b. 12 Months CD – 1.25%
      - c. 24 Months CD – 1.50%

- VI. Interest is paid monthly on the average daily collected balance for each account. Should the combined average daily balance of all accounts be negative, interest rate charged shall be the published Wall Street Journal Prime Floating Rate.
- VII. The Bidder (s) will, if selected and designated as the depository of the Corporation, qualify as such depository by pledging sufficient securities at the discretion of the depository, as required under the provisions of all applicable laws or statutes. The Bidder, if selected, will honor the definitions as set forth in your investment policy to adequately pledge securities for all deposited funds.
- VIII. This bid applies to general and operating funds only. Proceeds of any bond sales are not covered, and shall be considered separately.
- IX. Loans may be made to City of Kingsville at a variable interest rate to be the lowest published prime rate in the Wall Street Journal. Subject to final approval at the time of request and in accordance with applicable laws and standard bank loan approval policies.
- X. All current Federal Regulations pertaining to deposit, interest rates, loan limits, etc., will apply.

# Relationship Team:

## Brad Womack

**Kingsville Market President, Chief Experience Officer – Kleberg Bank**

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## Jessica M. Gamez

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## Sydney Alexander

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## Daniel Solis

**Treasury Management Specialist- Kleberg Bank**

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**Email:** [Daniel.Solis@KlebergBank.com](mailto:Daniel.Solis@KlebergBank.com)

## EXHIBIT B

### AUTHORIZED REPRESENTATIVES

The following individuals are authorized representatives of the City empowered to direct the Bank and the Custodian for the Bank, in regard to collateral pledges, releases and substitutions in the joint safekeeping account as well as authorized to represent and act for the City in any and all matters including execution of agreements and transfer of funds.

City Representative's Signature

Name and Title

_____	<u>Sam R. Fugate, Mayor</u>
_____	<u>Mark McLaughlin, City Manager</u>
_____	<u>Deborah Balli, Finance Director</u>
_____	_____

### Bank Representatives Name and Title

Brad Womack, President

Travis Nelson, EVP – CFO

Jennifer Grove, VP

Lois Staff, VP

# **AGENDA ITEM #30**